

DEPARTMENT: Ethics & Compliance	POLICY DESCRIPTION: Business Courtesies to Potential Referral Sources
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EFFECTIVE DATE: January 4, 2021	REFERENCE NUMBER: EC.005
APPROVED BY: Ethics and Compliance Policy Committee	

SCOPE: All Company-affiliated facilities worldwide, including but not limited to, hospitals, ambulatory surgery centers, home health agencies, physician practices, outpatient imaging centers, service centers, joint ventures and all Corporate Departments, Groups, Divisions and Markets.

PURPOSE: To establish parameters for the extension of business courtesies to potential referral sources, who are not Foreign Officials, and their immediate family members. To establish parameters for the receipt by Facilities of business courtesies from potential referral sources or referral recipients, or their immediate family members.

POLICY:

On behalf of the Company, a Company colleague may extend business courtesies, as defined and described below, to a potential referral source who is not a Foreign Official, and his or her immediate family members provided the total value of such business courtesies does not exceed \$429 per calendar year. Nothing in this policy permits any business courtesy or other benefit that is understood by either party to be offered or provided as an inducement to refer patients or business or as a reward for such referrals, nor may a business courtesy be extended to a potential referral source who **solicits** it.

Facilities may not receive business courtesies from potential referral sources or referral recipients, or their immediate family members.

Please Note: Business courtesies extended to individuals and entities that are **not** potential referral sources are governed by the Company Code of Conduct. The Code of Conduct also addresses receipt by Company colleagues of business courtesies (i.e., gifts and invitations of entertainment) **from** business associates, including potential referral sources. For guidance related to the provision of anything of value, including business courtesies, to a Foreign Official, please refer to the Global Anti-Corruption Policy, LL.AC.001. That policy establishes the parameters for the extension of anything of value to a Foreign Official.

Application of this policy outside the United States. The financial limitations and other aspects of this policy may be revised for certain non-U.S. countries in HCA Healthcare country-specific policies approved by the Anti-Corruption Responsible Executive (or designee) and the SVP and Chief Ethics and Compliance Officer (or designee), pursuant to the Global Anti-Corruption Policy, LL.AC.001.

Use of the Business Courtesies Log, which is available through the Company's intranet site (see further description of tracking in the Procedure Section of this Policy below), is the preferred method for tracking business courtesies to potential referral sources and their immediate family members.

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DEFINITIONS:

Business courtesies include gifts and entertainment. They include items of value given to another free of cost, as well as social events sponsored or hosted by the Company such as meals, sporting events, theatrical events and receptions. Examples in the Procedure Section of this Policy further elaborate on what is and is not included in this definition. Such gifts, entertainment or other items of value given to an individual by the individual's direct employer are not considered business courtesies for purposes of this policy.

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

Immediate family member includes: husband or wife; natural or adoptive parent, child, or sibling; stepparent, stepchild, stepbrother, or stepsister; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; grandparent or grandchild; and spouse of a grandparent or grandchild.

Potential referral recipient for purposes of this policy includes physicians or others to whom an HCA facility may be in a position to provide referrals, such as (but not limited to) anesthesiologists, pathologists, radiologists, and hospital-based physicians.

Potential referral source includes: a doctor of medicine or osteopathy, a doctor of dental surgery or dental medicine, a doctor of podiatric medicine, a doctor of optometry, or a chiropractor, whether or not an employee of an HCA Healthcare-affiliated entity. It does not include any such doctors who do not provide clinical care or order tests (e.g., physicians who provide non-clinical consulting or other leadership services to an HCA Healthcare-affiliated entity and do not provide clinical services, such as non-referring Chief Medical Officers). Company colleagues should consult the definition of Foreign Official, provided in the Global Anti-Corruption Policy, LL.AC.001, and be aware that physicians and other employees of hospitals or other facilities owned or controlled by national, state or local governments of any Foreign Country may be considered Foreign Officials under the Global Anti-Corruption Policy and Foreign Corrupt Practices Act.

Solicit means to request or ask for a business courtesy. It does not include a situation in which a physician asks for something that may be commonly known to be available and the facility provides prior notice to the medical staff that such item is available (e.g., tickets to a sporting event on a particular night, when it is known the facility has season tickets generally available and the facility announced that such tickets would be available in advance of the physician asking for the item).

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PROCEDURE:

1. A Company colleague may extend a business courtesy to a potential referral source who is not a Foreign Official and his or her immediate family members under the following conditions:
 - a. It is not cash or a cash equivalent, such as gift certificates, checks or stock instruments. Vouchers and gift cards are considered cash equivalents;
 - b. It does not exceed \$429 in value or cause the total value of business courtesies extended to the same potential referral source and that potential referral source's immediate family members to exceed \$429 for the calendar year;
 - c. It is not determined in any manner that takes into account the volume or value of referrals or other business generated by the referring physician; and
 - d. It is not solicited by the potential referral source.
2. Use of the Business Courtesies Log, which is available to Facility Ethics and Compliance Officers (ECOs) and their designees, is the preferred method of tracking business courtesies to potential referral sources and their immediate family members. If a facility does not choose to use the [Business Courtesies Log](#), the facility must establish its own tracking mechanism that is approved in advance by the Ethics & Compliance Department.
3. Outpatient Services Group entities, including Ambulatory Surgery Centers shall maintain a business courtesies log beginning on the first day of operations for that entity. The first day of operations is the date the first patient receives any form of treatment provided by the entity. Prior to that date, any items provided by authorized personnel of such an entity to a potential referral source both before and after the first day of operations must be consistent with OSG policy.
4. Division, Group and Corporate entities will not maintain a business courtesies log, whether or not they have been assigned a COID. If a Division, Group or Corporate entity provides a benefit which would otherwise fall within the definition above of a business courtesy to a potential referral source to the sole benefit of a single facility, then the value of the item should be allocated in whole to that facility. If a Division, Group or Corporate entity provides a benefit which would otherwise fall within the definition above of a business courtesy to a potential referral source to the benefit of a number of facilities, then the value of the item should be allocated evenly to such facilities, usually hospitals, where the individual is a potential referral source. Separately licensed facilities, so long as they have their own National Provider Identifier (NPI), each have separate annual business courtesies limits of \$429.
5. Examples of business courtesies that **ARE** within the \$429 limit and must be tracked include:
 - a. a special dinner at a restaurant for potential referral sources and their spouses to recognize potential referral sources when annual mortality data is released;

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- b. a dinner at a restaurant or administrator’s home to celebrate a milestone for the facility such as the end of a project or the launch of a new service;
 - c. paying the greens or entry fees for a potential referral source for golf (whether one-on-one or for a charity or facility golf tournament);
 - d. providing tickets for potential referral sources and/or their immediate family members to sporting or theatrical (or similar) events;
 - e. providing flowers or other gifts to potential referral sources or their immediate family members when they are hospitalized or to recognize a birthday or other family occasion;
 - f. paying for a potential referral source’s CME program costs (unless such costs are to be paid for pursuant to a written professional services agreement or otherwise fall within an exception set forth in the Non-Employed Physician Education Expenses Policy, LL.010). (See the General Statement on Agreements with Referral Sources, Approval Process Policy, LL.001, the Professional Services Agreements Policy, LL.002, and the Non-Employed Physician Education Expenses Policy, LL.010.);
 - g. hosting holiday or other parties for medical staff members and their spouses or guests **other than one appreciation party per year as described in section 6, h below**; or
 - h. perishable items that are sent to a physician’s office when it is anticipated the physician will share in the enjoyment of items. The value to each physician in the practice is the total cost of the item divided by the number of persons who will enjoy the benefit of the items (i.e., total number of physicians and employees in the practice). Such calculation does not need to be determined for food and beverages provided to the office staff. If the physician is expected to participate, or is known to have participated, in a modest meal that the facility provides a practice, and the exact amount attributable to the physician cannot be accurately calculated, the facility is to attribute \$10 toward the physician’s business courtesies limit. If the exact amount attributable to the physician is known, the facility should use that amount instead.
6. The following activities are **NOT** considered business courtesies and may be provided to potential referral sources. **Because they are not considered business courtesies, they do not count toward the \$429 annual business courtesy limit and do not need to be tracked.** Specifically, a facility may:
- a. confer on potential referral sources who are members of the medical staff benefits valued at less than \$37 per occurrence and which occur within a hospital, ambulatory surgery center or other Company facility campus **provided**:
 - i. the benefits are offered only during periods when the potential referral source is making rounds or engaged in other services or activities that benefit the facility or its patients;
 - ii. all members of the medical staff practicing the same specialty are offered the same benefit;
 - iii. the benefit is reasonably related to the provision of, or designed to facilitate directly or indirectly the delivery of, medical services at the facility; and
 - iv. the benefit is not determined in any manner that takes into account the volume or value of referrals or other business generated between the parties.

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Examples of this exception include:

- free parking in the facility's garage;
 - modest meals in the physician lounge; or
 - hosting a party at the facility to introduce the medical staff to the facility's new Chief Executive Officer.
- b. provide items in exchange for their fair market value price;
 - c. pay the expenses of its board members (including potential referral source board members) to participate in a board retreat, including travel, meals and lodging expenses (see the Reimbursement of Expenses and Extending Tokens Related to Voluntary Leadership Service by Potential Referral Sources Policy, LL.022);
 - d. **pursuant to a professional services agreement that provides for it**, pay for a meal incident to a meeting with a potential referral source to discuss issues relating to the potential referral source's medical directorship on behalf of the facility (See the General Statement on Agreements with Referral Sources, Approval Process Policy, LL.001, and the Professional Services Agreements Policy, LL.002);
 - e. **pursuant to a letter of appointment that provides for it**, provide dinners for its potential referral sources who attend the facility's medical executive committee (or similar) meetings (See the General Statement on Agreements with Referral Sources, Approval Process Policy, LL.001, the Professional Services Agreements Policy, LL.002, and the Reimbursement of Expenses and Tokens Related to Voluntary Leadership Service by Physicians Policy, LL.022);
 - f. extend professional courtesy discounts consistent with the Professional Courtesy Discount Policy, LL.018, and any facility policy adopted pursuant thereto; and
 - g. **pursuant to a fully executed [Non-Recruitment Dinner Letter](#)**, pay for a meal incident to a meeting with potential referral sources to discuss issues directly relating to the facility's business operations and opportunities. **Please note:** the situations in which this letter may be used are very rare and the following factors must exist:
 - i. multiple potential referral sources must participate in the meeting;
 - ii. officers of the facility and only those other facility personnel necessary to the discussion may participate;
 - iii. no guests or spouses may participate;
 - iv. the meeting must be genuinely necessary to accomplish facility or company business as documented by an agenda; and
 - v. the letter must be executed prior to the event.
 - h. provide **one** local medical staff appreciation event (including a holiday party) per year so long as (i) the facility has a formal medical staff, and (ii) all members of the medical staff are invited. However, any gifts or gratuities provided in connection with the event are business courtesies and must be tracked accordingly.

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7. The following are also **NOT** considered business courtesies.
 - a. An administrator who has become friends with a potential referral source and/or immediate family member and who socializes with such individual(s) may personally pay for the cost of social events, **provided** the administrator not include this item as a business expense for tax purposes and not charge the facility or otherwise receive reimbursement from the facility to cover this expense.
 - b. A potential referral source who is also the spouse of a facility administrator may attend facility social events in his or her capacity as the administrator's spouse and such events do not count toward the \$429 business courtesies limit and do not need to be tracked.
8. Facilities may not receive business courtesies from potential referral sources or potential referral recipients, or their immediate family members.
9. Each Company-affiliated facility's ECO is responsible for overseeing implementation of this policy.

REFERENCES:

1. 42 U.S.C. §1320a-7b; 42 U.S.C. §1001.952(a)-(a); 42 U.S.C. §1395 nn; 66 Fed. Reg. 856, 961-962 (January 4, 2001); 69 Fed. Reg. 16054 (March 26, 2004)
2. Company Code of Conduct
3. Global Anti-Corruption Policy, [LL.AC.001](#)
4. General Statement on Agreements with Referral Sources, Approval Process Policy, [LL.001](#)
5. Professional Services Agreements Policy, [LL.002](#)
6. Physician Employment Policy, [LL.006](#)
7. Non-Employed Physician Education Expenses Policy, [LL.010](#)
8. Professional Courtesy Discount Policy, [LL.018](#)
9. Reimbursement of Expenses and Extending Tokens Related to Voluntary Leadership Service by Potential Referral Sources Policy, [LL.022](#)
10. Fair Market Valuations, [LL.025](#)
11. [Compliance Alert #18](#): Over-utilization of "Dinner Letters"