



Title:	Non-Monetary Compensation (Business Courtesies) and Incidental Medical Staff Benefits Procedure	Reference Number:	HQ 5.1.27
Signature:	Chief Compliance, Audit, and Privacy Officer	Effective Date:	7/27/2023
Approved by:	Audit and Compliance Committee	Page #:	Page 1 of 7
<input checked="" type="checkbox"/> Health Quest Systems, Inc. <input checked="" type="checkbox"/> Northern Dutchess Hospital <input checked="" type="checkbox"/> Putnam Hospital Center <input checked="" type="checkbox"/> Sharon Hospital <input checked="" type="checkbox"/> Vassar Brothers Medical Center <input checked="" type="checkbox"/> Heart Center <input checked="" type="checkbox"/> HQ Home Care <input checked="" type="checkbox"/> HQ Medical Practice <input checked="" type="checkbox"/> Sharon Hospital Medical Practice <input checked="" type="checkbox"/> Thompson House <input checked="" type="checkbox"/> Other HQ Entities Not Listed Above			

PROCEDURE STATEMENT:

I. Business Courtesies (Non-Monetary Compensation Exception)

A. Standard.

- a. A Health Quest Systems, Inc. and its' affiliates ("HQ") employee or agent may extend a business courtesy to a Physician and his or her Immediate Family Members only under the following conditions:
 - It is not a cash or cash equivalent gift.
 - Does not exceed \$489 in value, or cause the total value of business courtesies extended to the same Physician and the Physician's Immediate Family Members during the calendar year to exceed \$489 in value. Value is measured as the retail cost to the Physician or the Physician's Immediate Family Member and not the cost to HQ.
 - The decision to extend a business courtesy, or the amount or value of the courtesy to be extended, cannot be based on the volume or value of referrals or other business generated by the Physician.
 - It is not solicited by the Physician.
- b. If a HQ entity or employee or agent has inadvertently provided non-monetary compensation to a Physician or one of his or her Immediate Family Members in excess of the \$489 limit (or caused the limit to be exceed), such compensation (or total compensation) is deemed to be within the \$489 limit if:
 - The value of the excess non-monetary compensation is no more than 50% of the \$489 limit; **AND**
 - The Physician or his or her Immediate Family Members return to the HQ entity the excess non-monetary compensation (or an amount equal to the value of the excess non-monetary compensation) by the end of the calendar year in which the excess non-monetary compensation was received, or within 180 consecutive calendar days following the date the excess non-monetary compensation was received by the Physician and his or her Immediate Family Members, whichever is earlier.
 - This "return" option may be used by an entity only once every three (3) years



Title:	Non-Monetary Compensation (Business Courtesies) and Incidental Medical Staff Benefits Procedure	Reference Number:	HQ 5.1.27
Approved by:	Audit and Compliance Committee	Page #:	Page 2 of 7

with respect to the same referring Physician.

- Failure to meet the above criteria may result in a voluntary self-disclosure to the Centers for Medicare & Medicaid Services (CMS), in accordance with the HQ Compliance Disclosure Program Policy.

PROCEDURE:

1. Authorized Individuals

- Only individuals with the following roles may provide non-monetary compensation:
 - Senior executive leadership,
 - Hospital presidents,
 - Physician recruitment.

2. Reporting and Tracking Non-Monetary Compensation

- The Compliance Office shall maintain a non-monetary compensation log on *The Hub*.
- The log should be checked prior to any event/gift/dinner (see examples) being exchanged/promised to ensure that the compensation limit has not been previously met/exceeded.
- All Authorized Individuals that wish to provide Non-Monetary Compensation benefits to a Physician and/or Immediate Family Members are encouraged to utilize their HQ corporate card to pay for the expense.
- All instances of non-monetary compensation incurred must be reported, to include detailed information about the benefit and recipient, as well as itemized receipts, to one of HQ's designated record keepers (Executive Administrative Assistants).
- The designated record keeper must report the event using the *Non-Monetary Compensation Documentation Form* (located on *the hub* under the compliance tab).
- All reports shall be recorded within three (3) business days of event/dinner/gift exchange, or sooner if value is known in advance.

B. Examples of business courtesies

a. Trackable business courtesies

- Paying the greens or entry fees for Physicians and/or their Immediate Family Members for golf (whether one-on-one or for a charity or facility golf tournament).
- Providing tickets for Physicians and/or their Immediate Family Members to sporting or theatrical (or similar) events.



Title: Non-Monetary Compensation (Business Courtesies) and Incidental Medical Staff Benefits Procedure	Reference Number: HQ 5.1.27
Approved by: Audit and Compliance Committee	Page #: Page 3 of 7

- Providing flowers or other gifts to Physicians and/or their Immediate Family Members when they are hospitalized or to recognize a birthday or other family occasion.
- Hosting holiday or other parties for medical staff members and their spouses or guests other than one appreciation party per year.
- Paying for a table at a charitable event and providing a ticket or tickets to a Physician.
- Sending perishable items to a Physician's office when it is anticipated the Physician will share in the enjoyment of items. The value to each Physician in the practice is the total cost of the item divided by the number of persons who will enjoy the benefit of the items (i.e., total number of Physicians and employees in the practice). If the Physician is expected to participate, or is known to have participated, in a modest meal that the facility provides a practice, the facility is to attribute \$10 toward the Physician's business courtesies limit
- Providing gifts or gratuities to members of the medical staff or their guests during an annual appreciation dinner.
- Paying for restaurant dinners.
- Paying for off- campus Continuing Medical Education (CME) seminars, and all on-campus CME seminars in excess of \$42 (2023) per seminar.
- Providing food during office outreach visits.
- Paying for admission to foundation or auxiliary functions.

b. **Non-trackable business courtesies.** The following is a business courtesy but does not count toward the \$489 annual limit: An annual medical staff appreciation dinner (including a holiday party), provided that:

- i. The facility has a formal medical staff.
- ii. All members of the medical staff are invited.
- iii. The expense is not lavish or extravagant as defined by the Internal Revenue Code.

Note: as noted above, any gifts or gratuities provided in connection with the medical staff appreciation event (such as door prizes) and given to Physicians (or immediate family members of Physicians) would be trackable business courtesies that would count toward the \$489 annual limit.

II. Medical Staff Incidental Benefits (Medical Staff Incidental Benefits Exception)

A. **Standard.** Compensation may be given by an HQ hospital to a member of its medical staff if all of the following conditions are met:



Title:	Non-Monetary Compensation (Business Courtesies) and Incidental Medical Staff Benefits Procedure	Reference Number:	HQ 5.1.27
Approved by:	Audit and Compliance Committee	Page #:	Page 4 of 7

- It is not a cash or cash equivalent gift and is limited to less than \$42 per occurrence
- The item or service is used on the hospital's campus
- The compensation is reasonably related to the provision of, or designed to facilitate directly or indirectly the delivery of, medical services at the hospital.
- The compensation is offered to all members of the medical staff practicing in the same specialty and is not offered in a manner that takes into account the volume or value of referrals or other business generated between the parties
- The compensation is provided only during periods when the medical staff members are making rounds or are engaged in other services or activities that benefit the hospital or its patients
- The compensation is provided by the hospital and used by the medical staff members only on the hospital's campus. Compensation, used away from the campus only to access hospital medical records or information or to access patients or personnel who are on the hospital campus (e.g., internet access, pagers, or two-way radios) meets the "on campus" requirement.

B. Examples of Incidental Benefits to Medical Staff

The following items are considered incidental benefits to the medical staff and are NOT considered business courtesies. They may be provided to members of staff only if they are offered during periods when the members of staff (i.e., Physicians) are engaged in services or activities that benefit HQ or its patients (as explained above). Because they are not considered business courtesies, they do not count toward the \$489 annual business courtesy limit.

- The ability to access the records of patients remotely, including results of diagnostic and testing services;
- Internet access in the Physicians' lounge;
- Free parking in the hospital garage;
- Pagers or other communication devices used away from HQ affiliate locations (but only to access entity information or personnel);
- Identification on the entity's website, (however, there can be no promotion or advertising of a Physician's private practice);
- Lab coat worn at the entity;
- Other de minimis compensation offered to medical staff members, if the benefit is supplemental to the medical services being provided by the



Title: Non-Monetary Compensation (Business Courtesies) and Incidental Medical Staff Benefits Procedure	Reference Number: HQ 5.1.27
Approved by: Audit and Compliance Committee	Page #: Page 5 of 7

medical staff member, while the medical staff member is performing services at the entity.

- CME seminars held on hospital property provided the value of the CME seminar is less than \$42 (2023) per invited physician per occurrence.
- CME seminars held on hospital property for the benefit of the hospital's patients (such as traditional on-site hospital grand rounds and other similar in-house education programs) regardless of value.

III. Activities NOT Considered Trackable Business Courtesies And NOT Considered Medical Staff Incidental Benefits.

A. The following are NOT considered business courtesies or medical staff incidental benefits and may be provided to a Physician or Immediate Family Member only if the conditions below are met:

- An HQ employee or agent who has become friends with a Physician and/or Immediate Family Member, and who socializes with such individual(s), may personally pay for the cost of social events provided the HQ employee does not include this item as a business expense for tax purposes, and does not charge HQ or otherwise receive reimbursement from HQ to cover this expense.
- A Physician who is also the spouse of an HQ employee may attend facility social events in his or her capacity as the employee's spouse, and such events do not count toward the business courtesies limit and do not need to be tracked.
- *Leadership Training* - On occasion, certain Physician leaders are invited to leadership training sessions or strategic planning retreats that are intended to benefit HQ. HQ is permitted to cover the costs of these training sessions or retreats (including travel, meals and lodging expenses), even if the amount is anticipated to be in excess of the non-monetary compensation dollar value limit referenced, provided HQ complies with the following:
 1. Physician leaders are invited to training sessions or retreats based on objective criteria (membership on the Board of Directors or Medical Staff Executive Committee, committee chairs, etc.),
 2. A written agenda showing the participants and the business purposes of the training or retreat should be maintained,
 3. The nature or location of the training session or retreat is conducive to informational communication, and
 4. No recreational activities, gifts or other items or services of value



Title:	Non-Monetary Compensation (Business Courtesies) and Incidental Medical Staff Benefits Procedure	Reference Number:	HQ 5.1.27
Approved by:	Audit and Compliance Committee	Page #:	Page 6 of 7

that are not related to the business purpose of the event are provided to the participants.

- *Meals solely for routine purposes* - If a Physician (not including spouses) receives a modest meal in connection with a meeting at a HQ location, relating to HQ business or medical staff work in furtherance of HQ's mission, or if a Physician serves on the Board of HQ or one of its entities or a Board committee and receives meals in connection with such service (whether on or off-campus), such a meal will not be considered compensation. Meals in connection with any aspect of a current Physical Arrangement may be provided only if a written agreement contains a reference to such meals, i.e., HQ may pay for a meal incidental to a meeting with a Physician to discuss issues relating to the Physician's medical directorship on behalf of an HQ entity, only pursuant to a professional services agreement that provides for it, or provide meals for Physicians who attend a hospital medical executive committee (or similar) meetings, only pursuant to a letter of appointment that provides for it. If there is any question regarding whether a particular meal qualifies as "compensation" and whether it must be tracked, please contact the Compliance Office and/or Legal Counsel to discuss particular situations.
- *Compliance Training* - HQ may provide compliance training to a Physician (or to the Physician's Immediate Family Member or office staff) who practices in HQ's service area, provided that the training is held in that service area. "Compliance training" means the following:
 1. Training regarding the basic elements of a compliance program (e.g., establishing policies and procedures, training to staff, internal monitoring or reporting).
 2. Specific training regarding the requirements of federal and state healthcare programs (e.g., billing, coding, reasonable and necessary services, documentation, or unlawful referral arrangements).
 3. Training regarding other federal, state, or local laws, regulations, or rules governing the conduct of the party for which the training is provided.
 4. Compliance training can include programs that offer continuing medical education credit, provided that compliance training is the primary purpose of the program.

B. Any instances of non-monetary compensation that are not specifically set forth in this policy shall not be given to a Physician or an Immediate Family Member without written approval from the Compliance or Legal Department.



Title: Non-Monetary Compensation (Business Courtesies) and Incidental Medical Staff Benefits Procedure	Reference Number: HQ 5.1.27
Approved by: Audit and Compliance Committee	Page #: Page 7 of 7

REFERENCES:

42 C.F.R. § 411.357(k), § 411.357(m)

HQ 5.1.27 Non-Monetary Compensation (Business Courtesies) and Incidental Medical Staff Benefits Policy

POLICY HISTORY:

Supersedes: 7/21/2020

Original Implementation Date: 7/11/2018

Date Reviewed: 7/27/2023

Date Revised: 7/11/2018, 7/25/2019, 7/21/2020, 7/27/2021, 7/27/2022, 7/27/2023

APPROVAL:

DocuSigned by:
Jared B Gaynor
6D04982F5DB24D1...

7/25/2023

Policy Owner

Date