This PDF includes a 12-page excerpt on “Developing Policies and Procedures” from the AIS book *Vendor Relations in Health Care*.

For more information and to order the entire 86-page book, [click here](#).
Developing Policies and Procedures

Developing policies to establish clear guidance for acceptance of gifts is one of the major undertakings of a compliance program. But introducing a policy that limits opportunities to receive free goods, entertainment, financial support, etc. is rarely met with enthusiasm by those who are accustomed to receiving such things. As a result, gaining the support of executive management is critical.

A best practice approach for this initiative is to involve executive management in an analysis of the relevant rules governing the acceptance of gifts and in a subsequent analysis of the facility’s policies and practices. If the organization has an operational compliance committee as well as an executive compliance committee, both committees can be engaged in this review, with recommendations coming from the operational committee to the executive committee. During this phase of the initiative, it is important to educate committee members about the anti-kickback laws and the False Claims Act and the consequences of running afoul of these laws. There are numerous examples of OIG and DOJ actions taken against individuals and entities that ignored federal restrictions on gifts. Some have been noted in earlier sections of this book, but providing the workforce with examples of current actions taken can be meaningful when presenting the perils of noncompliance. It can be useful to search the Internet for recent settlements, or visit the websites of the OIG and DOJ to identify current settlements that reflect the particular focus of these investigating agencies. Educating staff about the government’s strict interpretation and application of these laws and the harmful legal, financial and reputational consequences of running afoul of these laws is an important initial endeavor.

Meetings of the executive compliance committee and the operational compliance committee may be dedicated to discussions about the legal and regulatory environment surrounding gifts, as well as analysis of current industry and medical association positions reflected in their Codes of Conduct. An important approach to convincing executives about the current risks that kickback activities present is to provide some of the more recent OIG and DOJ kickback settlements. Copies of past and current Corporate Integrity Agreements and Certificate of Compliance Agreements are available through the OIG website: (http://oig.hhs.gov/fraud/cia/cia_list.asp). Announcements from the DOJ are available through the DOJ website: http://www.justice.gov/usao/nys/pressreleases/index.html. Newspaper articles about provider kickback settlements are also compelling arguments for implementing updated gifts policies. Internet searches for these articles will yield the most current cases. The threat of negative consequences, including harm to the facility’s reputation and public image, are meaningful and persuasive to those with fiduciary responsibility for the organization. Once presented with actual and current examples of federal kickback investigations, settlements and their consequences to individuals and to entities, managers who may initially resist implementing gifts policies often become more willing to develop them.
**Gifts and Gratuities Policies**

In considering a gift policy, a review of the various ways gifts come into the facility should be undertaken. Gifts include tickets to sporting events, gift certificates from vendors and patients, invitations to attend free local conferences, offers to attend all-expense-paid resort conferences, payments for consulting services that may not have been provided or payment which is above fair market value, free medical equipment, leases that are below fair market value, offers of financial support made directly to individuals or departments who purchase goods or services from the offering vendor, etc.

Reviewing a number of gift policies provides management with an opportunity to compare their facility’s practices with others, both locally and nationally. Samples of gift policies are available at a number of hospital’s and other organization websites, or by contacting facility compliance officers. Summarizing various gifts policies in a format that is easy to understand can help management appreciate the range of current standards, and encourage an interest in accepting some, if not all, of the standards of the more highly respected institutions.

An effective tool in presenting different policy standards is a comparative gift policies matrix. This type of analysis allows executives to quickly review the various types of gifts being addressed in policies as well as the variations among them.

Below is an example of this type of comparative matrix.

<table>
<thead>
<tr>
<th>Gifts and Gratuities Policies: A Comparison Matrix</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restriction</td>
</tr>
<tr>
<td>Non-solicitation rule</td>
</tr>
<tr>
<td>Cash or cash equivalents (gift certificates, etc)</td>
</tr>
<tr>
<td>Shared perishables</td>
</tr>
<tr>
<td>Gifts from patients/families</td>
</tr>
<tr>
<td>Vendor offers of material gifts</td>
</tr>
<tr>
<td>Gifts to employed physicians</td>
</tr>
<tr>
<td>Ghost-writing authorships</td>
</tr>
<tr>
<td>Royalties</td>
</tr>
<tr>
<td>Paid consultantships</td>
</tr>
<tr>
<td>Paid speakers bureaus</td>
</tr>
<tr>
<td>Educational material with vendor logos</td>
</tr>
<tr>
<td>Sponsored educational events</td>
</tr>
<tr>
<td>To/from referral Sources</td>
</tr>
<tr>
<td>Vendor paid travel expenses</td>
</tr>
<tr>
<td>Tickets to sporting or theatre events</td>
</tr>
<tr>
<td>Meals with vendors</td>
</tr>
<tr>
<td>Paid spouse travel</td>
</tr>
<tr>
<td>Meals (etc.) sent to staff from outside vendors</td>
</tr>
<tr>
<td>Hospital fundraiser sponsored tickets</td>
</tr>
<tr>
<td>Multiple meals/entertainment by same vendor</td>
</tr>
<tr>
<td>Sponsored educational events</td>
</tr>
<tr>
<td>Advertising material (i.e., pens, etc.)</td>
</tr>
<tr>
<td>Vendor-sponsored holiday parties</td>
</tr>
</tbody>
</table>
Although these and similar materials may make the executive team aware of the need for such a policy, determining facility standards for what can and cannot be accepted can be challenging and most often requires numerous discussions. Individuals and the facility itself have benefited from industry gifts. Those who have received gifts, or are in charge of the facility’s budgets, may not be inclined to embrace strict prohibitions on vendor offers. However, in light of the increased federal and state focus on antikickback activities, administrators are becoming less comfortable receiving vendor gifts and gratuities as they become more aware of the potential influence gifts have on decision making. As a result, gift policies are being developed and expanded to cover all kinds of gifts, including ghost writing, speakers’ bureaus, funding for educational activities, and so forth.

Some hospitals have taken more lenient approaches while others have decided to prohibit all gifts and financial relationships with vendors. Consultantships, speakers’ bureaus, ghost-writing authorships and other financially lucrative relationships are now prohibited by academic medical centers such as Stanford and Yale. While relationships between providers and industry are vital to the development of medical knowledge and innovation, managing industry access and restricting undue influence on those in positions to make business decisions are also critical. As has been previously discussed, the momentum nationwide to prohibit all gifts is growing. But until law or regulation requires a complete prohibition of gifts, facilities are left to develop their own limits and restrictions, based on the OIG and DOJ interpretations of the anti-kickback provisions, other legal and regulatory requirements and the facility’s own standards. The following is an example of a Gifts and Gratuities Policy that sets limits on a variety of vendor offers.

---

**Gifts and Gratuities Policy**

**Purpose:** The federal anti-kickback statute prohibits acceptance of any item of value, in cash or in kind, that may induce or appear to induce the purchase or referral of health care goods, services, or items that are reimbursed by a federal or state health care program (Medicare, Medicaid, etc.) Any gift or business courtesy offered by current or potential vendors directly or indirectly that violates a federal or state law is strictly prohibited.

This policy is intended to provide guidelines for decision making regarding the acceptance and provision of gifts and gratuities to ensure that activities and business interactions conducted on behalf of the hospital are in compliance with federal and state laws and regulations. Adherence to these restrictions will avoid even the appearance of improper relationships with vendors or others who conduct or seek to conduct business with the hospital.

Since a policy such as this cannot address every conceivable manner of gift giving, it should not be considered exhaustive. Questions regarding a particular relationship, gift or gratuity should be directed to the employee’s supervisor, Human Resources or the Corporate Compliance Office.

**Scope:** This policy applies to all employees, non-employed paid physician chiefs and those acting as agents of the hospital, collectively referred to as “employees.”

**Policy:** Employees of the hospital may not solicit personal gifts, business courtesies or services from any patient, visitor, vendor, or contractor.

Unsolicited gifts of nominal value (total value of $50.00 or less in any one year from any individual or organization) may be permissible on rare occasions.

Gifts that are intended to influence or that may be considered by an objective observer to have the potential to influence an individual in the conduct of his/her duties or responsibilities at the hospital are prohibited.

Gifts of cash or cash equivalents are strictly prohibited.
**Procedure**

**Receiving Gifts**

1. **Gifts:** It is acceptable for a department, clinical unit, or clinical practice to accept a modest perishable gift (such as a floral arrangement, box of cookies, candy or similar food items) to be shared by staff members on special occasions, such as holidays. However, meals sent from non-employed individuals to hospital staff are not permissible.

2. **Educational Support:** Unrestricted subsidies to underwrite the cost of the facility’s continuing education conferences or professional meetings can contribute to the development of medical knowledge and to the improvement of patient care and therefore are permissible. Financial donations accepted from vendors for educational purposes must be accepted through the facility’s Fund Development Department and deposited into the hospital’s unrestricted education fund. Departments may access funds from the unrestricted education account through the Fund Development Department to cover educational activities, including presenters’ fees, handout materials, meals, etc. Vendor donors may not require or request specific use of the funds they donate. In all instances of industry-supported education, acceptance of such support must never be conditioned on or related in any way to pre-existing or future business relationships.

3. **Promotional Items:** Pens, notepads, mugs and similar items are prohibited.

4. **Cash:** Cash or cash equivalents (such as checks, gift certificates, stocks, bonds, etc.) from outside entities or non-employed individuals are prohibited, except as donations to the Fund Development Department.

5. **Gifts from Patients:** No gifts or items of value of any kind should be solicited from patients or their families. Patients wishing to make a gift should be advised that the hospital policy does not allow caregivers or staff to accept personal gifts. Patients may be directed to the Fund Development Department for acceptance on behalf of the hospital. In instances in which a patient or family member insists on giving a gift despite efforts to discourage the offer, or where refusing to accept the gift may create a hardship for the individual making the offer, hospital staff may accept the gift on behalf of the hospital and immediately notify the department supervisor. The supervisor should contact the Compliance Department, which will work with the Fund Development Department to process the gift appropriately.

**Offering of Gifts**

1. Food, beverages, gifts and entertainment (even of nominal value) may not be offered to any governmental official. Such gifts could be misinterpreted as an attempt to improperly influence an official and must be avoided.

2. Any gift intended, or that may be perceived, to induce or reward referrals or result in the purchase of goods or services is prohibited.

3. The marketing department and/or other entities of the hospital may develop educational items of nominal value that promote awareness of clinical programs for referral sources or patients consistent with the hospital’s mission to provide community outreach and education.

**Social Events and Business Courtesies**

1. **Permitted Business Courtesies:** There may be times when it is permissible to accept a meal or other invitation offered by a current or potential business associate. However, the purpose must never be to induce or influence a business transaction. As a general rule, the cost must be reasonable (not to exceed $50 per person). If the occasion appears extravagant or if the invitation could be perceived as intending to influence a business decision involving the hospital, attendance at such an occasion is prohibited. To be acceptable, the occasion must conform to the following guidelines.

   (a) The cost and location must be reasonable and not extravagant.
(b) Paid expenses for any travel costs or overnight lodging for the individual or his/her family are prohibited.

(c) The invitation is for an ordinary business meal or gathering during which the host is present and business is conducted.

(d) Acceptance of such an invitation from an individual or entity is rare unless both parties share expenses.

2. **Prohibited Business Courtesies:** Business courtesies of personal benefit (such as a pair of tickets or invitations to sporting events, theatre events, or golf outings) unaccompanied by the host may not be accepted.

### Sponsoring Business Events

The hospital may sponsor events that have legitimate business purposes (e.g., board meetings, retreats). For these events, reasonable meals may be offered and transportation and lodging may be paid by the hospital.

### Hospital Fund Raising Events

1. Hospital employees are permitted to attend a hospital fundraising event that is sponsored by a current or prospective vendor or others doing business with the hospital, provided that the host attends the event with the hospital employee.

2. Any current or potential vendor wishing to sponsor a hospital fundraising event, but who plans to be absent from the event, may offer the event tickets to the hospital’s Fund Development Department, which shall coordinate with hospital department supervisors to determine who should receive the tickets. Hospital employees are prohibited from accepting this type of tickets directly from the vendor.

### Other Nonprofit Organization Fundraising Events

Hospital employees are permitted to attend other nonprofit organization events in the hospital’s region sponsored by entities or individuals conducting business with the hospital provided the event is reasonable, directly supports the nonprofit organization, and the host and the recipient are present at the event.

### Referral Sources

Any gifts or entertainment involving physicians or other persons in a position to refer patients are subject to federal laws, rules and regulations regarding these practices and must be undertaken with the utmost integrity and good judgment. Individuals uncertain about whether a particular gift, event or function may be accepted or offered should contact their supervisors, human resources or the corporate compliance department for advice. The following elements must be present when accepting a business courtesy from a referral source:

1. The conference or meeting location must be reasonable and not extravagant.

2. Paid expenses for any travel or overnight lodging are prohibited unless the individual is actively participating in conference presentations.

3. A business courtesy from an individual or entity should be of such limited value ($50 per person annually) that it would not be reasonably perceived by anyone as an attempt to affect the judgment of the recipient or induce referrals.

4. Subsidies for hospitality and business courtesies should not be accepted beyond modest meals or socializing opportunities that are held as part of a conference or meeting.

5. A conference or meeting must primarily be designed to discuss business. A modest meal associated with the meeting or conference is acceptable if the host is present.

### Industry Sponsored Travel Expenses

1. **Permitted Expenses:** Reasonable coverage of travel expenses by a vendor or business associate is acceptable only when the subsidized individual is:
(a) Presenting at a conference,
(b) Participating in a meeting for the purpose of a sponsored research protocol review,
(c) Participating as a member of a governmental panel.

2. **Prohibited expenses:** Travel expense reimbursement by an outside organization is prohibited when:
   (a) Extended to an individual’s spouse or family member,
   (b) An individual is not presenting at the meeting or conference,
   (c) The primary focus is social with minimal or no business activity (e.g., golf, resort or other recreational activities),
   (d) It is offered by a potential or current vendor to discuss, promote or showcase vendor products or services, if not explicitly defined in an existing vendor contract,
   (e) The event location appears to be extravagant.

**Honoraria and Consultations**

Individuals who are invited to speak or provide genuine consulting services can accept reimbursement in the form of honoraria or compensation for time and expenses under the following conditions:

1. Presentations or consulting engagements must be of scientific/academic merit and/or benefit the hospital;
2. Travel, lodging and meal expense reimbursement must be reasonable and directly related to the engagement;
3. Compensation received is fair-market value;
4. Consultation and service agreements must be in writing;
5. The acceptance of honoraria or a consultation engagement has received prior approval from the hospital supervisor with authority to grant such approval;
6. Individuals may not perform private consulting work for a vendor who conducts business with the hospital, or who wants to conduct business with the hospital, without receiving prior approval for the activity from their chairman or appropriate administrative director. Chairmen require approval from the Vice President of Medical Affairs.

To ensure compliance with this policy and avoid even the appearance of impropriety, expenses for multiple social outings with the same individual should be shared equally by both parties. The guidance provided in this policy is intended to communicate the hospital’s general ethical standards regarding gifts, gratuities and business courtesies. Employees, officers and agents of the hospital are required to abide by the letter and the spirit of this policy. Questions regarding the appropriateness of any gift, gratuity or business courtesy should be directed to your supervisor, to human resources, or to the corporate compliance department.

Once policies are developed or updated, it is important to find effective ways to communicate and educate staff about the new gifts restrictions, which may be confusing to them. A variety of ways to convey the policy changes will help insure that all employees are aware of and understand the new restrictions and allowances that the policy sets. Multiple communications will be required to accomplish these goals.

An e-mail notice may be sent to all employees, announcing the new or revised policy that includes the contact information of the compliance officer, should staff have any questions about the policy. Presentations about the new policy at weekly or monthly management meetings, as well as at departmental staff meetings, are good ways to communicate the policy changes and allow questions and discussions about the nuances of the policy.

The gifts policy should be discussed at each new employee orientation as part of corporate compliance training and also should be included in the annual mandatory compliance training for
all employees. Articles can be written as reminders about the policy in the facility newsletter, with additional reminders communicated prior to the holiday season, when gift-giving is most common.

A flowchart can help staff analyze the appropriateness of a vendor offer, based on the gifts policy. Such a visual tool can focus on a particular aspect of the facility’s gifts policy restrictions. A variation of this type of tool might offer analysis to departments for other types of gifts (i.e., receiving grants for educational purposes). The following is one example of such a flowchart.

```
Analysis of Gifts

Gift is for a special occasion (e.g., holiday)

Gift is offered by a vendor and is (or may be) intended to influence or reward business practices (i.e., trips, theatre tickets, sporting events, etc)

Shared perishables

A thing (e.g., mug, calendar)

Cash, gift certificate, etc.

Value less than $50

Value more than $50

Cookies, Candy, Flowers (No Meals)

Acceptable on rare occasions

Do not accept
```

Contact your supervisor, human resources or the corporate compliance officer with questions regarding the acceptance of gifts.

**Vendor Access Policies.** In addition to gift policies, hospitals are establishing vendor access policies that set standards for vendor interactions with hospital staff and require vendors to learn relevant hospital policies (e.g., gifts, HIPAA, etc.). Vendor access policies define certification protocols required to obtain the right to access the facility. They define acceptable behavior when relating to hospital members as well as restrictions once access is granted.
Once granted, compliance with all hospital policies should be mandatory and a prerequisite for all future vendor interactions with the hospital. Addressing issues related to vendor access through the development of formalized policies will protect the hospital against potentially aggressive marketing strategies and the possibility of improper influence.

Several examples of different vendor access policies and guidelines are provided below.

**Vendor Access Policy**

**Scope:** All Sales Representatives

**Purpose:** To manage access and vendor activities on hospital property.

**Procedure:** Each sales representative is required to contact the hospital’s Procurement or Pharmacy Department as appropriate, to obtain the hospital’s “Vendor Obligations Information Packet.” Sales representatives must undergo the hospital’s clearance and orientation process for each vendor they represent. Representatives who change affiliation are required to complete a new orientation process. Vendor Representation Certification will be maintained on file in the Procurement Department. In no instance may a representative be allowed to utilize a past vendor certification for new vendor representation.

Vendors and their representatives who access and/or create protected health information (PHI) through their work at or on behalf of the hospital are required to sign a business associate agreement in compliance with HIPAA and the Health Information Technology for Economic and Clinical Health Act (HITECH). After reviewing the Vendor Obligations Information Packet, the sales representative shall sign the Vendor Obligations Form and return it to the Procurement Office, where it shall be kept on file.

The sales representative will be given a Vendor Access Badge that must be worn at all times while on hospital premises. A copy of the badge will be attached to the signed Vendor Obligations Form. Sales representatives orienting through the Pharmacy Department will receive the Vendor Obligations Form from that department and will return the signed form to the Pharmacy Department. The Pharmacy Department will issue a hospital access badge and forward a copy of the signed badge attached to the signed Vendor Obligations Form to the Procurement Department for filing.

A list of authorized vendor representatives, including their company name and the date the forms were signed, will be maintained in a data file available on the intranet, where the list will be updated regularly.

If a hospital employee identifies a sales representative who may not have been authorized to access hospital premises, or who may have violated a standard described in the Vendor Obligations Form, the employee has an affirmative duty to report the violation to a supervisor who is able to address the issue. If the supervisor confirms that a violation has occurred, he or she will take appropriate action with the representative to mitigate any harm to the facility and subsequently will notify the procurement department of the violation. The Procurement Department will notify the sales representative, the vendor and the effected department. Notation will be added to the vendor’s file describing the violation. A review of vendor files will determine whether to allow or discontinue access to the representative and vendor.

A description of the vendor’s obligations establishes clear vendor responsibilities and standards of behavior throughout the visits on hospital property. Vendors are required to educate themselves with regard to hospital policies, procedures and the facility’s Code of Conduct.
Vendor Obligations

Vendor Access Obligations

1. Vendor representatives must schedule initial orientations with the Procurement Department or Pharmacy Department.
2. Vendor representatives must read the:
   a. Hospital’s Corporate Compliance Code of Conduct and sign the Certification of Agreement to abide by the Code;
   b. Policies on Vendor Relations and Vendor Access provided to vendors on the hospital’s website; and
   c. Department-specific vendor visitation policies.
3. Vendor representatives must acknowledge adherence to the items listed above as well as the remaining items in this Vendor Obligations Form by signing the Vendor Representative Acknowledgment Form, which will be maintained in the Procurement Department.
4. Vendors are responsible for informing the Procurement or Pharmacy department of any change to representatives visiting the facility and to introduce new representatives for initial orientation and Vendor Obligations Form completion.
5. At all times, vendor representatives must wear their company identification badges and carry their signed Vendor Access Badges, verifying completion of initial orientation.
6. When entering a hospital department, the vendor representatives must access designated areas, as defined by the department. Departments may restrict vendors from entering their departments or restrict access to certain areas of their departments.
7. The vendor representative will be responsible for associated badge fees.
8. If vendor representatives are allowed access to patient care areas, their purpose must be for consultation only. The physician and or hospital departments are solely responsible for the degree to which those services are utilized. Vendor representatives are not to have physical contact with patients or operate medical equipment being used on patients unless there is a documented informed consent from the patient.
9. Vendor representatives are responsible for insuring that they are qualified to train hospital employees on the use of products and/or equipment. If requested by a hospital department, vendor representatives shall be prepared to present documentation indicating that they are qualified.
10. Certain departments (i.e., the operating room) will require that vendor representatives receive a TB skin test on a yearly basis. The receiving department may ask the vendor representative to see proof of the test. It is the responsibility of the vendor representative to assume the cost of the test.
11. Background checks and Excluded Parties Clearance (HHS/OIG and GSA) will be performed on all vendors and may be performed on their representatives. Vendors applying for access will assume the cost of such background clearances.

Guidelines for Conduct, Behavior, Patient Confidentiality and Respect for Property

1. Vendor representatives must adhere to department-specific accesss requirements.
2. Vendor representatives are not permitted in any patient care areas except to provide in-service training on devices and other equipment, and then only by appointment.
3. Vendor representatives are prohibited from bringing non-sterile materials into a sterile environment.
4. Sales and marketing representatives are permitted in non-patient care areas by appointment only. Appointments will normally be made for such purposes as:
a. In-service training of hospital personnel for clinical equipment or devices already purchased.
b. Evaluation of new purchases of equipment, devices, or related items.

5. If a hospital workspace is utilized, the vendor representative must insure that the space is kept clean and neat.

6. Photographic or digital images of employees require prior written approval that must be obtained from the public affairs department.

7. Photo or digital images of patients require prior written patient HIPAA-compliant approval obtained through the attending physician and must be in the best interest of the patient.

8. Vendor representatives must comply with applicable behaviors described in the hospital’s Code of Conduct, hospital policies and procedures and department-specific policies and procedures.

9. At the discretion of the hospital, inappropriate behavior identified by a hospital employee may be deemed a violation of the hospital’s Vendor Access Policy. Such events may result in the limitation or discontinuance of vendor access to the hospital.

10. Vendors shall sign a confidentiality agreement as part of the vendor representative orientation. The vendor acknowledges that all hospital information of a proprietary nature belongs to the hospital and that the vendor and its agents do not acquire any rights of ownership in such proprietary information. The vendor representative agrees that he or she shall not disclose to any third party information regarding the hospital, hospital operations, patient information, or business relating to the hospital. Although the vendor is required to sign the confidentiality agreement, the vendor shall be deemed to have agreed to the conditions defined therein by requesting access to the hospital premises.

Solicitation Guidelines

1. Any solicitation or contact will be restricted to the approved departments or individuals within the approved departments. These departments and individuals will determine their specific guidelines for solicitation and vendor representatives must follow them.

2. Unsolicited promotion (i.e., hallway marketing) is prohibited.

3. Presentation of products, services or equipment must be coordinated and scheduled by the participating department(s).

4. While waiting for an appointment, vendor representatives must remain in designated areas as determined by the department.

5. Before any presentations of new products, services, or capital equipment, vendor representatives must inform procurement and/or the pharmacy.

6. Internal procedures must be followed by departments and/or physicians before new products, samples or equipment are utilized. If vendor reps have any specific questions about these internal procedures, they should contact procurement and/or the pharmacy.

7. Hospital and clinical employees will inform the vendor representative if the products they present are not approved by the hospital.

8. Any product/equipment delivered by the vendor representative or shipped to the hospital must be confirmed by purchase order or agreement between the procurement department or the pharmacy with the intended department. The hospital is not responsible for the loss of or payment for products or equipment that are not evidenced by a purchase order.

9. Vendor representatives are responsible for notification to the Procurement Department or Pharmacy Department and applicable department(s) prior to a significant change in a product, such as price and material changes.

10. Vendor representatives and/or their companies are responsible for immediate notification to the Procurement Department, Pharmacy Department and applicable departments when there is a product/equipment recall.
11. Nothing in this Vendor Obligations form is intended to modify any written agreement between the vendor and its representatives and the hospital.

Asking vendors to read and agree to their responsibilities in writing further establishes the vendor’s recognition of his or her responsibilities while on hospital premises. A Vendor Obligations Form can be developed so that vendors sign a written statement affirming their understanding and acceptance of the restrictions and obligations placed on them while on hospital property. The following is an example of a Vendor Obligations Form.

**Vendor Obligations Form**

I have read and agree to abide by the following:

1. Guidelines for access including:
   a. Hospital’s Corporate Compliance Code of Conduct
   b. Confidentiality policies
   c. HIPAA policies
   d. Relevant department-specific policies
   e. The hospital’s business associate fact sheet

2. An executed business associate agreement on file with the provider

3. Guidelines for conduct, patient confidentiality and respect for property

4. Solicitation guidelines

If I do not adhere to all of the provisions listed above, the hospital reserves the right to remove me from the premises immediately. In addition, it may instruct me to not return to the hospital and notify my company about the violation, including any need for a change in on-site vendor representation.

I am in good standing with my company and have not been suspended, excluded from participation in the federally funded health care programs (e.g., Medicare, Medicaid) or otherwise disciplined for any type of professional misconduct.

Signed: ______________________________ Date: ______________

Title/role: ________________________________

Company: ________________________________

Certain vendor relationships require additional consideration. Many hospitals have developed policies to describe acceptable behavior and vendor restrictions in clinical care settings such as the OR and cardiac cath labs. Certain device manufacturers may access patient areas to assist physicians in the use of new medical devices. Departments such as Cardiac Catheter Labs and Operating Rooms should develop policies defining industry representatives’ responsibilities and restrictions and general behavior in these areas. One example of such a policy is offered here.
Hospital Operating Room Vendor Access Policy

**Purpose**: The purpose of this policy is to establish requirements for vendor access to the facility’s Operating Rooms. When requested by the surgeon, vendor representatives with clinical knowledge of their products can support the physician during a procedure and enhance the quality of care for patients. In order to secure appropriate safeguards, vendors who access the facility’s ORs to assist in patient procedures must satisfy the following rules and requirements:

1. Proof of a physical examination and health history are required to ensure the individual is free from any health impairment that may be a potential risk to patients or which might interfere with the performance of the vendor’s duties.
2. A TB test. If an individual has a positive TB skin test, then he/she will be required to have a chest x-ray to rule out active TB.
3. Proof of immunity to measles, rubella and varicella. Individuals who lack immunity to any of these viruses will be vaccinated, unless they have a medical contraindication to the vaccine in question.
4. All visits to the Hospital Operating Room (OR) must be done strictly by appointment only.
5. Vendors must wear vendor identification badges at all times.
6. Vendors visiting the OR must be healthy.
7. Vendors are not allowed in the OR Doctor’s Lounge.
8. No solicitation is allowed on the OR floor.
9. Any approved products or instrumentation that is not stocked by the hospital must be dropped off at the OR Procurement Office by 10 a.m. the day prior to surgery.
10. Vendors must provide preprinted inventory sheets for all products that are brought in on a case-by-case basis. This inventory sheet, along with pricing, is to be filled out after the case and submitted to the OR Procurement Office so proper billing can occur.
11. Vendors are needed in the OR only when requested by the clinical or medical staff and must report to the OR Procurement office prior to going to a case.
12. Vendors must have clinical knowledge of their products and provide that to the clinical and medical staff as requested.
13. Vendors may not touch the patient or any surgical material that will touch the patient.
14. Consignment inventory needs to be checked periodically and needs to be scheduled with an OR procurement staff member.
15. New items are not to be used until they have been approved by the Medical Executive Committee or have a one-time use approval by the Perioperative Resource Manager.
16. The Operating Room Manager can, at his or her discretion, prohibit or reverse vendor access or ask the vendor to leave the OR for any violation of policies or other reasons related to safety and quality of care.
17. Vendors must remain three feet outside the sterile field.
18. Only one vendor representative is allowed in the OR at any time.
19. Vendors in the OR must wear vendor-designated black scrubs identifying themselves as vendors.
From The AIS Bookshelf:
From Chapter 3: Developing Policies and Procedures

This PDF includes a 12-page excerpt on “Developing Policies and Procedures” from the AIS book Vendor Relations in Health Care.

Like what you’ve seen in this chapter? Order the complete Vendor Relations in Health Care today!

Order Form

Please complete the blanks below or attach your business card. (UPS does not deliver to P.O. boxes. Please include your street address.)

Name ________________________________
Title ________________________________
Organization ________________________________
Address ________________________________
City/State/Zip ________________________________
Email ________________________________

Three Convenient Ways to Pay

DC residents add 6% sales tax.
Charge my credit card ☐ $157
☐ VISA ☐ MasterCard ☐ AmEx
Card # ________________________________
Exp. Date ________________________________
Charges will appear as Atlantic Information Services, Inc.

Check enclosed for ☐ $157
Make payable to Atlantic Information Services, Inc.

Purchase Order # ________________________________

100% Satisfaction Guarantee
Order Vendor Relations in Health Care for a 30-day risk-free inspection and test for yourself the value of this information resource. If within 30 days you’re not 100% satisfied, you may return it to AIS and receive a full, prompt refund. Refunds will not be made once the seal on the CD package has been broken. Please review your copy of the print version prior to breaking the seal.

Three Easy Ways to Order
1. Call toll-free 800-521-4323
2. Mail this completed form to:
Atlantic Information Services, Inc.
1100 17th Street, NW, Suite 300
Washington, DC 20036
3. Vist the marketplace at www.AISHealth.com

*Signature ________________________________
*Phone # ________________________________
*Required for credit card and purchase orders