SCOPE:

☒ NM – Northwestern Memorial Hospital ☄ NM – Lake Forest Hospital
☒ NM – Northwestern Medical Group ☄ NM – Central DuPage Hospital
☒ NM – Regional Medical Group ☄ NM – Delnor Hospital

I. PURPOSE:

To define and implement the code of clinical and business ethics for NMHC (as defined herein) and, based upon this code of ethics, to set forth specific requirements governing the relationships between NMHC and Vendors or Industry, Referral Recipients, and Referral Sources.

II. POLICY STATEMENT:

NMHC is committed to conducting its business in accordance with the highest level of ethical principles and with applicable laws, regulations, and standards. NMHC seeks to maintain a culture of “doing the right thing” for patients, Personnel, and the community. The following appendices, which are part of this policy, facilitate achievement of this commitment:

A. Northwestern Memorial HealthCare Integrated Code of Ethics (Appendix A), which sets forth principles of legal and corporate compliance.
B. Reporting Methods (Appendix A-1), which sets forth the methods for reporting a violation of the Code of Ethics to the Office of Corporate Compliance & Integrity.
C. Northwestern Memorial HealthCare Professional Integrity Handbook (Appendix B), which sets forth requirements governing relationships with Vendors or Industry, Referral Recipients, and Referral Sources.

III. PERSONS AFFECTED:

This policy affects all Personnel (as defined herein), unless otherwise stated within this policy.

IV. PROCEDURAL RESPONSIBILITIES:

A. Guidance for ethical business decision-making consistent with this policy is provided by the Office of Corporate Compliance & Integrity, Office of General Counsel, and/or external resources as deemed necessary.
B. Guidance for ethical clinical decision-making, including professional consultation, is provided by appropriate NMHC resources, such as a Medical Ethics Consultation, as deemed necessary.
I. **DEFINITIONS:**

A. **House Staff** means residents and fellows of McGaw Medical Center of Northwestern University who are neither employed by NMHC nor otherwise falling within the definition of NMHC Personnel, but only in connection to their activities on NMHC premises and/or access to NMHC information.

B. **Medical Staff** means NMHC hospital medical staff who are neither employed by NMHC nor otherwise falling within the definition of NMHC Personnel, but only in connection to their activities on NMHC premises and/or access to NMHC information.

C. **NMHC** means Northwestern Memorial HealthCare and entities wholly-owned or wholly-controlled by Northwestern Memorial HealthCare (individually referred to herein as an “NMHC-entity,” and collectively referred to herein as “NMHC”). For purposes of this definition, “NMHC” and “NMHC-entity” shall also include those entities partially-controlled by NMHC (i.e. joint ventures) if, within a policy addressing joint ventures, the entities are expressly identified as being subject to this policy.

D. **NMHC Personnel** includes NMHC employees (including employed physicians); volunteers; corporate officers; directors; Board committee members; student trainees; temporary agency staff or leased employees; and Medical Staff or House Staff who (a) hold a paid or unpaid medical administrative position (e.g., clinical Department Chairs, Section and Division Chiefs, or special care unit directors), (b) have procurement responsibility or the authority to recommend such procurement, or (c) participate on Boards or Board committees; and persons whose conduct is under the direct control of NMHC.

E. **Personnel** means NMHC Personnel, Medical Staff, and House Staff, collectively.

F. **Private Inurement** means any situation where the earnings of a tax exempt entity inures in whole or in part to the benefit of private individuals.

G. **Referral Recipient** refers to a person or entity, or an employee or representative of a person or entity, who or which receives or could potentially receive patient referrals from NMHC. For example, a Referral Recipient would include a hospital, nursing home or other physician to which a physician refers patients.

H. **Referral Source** refers to person or entity, or an employee or representative of a person or entity, who or which refers or could potentially refer patients to NMHC. Referral Sources include, for example, community physicians who refer patients to NMHC for specialty services.

I. **Vendor or Industry** includes any individual or entity that provides or could provide products or services of any type to NMHC. This includes, by way of example, providers of diagnostic, preventative, remedial and therapeutic services, such as doctors, nurses, hospitals and other private, public and voluntary organizations; medical device and equipment and pharmaceutical manufacturers and distributors; biotechnology firms; health insurance firms; and others that provide or could provide products and services directly related to the provision of health care and directly affecting the provision of health care; and other individuals and entities whose products or services are not necessarily limited to the health care industry (e.g., banks, law firms, information systems vendors, architects, and similar organizations).
V. **POLICY UPDATE SCHEDULE:**

Every five years or more often as appropriate.

VI. **RELEVANT REFERENCES:**

The Joint Commission Leadership Standards

U.S. Sentencing Guidelines


VII. **APPENDICES:**

*Appendix A: Northwestern Memorial HealthCare Integrated Code of Ethics*

*Appendix A-I: Reporting Methods*

*Appendix B: NMHC Professional Integrity Handbook*
VIII. APPROVAL:

Responsible Party: Jennifer Wooten Ierardi
Chief Integrity Executive

Reviewers: Accreditation, Clinical Compliance
Risk Management
Quality
NMHC-entity Chief Medical Officers
Office of General Counsel
Northwestern University Feinberg School of Medicine, Office for Regulatory Affairs

Approval Party: Dean M. Harrison
President and Chief Executive Officer, NMHC
Electronic approval: 02/29/2016

IX. REVIEW HISTORY:
Revised: 01/20/2011 – Migrated from NMH 1.11 ADM, v 05/29/2008
Revised: 05/2012: - Split Conflict Management and Code of Ethics into two policies
Revised 08/2015: Added Appendix B, Northwestern Memorial HealthCare Professional Integrity Handbook
Appendix A: Northwestern Memorial HealthCare Integrated Code of Ethics

Northwestern Memorial HealthCare and entities wholly-owned or wholly-controlled by Northwestern Memorial HealthCare (individually referred to herein as an “NMHC-entity,” and collectively referred to herein as “NMHC”) have a long-standing policy of consistently “doing the right thing” for patients, Personnel, and the community. Our reputation relies on the commitment of each one of us to fully understand and consistently demonstrate our core values.

Our reputation is an asset of the business. To ensure that everyone understands what he or she must do to sustain and grow this asset, NMHC created this Integrated Code of Ethics (the “Code”). It provides guidance in answering legal and ethical questions that may arise from our work. The Code requires that all of us conduct our activities honestly and lawfully and comply with laws that apply to the healthcare industry.

The Code represents NMHC’s commitment to provide a healthy, fair, and productive work place that supports and enables Personnel to do their best work. In return, Personnel should treat one another with respect and consideration, do their best to uphold and enhance NMHC’s good reputation, and protect and preserve patient safety and quality of care.

The Code requires that all of us adhere to NMHC policies and procedures. The Code is intended to be an overview of NMHC’s policies and standards and applies to all Personnel. The reader, therefore, should also consult other NMHC policies and procedures, including those referenced herein, that address specific topics and that contain additional detail, direction and guidance with respect to those laws, regulations and standards related to the topic.

I. Legal Compliance
   A. NMHC must ensure all its activities or actions on its behalf comply with applicable laws and appropriate ethical standards.
   B. Personnel are required to comply with all applicable laws and standards, as well as all NMHC policies based upon such laws or standards, whether or not specifically mentioned in this document.
      1. Compliance with General Laws and Standards
         a. Personnel must comply with all applicable laws and standards that regulate how healthcare is provided. These laws include, but are not limited to, laws and standards affecting the regulation of the delivery of healthcare, including local, state and federal licensing requirements; The Joint Commission accreditation standards; laws affecting employment, labor, benefits, and collective bargaining obligations; and environmental laws.
      2. Employment and Labor Laws
         a. Personnel must comply with applicable laws that regulate employment. Examples of these laws include:
            i. Wage and hour requirements; and
            ii. State and Federal civil rights laws, including laws protecting employees from sexual harassment and discrimination; collective bargaining and union laws; and laws protecting employees from arbitrary termination of employment.
      3. Quality, Safety and Environmental Laws
         a. Personnel must comply with laws that protect the safety and well-being of NMHC patients and fellow Personnel. Examples of these include:
            i. Laws prohibiting the discharge of certain specified materials into the air or water; and
ii. Laws protecting Personnel and patients from exposure to toxic and other environmental hazards.

C. If there are questions about the existence, interpretation or application of any law, they should be directed to the Office of General Counsel or the Office of Corporate Compliance & Integrity.

II. Corporate Compliance

A. Compliance with Applicable Laws

1. Personnel must comply with all applicable laws, as well as all NMHC policies based upon such laws, that regulate business practices involved in providing healthcare including, but not limited to, antitrust laws, fraud and abuse prohibitions, and laws affecting tax-exempt corporations.

2. Compliance with these laws, which are discussed throughout this policy, is the subject of NMHC’s Corporate Compliance & Integrity training.

3. Personnel must maintain compliance at all times and complete required Corporate Compliance & Integrity training.

4. Personnel whose jobs with NMHC require them to have more detailed knowledge of specific areas of these laws must also attend specialized NMHC education programs.

5. Personnel should request assistance from the Office of General Counsel or the Office of Corporate Compliance & Integrity when faced with business decisions that may involve a risk of violating one of these laws or if they have questions regarding the interpretation or application of the laws.

B. Accurate Books and Records

1. All books and records must be maintained in an accurate, complete, not misleading and timely manner.

2. Records shall be retained per the requirements stipulated in laws, as well as all NMHC policies based upon such laws. It is the duty of Personnel to comply with all policies regarding record retention, as well as all applicable laws. Any Personnel not sure about such policies and laws should contact the Office of Corporate Compliance & Integrity. See NMHC Administrative Policy: Records Management.

3. Complete and accurate medical records are required for each patient treated. In order to ensure that medical records can support all of their various purposes, it is extremely important that the records be complete, accurate, timely, and legible.

4. All medical records must also be maintained in a confidential manner to ensure the integrity of doctor-patient and NMHC-patient relationships. See NMHC Administrative Policy: Privacy and Confidentiality: Patient Information.

5. All books, records, and accounts must accurately reflect the nature of the transactions recorded. All assets and liabilities of NMHC must be accurately recorded on the books. There shall be no undisclosed or unrecorded fund or asset in any amount for any purpose; no false, misleading or artificial entries for any purpose; and no payment shall occur, or purchase price agreed to, with the intention or understanding that any part of such payment is for anything other than that described in the document supporting the payment.

6. Cost must be allocated and billed to a government contract, program, or other entity properly and in accordance with law. Timely and accurate completion of time records by all Personnel is essential. Personnel shall report only the true and actual number of hours worked.

7. Expenses, properly incurred in performing NMHC business, must be documented promptly with accuracy and completeness on expense reports in accordance with applicable policy.
C. Conflict of Interest

1. Personnel must avoid situations in which their personal interests could reasonably be expected to, or even appear to, affect their independence of judgment with respect to NMHC business. Personnel should consider themselves to be persons in positions of trust and act accordingly. Actual or potential conflicts of interest must be disclosed as required by NMHC Administrative Policy: Conflict of Interest.

2. Personnel shall not ask for, take, offer, or give any payments, fees, cash-equivalents, loans, services from or to any person or firm as a condition or result of doing business with NMHC. Acceptance of such gifts or favors is addressed in Appendix B to this policy.

D. Fraud, Bribery and Theft

1. Personnel may neither make improper use of NMHC, supplier or patient resources, nor let others do so. In particular, Personnel may not make, offer or receive bribes, kickbacks, or illegal payments of cash or other gifts, for any purpose, in any form or for any amount.

2. Other examples of the improper use of NMHC resources include unauthorized appropriation, possession or personal use of NMHC supplier or patient assets such as charge cards, checking accounts, stationery, technology and patents, software, computers, communication and copying equipment, tools or office supplies. The unauthorized possession or inappropriate use, alteration, destruction or disclosure of NMHC data or documents is also forbidden.

E. False Claims

1. Personnel may not create or present for payment bills, claims or statements that contain false information or make or present false claims to the federal government for payment or use a false record or statement to obtain payment from the government.

F. Patient Privacy, Confidentiality, and Security

1. Protecting the privacy of patients and keeping all health records and information private and secure is an organizational commitment. Personnel are responsible for protecting the privacy and security of all Protected Health Information (“PHI”), Personal Identity Information (“PII”) and other confidential information (oral or recorded in any form). See NMHC Administrative Policy: Privacy and Confidentiality: Patient Information.

G. Marketing and Purchasing

1. Two closely related and general principles should guide all marketing and purchasing actions by Personnel:

   a. In business transactions, Personnel shall never make misrepresentations or lie to anyone. If Personnel believe that another person may have misunderstood them, they should promptly correct any misunderstandings. Honesty, based on clear communication, is the basis of integrity.

   b. Personnel are to treat fairly everyone with whom they do business. In addition, they should contact the Office of General Counsel or the Office of Corporate Compliance & Integrity if they encounter any circumstances where they feel they are being inappropriately pressured or influenced to do something.

H. Healthcare Fraud and Abuse

1. Personnel may not accept, ask for or offer any payment for the referral of individuals for a service covered by any health benefit program, including without limitation Medicare, Medicaid, or other federal health benefit program.

2. Personnel may not accept or ask for payment for the purchasing or leasing of any good, item or service covered under such programs.

3. Physicians are prohibited from referring patients covered by Medicare, Medicaid, or other federal health benefit programs to a “designated health services” provider in which the
physician or an immediate family member of such physician has a financial interest, unless permitted under the law. See Appendix B to this policy for the definition of “designated health services.”

4. Personnel shall not allow Vendors or Industry to provide food on site at any NMHC-entity.

I. Tax Exemption

1. NMHC-entities that are exempt from taxation must follow certain rules to maintain this status. Specifically, the entities must avoid Private Inurement and not engage in substantial activities unrelated to their exempt purposes.

J. Political Contributions

Tax exempt NMHC-affiliated entities must observe strict rules prohibiting contributions to and participation in any political campaign. NMHC may not contribute or loan, directly or indirectly, any funds or other assets to any political party or for the support or campaign of any person for political office. NMHC, however, allows individuals to participate on their own time and unrelated to their NMHC employment in political or similar advocacy activities.

K. Emergency Medical Treatment and Labor Act (“EMTALA”)

1. EMTALA places certain obligations on medical service providers. NMHC is committed to complying with the provisions of EMTALA. This includes the performance of medical screening examinations, and, in the event an emergency medical condition exists, the stabilization of the patient or appropriate transfer. See NMH Patient Care Policy: EMTALA: Emergency Medical Treatment and Labor Act or entity specific EMTALA policy, as appropriate.

L. Antitrust

1. All NMHC Personnel must comply with applicable antitrust and related laws that regulate competition. Examples of conduct that are forbidden by these laws include:
   a. Agreements to fix prices, divide markets or territories or collude (including sharing pricing information) with competitors in any way that lessens competition.
   b. Boycotts, including certain exclusive dealing agreements.
   c. Unfair trade practices, including bribery, misappropriation of trade secrets, deception, intimidation, and similar practices.

M. Alleged Misconduct relating to research

1. Personnel must abide by high ethical standards in research; inquire into and, if necessary, investigate and resolve promptly and fairly all instances of alleged misconduct; and comply in a timely manner with agency requirements for reporting cases of possible misconduct in sponsored projects.

III. Corporate Compliance Program

A. This Code of Ethics is the cornerstone of the corporate compliance program and the foundation for other organizational policies and procedures. The Code guides behaviors and decisions in conducting day-to-day activities and provides guidance for managing conflicts to ensure that processes are defined and consistently implemented to address conflicts that, if not managed, could adversely affect patient safety and/or quality of care.

B. NMHC may not delegate “substantial discretionary authority” to people the organization knows or should have known to have or had a propensity to engage in illegal activities. For this reason, and to comply with state law, employment verifications, criminal background checks/investigations and other reference verifications, as appropriate, are conducted for all Personnel. See NMH Administrative Policy: Sanction Screening or entity specific Sanction Screening policy, as appropriate.
C. Responsibility for the Corporate Compliance Program
   1. NMHC has appointed a Chief Integrity Executive to establish and maintain an Office of Corporate Compliance & Integrity to administer the corporate compliance program.
   2. The Office of Corporate Compliance & Integrity will provide guidance and obtain legal counsel review to address inquiries as necessary.
   3. If an individual feels that an issue requires the attention of the Office of Corporate Compliance & Integrity, the individual should contact the Office of Corporate Compliance & Integrity directly before initiating contact with persons not associated with NMHC. See NMHC Administrative Policy: Reporting of Wrongdoing: Responsibilities, Protections and False Claims Laws.

D. Responsibility to Report Violations
   1. Ethical behavior is the responsibility of every individual. All individuals have a duty to promptly report any dishonest or illegal activity and actual or potential violation of the Code, the corporate compliance program, or organizational policies and procedures that guide behavior and decisions in conducting day-to-day activities. See NMHC Administrative Policy: Reporting of Wrongdoing: Responsibilities, Protections and False Claims Laws.
   2. If an individual knows, or reasonably believes, that someone has or is about to commit a violation of the Code and does not promptly report it as described, he or she will be subject to appropriate disciplinary action. This may include demotion or termination of employment or other relationship. Under no circumstance is criminal conduct by Personnel considered within the scope of his/her employment or authority.
   3. The distinction between criminal conduct and conduct that may violate civil laws is not always clear. Therefore, if an individual knows of any act by another individual which violates, or appears to violate, a provision of the Code, the individual must report it.

E. Confidentiality of Reports
   1. The identity and the information reported by an individual will be shared only on a “need-to-know” basis with those responsible for resolving the concern. NMHC will make all reasonable efforts to maintain the confidentiality of the identity of any person who reports possible misconduct. See NMHC Administrative Policy: Corporate Compliance and Integrity Investigations: Responsibilities and Procedures.
   2. In addition to Section III.E above, the Office of Corporate Compliance & Integrity has authority to release this information to:
      a. Appropriate third parties such as outside counsel and independent public accountants, as necessary, in order to resolve the concern;
      b. NMHC management who are not the subject of the report and whose duties and responsibilities require them to be informed about the report or the results of the subsequent investigation of the report;
      c. Any appropriate Board or Board committee; or
      d. Law enforcement officials, as appropriate.
   3. In general, individuals filing reports should not disclose the contents of the report to anyone other than those responsible for and involved in resolving the concern (i.e. the Office of Corporate Compliance & Integrity, Human Resources, etc.).
   4. The Office of Corporate Compliance & Integrity will treat and investigate anonymous reports as seriously and fully as those filed or communicated by individuals who identify themselves. See NMHC Administrative Policy: Corporate Compliance and Integrity Investigations: Responsibilities and Procedures.
F. Protection From Retaliation

1. NMHC will not retaliate against Personnel who have filed a report based on a good faith belief that someone is about to commit, or has committed, a crime or violation of the Code. Good faith means actually believing or perceiving that the information reported is true. See NMHC Administrative Policy: Reporting of Wrongdoing: Responsibilities, Protections and False Claims Laws.

2. Personnel who attempt to take or take retaliatory action against any person reporting an incident in good faith will face appropriate disciplinary action up to and including termination of employment or other relationship.

G. Response to a Report

1. Upon receipt of a report, the Office of Corporate Compliance & Integrity will conduct or cause to be conducted an investigation and recommend actions ranging from those intended to prevent a recurrence (e.g., remedial training) to termination of the wrongdoer’s employment or other relationship or such other disciplinary action, as appropriate under the circumstances. Corrective actions may also include prompt restitution of overpayment amounts or notification to an appropriate governmental agency, as applicable. See NMHC Administrative Policy: Corporate Compliance and Integrity Investigations: Responsibilities and Procedures.

H. Due Diligence in Delegation of Authority

1. Personnel with the authority or responsibility to act on behalf of NMHC must be familiar with the provisions of the Code.

2. Managers must be careful in delegating substantial discretionary authority and responsibility and, before doing so, should consider a person’s prior business conduct and behavior.

I. Discipline for Violations

1. Disciplinary actions up to and including termination of employment or other relationship may be taken for:
   a. Authorization of or participation in actions that violate the Code;
   b. Failure to report a violation of the Code;
   c. Refusal to cooperate in the investigation of a violation of the Code;
   d. Failure by a violator’s manager(s) to detect and report a violation of the Code, if such failure reflects inadequate supervision or lack of oversight; and/or
   e. Retaliation against an individual for reporting a violation of the Code.

2. Ensuring compliance with the standards set forth in the Code is an important NMHC objective and requires all individuals to take seriously their obligations as outlined above. Violations of the Code will not be tolerated and, consistent with applicable collective bargaining agreements, will result in one or more of the following sanctions, as appropriate:
   a. Coaching
   b. Written reprimand
   c. Suspension pending investigation
   d. Demotion
   e. Termination
   f. Required reimbursement of losses or damages
   g. Referral for criminal prosecution or possible civil action
3. In most cases, progressive discipline (the gradual increase in the severity of sanctions for an act) will be employed. However, if the violation is sufficiently serious, or performed with willful disregard of the Code, immediate termination may result.

4. Notwithstanding the foregoing, specific disciplinary actions may be set forth in NMHC policies.

5. Notwithstanding the foregoing, Medical Staff are subject to discipline and due process as set forth in the applicable Medical Staff Bylaws.

6. Notwithstanding the foregoing, House Staff are subject to the McGaw Medical Center of Northwestern University’s process for Evaluation and Addressing Performance Deficiencies in the McGaw House Staff Manual. See, *NMHC Medical Staff Policy: Code of Conduct for House Staff*.

**J. How to Report an Offense or Suspected Offense**

1. Questions or concerns about legal or ethical issues may be reported to an individual’s supervisor. If the supervisor does not provide a satisfactory response in a reasonable amount of time, the question or concern should be escalated.

2. Alternatively, questions or concerns may be reported as set forth on *Appendix A-1* to this policy.

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**APPENDIX A:**

Jennifer Wooten Ierardi  
NMHC Integrated Code of Ethics  
Chief Integrity Executive

**Effective Date:** 03/15/2016

**REVIEW HISTORY**

Revised: 01/01/2011 - Migrated from NMH 1.11 ADM, v 05/29/2008  
Revised: 8/2015
Appendix A-1: Reporting Methods

Questions or concerns about legal or ethical issues may be reported as follows:

A. Email individuals in the Office of Corporate Compliance & Integrity at compliance@nm.org. A listing of staff of the Office of Corporate Compliance & Integrity is available on NMI.

B. Call individuals in the Office of Corporate Compliance & Integrity or call the main number: 312-926-4800.

C. Contact the Compliance Confidential Hotline at 844-339-6271 or log into www.nm.ethicspoint.com. The confidential hotline and website are managed by an outside entity unrelated to NMHC. Reports may be made anonymously.

D. Write a letter or present in person at the Office of Corporate Compliance & Integrity, 541 North Fairbanks Court, 10th Floor, Suite 1065, Chicago, Il 60611.

APPENDIX A1:
Reporting Methods

Jennifer Wooten Ierardi
Chief Integrity Executive

Effective Date: 03/15/2016

REVIEW HISTORY
Written: 08/2015
Appendix B: NMHC Professional Integrity Handbook

[See attached]

APPENDIX B:  
NMHC Professional Integrity Handbook  

Jennifer Wooten Ierardi  
Chief Integrity Executive

Effective Date: 03/15/2016

REVIEW HISTORY:  
Written: 08/2015
Professional Integrity Handbook

2016
# Table of Contents

## Part I: Professional Integrity: General Provisions

A. Scope and Applicability ................................................................. 1  
B. Definitions ..................................................................................... 1  
C. Disclosure of External Professional Relationships to NMHC and Patients ......................................... 3  
D. Reporting of Potential Misconduct or Violations of this Handbook ......................................................... 4  
E. Enforcement .................................................................................... 5  
F. Questions and Assistance .................................................................. 5

## Part II: Professional Integrity: Specific Applications

A. Gifts and Business Courtesies ........................................................... 5  
B. Consulting, Advisory Boards, Speaking Engagements, and Similar Compensated Activities .......................... 7  
C. Educational Conferences and Programs ..................................................................................................... 9  
D. Training and Education Regarding Use of Medical Devices ........................................................................ 10  
E. Meals .................................................................................................. 11  
F. Marketing and Promotional Activities .......................................................................................................... 12  
G. Health Fairs ....................................................................................... 13  
H. Purchase Contracts and Discounts ............................................................................................................. 14  
I. Vendor Access and Provision of Demonstration Products and Other Services ........................................ 14  
J. Fundraising ......................................................................................... 14  
K. Charitable Events .............................................................................. 15  
L. Arrangements Requiring Legal Review: Physicians ..................................................................................... 15  
M. Patient Referrals to Family Members or to Entities in which You or Your Family Member has an Investment Interest or Financial Relationship: Physicians ................................................................. 16  
N. Educational Grants and Donations to Underwrite Educational Conferences at NMHC Facilities or Otherwise Sponsored by NMHC ......................................................................................... 18  
O. Relationships with the Investment Community ............................................................................................ 18  
P. Sunshine Act: Physicians ..................................................................... 18
Part I: Professional Integrity: General Provisions

A. Scope and Applicability

Northwestern Memorial HealthCare and entities wholly-owned or wholly-controlled by Northwestern Memorial HealthCare* (each individually referred to as an “NMHC-entity,” and collectively referred to as “NMHC”) are committed to the highest standards of honesty, integrity, and fairness and in conducting business in compliance with all applicable federal and state laws, regulations, the NMHC Integrated Code of Ethics, and all applicable organizational policies and procedures. Consistent with this commitment, this Handbook sets forth the “Rules of the Road” with respect to professional relationships with Vendors, Referral Recipients, and Referral Sources (defined below). This Handbook also explains how to handle gifts from patients.

This Handbook applies to you if you are an NMHC employee (including an employed physician); volunteer; corporate officer; director; Board committee member; student trainee; temporary agency staff or leased employee; house staff and medical staff who (a) holds a paid or unpaid medical administrative position (e.g., Clinical Department Chairs, Section and Division Chiefs, or special care unit directors), (b) has procurement responsibility or the authority to recommend such procurement, or (c) participates on Boards or Board committees; or a person whose conduct is under the direct control of NMHC (“NMHC Personnel”). Please note that some provisions only apply to physicians. If so, this is clearly stated in the title of the section.

* See definition of NMHC below.

B. Definitions

This Handbook summarizes rules that govern the relationships that you have with Vendors, Referral Recipients, and Referral Sources. Definitions of these and other terms are set forth below.

1. ACCME: Accreditation Council for Continuing Medical Education.

2. Applicable Manufacturer: An entity that is engaged in the production, preparation, propagation, compounding, or conversion of a covered drug, device, biological, or medical supply, but not if such covered drug, device, biological or medical supply is solely for use by or within the entity itself or by the entity's own patients. An Applicable Manufacturer would include, for example, a pharmaceutical or device company.

3. CCI: NMHC’s Office of Corporate Compliance and Integrity.

4. CMS: Centers for Medicare and Medicaid Services.

5. Clinical Department Chair: Those individuals designated by NMHC as a Department Chair or an equivalent physician leader.

6. FDA: United States Food and Drug Administration.
7. **Feinberg:** The Feinberg School of Medicine of Northwestern University.

8. **Immediate Family Member:** Unless otherwise defined, all references to “Immediate Family Member[s]” include your spouse/civil union partner and children. Immediate Family Members also include the following persons if they live with you, you manage their financial affairs, or you are aware without inquiry that they hold the interest or position in question: your parents, siblings, grandchildren, and their spouses/civil union partners; your spouse's/civil union partner's parents, siblings, children, grandchildren, and their spouses/civil union partners.

9. **NMHC:** Northwestern Memorial HealthCare and entities wholly-owned or wholly-controlled by Northwestern Memorial HealthCare (individually referred to herein as an “NMHC-entity,” and collectively referred to herein as “NMHC”). For purposes of this definition, “NMHC” and “NMHC-entity” shall also include those entities partially-controlled by NMHC (i.e. joint ventures) if, within a policy addressing joint ventures, the entities are expressly identified as being subject to this policy.

10. **NMHC Personnel:** NMHC employees (including employed physicians); volunteers; corporate officers; directors; Board committee members; student trainees; temporary agency staff or leased employees; medical staff or house staff who (a) hold a paid or unpaid medical administrative position (e.g., clinical Department Chairs, Section and Division Chiefs, or special care unit directors), (b) have procurement responsibility or the authority to recommend such procurement, or (c) participate on Boards or Board committees; and persons whose conduct is under the direct control of NMHC.

11. **OGC:** NMHC’s Office of General Counsel.

12. **Ownership or Investment Interest:** An Ownership or Investment Interest includes arrangements where you have (or plan to have) a direct or indirect equity, debt, or other proprietary interest (including stock, stock options, profit sharing plans, LLC memberships, partnerships, and joint ventures) in any entity. An "indirect Ownership or Investment Interest" includes any equity, debt, or other proprietary interest held through a business investment or by an Immediate Family Member. For example, you have an indirect ownership interest in a nursing home if you are a shareholder in a company that is a shareholder of the nursing home. An interest comprised solely of publicly traded securities or mutual funds is considered an Ownership or Investment Interest only if such interest is five percent (5%) or more of any class of shares or other securities outstanding.

13. **Outside Professional Activity(ies):** Any paid or volunteer activity undertaken by you that is outside the scope of your regular NMHC duties. Outside Professional Activities may include consulting, participation in civic or charitable organizations, working as a technical or professional advisor or practitioner, or holding a part-time job with another employer, whether working in one’s NMHC occupation or another occupation.
14. **Referral Recipient**: A person or entity, or an employee or representative of a person or entity, who or which receives or could potentially receive patient referrals from NMHC. For example, a Referral Recipient would include a hospital or nursing home to which a physician refers patients. **See explanatory note at the end of this section.**

15. **Referral Source**: A person or entity, or an employee or representative of a person or entity, who or which refers or could potentially refer patients to NMHC. Referral Sources include, for example, community physicians who refer patients to NMHC for specialty services. **See explanatory note at the end of this section.**

16. **Vendor or Industry**: Any individual or entity that provides or could provide products or services of any type to NMHC or Feinberg. This includes, by way of example, providers of diagnostic, preventative, remedial and therapeutic services, such as doctors, nurses, hospitals and other private, public and voluntary organizations; medical device and equipment and pharmaceutical manufacturers and distributors; biotechnology firms; health insurance firms; and others that provide or could provide products and services directly related to the provision of health care and directly affecting the provision of health care; and other individuals and entities whose products or services are not necessarily limited to the health care industry (e.g., banks, law firms, information systems vendors, architects, and similar organizations). **See explanatory note at the end of this section.**

17. **You**: “You” refers to any person to whom this Handbook applies. Where appropriate we have indicated specific roles that may be affected the Handbook provision.

**NOTE**: “Vendor,” “Industry,” “Referral Recipient,” and “Referral Source” all refer to entities other than NMHC-entities. While the relationships between NMHC-entities must be carefully monitored, we have implemented processes to do so.

**C. Disclosure of External Professional Relationships to NMHC and Patients**

1. Disclosures to NMHC

   Fundamental to the mission of NMHC is the advancement of public health. This mission is critically dependent on the public’s trust in the integrity of the patient care, research and educational activities performed within our institution. To that end, relationships with Vendors, Industry or other external entities, which often result in breakthroughs in medical research and promising new therapies, should be encouraged but also closely monitored to ensure that these relationships are not – or do not appear to be – influenced by factors other than the pursuit of knowledge and the best interests of the patient.

   Accordingly, NMHC policy requires NMHC Personnel to disclose Vendor and Industry relationships, as well as other Outside Professional Activities in accordance with NMHC Policy No. 1.0011, Conflict of Interest. This includes completion of the Annual Joint Disclosure Survey where applicable. Your disclosures are reviewed by CCI to determine if a conflict of interest might exist.
If you also have a role at Feinberg, the Ann & Robert H. Lurie Children’s Hospital of Chicago, or the Rehabilitation Institute of Chicago, then representatives from those institutions will also review your disclosures. If CCI determines that a conflict exists, a conflict management plan will be put in place. Further detailed information about the joint disclosure process is available at (http://www.feinberg.northwestern.edu/compliance/annual_disclosure_survey/index.html).

2. Disclosures to Patients: Physicians

NMHC requires that physicians disclose the following to patients receiving care at NMHC:

- Ownership or Investment Interests in entities involved in the manufacture, distribution, or sale of a product that you may use in treating a patient; and
- Royalties that you may receive on a product that you may use in treating a patient.

Although you must disclose any such interest, regardless of amount, you do not need to disclose specific amounts or values related to the Ownership or Investment Interest or royalties. Your disclosure should, however, be documented in the patient’s record. The following talking points can guide you in making the disclosure (or in the event patients ask you directly about your relationships with Vendors and Industry):

- Tell the truth and acknowledge your relationship. In doing so, you may choose to emphasize the benefits to patients resulting from the relationship, as long as these are factual and evidence-based.
- Explain that NMHC has rules governing your relationships, that you are also required to report your relationships at least annually for review by NMHC and, as applicable, Feinberg.
- If the patient is concerned about your choice of a particular drug or device, take the time to explain why you made the choice that you did. Patients may be comforted by the fact that you are very familiar with a product that you may have helped develop or for which you provided consulting services.

Your disclosure should be documented in the patient’s record. Contact CCI at compliance@nm.org or by calling (312) 926-4800 for specific instructions regarding such documentation.

D. Reporting of Potential Misconduct or Violations of this Handbook

Potential misconduct or violations of this Handbook should be reported. You may report to your supervisor or manager or to CCI at compliance@nm.org or by calling 312-926-4800. You may also report misconduct or violations through NMHC’s confidential reporting system. The confidential hotline (844-339-6271) and web-based reporting portal (www.nm.ethicspoint.com) is administered by an outside (non-NMHC) company, so you may remain anonymous if you wish to do so. If you do not believe that the
situation is being adequately addressed, you may discuss the situation with NMHC’s Chief Integrity Executive. Contact information is available on the CCI’s web site on NM Interactive.

NMHC policy prohibits retaliatory action against anyone for reporting or inquiring about potential breaches of NMHC policy or laws and regulations or for seeking guidance on how to handle suspected breaches.

E. Enforcement

Managers are responsible for ensuring that this Handbook is communicated to and understood by the employees and others in their respective areas and for enforcing the provisions of this Handbook. Violations of this Handbook are subject to disciplinary action in accordance with applicable NMHC policies.

F. Questions and Assistance

If you have questions about the items discussed in this Handbook, please contact CCI at compliance@nm.org or by calling 312-926-4800. For questions about professional integrity in research, please contact either the Northwestern University Office for Research or the NMHC Office of Research, as applicable.

Part II: Professional Integrity: Specific Applications

Not all scenarios that you may encounter may be addressed in the following pages. You should, therefore, contact the NMHC Office of Corporate Compliance & Integrity (“CCI”) with any questions or concerns.

Note to Physicians: This Handbook is consistent with Feinberg’s Disclosure and Professional Integrity Policy with respect to topics addressed under both documents. Physicians and others with faculty appointments at Feinberg, however, should also refer to Feinberg’s Disclosure and Professional Integrity Policy, which is available at the following address:


A. Gifts and Business Courtesies

1. Gifts from or to Vendors, Referral Recipients, or Referral Sources

A gift or business courtesy includes any good, service, or other item of value given to a person without that person’s paying money or giving something of comparable or equal value for the good, service, or item. Gifts and business courtesies include, by way of example, the following: cash, checks, gift certificates, securities, property, favors, prizes, services, personal travel, personal discounts, supplies, equipment, referrals, employment, food, attendance at plays, concerts, sporting events, golf outings, or any other entertainment events or hospitality.

Unless provided otherwise in this Handbook, you may not accept gifts or business courtesies of any value from Vendors/Industry or from Referral Recipients. This prohibition includes the items listed above, as well as acceptance of personal use of a Vendor or Referral Recipient’s facilities, equipment, or vacation home; personal trips, vacations, hotel or resort accommodations;
minimus office items (e.g., pens, notepads, mugs, calendars); birthday or other gifts in recognition of a life event, floral arrangements, artwork, golf balls, or tickets to sporting, concert, or entertainment events; or any item that takes into account the volume or value of referrals, purchases, or other business generated. Any gift or business courtesy given to your Immediate Family Member is also prohibited if you could not accept the gift directly.

While personal discounts from a Vendor are prohibited, NMHC-wide discounts or promotions available to all employees are not considered a gift or business courtesy (see Part II, Section I, Purchase Contracts and Discounts). In addition, the prohibition discussed in this paragraph does not apply to the following:

- if you pay for the gift or business courtesy (or reimburse the Vendor for the gift or business courtesy). For example, you can go to a sports event with a Vendor if you pay for your own ticket. The amount that you pay, however, should be consistent with the fair market value of the gift or business courtesy;

- drug samples, maintained and dispensed in accordance with NMHC operating guidelines applicable to your NMHC-entity;

- items otherwise expressly allowed in this Handbook (e.g., certain meals as set forth in Part II, Section E).

As a general rule, if you receive a gift, you must return it. However, if returning the gift is impractical, you may dispose of the item or donate it to Northwestern Memorial Foundation. Flowers, food, or other perishable items may be shared with your department. Prior to sharing, you must remove the name or other identification of the Vendor or Referral Recipient. Vendors and Industry representatives should be requested not to send gifts in the future.

Similarly, unless otherwise provided in this Handbook (see Part II, section F) neither you nor your Immediate Family Members may give gifts or business courtesies of any value to Referral Sources.

2. Gifts from Patients

We ask that you use professional judgment in accepting gifts from patients. Flowers, food, or other modest perishable items may be shared with your department. Cash or cash equivalents (e.g., gift cards) should generally not be accepted. If a patient indicates a desire to give a monetary gift, please direct the patient to contact Northwestern Memorial Foundation so that an arrangement can be set up in accordance with the donor’s intent.

3. Gifts to Support Research and Education

Please contact CCI, prior to acceptance, about any gifts from Vendors or Referral Recipients to support clinical research as well as offers of scholarships and fellowships from Vendors. These matters must be coordinated with Northwestern Memorial Foundation and, if applicable, may need to comply with Feinberg requirements. If approved, the relevant Department will have sole
B. Consulting, Advisory Boards, Speaking Engagements, and Similar Compensated Activities

You may enter into arrangements to provide consulting, medical directorship, product development input, advisory committee participation, teaching/speaking engagements, or other professional services to Vendors or Referral Recipients for which compensation is received. However, all arrangements must be memorialized in writing; reflect fair market value compensation for legitimate, reasonable, and necessary services; and not inappropriately influence your research activities, clinical decision-making, prescribing or purchasing decisions. Payment of compensation may not (i) be used to influence decision-making with respect to NMHC, (ii) induce referral of patients or the ordering of a service or supply, or (iii) take into account the volume or value of referrals, purchases, or business generated.

1. **Speakers’ Bureaus.** With the exception of settings in which academic investigators are presenting results of their Industry-sponsored studies to peers and there is opportunity for critical discussion, you are strongly discouraged from participating in Industry-sponsored speakers’ bureaus. Should a physician choose to participate in a speakers’ bureau, the content and format of the presentation should be educational and adhere to all FDA requirements. [http://www.fda.gov/](http://www.fda.gov/).

2. **Ghost Writing.** You may not author or co-author articles where your name or NMHC’s or Feinberg’s name is used without your substantive contribution. If Vendor employees are co-authors, then this should be made known to the reader. There should be full disclosure of the role of each author to the reader.

3. **Contract Guidelines.** Each arrangement must meet the following guidelines:

   a) There must be a signed, written contract reflecting the terms and conditions of the arrangement. Please understand that you enter into and sign the contract in your *individual* capacity (i.e. not on behalf of NMHC). **NOTE:** Certain arrangements, such as facility medical director agreements, as well as arrangements involving the provision of clinical services, should be executed by an NMHC-entity directly. Such arrangements should be coordinated through OGC.

   b) The contract must specify the services to be provided, which must be legitimate, commercially reasonable services needed by the contracting party. You may not enter into a contract that involves the provision of services or includes other terms that would restrict or interfere with your job-related duties.

   c) The payment amount or formula must be set in advance and must reflect fair market value for the services to be provided. When compensation is based on a royalty or similar arrangement, the payment amount should be based on factors that preserve the objectivity of medical decision-making and avoid the potential for improper influence. Specifically, the...
payment amount (i) must not be conditioned on a requirement that NMHC purchase, order, recommend, or use any product or medical technology or a requirement to market the product or medical technology upon commercialization; and (ii) must exclude from the calculation of royalties the number of units purchased, used, or ordered by NMHC. Accordingly, for any agreement that does not comply, you should amend your royalty contract (either with the company or with an intermediary party which receives royalties from the company and then distributes a portion of such royalties to you) to exclude royalties for products purchased by NMHC. If doing so is not feasible, then contact the company to determine the amount of your royalties attributable to NMHC purchases and reimburse the company (or intermediary party) that amount. As an alternative to reimbursement, you may donate the royalties to a charitable organization. Donations to a charitable organization shall be evidenced by a cancelled check in the same amount as the royalty payment. If you are unable to obtain the exact amount of your royalty payment attributable to purchases by NMHC, you may estimate such amounts. Be sure to document everything and retain that documentation.

d) The services must actually be performed and documented as a condition of payment.

e) The contract cannot involve or permit the use of NMHC’s or Feinberg’s confidential or proprietary information. In addition, because you perform consulting in your individual capacity, you may not use NMHC or Feinberg letterhead in the performance of consulting activities.

f) Travel and other business courtesies provided in connection with performance of the services must be modest and incidental to the services being performed (e.g., a meal in connection with an all day meeting is acceptable; a three hour meeting followed by golf or other entertainment is not). You may not accept invitations to entertainment events in conjunction with the performance of services.

g) You are responsible for negotiating your own terms and conditions. However, CCI is available to answer questions on an as-needed basis with respect to compliance of the arrangement with these contract guidelines.

NOTE: Compensated arrangements may be subject to audit by CCI and you are required, upon request by CCI, to provide evidence of compliance (including copies of contracts, time reports, receipt of payment, reimbursements or contribution, etc.). In addition, if you enter into consulting or other agreements with parties that require assignment of ownership rights in intellectual property, you should be aware that conflicts of interest may arise. Please refer to NMHC Administrative Policy: Protection of Inventions, Discoveries, Trade Secrets and Publications. This policy is available on NM Interactive. For guidance in these matters, please contact CCI. Physicians with Feinberg faculty appointments should also notify the Northwestern University Technology Transfer Program of any patents or inventions arising from external consulting agreements.
C. Educational Conferences and Programs

Educational conferences and programs do not include meetings that deal solely with marketing of a Vendor’s product or service. A Vendor may not pay for your registration fee, travel or lodging or provide other support for you to attend meetings that deal solely with marketing of the Vendor’s products or services or where the purpose of the meeting is to view the Vendor’s products or equipment that NMHC is considering purchasing (see Part II, Section F).

1. Program Faculty. If you are a speaker, presenter, moderator, or otherwise provide a substantial educational role at a bona fide educational program, meeting or conference, you may accept a reasonable honoraria and reimbursement for travel, lodging, and meal expenses to attend the program, meeting or conference. Such compensation and reimbursement must be paid by the conference sponsor and not by Industry. You must ensure that no Industry representative influences the content of your presentation and that there is appropriate disclosure of any financial ties to Industry.

2. Attendees. Unless you are a speaker, presenter, or moderator at an educational conference or meeting or unless you are receiving medical device manufacturer-sponsored training or education on a device currently in active use at NMHC (see Part II, Section D), a Vendor or Referral Recipient may not cover the cost of your attendance (i.e. registration fees, travel or lodging) at educational conferences or programs. Certain meals provided in connection with attendance at an educational conference, professional meeting or medical device training may be permitted under Part II, Section E.

3. Conference-Related or Approved Meals and Receptions/Nominal Gifts. You may accept food only as allowed under Part II, Section E. You may accept a gift from a Vendor or Referral Source provided in connection with a paid educational conference or program as long as the gift is of nominal value and is generally available to all conference attendees. For example, you can accept a cloth bag given to all registrants to carry conference materials or a pen donated by a Vendor and made available to all attendees. You may not, however, use or display the gift at NMHC.

4. Attendance by Spouses or Guests. Under no circumstances may you accept reimbursement for transportation, lodging, or meals for the cost of your spouse or other guest(s) unless your spouse or guest(s) has a bona fide purpose for attending the program.

5. Location. Conferences must be held in locations that are conducive to the effective transmission of knowledge, which could include, but are not limited to, a hotel or other commercially available meeting facility, medical institution, laboratory, corporate office, or other training facility.

NOTE TO PHYSICIANS: Except as allowed under Part II, Section D, physicians should attend only those medical education programs that receive Industry funding if the program is (i) an ACCME-accredited program, (ii) if you have a Feinberg faculty appointment, a program sponsored by Feinberg or a Feinberg-affiliated institution and approved by the Feinberg Vice Dean for Regulatory Affairs, (iii) a professional society meeting that follows ACCME standards, or (iv) a non-ACCME-accredited program that you believe...
would advance the academic mission of your department or division, in which case you shall explain the basis for this and receive approval from your Department Chair, Division Chief, or Center/Institute Director and, if you have a Feinberg faculty appointment, the Feinberg Vice Dean for Regulatory Affairs prior to attendance. It is anticipated that attendance at non-ACCME-accredited programs will be limited and relatively infrequent. Please note that an approval by your Department Chair, Division Chief, or Center/Institute Director and the Feinberg Vice Dean for Regulatory Affairs is for attendance only. You or your Department/Division must, except for meals (see Part II, Section E) or unless otherwise provided in this Handbook, independently pay for the program registration fee or other expenses of attending the program.

Partnering with either a for-profit or not-for-profit ACCME provider (other than the Feinberg Office of Continuing Medical Education) to sponsor an educational event is permitted only with the approval of the relevant Chair and, if you have a Feinberg faculty appointment, the Feinberg Vice Dean for Regulatory Affairs. (See also Part II, Section F).

If CME credit will be awarded for an educational program, please contact the following, as appropriate, to ensure compliance with accreditation guidelines: (i) the Feinberg Office of Continuing Medical Education, or (ii) the CME Administrator, Academic Affairs for Northwestern Medicine Central DuPage Hospital and Northwestern Medicine Delnor Hospital.

D. Training and Education Regarding Use of Medical Devices

NMHC recognizes that the FDA mandates training and education to facilitate the safe and effective use of certain medical technology. The activities surrounding training provided to you, however, may raise at least the appearance of impropriety. To ensure that you receive appropriate training free from inappropriate influences over your clinical decision-making, prescribing and purchasing decisions, you must adhere to the following guidelines regarding attendance at medical device manufacturer-sponsored training sessions:

1. You may attend medical device manufacturer-sponsored training and education programs in order to further your knowledge on the subject(s) presented. Such programs must contain objective scientific and educational information that will benefit patients. In advance of the trip, you should inform your supervisor that you plan to attend the medical device manufacturer-sponsored training or education.

2. Training and education programs must be conducted in settings that are conducive to the effective transmission of knowledge, such as hotel or other commercially available meeting facilities, medical institutions, laboratories, or other training facilities.

3. You may accept reimbursement for reasonable travel, lodging, meals, and other expenses in connection with a training program at an appropriate location. NOTE: No reimbursement for travel, lodging, and meal expenses may be accepted if the purpose of the travel or meeting is to view equipment or products that you are considering purchasing but have not yet purchased.
4. You may only accept associated hospitality in the form of modest meals and receptions. Any meals and receptions provided in connection with the training program must be subordinate in time and focus to the educational/training purpose(s) of the program.

5. You may not allow a medical device company to pay for meals, hospitality, travel, or other expenses for your spouse or other guests who do not have a bona fide professional interest in the information being provided at the training program.

E. Meals

Vendor representatives are not permitted to provide food on-site at NMHC. Except as provided below, if you attend a meal to discuss business- or education-related matters with Vendor representatives, then you must pay for your own meal.

Food may be accepted from Vendors or Referral Recipients in the following limited circumstances:

1. **Educational Conferences or Professional Society Meetings:** You may attend meals and receptions provided by a Vendor or Referral Recipient in connection with an educational conference, training, or professional meeting. However, the meals and receptions must be (i) modest, incidental, and subordinate to the educational content or bona fide business purpose of the meeting, with most of the time dedicated to the educational or business purpose, and (ii) generally available to all attendees. For example, meals, such as lunches, refreshments, and receptions that are included in the conference fee and available for all attendees are appropriate. If you have a Feinberg faculty appointment, the event must also comply with the guidelines of the ACCME.

2. **Non-ACCME-Accredited Programs:** If you are a physician attending a non-ACCME-accredited program for which you have received approval from your Department Chair, Division Chief, or Center/Institute Director (and, if you have a Feinberg faculty appointment, the Feinberg Vice Dean for Regulatory Affairs) pursuant to Part II, Section C, you may accept a meal or attend a reception in connection with the program as long as the meal or reception is (i) modest, incidental, and subordinate to the educational purpose of the meeting, with most of the time dedicated to the educational purpose, and (ii) generally available to all attendees.

3. **Medical Device Training:** In accordance with Part II, Section D, you may attend modest meals and receptions when attending Vendor-sponsored training and education regarding the use of medical devices.

4. **Services:** In accordance with Part II, Section B, you may attend modest meals and receptions in connection with your performance of legitimate contractual services for Industry (e.g., consulting).
In addition, you may not allow a Vendor or Referral Recipient to pay for meals for your spouse, other Immediate Family Member(s), or other guest(s) who do not have a bona fide professional interest in attending the meal.

You may only provide meals to Referral Sources if doing so is part of a bona fide business purpose. However, the meals must be modest in value and occur at venues appropriate for the exchange of information. If the primary purpose of the meeting is marketing and promotion, see Section F below.

**F. Marketing and Promotional Activities**

As it is the goal of NMHC to consistently demonstrate our commitment to transparency in all that we do, we must minimize the appearance of conflicts of interest. This includes carefully managing “promotional” interactions with our Vendors/Industry, Referral Recipients, and Referral Sources. For this reason, CCI must review all requests to engage in public relations and sales and marketing activities on behalf of NMHC or on behalf of a Vendor/Industry or Referral Source. This includes contractual agreements that call for promotional activities, verbal requests for participation in promotional activities, and use of any NMHC logo(s), formal name(s) or branding identity whether institutional, departmental or service line in nature.

Activities in question include, but are not limited to, providing service testimonials and product endorsements, engaging in collateral promotions like joint press releases, or providing our premises for video shoots. For example, a drug company may request our permission to use the Northwestern Medicine name and logo in an online ad that promotes the availability of its products at an NMHC hospital or outpatient location. Another example may involve the mutual interest of an NMG physician and a device maker with which he or she works to co-sponsor a patient seminar that promotes a procedure or clinical service. In another instance, one of our preferred MRI facilities may want to develop a video using NMHC clinicians touting the benefits of its services such that the video can be posted on its website. Regardless, any and all proposed promotional arrangements involving the public dissemination of an NMHC affiliated name or logo, including job titles and clinical department names, must be reviewed and approved by CCI.

NMHC reviews and monitors these activities to ensure that the NMHC name is used only by appropriate parties and in appropriate circumstances. NMHC also wants to ensure that all applicable policies are followed and to determine whether it is appropriate to use NMHC’s or a physician’s name in connection with the arrangement; whether NMHC may accept any funding with respect to the arrangement; and whether NMHC should pay a share of funding for the proposed activity or event.

When marketing NMHC program services or product lines to potential or current customers, you may provide modest meals or food items if doing so is necessary in order to secure a face-to-face meeting for purposes of discussing NMHC program services or product lines. You may also provide low value items (e.g., pens, mugs, umbrellas, etc., with the NM logo) for purposes of reminding the potential customer about NMHC program services or product lines. A low value token of appreciation may be provided to customers no more than once per year (e.g., during the holiday season); provided that the value of the item provided should not reflect the volume or value of business from any particular customer.
Notwithstanding the foregoing, you should check with the customer to make sure that the provision of meals, food, or items as described above is permissible under the customer’s own policies and procedures. NOTE: If you provide a meal, food, or item as described above to a physician referral sources, you must track and log these items. Please refer to the NMHC policy addressing “non-monetary compensation” applicable to your NMHC-entity or contact the Office of Corporate Compliance & Integrity.

NOTE: A Vendor may not pay for your registration fee, travel or lodging or provide other support for you to attend meetings that deal solely with marketing of the Vendor’s products or services or where the purpose of the meeting is to view the Vendor’s products or equipment that NMHC is considering purchasing.

**G. Health Fairs**

In reference to health fairs, the following standards will apply to any Vendor which participates in or contributes to a health fair hosted by an NMHC entity:

1. All contributions shall support NMHC’s charitable mission and values and, consistent with this mission, support outreach to the community.

2. Vendor contributions must be separate and independent of all NMHC clinical decision-making or purchasing decisions—health fair support is never an appropriate exchange for business favors.

3. NMHC shall not accept contributions that are offered in connection with the purchase or sale of goods or services.

4. NMHC shall use monetary contributions to cover the expenses of the health fair, and NMHC shall be solely responsible for determining how the contributions will be spent. If monetary contributions exceed health fair expenses, excess amounts shall be used to support NMHC’s academic, educational, and charitable purposes.

5. Sponsor names shall be disclosed at the health fair and in promotional materials. As appropriate, health fair speakers shall disclose any relationship between NMHC and the Sponsor.

6. NMHC shall not endorse any Sponsor.

7. Sponsors and other Vendors may also participate in a health fair by hosting a table or other display. Any information displayed or distributed to health fair attendees must relate to health care (i.e. condition-specific information, treatment, healthy lifestyles, etc.) and not focus on sales of a particular product.

8. Sponsors and other Vendors participating in a health fair are prohibited from soliciting business during the event but may, however, distribute token items to attendees. Additionally, if such participants provide a health screening, the screening results shall be
sent to the individual attendee’s provider of choice (i.e. the participant should not use this as an opportunity to obtain/solicit business).

H. Purchase Contracts and Discounts

All contracts to purchase goods or services on behalf of NMHC are subject to NMHC’s standard procurement processes. Please refer to NMHC Materials Management Policy: Contracting—Authorization, Administering and Market Evaluation. Discounts or other reductions in price that reduce the cost of patient care and are appropriately structured and reported are permissible and beneficial. However, certain arrangements characterized as discounts may be viewed as kickbacks (e.g., providing a free item for a physician’s personal use as part of a package of discounted products sold to NMHC). Because discounting and pricing raise complex legal issues, any discounting or pricing arrangement that involves a discount (other than a straightforward discounted price reflected on the seller’s invoice) must be reviewed by CCI and the Director, Sourcing and Procurement.

I. Vendor Access and Provision of Demonstration Products and Other Services

Vendors are allowed to access NMHC premises in accordance with NMHC Policy. Please refer to NMHC Materials Management Policy: Vendor Visitation. Some Vendors offer various kinds of assistance to providers at no charge. For example, a drug company may provide assistance in securing insurance coverage for a new drug. Similarly, a Vendor might provide a product, piece of equipment, or technology (“trial product”) to NMHC at no charge for evaluation or demonstration purposes. If structured properly, these types of arrangements can be very beneficial to NMHC and its patients. However, the arrangements may be subject to special billing rules, could be seen as kickbacks, or may raise other regulatory concerns. Accordingly, you must, prior to entering into the arrangement, contact CCI.

As a general matter, a trial product shall be returned to the Vendor at the conclusion of the trial period (generally 90 days). Your Department / Division should purchase the trial product after the trial period if returning the trial product is not feasible. The failure to return or purchase the trial product at the conclusion of the trial period may constitute a prohibited gift and the Vendor, as an Applicable Manufacturer, may be required to report the gift to CMS pursuant to the Physician Payments Sunshine Act (See Section P, Sunshine Act: Physicians).

J. Fundraising

Vendors may be solicited for funds or gifts-in-kind where:

1. The solicitation is made in the name of NMHC to support and advance NMHC’s mission, values, programs, and related needs;

2. The solicitation clearly indicates that the Vendor’s response is voluntary and that an affirmative or negative response will not factor into the Vendor selection determination;

3. The solicitation is organized or otherwise overseen and sponsored by Northwestern Memorial Foundation; and
4. The solicitation clearly indicates that there will be no link or relationship with or between the contribution from a Vendor and the volume of business with a Vendor. Referral Recipients should not be solicited for funds or gifts-in-kind.

**K. Charitable Events**

You may accept invitations to local charitable or fundraising events (e.g., charity auctions, benefit dinners, and golf outings) from Vendors or Referral Recipients where all of the following conditions are met:

- Acceptance may not be used to influence decision-making, to induce referral of patients or the ordering of a service or supply, and cannot take into account the volume or value of referrals, purchases, or business generated;
- The event is solely for the benefit of NMHC or another bona fide charitable entity whose mission is related to, complementary to, or otherwise compatible with NMHC’s mission;
- In advance of the charitable event, you inform your supervisor that you plan to attend the event;
- You limit your acceptance of such invitations to one (1) event from any single Vendor or Referral Recipient per year.

If the Vendor or Referral Recipient also offers a gift (in additional to any meal or other event program), you should decline the gift.

**L. Arrangements Requiring Legal Review: Physicians**

If you are a physician employed by an NMHC entity, any financial arrangements that you or an Immediate Family Member might have with entities that perform or bill for “designated health services” must be discussed with OGC prior to your entering into the arrangement. “Designated health services” include clinical laboratory services; physical and occupational therapy services; outpatient speech-language pathology services; radiology and other imaging services; radiation therapy services and supplies; durable medical equipment and supplies; parenteral and enteral nutrients, equipment, and supplies; prosthetics, orthotics, and prosthetic devices and supplies; home health services; outpatient prescription drugs; and inpatient and outpatient hospital services.

For purposes of this Section L only, an “Immediate Family Member” includes the following: 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; grandparent or grandchild; and spouse of a grandparent or grandchild.
**M. Patient Referrals to Family Members or to Entities in which You or Your Family Member has an Investment Interest or Financial Relationship:**

**Physicians**

NMHC recognizes that, for a variety of reasons (including convenience, geographical proximity, or personal preference), patients may wish to seek care from providers other than NMHC-entities. You must comply with the following safeguards to ensure that referrals to non-NMHC-entities are made in accordance with legal and ethical standards. Examples of allowable and prohibited referrals are provided at the end of this Section M. In any case of referrals, patients should always be told that they are free to select the provider of their choice.

**NOTE:** In this section, the term “designated health services” include the following items or services: clinical laboratory services; physical therapy services; occupational therapy services; outpatient speech-language pathology services; radiology and certain other imaging services; radiation therapy services and supplies; durable medical equipment and supplies; parenteral and enteral nutrients, equipment, and supplies; prosthetics, orthotics, and prosthetic devices and supplies; home health services; outpatient prescription drugs; inpatient and outpatient hospital services.

1. **Referrals for services and products outside of NMHC-entities** should be made on the basis of what is best for the patient and never made in exchange for remuneration (whether monetary or in-kind), benefits, or favors of any kind from the recipient of the referrals.

2. **Unless an exception has been granted by OGC, no referrals** for any health care services may be made to entities in which you have an investment interest. For purposes of this subsection M.2, an “investment interest” does not include an investment interest in certain “publicly traded entities.” Contact CCI for more information about what constitutes a “publicly traded entity.”

3. **Unless an exception is approved by OGC, no referrals** may be made for Medicare patients for “designated health care services” to entities with which you or your Immediate Family Member has a financial relationship (e.g., investment interest, compensation arrangement, or other). For purposes of subsections M.3 and M.4 only, an “Immediate Family Member” includes the following: 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; grandparent or grandchild; and spouse of a grandparent or grandchild.

4. **If you refer a patient to an Immediate Family Member (or the Immediate Family Member’s facility, group, etc.) for health care services,** you should always (i) disclose the relationship to the patient, and (ii) provide names of reasonably available alternative providers, if possible. Patients should always be told that they may select the provider of their choice.

5. **If you refer a patient for products to an entity in which you or an Immediate Family Member have an investment interest (such as a retail store offering health care products),** you should always (i)
disclose the relationship to the patient, and (ii) provide names of reasonably available alternative providers, if possible. Patients should be told that they may select the provider of their choice.

6. You should document disclosures required under this Section M in the patient’s medical record.

7. EXAMPLES:

- Your father is part owner of an ambulatory surgery center. You should not refer a patient to the center unless you have been granted an exception to do so as set forth above.

- Your wife is an owner (member) of A-B-C, LLC, a home health agency. Your wife is entitled to distributions pursuant to the LLC’s Member Agreement. You should not refer patients to A-B-C.

- Your adult child is employed as a physical therapist at a sports clinic in a suburb where your Medicare-eligible patient resides. Physical therapy services qualify as “designated health care services.” Therefore, you may not, *absent an exception*, refer the patient to your adult child, to another physical therapist at the clinic, or to the clinic generally.

- Your husband is a specialist with a private medical practice (organized as a medical corporation) located in downtown Chicago. Your husband is employed by the practice but is not a shareholder. You may refer a patient to your spouse as long as you disclose your relationship, provide other alternatives, and emphasize that the patient is free to go to whom they please. Your conversation should be documented in the record. NOTE: This referral for physician services is not a referral for designated health care service. Nor would the referral be prohibited due to an investment interest by your husband. If, however, your husband were a shareholder, then you would not be allowed to make the referral unless you have been granted an exception to do so in accordance with law and NMHC policy.
N. Educational Grants and Donations to Underwrite Educational Conferences at NMHC Facilities or Otherwise Sponsored by NMHC

An offer from a Vendor or Referral Recipient to underwrite the costs of an educational conference or a professional meeting may be accepted only where:

1. The subsidy is provided in the form of a restricted donation to NMF for the applicable specified educational purposes;
2. NMHC retains responsibility for and control over the selection of content, faculty, education methods and ownership of the materials;
3. Program speakers are required to disclose any financial relationships with the Vendor or Referral Recipient providing the gift or any other relevant financial relationships; and
4. Any program support by the Vendor or Referral Recipient is disclosed to the program attendees and any recipients of program materials.

In no event should a subsidy ever be paid directly to an individual involved with the conference or meeting. The provision of funding by Vendors or Referral Recipients should never influence clinical decision-making, purchasing or prescribing decisions, or the awarding of contracts. Accordingly, NMHC will not accept funding that is offered in connection with the purchase or sale of goods or services.

O. Relationships with the Investment Community

You should be aware of the risks associated with participating in expert advice panels hosted by the investment community, such as investment firms and hedge funds. Participating in an expert advice panel and potentially disclosing information that is not publicly available may put you at risk for insider trading liability. The safest course of action is to avoid participating in expert advice panels entirely. If you choose to participate in expert advice panels, you can reduce risk by ensuring that (i) the advice being sought is legitimately related to your area of expertise, (ii) your compensation reflects the fair market value; and (iii) the information you provide is publicly available.

P. Sunshine Act: Physicians

The Physician Payments Sunshine Act is a transparency initiative that requires that Applicable Manufacturers and group purchasing organizations provide CMS with the details of any direct or indirect payments made to physicians (limited to doctors of medicine and osteopathy, dentists, podiatrists, optometrists, and chiropractors) and teaching hospitals. The initiative requires that information about payments and other “transfers of value” to physicians and teaching hospitals worth $10.00 or greater be made available to the general public. Such payments or “transfers of value” include, among other things, consulting fees, compensation from speaking or other activities, travel, food, entertainment, gifts, honoraria, royalties, education, research, current and prospective ownership or investment interests, and the use of trial equipment beyond the trial period (see Part II, Section I, “Vendor Provision of Demonstration Products and Other Services”). Applicable Manufacturers, such as pharmaceutical and device companies, are required to collect this information and provide it to CMS who will, in turn, post
the information on a publicly available website. This information may be reviewed in conjunction with the Joint Affiliate Annual Disclosure of External Professional Relationships Survey.

The American Medical Association ("AMA") created a website as an educational resource available to physicians (http://www.ama-assn.org/ama/pub/advocacy/topics/sunshine-act-and-physician-financial-transparency-reports.page). Notably, the AMA recommends that physicians, upon a patient’s request, discuss his or her financial interactions with Applicable Manufacturers and communicate how such interactions may result in medical innovations and improved outcomes for patients. Additionally, the AMA website provides information on how physicians can review reports submitted by Applicable Manufacturers and the process to challenge reports that may be false, misleading or inaccurate.