

<b>DEPARTMENT:</b> Ethics and Compliance	<b>POLICY DESCRIPTION:</b> Vendor Relations
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<b>EFFECTIVE DATE:</b> September 1, 2020	<b>REFERENCE NUMBER:</b> EC.028 (formerly MM.002)
<b>APPROVED BY:</b> Ethics and Compliance Policy Committee	

<p><b>SCOPE:</b> All Company-affiliated facilities, including but not limited to, hospitals, ambulatory surgery centers, home health agencies, physician practices, service centers, and all Corporate Departments, Groups and Divisions. This policy does not apply to HealthTrust Purchasing Group, which is subject to separate policies as noted in the References section.</p>
<p><b>PURPOSE:</b></p> <ol style="list-style-type: none"> <li>1. To articulate the Company’s expectations of Vendors in their interactions with the Company and its colleagues.</li> <li>2. To make clear that, other than as permitted herein, the Company does not wish to place extra-contractual demands on Vendors.</li> </ol>
<p><b>POLICY:</b></p> <ol style="list-style-type: none"> <li>1. The Company expects Vendors to be familiar with our Code of Conduct and policies and procedures which address Vendor interaction with Company colleagues and facilities, including but not limited to our Business Courtesies to Potential Referral Sources Policy (EC.005), Entertainment Policy (EC.006), Business Associate-Sponsored Meetings, Training and Honoraria Policy (EC.007), Gifts Policy (EC.023), Professional Educational Funding from Vendors Policy (EC.029), and Research Grant Funding from Vendors Policy (MM.005), and to abide by those standards and policies.</li> <li>2. The Company will accept Vendor funding for, or permit participation in, certain events (e.g., educational events, charitable events, trade shows and conferences) only as outlined below, provided that the Vendor’s funding and/or participation is not inappropriately offered by the Vendor or solicited by the Company.</li> <li>3. In no event is any request for, or acceptance of, a Vendor contribution to be connected in any manner, implied or expressed, with the conduct of business with the Vendor.</li> <li>4. The Company encourages its Vendors to have an ethics and compliance program, a code of conduct, or other policies and programs demonstrating their commitment to ethical business practices.</li> <li>5. Discounts, rebates and administrative fees (GPO fees) received from Vendors must be structured to comply with the Discount Safe Harbor regulations and the GPO Safe Harbor regulations.</li> </ol>

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**DEFINITIONS:**

**Colleague**, for purposes of this policy, is defined as any employee of the Company or any of its affiliates.

**Community Educational Event**, for purposes of this policy, is one where education and information about healthcare topics is provided at an event open to the community, but no free or discounted preventative services are offered.

**Health Fair**, as used herein, refers to a program open to the public where a facility provides certain preventative medical services and information to those in attendance.

**Healthcare Vendor Fair**, as used herein, refers to a program open to the public at which Vendors are permitted to operate booths to provide information to those in attendance.

**Vendor**, as used herein, refers to any manufacturer, distributor, or other suppliers of products, equipment and services.

**PROCEDURE:**

**1. Vendor Funded Educational Programs**

A Company-affiliated facility must not contract with a Vendor for goods and/or services and at the same time obligate Vendor to provide funding for education unrelated to training colleagues and staff professionals on the use of its goods and/or services.

- a. Company-affiliated facilities, including a Corporate Department, may accept funds from Vendors to help underwrite the cost of educational programs sponsored at least in part by the facility, provided the facility follows the provisions of the Professional Educational Funding from Vendors Policy (EC.029). Under no circumstances shall a decision to buy products and/or services from a particular Vendor be contingent upon a Vendor's contribution to any education program.
- b. In keeping with the Accreditation Council for Graduate Medical Education (ACGME) guidance, if residents participating in an HCA Healthcare Graduate Medical Education (GME) Program are expected to attend an educational program, no vendor funds may be used to underwrite the event.

**2. Research Grants**

- a. A Company-affiliated facility, including a Corporate Department, must not contract with a Vendor for goods and/or services and at the same time obligate Vendor to provide funding for research grants in connection with its agreement to provide such goods and/or services.

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- b. Company-affiliated facilities, including a Corporate Department, may accept funds from Vendors to help underwrite the cost of research grants sponsored at least in part by the facility provided facility follows the provisions of the Research Grant Funding From Vendors Policy (MM.005). Under no circumstances shall a decision to buy products and/or services from a particular Vendor be contingent upon a Vendor's contribution to any research grant.
- c. For individual facilities receiving Vendor funds for Research, the amount received must be offset against the cost of supplies by the particular facility. See the Research Grant Funding from Vendors Policy (MM.005) for a detailed explanation of the accounting required for receipt of these funds.
- 3. **Company Meeting Sponsorships.** A facility, division, or enterprise-wide service line or department may permit vendors to participate in events such as trade shows or conferences.
  - a. Vendors may be offered opportunities to exhibit products and services at company-sponsored meetings. When the attendees are primarily HCA Healthcare colleagues and affiliated physicians, vendors should be charged like amounts for like opportunities (except where appropriate, reduced prices may be charged Minority and Women Business Enterprises and small business). The facility must use the money from the sale of exhibit opportunities to offset costs of any portion of the meeting and related activities.
  - b. A Vendor may provide materials or samples to be distributed at the event **provided** it is clear that the materials or samples were supplied by the Vendor and **provided** that if given to a Company colleague the value does not exceed the \$75 gift limit under the Code of Conduct and the Gifts Policy (EC.023).
  - c. A Vendor may fund a meeting break, reception or meal at a meeting or conference provided the per attendee cost does not exceed that stated in the Entertainment Policy (EC.006). The entity hosting the meeting may inform a broad group of representative vendors of the opportunity to sponsor such activities, but should not make requests or solicit funding from individual vendors.
- 4. **Community Educational Events.** Vendors and other healthcare providers may not sponsor or provide funding for any portion of a community educational event.
- 5. **Health Fair.** When a facility provides free or discounted preventative services under the Medicare Beneficiary Inducement guidelines at an event open to the public, vendors and other healthcare providers may not sponsor any part of the event and may not be offered any opportunity to exhibit or otherwise promote their services.
- 6. **Healthcare Vendor Fairs.** A facility may permit vendors, including other healthcare providers to participate in community education events to inform patients of the services available in the area. Facilities should provide a broad range of vendors or healthcare providers offering services in the facility's geographic service area the opportunity to exhibit. There is no requirement to

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charge vendors for participation; however, if the facility elects to charge for participating, vendors should be charged like amounts for like opportunities. Vendors should not be permitted to fund refreshments, activities or a reception at the event. A vendor may provide nominal items to a participants such as refrigerator magnets, branded pens, coffee mugs and the like as long as the value is nominal and it is clear that the items are being provided by the vendor and not the facility.

7. **Use of Vendor and Product Information in Company-Sponsored Marketing.** Company-sponsored marketing should focus on a facility's services and capabilities. Vendor or product names should not be used in direct mail, display ads, billboards, print or television advertising, streaming radio or video marketing. Vendors or products can be named in other marketing materials such as collaterals and social media posts only when there is a single source HealthTrust contract for the product and the facility Ethics and Compliance Officer has approved the material. A picture image of a product can be used when appropriate to market a service line as long as the picture does not display the name of the product or vendor.
8. **Use of Vendor Funds for Marketing.** The company should not accept a vendor offer of funds for marketing, including but not limited to offers made through vehicles such as co-marketing agreements or designated marketing funds incorporated into the purchase contract for a product.
9. **Charitable Functions.** From time to time, Company-affiliated facilities are asked by charitable organizations to contribute to their organization or participate in a fundraising event of their organization, including asking or encouraging others outside the Company to participate in the charitable function.

An individual who has chief executive authority for a component of the Company (e.g., the CEO of a hospital, a Group President, the Corporate CEO) must approve the use of Company resources to support a charitable organization. Such support includes encouraging company colleagues as well as others outside the Company to participate in a charitable organization's fundraising efforts. If the chief executive approves supporting a charitable organization, including encouraging others outside the facility to become involved, then the individual(s) designated to seek others' support should send written invitations to participate to a diverse audience, comprised of vendors and non-vendors (e.g., community businesses). The written invitation must include a statement that any failure or refusal to contribute will not affect the recipient's business relationship with the Company. Any funds a Vendor or other non-Company entity chooses to provide the charitable organization must be provided directly from the Vendor to the charitable organization (i.e., not through a Company-affiliated facility or Company colleague).

10. Examples:

- a. A Company hospital is a sponsor of an American Heart Association event. The hospital purchases 10 tickets (i.e., a table) at a dinner and is encouraged to invite other companies in

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the community to do the same. The hospital purchases the 10 tickets and distributes them to hospital colleagues. An individual authorized by the CEO sends a letter to Vendors and other businesses in the community encouraging them to support the American Heart Association dinner and provides the recipients with a contact number at the Association if they are interested in being involved. *Resolution: This is an appropriate method of permitting vendors to participate in a company sponsored meeting.*

b. A division service line leader is organizing a one-day meeting for the division hospitals that have a robotic surgery program. All of the facilities use robotic surgery equipment purchased from the same vendor. The service line leader approaches the vendor to sponsor a reception for the attendees at the conclusion of the meeting. *Resolution: The service line leader may not solicit the vendor to fund the reception, even in the circumstance where that vendor is exclusively used. If the vendor were to learn about the meeting and offer to fund the reception, such offer could be accepted within the parameters of the policy.*

c. A facility is hosting a Community Educational Event and Healthcare Vendor Fair for senior citizens which includes several general health education topics. The facility decides to allow post-acute providers, including skilled nursing facilities, assisted living facilities, and home health agencies to set up a table at the event and provide information about their services to attendees. The facility sends a letter to each service provider in the hospital's service area informing them of the event and offering table space at no charge. The letter also informs the service providers that space is limited to 20 providers and the first 20 respondents will be allowed to participate. *Resolution: This is an appropriate method of permitting other healthcare providers to participate in a community educational event.*

d. A department director at a Company hospital is a member of the Board of Directors of the local council of the Girl Scouts of America and wants to solicit contributions in its annual fundraising drive. The department director would like to use Company letterhead and a limited amount of administrative support to send a letter to community businesses seeking support for the Girls Scouts' fundraiser. The department director is granted approval by the hospital CEO to use the facility's letterhead and a limited amount of facility administrative support to do so. *Resolution: This is acceptable.*

**REFERENCES:**

1. Company [Code of Conduct](#)
2. Business Courtesies to Potential Referral Sources Policy, [EC.005](#)
3. Entertainment Policy, [EC.006](#)
4. Business Associate-Sponsored Meetings, Training and Honoraria Policy, [EC.007](#)
5. Gifts Policy, [EC.023](#)
6. Non-Employed Physician Education Expenses Policy, [LL.010](#)
7. Providing Free and/or Discounted Training and Equipment to Referral Sources Policy, [LL.011](#)
8. Physician Access to the Internet Policy, [LL.026](#)
9. Professional Educational Funding from Vendors Policy, [EC.029](#)

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10. Research Grant Funding from Vendors Policy, [MM.005](#)

11. HealthTrust Purchasing Group Policies:

- Supplier Participation in HealthTrust Educational Events Policy, [HT.004](#)
- HealthTrust Colleague Participation in Educational, Training and Promotional Events of Others Policy, [HT.007](#)