

| | |
|--|--|
| DEPARTMENT: Legal | POLICY DESCRIPTION: Providing Free and/or Discounted Training and Equipment to Referral Sources |
| PAGE: 1 of 3 | REPLACES POLICY DATED: 2/11/98, 3/1/00, 6/1/02, 07/01/06; 11/15/06, 6/1/07, 11/1/08, 8/1/09 |
| EFFECTIVE DATE: January 15, 2010 | REFERENCE NUMBER: LL.011 |
| APPROVED BY: Ethics and Compliance Policy Committee | |

| |
|---|
| <p>SCOPE: 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, Divisions, and Markets.</p> |
| <p>PURPOSE: To provide direction as to the provision of free and/or discounted training and the extension of the use of equipment (for example, computers) to non-employed physicians and their office staff.</p> |
| <p>POLICY: Under no circumstances may a facility provide equipment or training on any equipment to a potential referral source in exchange for an increase or decrease in the volume or value of referrals from the physician.</p> <p>In general, a facility may not provide free equipment, training or reimburse the expenses associated with training for non-employed physicians. Most arrangements for training for non-employed physicians and their office staff, as well as the provision of equipment, must be made in exchange for cash consideration at fair market value paid by the physicians.</p> <p>To address those limited situations when training or equipment may be provided to non-employed physicians, each facility must establish a set of criteria to provide training or equipment to these physicians. The criteria must include the physician's qualifications and expertise in the medical specialty at hand. In limited circumstances, the criteria may allow facilities to provide free training to educate physicians on the use of hospital-owned equipment for the purpose of maintaining or improving the quality of patient care provided in the hospital, so long as the purpose and intent of providing the training to the physicians is neither to induce referrals nor to benefit the physicians' private practice. In these instances the training should be (i) pursuant to a valid, current Professional Services Agreement (PSA) between the physician and the facility, (ii) for equipment dedicated to the Clinical Patient Care System, or (iii) used to educate the physician regarding a procedure for which the physician will bill at the same rate and to substantially the same patient base as the physician would perform and bill without the equipment. Whether or not the facility charges the physician-attendees, the facility must control the circumstances of any physician training event, including but not limited to subject matter, attendees, duration, location and schedule.</p> <p>Training and equipment may be afforded to employed physicians by their employer without consideration.</p> <p>This policy does not apply to the provision of equipment that is dedicated to the use of the Clinical Patient Care System (CPCS) to a physician's office, if it is not available for use by the physician for any other purpose. In addition, the provision of a fax machine dedicated to sending and/or receiving information to or from a Company-affiliated laboratory is permitted if it is not available for use by the physician for any other purpose.</p> |

| | |
|--|--|
| DEPARTMENT: Legal | POLICY DESCRIPTION: Providing Free and/or Discounted Training and Equipment to Referral Sources |
| PAGE: 2 of 3 | REPLACES POLICY DATED: 2/11/98, 3/1/00, 6/1/02, 07/01/06; 11/15/06, 6/1/07, 11/1/08, 8/1/09 |
| EFFECTIVE DATE: January 15, 2010 | REFERENCE NUMBER: LL.011 |
| APPROVED BY: Ethics and Compliance Policy Committee | |

DEFINITION:

Non-Employed Physician: For purposes of this policy, a non-employed physician is a physician who is not employed by the HCA-affiliated facility providing the training or by any subsidiary or division of the corporate owner of that facility. In most states, HCA Physician Services practices are generally subsidiaries or divisions of the corporate owner of a facility.

PROCEDURE:

Prior to providing or reimbursing expenses to non-employed physicians for training, equipment or procedures, a Company-affiliated facility must first develop a written set of criteria for those physicians who will be permitted to participate without charge. At a minimum, those criteria should note that (i) the selected physician(s) will be qualified in the area of medicine to which the training relates, and (ii) the selected physician(s) will have demonstrated a quantifiable expertise in that area of medicine. Where the number of qualified physicians under the facility's criteria exceeds the number of available training slots, the facility shall select physicians to train through an objective method. That objective method shall also be memorialized in advance in the written criteria for selecting physicians for training opportunities.

Facilities may provide equipment and training to physicians who meet the above criteria free of charge only in one of the following circumstances:

1. **Agreement for Professional Services.** Pursuant to a valid, written PSA with the physician, to assist the physician in carrying out administrative obligations under the PSA;
2. **Employment Agreement.** Employed physicians as part of the physician's employment agreement;
3. **Same Reimbursement.** The equipment or training will allow the physician to perform the **same or new procedure(s)** as he/she would have performed without the equipment or training, reimbursement amount to the physician does not increase with the equipment or training either by increasing per procedure reimbursement or by increasing total reimbursement through additional services offered to patients, and the use of the equipment or training improves quality of patient care;
4. Equipment dedicated to the Clinical Patient Care System, if it is not available for use by the physician for any other purposes, and training related to such equipment;
5. **Fax Machine.** A fax machine dedicated to sending and/or receiving information to or from a Company-affiliated laboratory, if it is not available for use by the physician for any other purposes, or
6. **Life Support.** Training offered to members of the medical staff in the same specialty if the training is held on the facility campus and is related to the delivery of medical services to benefit the facility or its patients. This exception is generally limited to training physicians in emergency care services in Advanced Cardiac Life Support or Basic Life Support.

| | |
|--|--|
| DEPARTMENT: Legal | POLICY DESCRIPTION: Providing Free and/or Discounted Training and Equipment to Referral Sources |
| PAGE: 3 of 3 | REPLACES POLICY DATED: 2/11/98, 3/1/00, 6/1/02, 07/01/06; 11/15/06, 6/1/07, 11/1/08, 8/1/09 |
| EFFECTIVE DATE: January 15, 2010 | REFERENCE NUMBER: LL.011 |
| APPROVED BY: Ethics and Compliance Policy Committee | |

Unless one of the six circumstances above is met, the facility may only provide training or equipment to the physician if the physician compensates the facility in an amount equal to fair market value for any costs paid by the facility, including travel and tuition.

If the training will allow the physician to perform and receive increased payment for a procedure he or she would not otherwise perform and bill for (e.g., due to lack of expertise or experience, or bylaws restrictions), then the facility may only provide the training or equipment if the physician compensates the facility at a fair market rate.

In any of the above six circumstances, where a facility does provide training on its equipment to a physician, the facility must maintain control of the event. Specifically, the event must meet the following requirements:

1. **Subject Matter** should be limited to equipment owned by the facility. While it may be necessary to train physicians on a new method of performing an old procedure, facilities should not teach physicians procedures which are new to the physician. Facilities will not provide training or equipment if any one of the stated purposes of the training is to increase the physician's marketability.
2. **Duration** should be limited to a reasonable period of time for each training session. The reasonableness of time allotted to training will vary by the complexity of the equipment.
3. **Purpose** of the training session(s) must be to educate the physician in a new method of providing safer and more effective care.
4. **Scheduling** of the training session(s) shall be at all times the responsibility of the facility, not the physician. Generally, any training session sponsored by the facility would occur on the facility campus or property.
5. **Travel Expenses.** In situations where it is not feasible to provide training to the physician at the facility and the circumstances fall within one or more of the above six listed criteria, the facility may pay for or reimburse any reasonable travel expenses related to the training session(s), including transportation, lodging and food. Reasonable travel expenses are limited to those associated with training events within the continental United States and Alaska.

REFERENCES:

1. 42 U.S.C. § 1320a-7b; 42 C.F.R. § 1001.952(a)-(v); 42 U.S.C. § 1395nn;
2. 60 Fed. Reg. 41914 (Aug. 14, 1995); 63 Fed. Reg. 1659 (Jan. 9, 1998);
3. 66 Fed. Reg. 856 (Jan. 4, 2001);
4. 69 Fed. Reg. 16054 (March 26, 2004)