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POLICY TITLE: Business Courtesies to Potential Referral Sources	ADMINISTRATIVE POLICY AND PROCEDURE MANUAL
POLICY #: 800.10	CATEGORY: Compliance and Ethics
System Approval Date: 9/15/16	Effective Date: 10/08
Site Implementation Date: 10/28/16	Last Reviewed/Approved: 5/11
Prepared by: Office of Corporate Compliance	Superseded Policy(s)/#/Notations:

GENERAL STATEMENT of PURPOSE

The purpose of this policy is to establish parameters for the extension of Business Courtesies to Potential Referral Sources and their Immediate Family Members.

POLICY

It is the obligation of Northwell Health to comply with the federal Ethics in Patient Referrals Act and related regulations, also known as the Stark Law. See 42 U.S.C. § 1395nn and 42 C.F.R. §§ 411.350-357. See also N.Y. Pub. Health Law § 238-a. Accordingly, Northwell Health may extend Business Courtesies to a Potential Referral Source and his or her Family Members provided that the total value of such Business Courtesies does not in the aggregate exceed the Annual Limit. To assure that the Annual Limit is not exceeded, such Business Courtesies shall be tracked as set forth below.

Business Courtesies extended to a Practitioner who has a bona fide employment arrangement with Northwell Health are not subject to the Annual Limit and do NOT need to be tracked for purposes of this Policy, provided that the employment arrangement complies with Northwell Health Policy #800.12 - Potential Referral Sources. See Examples and Exceptions, Section 2.c.

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.

Any Business Courtesy must be modest in nature and shall not be provided to any spouse of a Potential Referral Source unless the spouse is an applicable business partner.

Please Note: Business Courtesies extended to individuals and entities that are not Potential Referral Sources are governed by Northwell Health’s Code of Ethical Conduct and Northwell

Health Policy #800.04 – Gifts and Interactions with Industry. These documents also address receipt by Northwell Health employees of Business Courtesies from business associates, including Potential Referral Sources.

SCOPE

This policy applies to all members of the Northwell Health workforce including, but not limited to: employees, medical staff, volunteers, students, physician office staff, and other persons performing work for or at Northwell Health; faculty and students of the Hofstra Northwell School of Medicine conducting Research on behalf of the School of Medicine on or at any Northwell Health facility; and the faculty and students of the Hofstra Northwell School of Graduate Nursing & Physician Assistant Studies.

DEFINITIONS

Annual Limit: means the maximum value of all Business Courtesies that may be extended to a Potential Referral Source in a calendar year as specified by the Stark Law. The Annual Limit is adjusted for inflation each year, and is \$392 in 2016.

Business Courtesies: means items of value given to another free of cost or at a discount, as well as social events sponsored or hosted by the Northwell Health such as meals, sporting events, theatrical events and receptions. Examples set forth below further elaborate on what is and is not included in this definition.

Family Member: means any family member and includes, but is not limited to, husband or wife; birth 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, uncle, aunt, cousin, grandparent or grandchild; and spouse of a grandparent or grandchild.

Potential Referral Source: A Physician, to the extent that any such individual/entity is in a position to make a referral to Northwell or direct another person or entity to make such a referral to Northwell, or receive such a referral from Northwell. For the purposes of this policy, a Potential Referral Source also includes a Family Member.

Practitioner: means a licensed or registered doctor of allopathic medicine or osteopathy, a doctor of dental surgery or dental medicine, a doctor of podiatric medicine, a doctor of optometry, a chiropractor, a nurse, a mid-wife, physician assistant, physical therapist or optometrist.

PROCEDURE/GUIDELINES

1. Northwell Health individuals may extend a Business Courtesy to a Potential Referral Source and his or her Family Members if the Business Courtesy meets all of the following conditions:
 - a. It is not cash or a cash equivalent, such as gift certificates, checks or stock instruments;

- b. It does not exceed the Annual Limit or cause the total value of Business Courtesies extended to the same Potential Referral Source and that Potential Referral Source's Family Members to exceed the Annual Limit;
 - c. It is not determined in any manner that takes into account the volume or value of referrals or other business generated by the Potential Referral Source; and
 - d. It is not offered or provided as an inducement to refer patients or business or as a reward for such referrals, and is not extended to a Potential Referral Source who solicits it.
2. The Office of Corporate Compliance shall maintain a Business Courtesy log to track Business Courtesies to Potential Referral Sources and his or her Family Members.
3. Northwell Health individuals must notify the Office of Corporate Compliance either via email or by telephone before any Business Courtesy can be offered to a Potential Referral Source and/or his or her Family Members.
4. The Northwell Health requestor shall provide the Office of Corporate Compliance the following information: the Potential Referral Source's name, the applicable Northwell Health facility(s) offering the Business Courtesy, a description of the Business Courtesy, the date of the Business Courtesy, and the monetary value of the Business Courtesy.
5. The Office of Corporate Compliance will send the requesting individual an email approving the proposed Business Courtesy provided that its monetary value does not cause the Annual Limit to be exceeded. If the proposed Business Courtesy would cause the Annual Limit to be exceeded, the Office of Corporate Compliance will deny the request to provide the Business Courtesy.
6. If the Business Courtesy is a meal, the requesting individual shall not go over the monetary amount approved by the Office of Corporate Compliance. The requestor should provide the Office of Corporate Compliance a copy of the receipt of the meal if the meal expense was either lower or higher than the approved amount.
7. If the proposed Business Courtesy's monetary value changes, the requesting individual must notify the Office of Corporate Compliance of the change in monetary value before the Business Courtesy is provided to the Potential Referral Source. The Office of Corporate Compliance will send the requesting individual an additional email approving the revised Business Courtesy proposal, provided that the change in monetary value does not cause the Annual Limit to be exceeded. If the proposed Business Courtesy exceeds the Annual Limit, the Office of Corporate Compliance will deny the request to provide the Business Courtesy.
8. If a Business Courtesy is inadvertently provided to a Potential Referral Source before receiving the Office of Corporate Compliance's approval, the requesting individual shall immediately notify the Office of Corporate Compliance and provide it with the applicable

information about the Business Courtesy.

Examples and Exceptions

1. Examples of Business Courtesies that must be tracked under this policy include, but are not limited to, the following:
 - a. sporting events or other similar events such as theater and concerts, including the cost of the tickets;
 - b. local recreational events, such as golfing, fishing, boating, hunting, including cart fees and meals, but excluding the value of the charitable contribution if the event is a charity event;
 - c. flowers or other gifts provided to Practitioners or their Family Members when they are hospitalized or to recognize a special event, such as a birthday or other family occasion;
 - d. perishable items (e.g., food, wine) provided to a Practitioner's office; and
 - e. hosting holiday or other parties for Practitioners and their Family Members other than one appreciation party per year as described below. See Examples and Exceptions, Section 2.f.
2. The following activities are **NOT** considered Business Courtesies, may be provided to Potential Referral Sources without being counted toward the Annual Limit, and do not need to be tracked:
 - a. conferring benefits valued at less than \$30 per occurrence to a Potential Referral Source who is a member of the medical staff, provided:
 - i. the benefits are conferred within a hospital, ambulatory surgery center or other Northwell Health facility;
 - ii. 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;
 - iii. all members of the medical staff practicing the same specialty are offered the same benefit;
 - iv. 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
 - v. 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.

Examples of this exception include: free parking in the facility's garage and modest meals in the physician's lounge.

- b. providing Business Courtesies in exchange for their fair market value price;
- c. providing Business Courtesies pursuant to a bona fide employment arrangement that complies with Northwell Health Policy # 800.12 – Potential Referral Sources;
- d. providing a business meal where the purpose is to discuss the Potential Referral Source's duties under a personal services agreement with the facility where the agreement specifically contemplates such a Business Courtesy;
- e. providing a business meal to a Potential Referral Source practicing within the geographic area served by Northwell Health to discuss a potential bona fide employment relationship, provided that appropriate documentation of the business purpose is kept by the applicable business department;
- f. providing **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;
- g. providing a business courtesy such as a business meal to a Potential Referral Source at a facility's medical related committee pursuant to a written agreement; and
- h. providing any other Business Courtesy if it meets an applicable exception under the Stark Law, as amended, and is approved in writing in advance by the Office of Legal Affairs.

ENFORCEMENT

All violations of this policy shall be reported to the appropriate manager/supervisor/director or to the Office of Corporate Compliance (516.465.8097) for appropriate resolution of the matter. You can also make an anonymous report to the Compliance Help-Line, 24 hours a day, 7 days a week, by calling (800) 894-3226 or by visiting www.northwell.ethicspoint.com online.

REFERENCES to REGULATIONS and/or OTHER RELATED POLICIES

42 U.S.C. § 1395nn

42 C.F.R. §§ 411.350-357

N.Y. Pub. Health Law § 238-a

Ethics in Patient Referrals Act, also known as the Stark Law, 42 U.S.C. § 1395nn

Federal Anti-kickback statute, 42 U.S.C.A. § 1320a-7b
Northwell Health Policy #800.04 - Gifts and Interactions with Industry
Northwell Health Policy #800.12 – Potential Referral Sources
Northwell Health Policy #800.16 – Professional Courtesies
Northwell Health Code of Ethical Conduct

CLINICAL REFERENCES

N/A

ATTACHMENTS

N/A

FORMS

N/A

APPROVAL:	
System Administrative P&P Committee	8/25/16
System PICG/Clinical Operations Committee	9/15/16

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*=Administrative Policy Committee Approval; ** =PICG/Clinical Operations Committee Approval

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