Policies and Procedures

Title: Business Integrity (Non-Physician Employees)  
Responsibility Of: Chief Compliance Officer

Category: Compliance  
Oversight By: General Counsel

Effective: January 25, 2010  
Approved By: [Signature]

Policy

NMFF is committed to conducting its business with integrity and in accordance with all relevant laws to which its operations are subject. Moreover, NMFF seeks to maintain a culture of ethics in its business relations and to avoid even the appearance of impropriety. NMFF recognizes that relationships with Vendors, Referral Recipients and Referral Sources (as defined below), under certain circumstances, may have the potential to improperly influence, or appear to improperly influence, clinical, purchasing or prescribing decisions, inappropriately increase Medicare/Medicaid or other insurance costs, increase the risk of overutilization of health care services, or create patient safety or quality of care concerns. Accordingly, NMFF has developed this Policy to provide guidance to NMFF Employees regarding common relationships with Vendors, Referral Recipients and Referral Sources.

This Policy is intended to establish parameters in conducting these relationships and not to prohibit all such relationships. In all circumstances, however, NMFF Employees shall exercise independent judgment, free from influence by relationships with Vendors, Referral Recipients and Referral Sources, and shall not enter into any relationships with Vendors, Referral Recipients or Referral Sources that might negatively impact patients or potentially bring discredit to NMFF. This Policy should be read in conjunction with NMFF’s Conflict of Interest Policy, as many of the relationships described herein are reportable as a potential conflict of interest.

This Policy applies to all non-physician NMFF employees, including directors and officers (referred to collectively herein as “Employees”). For purposes of this Policy, a “Referral Source” means any person or entity that is a source or potential source of patient referrals to NMFF, such as community physicians who refer patients to NMFF for specialty services. A “Referral Recipient” means any person or entity that receives patient referrals from NMFF, such as a hospital or nursing home. “Health Care Vendor” means any person or entity within the pharmaceutical, medical device, medical equipment, or patient-related biotechnology industries (“health care industries”) that sells to or obtains business from NMFF, or potentially could sell to or obtain business from NMFF. This Policy applies to arrangements with Health Care Vendors except that Section I (Gifts) and Section II (Meals and Other Business Courtesies) apply, in whole or in part, to arrangements with all entities that sell to or obtain business from NMFF, or potentially could sell to or obtain business from NMFF, including but not limited to Health Care Vendors (collectively, “Vendors”).
This Policy addresses the following specific relationships:

Section I: Gifts (Money and Tangible Items)
Section II: Meals and Other Business Courtesies
Section III: Marketing and Promotional Activities
Section IV: Purchase Contracts; Discounts and Other Reductions in Price
Section V: Evaluation and Demonstration Products; Vendor Provision of Coverage, Reimbursement and Health Economics Information
Section VI: Vendor Access

Questions regarding this Policy should be directed to the Chief Compliance Officer or Legal Services. Employees are encouraged to seek guidance from the Chief Compliance Officer or Legal Services prior to engaging in interactions not covered under this Policy. All interactions with Health Care Vendors, Referral Recipients or Referral Sources not covered by specific Sections of this Policy will be governed by reference to the federal Anti-Kickback Law and Stark Law, as well as other applicable federal, state and local laws. In addition, NMFF shall be guided by the following (as updated and supplemented by NMFF management from time to time): voluntary guidelines developed by the American Medical Association relating to gifts to physicians from industry, the Pharmaceutical Research and Manufacturers of America “Code on Interactions with Healthcare Professionals,” the Advanced Medical Technology Association’s “Code of Ethics on Interactions with Health Care Professionals,” and the Office of the Inspector General’s “Compliance Program Guidance for Pharmaceutical Manufacturers.”

Any exception to this Policy must be approved in advance by the Chief Compliance Officer and Legal Services. In addition, gifts or other arrangements with entities that provide and bill patients or payors for any of the following services should be discussed with the Chief Compliance Officer or Legal Services prior to entering into the arrangement: clinical laboratory services; physical and occupational therapy 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.

Individual Departments may adopt additional policies (not inconsistent with this Policy) or policies more restrictive than this Policy.
I. Gifts from Vendors or Referral Recipients; Gifts to Referral Sources

The purpose of this Section is to ensure that no NMFF Employee accepts any gift from a Vendor or Referral Recipient that might inappropriately influence the NMFF Employee’s clinical, purchasing or prescribing decisions or create the appearance of impropriety or influence over the physician-patient relationship. Similarly, this Policy is intended to ensure that no Employee provides any gift to a Referral Source that creates the appearance of impropriety or influence over referrals to NMFF. This Section addresses gifts such as money or other tangible items. Meals and other business courtesies are addressed in Section II (Meals and Other Business Courtesies).

NOTE: THIS SECTION 1.1 APPLIES TO ALL ENTITIES OR INDIVIDUALS THAT DO BUSINESS OR COULD POTENTIALLY DO BUSINESS WITH NMFF, INCLUDING BUT NOT LIMITED TO HEALTH CARE VENDORS.

1. Gifts from Vendors or Referral Recipients

   a. Permitted Gifts. It is NMFF policy that no Employee shall accept any gift from a Vendor or Referral Recipient other than holiday gifts that are generally shared within the department or practice area, such as gift baskets, provided that the value of such gifts from a Vendor or Referral Recipient does not exceed $100 per year from any one source. Gifts for personal holidays (e.g., birthdays, anniversaries) are not permitted.

      NOTE: Items of minimal value, such as pens, notepads and other similar small reminder items shall not be accepted, even if the items are primarily associated with the individual’s professional practice.

   b. Prohibited Gifts. The following types of gifts should never be accepted:

      • Cash or cash equivalents (e.g., gift certificates)

      • Gifts for the individual recipient’s personal benefit, including gifts in recognition of a personal life event (e.g., birthday, anniversary), such as floral arrangements, artwork, golf balls, sporting bags, or tickets to a sporting or other cultural events (except in the limited circumstances noted above)

      • Samples given to an Employee by a sales representative specifically for the Employee’s individual use (as opposed to being given to NMFF for patient/clinical use)

      • Any gift, however small, that is in any way intended to influence the Employee’s clinical decision-making, purchasing or prescribing decisions
• A gift to a spouse or other family member that could not be accepted directly by the Employee

2. **Gifts to NMFF Referral Sources.** NMFF does not make gifts to NMFF Referral Sources, and NMFF Employees, acting on behalf of NMFF or in the course of their employment, are prohibited from making any gift to a NMFF Referral Source. A NMFF Employee may not use his/her own funds to pay for gifts for the purpose of influencing referrals.

II. **Meals and Other Business Courtesies**

The purpose of this Section is to ensure that no NMFF Employee accepts any meals or other Business Courtesies from a Vendor or Referral Recipient that might inappropriately influence the NMFF Employee’s clinical decision-making or give the appearance of any improper influence. Similarly, this Section is intended to ensure that no Employee provides any meals or other Business Courtesies to an NMFF Referral Source that creates the appearance of impropriety or influence over referrals to NMFF. “Business Courtesies” refers to a meal, entertainment or other hospitality or favor for which fair market value is not paid by the recipient.

1. **Meals and Business Courtesies Furnished by Vendors or Referral Recipients.**

   NOTE: EXCEPT FOR ITALICIZED LANGUAGE, SECTION II.1.a APPLIES TO ALL ENTITIES OR INDIVIDUALS THAT DO BUSINESS OR COULD POTENTIALLY DO BUSINESS WITH NMFF, INCLUDING BUT NOT LIMITED TO HEALTH CARE VENDORS.

   NMFF Employees may accept meals from Vendors or Referral Recipients in connection with the following:

   a. **Business Meetings and Detailing/Marketing by Vendors or Referral Recipients.** NMFF Employees may accept a Vendor’s or Referral Recipient’s invitation to attend a lunchtime or dinnertime business meeting or discussion to discuss *bona fide* business matters or learn more about the products or services of the Vendor/Referral Recipient. However, because receipt of meals or other Business Courtesies from a Vendor or Referral Recipient could inappropriately influence an Employee or could create the appearance of impropriety, NMFF Employees will comply with the following guidelines in connection with business meetings and detailing/marketing programs:

   • NMFF Employees may attend occasional working meals paid for by a Vendor or Referral Recipient only if they are modest in value and occur at venues appropriate for the exchange of information relating to the Vendor’s or Referral Recipient’s goods and services or other business-related or educational discussion. Vendor representatives are not permitted to provide food on site. Employees may not accept meals paid for but not attended by a Vendor or Referral Recipient representative, even if for *bona fide* business or educational purposes. Similarly, a Vendor may provide a meal only to Employees who actually attend a meeting. A meal for the entire office staff, where everyone does not attend, is not allowed.
• The expected value of the meal should be consistent with NMFF’s Business Expense Policy, i.e., Employees should not accept meals where the value or location would not be permitted if paid for by NMFF.

• No Employee will accept money or any other remuneration from a Vendor or Referral Recipient in exchange for attending any lunch, dinner or reception.

• No Employee will solicit or accept any Business Courtesy that is intended to influence the Employee’s clinical decision-making, purchasing or prescribing practices.

• Employees may not accept a Health Care Vendor’s or Referral Recipient’s invitations to attend entertainment events, such as plays, sporting events, or golf outings, even where some business may be discussed.

• Employees shall not, as a general matter, allow a Vendor/Referral Recipient to pay for a spouse or other guest who does not have an independent reason for meeting with the Vendor/Referral Recipient.

b. Health Care Vendor/Referral Recipient-Sponsored Educational/Training Programs. NMFF Employees may attend meals and receptions in connection with Health Care Vendor- or Referral Recipient-sponsored educational/training programs. However, it is NMFF policy that the educational and training programs sponsored by a Health Care Vendor or Referral Recipient and related meals or receptions be structured so as not to improperly influence purchasing or prescribing decisions. Accordingly, NMFF Employees will comply with the following guidelines:

• NMFF Employees’ purpose in attending the presentations, discussions and meals should be to further their knowledge on the subject(s) presented.

• NMFF Employees may attend modest receptions and meals provided by a Health Care Vendor or Referral Recipient in connection with educational/training programs. However, NMFF Employees may not, accept a Health Care Vendor’s or Referral Recipient’s invitation to entertainment events (e.g., plays, sporting events, or golf outings). The meals and receptions should be incidental and subordinate to the educational content of the meetings or training sessions with most time devoted to education. NMFF Employees may not “dine and dash,” i.e., take food provided by a Health Care Vendor or Referral Recipient without actually participating in any educational lecture or training program or accept a Health Care Vendor or Referral Recipient’s offer to provide a meal without providing educational content.

• Employees shall not, as a general matter, allow a Health Care Vendor or Referral Recipient to pay for a spouse or other guest who does not have an independent professional reason for participating in the program.
2. **Meals Provided to NMFF Referral Sources.** NMFF Employees are prohibited from providing any meal to an NMFF Referral Source that is inconsistent with the requirements set forth above relating to acceptance of meals from a Vendor or Referral Recipient. Other types of Business Courtesies are not permitted. Any meals provided pursuant to this Policy must be provided in accordance with NMFF’s Business Expense Policy. An Employee may not use his/her own funds to pay for meals or other Business Courtesies that are otherwise prohibited by this Policy.

**III. Marketing/Promotional Activities.**

In some cases, funding from Health Care Vendors or Referral Recipients could be characterized, in whole or in part, as support of NMFF marketing or promotional activities rather than support of an educational program. Examples of such arrangements include website or other media references to NMFF or its Employees and support of NMFF outreach to NMFF Referral Sources. Any proposed arrangement that involves marketing of NMFF or Employee services, even in an educational context, must be reviewed by Legal Services. Legal Services will determine whether it is appropriate for NMFF’s or an NMFF Employee’s name to be used in connection with the arrangement, whether NMFF may accept such funding consistent with this Policy, and whether NMFF should pay a share of funding for the proposed activity or event.

**IV. Purchase Contracts: Discounts and Other Reductions in Price**

The purpose of this Section is to ensure that contracts for the purchase of goods and services on behalf of NMFF are negotiated and entered into by authorized persons, and that any discounts, free samples or other reductions in price from Health Care Vendors or Referral Recipients meet applicable legal requirements.

1. **Purchase Contracts.** All contracts to purchase goods or services on behalf of NMFF must be reviewed by Financial Services and Legal Services, and executed by authorized signatories. No one else is authorized to bind NMFF to purchase goods or services.

2. **Discounts and other Reductions in Price.** 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 an NMFF Employee’s personal use as part of a package of discounted products sold to NMFF). Because discounting and pricing raise complex legal issues, any discounting or pricing arrangement that involves other than a straightforward discounted price reflected on the seller’s invoice must be reviewed by Legal Services. The following are some additional guidelines regarding discounts.

   a. NMFF may only accept a discount that is made at the time it purchases the goods or services or where the terms of any rebate are fixed and set forth in writing at the time of the initial sale of a good or service.

   b. Any invoice, coupon or statement provided by the supplier must accurately reflect the discounted price.
NMFF must retain documentation of any discount received from a supplier for items or services billed to federal or state health care programs so that such documentation is readily accessible should it be requested by a federal or state health agency.

d. Samples are governed by NMFF’s Guidelines for Maintaining and Dispensing Drug Samples.

V. Evaluation and Demonstration Products; Vendor Provision of Coverage, Reimbursement and Health Economics Information

1. Arrangements involving a Vendor’s assistance in securing insurance coverage or other reimbursement or a Vendor’s provision of health economic information regarding its products and technologies shall be reviewed by Legal Services prior to entering into the arrangement.

2. Arrangements whereby a Vendor provides products or technologies (other than drug samples) to NMFF at no charge for evaluation or demonstration purposes shall be reviewed by Legal Services prior to entering into the arrangement.

VI. Vendor Access

Unless required for training or treatment purposes, access by Vendor representatives shall be restricted to nonpatient care areas and nonpublic areas and should take place only by appointment or invitation of the physician. Involvement of students or trainees in such meetings should occur only for educational purposes and only under the supervision of the physician. Vendor access to NMH operating suites must comply with NMH policies.