

 A CATHOLIC HOSPITAL  	ADMINISTRATIVE POLICIES AND PROCEDURES	
	Section: Corporate Compliance and Ethics	Policy No. CC-010
	Subject: Vendor Relations	Effective: 1/12
		Reviewed:
Revised:		
Approval: Operational Compliance Committee: February 6, 2012 Executive Compliance Oversight Committee: February 13, 2012		

Scope:

This policy applies to St. John Medical Center ("SJMC"), including, but not limited to, all SJMC employees, and, where appropriate, others who provide services to or on behalf of SJMC.

Vendors¹ shall abide by the SJMC Code of Conduct and SJMC policies

Vendors shall abide by their relevant industry’s code of ethics.

Vendor funding to SJMC must comply with the guidelines of this policy.

Solicitation of vendors on behalf of third party charities is prohibited.

Policy & Procedure:

1. Expectations of Vendors:
 - a. Vendors are expected to review and abide by the SJMC Code of Conduct, this policy and other relevant SJMC policies that govern interactions between vendors and SJMC employees and patients
 - b. Vendors are expected to adopt and follow ethics and compliance programs that are consistent with all applicable legal requirements and meet or exceed standard industry practices.
 - c. Vendors may provide business courtesies (e.g., entertainment, meals, gifts) and enter into consulting arrangements with SJMC employees only in accordance with SJMC policy on Vendor Gifts, Meals, Other Business Courtesies and Consulting Payments-Employees (CC-009).
 - d. Vendors shall not attend programs in which specific patients are identified or when peer review, quality assurance or risk management issues are presented. Exceptions may be made for vendors directly involved in a specific patient’s healthcare needs.
 - e. Violations by vendors should be reported within the chain of command, to the Compliance Officer or to the Compliance Hotline (1-800-507-6291).

2. Vendor Funding
 - a. Relationships between and among vendors, SJMC and medical staff are not intrinsically unethical. In many cases, such relationships may contribute to the advancement of science and patient care. Such relationships, however, may create a potential for conflict of interest.
 - b. SJMC may accept vendor funding for certain activities and events, such as educational events², research program³ grants or contracts, and conference booth exhibits as permitted under the guidelines of this policy and so long as the funding is in support of our mission, activities and nonprofit status
 - c. Vendor funding shall not be solicited by SJMC if it influences business decisions regarding existing or potential business transactions or arrangements between SJMC and a vendor.

3. Vendor-Funded Educational Events²
 - a. SJMC may accept funds from vendors to help underwrite the cost of educational events primarily sponsored by SJMC. The primary purpose of the educational event must be to promote objective scientific or educational activities.
 - b. All vendor contributions for educational events having greater than \$5,000 of vendor funding should be coordinated with the Development Department.
 - c. All funds received from vendors for educational events are funds of SJMC. Payments by vendors for educational events involving SJMC must be made payable to SJMC.
 - d. Funds for educational events may be accepted from vendors only when:
 - i. SJMC is the principle sponsor and planner of the educational event and solely determines:
 - a. The CME needs, including CME credit and accrediting requirements,
 - b. The educational event objectives, content, and speakers,
 - c. The educational written materials and presentations, and
 - d. The schedules and location;
 - ii. The educational event's primary purpose is education and not vendor marketing;
 - iii. Educational event funds are not connected with other business transactions between SJMC and the vendor; and
 - iv. SJMC and the vendor enter into a written agreement.
 - e. SJMC must substantially complete educational event planning (e.g., CME coordination, objectives, content, speakers, educational written materials and presentation, schedules and locations) before financial funding from vendors is requested, provided or accepted.
 - f. Any educational event intended to provide CME credit to any persons in attendance must be offered and presented in accordance with appropriate accrediting body standards. For educational events at which attendees will be healthcare professionals, even when not CME credit is provided, compliance with the appropriate accrediting body standards is recommended.
 - g. The written agreement with the vendor must indicate the amount of vendor funding and its purpose and any other relevant terms and conditions. Vendor funds must be used to pay actual expenses related to the educational event, including speaker fees and expenses, administrative costs, reasonable and modest meals and refreshments, room and equipment rental, supplies, and educational materials.

- h. All payments, if any, to physicians or other potential sources of patient referrals to SJMC for speaking or otherwise providing services at any educational event requires a written agreement with the speaker and compensation not exceeding fair market value for services performed. Although funding for speakers may be underwritten by a vendor, SJMC, and not the vendor, will pay the speakers.
 - i. Vendors may sponsor a function at an educational event offering CME credits, such as a reception or meal, and underwrite the entire cost of the activity without processing payment through SJMC, provided the vendor is responsible for arranging the event (e.g., location, invitations, menu and publicity). The event must be a separate function clearly hosted by the vendor. Meals, receptions, and hospitality should be modest in value and subordinate in time and focus to the purpose of the educational event.
 - j. A vendor may be given promotional credit for cosponsoring an educational event or for sponsoring a function at an educational event. Proper vendor promotional credit means that vendor logo may appear on program materials and educational event signage in a manner that is consistent in size and display to that of SJMC. A brief description of vendor may be included in the program materials. It is inappropriate for vendors to distribute promotional literature or detailed descriptions of vendor products, except in connection with a vendor exhibit. Vendors may not use SJMC logos or trademarks to promote vendor products or services. SJMC shall not permit the educational programming or the vendor promotional credit to constitute, or imply, the endorsement of vendor's products or services by SJMC.
 - k. SJMC must charge attendees fair market value fees for attending an educational event, except to the extent the CME may be provided as permitted in policy. SJMC and vendors may not pay for educational event-related activities attended by spouses or other guests.
4. Vendor-Funded Research Programs³
- a. SJMC may accept funds from vendors to help underwrite the cost of research programs under a written clinical trial, sponsored project or funded research agreement conducted at SJMC. The research program must be created for the primary purpose of promoting objective scientific, research and educational activities.
 - b. All vendor-funded research programs are coordinated through the SJMC IRB.
5. Vendor Gifts of Money/in Kind to SJMC
- a. All vendor gifts of money or in kind to SJMC are coordinated through the SJMC Development Department.
 - b. All charitable gifts of money or other charitable contributions from vendors should be paid or made directly to SJMC.
 - c. The vendor's charitable gift may be directed by the vendor. For example, gifts may be directed for use by a particular clinical department, to a particular project or particular service line.

6. Vendor Exhibits-Vendors may purchase exhibit opportunities at an event SJMC is sponsoring provided that all vendors are charged a like amount for like opportunities and the exhibit space is geographically separate from the meeting space (e.g., in an outside hallway). SJMC must use the money from the sale of exhibit opportunities to offset costs of any portion of the meeting and related activities. Such arrangements with vendors must be set forth in a written agreement between SJMC and the vendor.
7. Charitable Functions-SJMC may be asked to participate in a fundraising events sponsored by other charitable organizations, including asking or encouraging SJMC vendors to participate in charitable giving. It is SJMC's policy not to solicit SJMC vendors on behalf of such third-party charities.

¹Vendor means any vendor or other business associate who is doing business with or is seeking to do business with SJMC. Vendors may include, but are not limited to, pharmaceutical manufacturers, medical device manufacturers, and other suppliers of products, equipment and services, and professional service firms (e.g., legal, accounting, consulting).

²Vendor-Funded Educational Events means

³Research Program means any program conducted by SJMC employees or medical staff member for the purpose of testing or researching the use of a particular vendor product or procedure in order to provide feedback on the results too both SJMC and the vendor.

Related Policies:

- Making Compliance and Ethics Reports (CC-004)
- Conflicts of Interest (CC-008)
- Vendor Gifts, Meals, Other Business Courtesies and Consulting Payments (CC-009)
- Medical Vendor Gifts and Meals to Healthcare Professionals (CC-11)

Resources

OIG Compliance Program Guidance for Pharmaceutical Manufacturers, 86 Fed. Reg. 23731, 23735 (May 5, 2003)

OIG Special Advisory Bulletin, Offering Gifts and Other Inducements to Beneficiaries (August 30, 2003)

Pharmaceutical Research and Manufacturers of America (PhRMA): PhRMA Code of Interaction with Healthcare Professionals