



The Brooklyn Hospital Center

Keeping Brooklyn healthy.

THE BROOKLYN HOSPITAL CENTER POLICY AND PROCEDURE MANUAL

SUBJECT: Vendor Relationships #C-186

RESPONSIBILITY: Administration and Clinical Chairs

POLICY:

The Brooklyn Hospital Center is committed to ethical business and professional behavior which protects the integrity of clinical and managerial decision making. The Hospital expects that professional standards of conduct will be maintained in education, clinical practice, and research.

The Hospital has adopted the following policies based on best practices in other hospitals and throughout the healthcare industry. Any questions regarding the practical application of any of these policies should be brought to a Department Chairman, to a member of senior management, or to the VP Audit and Compliance.

Definitions:

For purposes of this policy "vendor" means a representative of any supplier, pharmaceutical firm, medical device manufacturer, consulting firm, or medical supply company, whether or not The Brooklyn Hospital Center currently purchases goods or services from them.

"Employees" include full-time and part-time employees of The Brooklyn Hospital Center, including attending physicians and house staff. Physicians engaged by the hospital under a services agreement are also covered by this policy.

I. Reimbursement for travel

- A. A hospital employee may not accept reimbursement of conference fees, travel, or lodging expenses from a vendor, unless the employee is acting as faculty or in a legitimate consulting capacity at the event. Any such event should be accredited by the ACCME or a similar body.
- B. Financial assistance for residents or medical students to attend ACCME-accredited educational events is permitted as long as the selection of the attendees is made by the Chairman or his/her designee, not by the vendor.
- C. Vendors may defray the cost of travel for employees to view a system or medical equipment which is under consideration by the hospital for purchase. Such travel and accommodation should be modest, should be at a legitimate site where the equipment is in operation, and should not include entertainment.

It should be understood by the vendor that this reimbursement in no way obligates the hospital to purchase the system or equipment being reviewed.

D. Vendors may not pay the costs of travel or lodging for spouses of employees.

II. Honoraria and consulting fees

- A. An honorarium may be accepted in exchange for an actual service if the forum is a meeting of a recognized professional organization or is an accredited educational event. The invitation to participate in the event or to provide the services must be based on the employee's position or expertise. The amount of the honorarium or fee must be reasonable. Attendance at the event must not interfere with the employee's responsibilities at the hospital.
- B. Compensation as a member of a speakers bureau may only be accepted if the training is extensive, if it will result in actual educational activities, and if it is paid at a reasonable fair market value. Venues should be ones in which the investigator presents results of studies to peers with an opportunity for critical exchange.
- C. Consulting arrangements between employees and vendors must be accompanied by a written contract and must be for legitimate consulting or advisory activities. Compensation must be at fair market value, and must be unrelated to the value or volume of referrals or business generated. All such arrangements are subject to the prior approval of a Department Chairman (for physicians) or of the Chief Executive Officer.
- D. Any employee who serves as a consultant or speaker and as a member of a TBHC committee involved with making formulary or purchasing decisions must disclose the existence and nature of his/her vendor relationship to the committee. This disclosure requirement extends for two years beyond the term of the speaker or consultant engagement.
- E. Employees may not accept payment of any kind, including gifts, merely for listening to a sales presentation by a vendor.
- F. All compensation from a vendor must be disclosed in accordance with the hospital's Conflict of Interest policy.

III. Meals and entertainment

- A. Meals and refreshments may be accepted in the course of meeting with a vendor representative provided that the purpose of the meeting is business-related; the host is present; the level of expense is reasonable and customary; the frequency of such invitations from one host is not excessive; and attendance is consistent with the employee's duties at The Brooklyn Hospital Center.
- B. Vendors may offer meals during presentations of their products, so long as the presentations provide scientific or educational value and the meals are modest. Such meals must be provided on site, not at a restaurant or hotel.

- C. Meals for staff to be consumed without the presence of the vendor are prohibited. This policy applies to hospital physician practices as well as to educational settings.
- D. Vendors may not pay to support a departmental holiday party or similar function. An individual vendor representative may pay for their own attendance at or be invited to a function that is supported by departmental staff.
- E. Employees may not accept entertainment or recreational items from vendors, including tickets to sporting events, regardless of their value.

IV. Support for continuing medical education

- A. Scholarships or other educational funds from industry must be provided through the clinical chairman or his/her designee, not directly from the vendor to the recipient. Evaluation and selection of recipients will be the sole responsibility of the hospital. No quid pro quo must be involved in any way.
- B. Payment from a vendor to support an educational program on site must be made to the hospital, not directly to an employee. The hospital must maintain responsibility for and control over the program's content, faculty, educational methods, and materials.

V. Gifts

- A. Gifts from vendors of perishable food, beverages, and flowers may be accepted if given on occasion when such gifts are customary (e.g., holidays), are not extravagant, and are shared among employees in the department.
- B. Employees may not accept other items, even of minimal value, from a vendor unless they have a legitimate purpose of advancing disease treatment or education. Such legitimate educational items, such as anatomical models or textbooks, should be of modest value, generally under \$100.
- C. Customary mementos given at dinners, golf outings, and similar functions are permissible, as are awards for recognition of charitable, civic, educational, or religious service and accomplishment. Such gifts should have a retail value not exceeding \$100.
- D. Cash and gift cards which are the equivalent of cash may never be accepted by an employee from a patient or vendor.

VI. Support for hospital fund raising

- A. Vendors may purchase tickets for hospital charity events, such as an annual ball or golf outing. Tickets paid for by the vendor may not be given directly to hospital employees. Unused vendor tickets should be given to Administration for distribution to employees.

- B. Vendors may provide an unrestricted donation to the hospital with the understanding that it creates no obligation. Vendors may provide support for hospital fund-raising or employee recognition events, such as prizes or items to be raffled, as long as such arrangements are approved by Administration.

VII. Ghost writing

- A. Professional presentations by employees, oral or written, may not be ghost written by any party, industry or otherwise.

VIII. Equity interests

- A. Physicians who are involved in institutional decision-making concerning the purchase of medications or equipment, or the negotiation of other contractual relationships, must not have any financial interest (equity ownership, compensated positions on advisory boards, paid consultancy, or other forms of compensated relationship) in vendors that might benefit from the institutional decision. This is not intended to preclude ownership through mutual funds or other investment vehicles of equities in publicly traded companies.



President and CEO



Senior VP and Chief Medical Officer



VP, Audit and Compliance

Effective 12/1/2008
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