ADMINISTRATIVE POLICY

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SUBJECT: VENDOR RELATIONS AND GIFT POLICY

POLICY: Nationwide Children's Hospital, Inc. employees, physicians, trainees, volunteer staff and students shall interact with Vendors in a manner that is compliant with applicable law, meets ethical standards, avoids or minimizes conflicts of interest, and promotes fair and open dealings.

PURPOSE: To establish policy guidelines for interactions with industry representatives for employees, physicians, students, volunteer staff and trainees of Nationwide Children's Hospital, Inc. and all affiliated corporations (collectively, "NCH").

SCOPE: This policy applies to all employees, physicians employed or contracted by NCH or one of the affiliated corporations, trainees, students and volunteer staff, locations and corporations operated by or affiliated with Nationwide Children's Hospital. This policy also applies to individuals, including medical staff members, who are not employed by NCH or one of the affiliated corporations, but who are working at a NCH facility or are acting on behalf of NCH.

All Vendors are expected to abide by this Policy with respect to their interactions with Staff Members or while at a NCH location, including not engaging or attempting to engage in any conduct that could cause Staff Members to violate this Policy.

Related Policies: Conflict of Interest Policy
Educational Conferences
Vendor Visitation Policy
Contributions

SPECIAL INSTRUCTIONS:

1. Definitions

A. Vendor: Any entity that has or is seeking to enter into a business relationship with NCH to provide any equipment, product, supply, facility, item or service for payment, including but not limited to medical or office supplies, furniture, medical devices, consulting or maintenance services.

B. Clinical Vendor: A Vendor who provides any equipment, product, supply, item or service that is used in the delivery of patient care. Examples of clinical

Vendors include but are not limited to companies that supply pharmaceutical products, medical devices (implantables, infusion pumps), supplies (i.e. syringes, IV tubing) or clinical services (i.e. nursing agency).

C. Vendor Representative: Any individual who is employed by or who represents any entity defined in section 1.A. who is also not an NCH employee, staff or student. Vendor representatives are invitees of NCH, and as such, must act in accordance with NCH policies and values and in a manner that provides the greatest benefit to NCH and to its patients.

D. Staff Member: All employees, physicians, or contracted employees who perform services at or are employed by NCH or one of its controlled affiliated Corporations. Staff Member also includes all residents, fellows, interns, students, volunteers or other trainees performing services at NCH.

E. On-Site: On a premises owned, operated or leased by NCH or one of its controlled affiliates, including any ambulatory clinics or urgent cares not located at NCH's main campus (i.e. Dublin, a close to home location).

2. General Principles

A. The selection of and conduct of business with a Vendor should be solely on the basis of appropriate business, medical, clinical and/or research criteria, as applicable, such as quality and cost effectiveness. The selection and conduct of business should not be made on the basis of, or be influenced by, past, present or future gifts to or for the benefit of Staff Members, donations to the Hospital, support to the Hospital or Hospital Staff such as clinical, research or educational support, or factors other than fair and open dealings based on appropriate business, medical, clinical and/or research criteria.

B. Certain Interactions with Vendors may not be prohibited by this Policy, but may be prohibited or curtailed by other agreements, policies or guidelines, including the Conflict of Interest Policy. Please contact the Corporate Compliance Office for further direction on activities not prohibited under this policy.

C. Vendors are not permitted at a NCH location without an appointment. The Vendor Visitation Policy (IV-2) shall be utilized for further guidance.

3. Gifts and Compensation

A. Personal Gifts (Gifts to or for the Benefit of Staff Members)

Gifts include cash in any form, cash equivalents such as gift certificates, property or the use of something of value. Gifts can include goods, hospitality, services, travel and travel expenses, use of something of value such as a vacation home, tickets or admission to events or functions, including but not limited to sporting events, cultural events and social entertainment, payment of obligations, and any other item of value.

I. Clinical Vendors

a. Individual staff members are prohibited from accepting any gifts from Clinical Vendor Representatives or Clinical Vendors regardless of the value of the gift.
b. Staff Members may not accept gifts or other items of value for listening to a sales talk by a Vendor Representative or for accessing Clinical Vendor websites.
c. Gifts do not include attendance at an event or function with a Clinical Vendor where the expense of attending the event or function is borne by the Staff Member personally or by NCH (where appropriate).
d. Staff Members shall not accept compensation, including payment or reimbursement of expenses, from Clinical Vendors simply for attending a CME or other educational activity or conference unless the person is speaking, teaching or otherwise engaged in a meaningful substantive role and the total compensation, including payment or reimbursement of expenses, is reasonable given the role.

II. Non-clinical Vendors

a. Staff Members are prohibited from accepting any gifts, entertainment or other gratuities from non-clinical Vendors which have a business relationship with NCH unless such gifts, entertainment or other gratuities is specifically allowed pursuant to this policy.
b. Gifts of cash may not be accepted regardless of value. Non-cash gifts may be accepted if the value is moderate, are not intended to improperly influence behavior and does not give rise to an appearance that the gift will influence behavior or decision-making processes. Staff Members are prohibited from accepting gifts during a Vendor selection process.

c. Attendance at sporting events, cultural events and other reasonable business entertainment are acceptable as long as the events are reasonable in terms of expense, are not intended to improperly influence behavior, do not give rise to an appearance that such entertainment will influence behavior and will not influence any part of a decision making process.
d. The Conflict of Interest Policy should be consulted for further guidance.

Except as otherwise stated elsewhere in the policy, Staff Members may not solicit gifts or gratuities from Vendors.

Meals and other food items are addressed in a separate policy section.

B. Charitable Contributions and Gifts to NCH, its Affiliates or Departments

I. Offers of charitable contributions, gifts, or other financial support from Vendors will not be solicited or accepted as inducement to refer business from any NCH subsidiary.

II. Offers of charitable contributions, cash donations, gifts or other financial support from Vendors or representatives may be accepted for support of the educational, clinical and research missions of NCH. All contributions will be coordinated through the Nationwide Children's Hospital Foundation (Foundation) as outlined in the Administrative Policy, Volume I, **Contributions**. All sponsored projects will be coordinated by Grants Administration in accordance with professional, government, and other external standards and regulations. With the exception of solicitations by the Foundation or its agents, employees are strictly prohibited from soliciting gifts or gratuities from any person or company on behalf of NCH.

III. Foundation employees who accept charitable contributions, gifts or other financial support on behalf of NCH must provide written receipts and/or acknowledgements to the Vendor for all contributions, gifts or financial support accepted as required by applicable regulations.

IV. These gifts must remain the property of NCH or its affiliates and should not be converted to individual ownership. For cash donations, these funds may be used to purchase items that will be used by Staff Members in relation to their professional duties or to compensate Staff Members for work done on behalf of NCH or its affiliates.

V. Staff Members who accept charitable contributions and gifts on behalf of NCH shall adhere to the following guidelines:

a. No Staff Member is authorized to accept a contribution, gift, entertainment or financial support based on the volume or value of business between the Vendor and NCH.
b. All written contracts must be reviewed by Legal Services.
c. The Staff Member must inform each health care industry Vendor orally and in writing that:
    i. NCH has a written contribution policy that the Vendor must sign and abide by if it makes a contribution or gift or provide financial support for a designated program or activity.
    ii. The contribution, gift or financial support will not in any way influence NCH purchasing practices.
    iii. NCH will accept only those contributions not dependent on doing business with the Vendor.
    iv. NCH may accept sponsored projects, contributions, gifts or financial support from all bona fide offers, including the Vendor's competitors if they also make offers.
    v. All major purchases by NCH are based on competitive bidding/negotiation/group contracting with products being screened by buyers who are not informed of the Vendor's contributions or financial support history.
    vi. The Vendor may not inform NCH staff about the contribution, gift, or financial support in order to influence purchasing decisions.

C. All offers of free or reduced-price goods, if accepted, will be considered to be offers or bona fide discounts from the list or negotiated price of the goods, and the purchase order, invoice or other documentation must reflect the percentage discount and/or the discounted price calculated with the free or reduced-price items included.

4. Meals and Other Food Items

A. On-Site

I. Food and Meals from Clinical Vendors: Clinical Vendors and Vendor Representatives are prohibited from directly supplying or paying for meals, food, snacks or other food items for Staff Members. Educational funding for activities which may include food must be coordinated through the appropriate education department.

II. Vendors, including caterers, whose main business is providing food to customers may provide food to Staff Members on campus for the sole purpose of NCH selecting food Vendors for the organization and/or its functions.

III. Food and Meals from Non-clinical Vendors: Staff should avoid accepting meals, food or other food items from non-clinical Vendors. Occasional moderate meals are permitted, so long as the meals do not improperly influence the Staff Member's behavior.

IV. The Conflict of Interest Policy should be consulted for further guidance.

B. Off-Site Vendor Meals

I. Staff Members are permitted to accept modest meals in connection with a Vendor sponsored event granting CME or other continuing education credit. Modest meals may be accepted at other educational or research events where the event is primarily dedicated, in both time and effort, to promoting objective scientific and educational activities and discourse and the main incentive for bringing the attendees together is to further their knowledge on the topic(s) being presented. Educational events in foreign countries shall be evaluated on a case by case basis.

II. Staff Members are prohibited from attending any off-site dinners or other events sponsored by and paid for by a Vendor when the goal of the event is to market the Vendor's products and when the CME or other continuing education credit is not offered for the event.

III. Vendors may provide or fund and Staff Members may accept meals while at the office premises of Vendors or in another business setting if there is a legitimate business purpose to the meal, the setting and nature of the meal are appropriate to the business purpose and are not excessive or extravagant. The meal may not include the spouse, significant other, family member or guest of the Staff Member. The frequency of such meals may not be excessive.

IV. Meals during "sales pitch" meetings are prohibited.

C. Meetings regarding the potential purchase, lease or rental of equipment or services: Staff members are prohibited from accepting any meals or other gifts from Vendors, regardless of value, during meetings or other interactions regarding the potential purchase, lease or rental of equipment or services, except as permitted by other sections in this policy..

D. All other meals, food, snacks, or other food items from Vendors are prohibited off-site unless expressly permitted by this Policy.

5. Vendor Funded Educational Programs, Conferences and Workshops

A. On-Site Events

I. Staff Members may attend on-site educational events that offer CME or other continuing education credit regardless of the sponsor. Continuing education events must be coordinated through the appropriate education department.

II. For on-site educational events without continuing education credit, the Event must be approved by the appropriate manager or physician chief prior to the event. All other provisions of this Policy, including the sections pertaining to food shall apply to these events.

III. On-Site Vendor Visits: Vendor visits will be coordinated in compliance with the Vendor Visitation Policy, IV-2. Vendor visits are permitted by

appointment only and upon approval of the appropriate manager or physician chief.

B. Off-Site Events

I. Staff Members may attend off-site educational events that are sponsored by NCH or that offer CME or other continuing education credit regardless of the sponsor. NCH continuing education events must be coordinated through the appropriate education department and abide by all related hospital policies (e.g., Education Conferences). Staff Members are permitted to attend events or conferences that do not offer continuing education credit so long as the event is primarily dedicated, in both time and effort, to promoting objective scientific and educational activities.

II. Vendor Sponsored Workshops: Staff Members may not accept compensation, including the defraying of travel costs, for simply attending a CME or other activity, conference or workshop unless the Staff Member is speaking or otherwise actively participating or presenting at the activity or conference, or there is a compelling business need for attendance at the event. All arrangements that include travel and overnight accommodations at no cost to the Staff Member must be approved in advance by the appropriate Senior Vice President or President. If a Senior Vice President or President is the attendee, by the Chief Executive Officer. For physicians, the physician's manager (section chief, Chief Medical Officer, etc…) will provide the approval.

C. A Staff Member is permitted to accept an item with a Vendor logo on it in conjunction with an educational conference (e.g. coffee mug, tote bag, etc.) if:

I. the item contains the name of the conference or sponsoring organization

II. the item is provided by the educational conference

III. the item is provided to all conference attendees.

6. <u>Promotional Materials</u>

A. Vendors and Vendor Representatives are prohibited from directly placing any promotional, educational or any other Vendor-related materials in any NCH location.

B. Staff Members are permitted to distribute or display high-quality patient education materials produced by a Vendor that are unbiased, are not product-specific, and are applicable to the patient's medical condition.

C. Promotional materials that are product-specific or that directly market a Vendor's products may be distributed to patients only after the materials have been reviewed by the distributing department to ensure the information is generally complete and accurate regarding the Vendor's product. NCH or the Staff Member will not make any statements that indicate an endorsement of the product. Vendor Representatives are prohibited from distributing material directly to the patient.

D. This policy should not be construed to limit the distribution of accurate and complete instructions for use or safety warnings for any product or medication regardless of the source of the information after it has been ordered or prescribed by a patient.

7. Samples

A. Medication Samples: The distribution of medication samples is prohibited. Requests for exceptions to this prohibition shall be directed to the Pharmacy and Therapeutics Committee.

B. Non-Medication Product Samples: Each department or clinic should ensure that any samples provided are appropriately packaged, in good condition and have not expired.

8. Consulting or other arrangements

A. Staff Members may only serve as paid consultants, principal investigators or advisors (including reimbursement of reasonable travel expenses) to Vendors in accordance with this and other applicable NCH policies, including, but not limited to the Conflict of Interest Policy (XII-11).

B. Any paid consulting relationship with a Vendor must be disclosed to the Staff Member's direct supervisor, and if required, disclosed on the Staff Member's conflict of interest disclosure statement.

C. Staff Members should exercise discretion when entering into consulting or advisory relationships. The compensation provided by the Vendor shall be the fair market value of the work provided by the Staff Member.

D. For all arrangements, there shall be a signed agreement that outlines, at a minimum, the work to be done for the Vendor and the compensation to be provided by the Vendor. All agreements shall be sent to Legal Services for review and approval.

E. Physicians and other individuals employed through one of the controlled affiliates, including but not limited to the Pediatric Academic Association (PAA), are required to follow the affiliate's policies on consulting fees and honoraria.

F. Staff Members are prohibited from serving as a consultant for a Vendor when the goal of the consulting is to market the Vendor's products.

9. "Speaker's Bureau" Events

A. Staff Members are permitted to participate in Vendor-sponsored "speakers' bureau" events if:

I. The presentation is to be made in an academic setting (e.g., grand rounds, visiting professor, CME or other continuing education conference, etc.) or at an event granting CME or other continuing education credit, or

II. The purpose of the event is to provide education on clinical care or research and not to promote the Vendor's products, or

III. The presentation is an education or training activity for the Vendor's employees.

B. The Staff Member shall maintain documentation supporting the educational intent of the program (copy brochure with CME language).

C. Staff Members are permitted to receive an honorarium or speaker fee from a Vendor for lecturing in a permitted Vendor sponsored "speaker's bureau" event as defined in section 9.A. above.

D. Staff Members are prohibited from participating in a Vendor sponsored "speakers' bureau" event when the goal of the activity is marketing of the Vendor's products (e.g., outside of an academic setting, not for CME or other continuing education credit, etc…).

10. User Group, Training and Site Visits by Staff Members

A. On occasion, it may be appropriate for Staff Members to travel to other locations to evaluate new systems, to review installations, or designs of facilities, to receive training, to benefit from the experiences of other users or for other legitimate purposes. In such situations, a Vendor may reimburse the hospital for the travel expenses for the Staff Members to make the site visit or user group trip provided each of the following requirements is met:

I. The arrangement has been reviewed and approved in advance by the appropriate Senior Manager level of Vice President, Department/Section Chief, or above.

II. The Senior Manager determines there is a valid business reason for the visit and for the participation of the particular Staff Member selected to attend.

III. The expenses paid by the Vendor are paid to Nationwide Children's Hospital, or the Nationwide Children's Hospital Foundation, which in turn reimburses the expenses of the Staff Member in accordance with other hospital policies.

IV. The Vendor may directly provide meals so long as the setting and nature of the meals are appropriate to the business purpose and are not excessive or extravagant, and meals are not provided for the spouse, family member or other guest of Staff Member.

V. The Staff Member is prohibited from attending entertainment events at Vendor's expense during visits. Staff Members who choose to attend entertainment events offered at Vendor's expense during visits must

personally pay or reimburse the Vendor for the cost of attending, and may not seek reimbursement from the Hospital for the expense.

11. Fundraising Events

Fundraising Events funded by NCH or that are consistent with NCH's mission may be attended by Staff Members of NCH or its affiliates at the invitation of a Vendor. The Staff Member shall obtain the permission of his/her supervisor prior to accepting the invitation. Staff Member should not accept such courtesies to the extent that decision making might be influenced or during a Vendor selection process.

12. Enforcement

A. Violations of this Policy will result in disciplinary action. Reports of suspected violations by a member of the medical staff will be referred to the Medical Staff Leadership for review and action. Reports of suspected violations by others will be referred to the Compliance Department, Human Resources Department and/or appropriate management for review and action.

B. Reports of non-compliance may be reported through the following mechanisms:

I. Compliance Office

II. Compliance Hotline (1-877-267-1935) or Website (https://nationwidechildrens.alertline.com)

III. Appropriate manager, administrator, or Medical Staff leader.

13. Situations not addressed by this policy shall be presented to the Corporate Compliance Officer, Medical Staff President, or Chief Operating Officer for review.

Approved by: _____
Richard J. Miller, Chief Operating Officer