

Methodist Le Bonheur Healthcare

*Vendor/Sales Representative Relations Policy and
Ethical Guidelines for Associates Interacting with Vendors*

Frequently Asked Questions

General:

1. What is the purpose of the policy?

The *Vendor/Sales Representative Relations Policy and Ethical Guidelines for Associates Interacting with Vendors* **1)** establishes requirements for how Vendors/Sales Representatives must complete the vendor registration process prior to conducting business with any Methodist LeBonheur Healthcare facility. The policy also **2)** establishes specific requirements for those vendors desiring to access any Methodist Le Bonheur Healthcare facility, to meet with any Associate of our organization or to accompany or meet with a physician while practicing at a Methodist Le Bonheur Healthcare facility. Finally, the policy **3)** establishes that gifts, incentives or promotional products (i.e. pens, notepads, medical instruments, etc.) of any kind, regardless of size and/or value, can no longer be accepted by Associates or employed physicians of Methodist Le Bonheur Healthcare. Non-employed physicians of Methodist Healthcare are encouraged to follow these guidelines while practicing at any Methodist Le Bonheur Healthcare facility.

2. Why is the policy necessary?

Gift giving and generally unrestricted access by vendors to Associates, Clinical Staff and Physicians practicing at Methodist Le Bonheur Healthcare has been an established practice at our organization and in the healthcare industry for years. However, Methodist Le Bonheur Healthcare desires, consistent with our mission, vision and values, to ensure there exists neither an actual conflict of interest nor the impression of a conflict of interest. We want our vendors to know that the best way they can convey their appreciation to the Associates and Physicians of our organization is to provide quality medical equipment and supplies with outstanding service at competitive prices.

Access:

3. Some Vendor/Sales Representatives in our area have a Methodist Healthcare “Vendor” Photo Identification badge, while others do not. What is the requirement?

Any Vendor/Sales Representative wanting to market and/or sell a product or service within any Methodist Le Bonheur Healthcare facility is required to complete the Methodist Le Bonheur Healthcare Vendor Registration process. In the course of completing this process, the Vendor/Sales Representative would have acknowledged an understanding of specific system policies and requirements and would have submitted certain required documents. Once completed and accepted by Materials Management, the Vendor/Sales Representative will be eligible to receive the “Vendor” Photo Identification badge. If you observe any Vendor/Sales Representative not displaying the “Vendor” Photo Identification badge, please contact Materials Management at 901.516.2495 with the name and company of the Vendor/Sales Representative.

4. Vendors routinely contact my department for appointments or drop in when they are in the community which has been a common practice for years. What do I need to tell vendors now when they call me or drop in?

If the Vendor/Sales Representative telephones you regarding a desire for a meeting or visit, please inquire whether he/she has the required Methodist Le Bonheur Healthcare Vendor Identification badge. If they do and you desire to meet with them, you may schedule the appointment. If not, the Vendor/Sales Representative must

register and acquire the badge before coming to any Methodist Le Bonheur Healthcare facility. If urgent, the Vendor/Sales Representative may contact Materials Management at 901.516.2495 to facilitate a temporary badge issue.

If the Vendor/Sales Representative drops in unannounced, please instruct the vendor to secure a Methodist Le Bonheur Healthcare Identification badge and advise the vendor that all appointments require a minimum of 24 hours notice.

5. **Dr. J. Doe has advised the OR staff that he will be bringing in a vendor representative to observe his surgical technique with the vendor's product? Is this permitted?**

No. The policy does not permit vendor representatives to observe or have access to patient care areas for any reason unless the vendor's presence is necessary to deliver patient care. Please follow-up with Materials Management if vendor access/presence is required.

Gifts:

6. **Some of our other policies permit Associates to accept gifts of nominal value. Does the new policy preempt this practice?**

Yes. Gifts of nominal value and group gifts may not be offered by a vendor or accepted by an Associate.

7. **But why can't I accept, for example, a pen from a vendor with only their company name and/or logo on it . . . or why can't we establish a small not-to-exceed monetary threshold rather than establishing a policy of not accepting anything . . . or why are we the only healthcare organization in the country taking this kind of action?**

First, studies have concluded (JAMA January 2006 and others) that the belief that small gifts (even pens, pads, food) do not influence decision-making is simply incorrect. It has been proven that gifts of **any** size or value elicit a desire to reciprocate in some way or to provide a favor to someone who has provided something to you regardless of its value. Interestingly, survey respondents to these studies, when asked if they believed they would be influenced by such small gift giving answered "no", but when asked if they believed their peers would be influenced by such small gift giving, the same respondents answered "yes". So everyone believes it could happen to everyone else, but not to them.

Secondly, even if the thinking was that some minimal not-to-exceed threshold would be sufficient, there is simply no way to monitor, account for and report across our complex organization such a policy. In effect, we would be establishing a policy with no means or intent to enforce it. Establishing a zero-limit approach brings clarity to the policy, eliminates the grey areas in a policy such as this and makes it easier to simply say "no thank you" rather than deciding what may be appropriate and what may not.

Finally, Methodist Le Bonheur Healthcare is not the only healthcare organization to adopt policies and guidelines such as these. To name a few, Henry Ford Health System, Stanford University Health System and the University of Pennsylvania Health System have all adopted similar policies.

8. **Some Vendor/Sales Representatives offer to bring in lunch or other food if they will be conducting an in-service for Associates. Will this still be permitted?**

No. This will not be permitted under the new policy. If an in-service must be conducted during a meal period, the affected Department(s) should provide food for the attendees at the Department's expense.

Education:

9. **May we accept promotional items, door prizes and attend vendor-supported events that are offered at professional association conferences and seminars?**

Yes. As long as such items are offered to all conference or seminar attendees. These items are considered included in the conference/seminar registration fees paid by Methodist Le Bonheur Healthcare.

10. **One of our vendors sponsors a continuing education program at one of the local hotel conference centers which is available to many of the vendor's clients by invitation. Lunch/Dinner and continuing education credits are include at no cost to Associates. May I continue to attend these?**

Yes, as long as the programs are open to other customers/clients of the Vendor. But if a lunch or dinner is provided, the cost of the lunch must be reimbursed to the vendor. The standard vendor response form (Attachment I to Policy) may be used to notify the Vendor of this requirement. Please arrange this at the time you register for the program and turn in a check request, payable to the vendor, to cover the cost of food. If the program is provided for a fee and includes a meal, this is considered covered under the program's registration fee.

11. **May a vendor be requested to sponsor and/or support an in-service that is unrelated to training Associates to use the vendor's product(s) and/or service(s)?**

No.

Physicians

12. **Does the policy affect physicians practicing at our facilities but not employed by Methodist Le Bonheur Healthcare.**

Yes, Vendor/Sales Representatives will no longer be allowed in physician lounges or in patient care areas such as the Emergency Department. If a Physician desires to meet with a Vendor/Sales Representative, the meeting shall take place in a non-patient care area designated by the Administrator of that facility. Furthermore, physician preceptorships may no longer be conducted at Methodist Le Bonheur Healthcare facilities. A preceptorship, as used here, is where one or more Vendor/Sales Representative(s) work with, round or follow physican(s) and/or caregivers during a period of patient care for general information, training or other similar purposes.

13. **Can you describe in greater detail what is meant by preceptorship?**

As used in this policy, a preceptorship is an arrangement in which a vendor has requested a medical staff member or one of our Associates ("Preceptor) to train one or more of the Vendor's employees or agents by attending patient rounds with the Preceptor or observing and/or participating in patient care or treatment. These arrangements will no longer be permitted at Methodist Le Bonheur Healthcare facilities.

14. **Is there ever a situation where it is permissible to allow a Vendor/Sales Representative to be present during a patient care treatment or clinical procedure.**

In some clinical situations, Vendor/Sales Representative(s) may be present to provide information on the use of a specific device/product and/or supply. Some examples might include specific surgical and/or interventional procedures. Patient confidentiality must be protected and observed at all times.

15. **May vendors provide food to residents and/or medical students at a Methodist Le Bonheur Healthcare facility?**

No. We strive to provide residents and medical students with an enriched academic and clinical training experience at our facilities. If residents and medical students are required to remain on campus during a meal

period, Methodist Le Bonheur Healthcare will provide the food.

Vendor Rebate and/or Incentive Payments

16. **A Vendor/Sales Representative brings a rebate and/or incentive check to my department, what should I do with it?**

Any rebate, incentive, discount, credit or any other form of payment received from a Vendor/Sales Representative should be reported to Materials Management 901.516.2495 and arrangements will be made to take the most appropriate course of action to pick-up or have the check delivered to Materials Management for processing and accounting for credit at your facility. It is important that we adhere to the process of notifying and forwarding such payments immediately to Materials Management to ensure a proper accounting is made of the payment.

Some Final Thoughts . . .

17. **May an Associate accept a Vendor/Sales Representative's invitation to play in the Methodist Le Bonheur Healthcare Foundation Annual Golf Tournament?**

Yes, Vendor/Sales Representative's purchasing tickets, tables and/or teams for Foundation sponsored or Camp Braveheart events may extend invitations to Associates and Associates may accept such invitations. **However**, Associates may not accept invitations from Vendor/Sales Representatives to events which the Vendor/Sales Representative has paid for and may or may not be sponsored in whole or in part by Methodist Le Bonheur Healthcare, but which Methodist Le Bonheur Healthcare is not the sole beneficiary.

18. **What should I do if I learn that an Associate or a Vendor/Sales Representative is not complying with this policy?**

Please report the incident to the Materials Management Department (901.516.2495) or the Corporate Compliance Department (901.516.0735) or you may use the Compliance Hotline (1.888.220.2163) if you do not wish to be identified.