

Compliance Standards: Gifts, Meals and Entertainment

Gifts and Meals

Fresenius personnel may not give, offer, or receive extravagant gifts or meals to or from healthcare providers, patients, or other persons or companies doing business with the Company.

Extravagant gifts or meals could be considered an improper inducement under federal and many state laws for the referral or purchase of healthcare items or services.

Criminal and civil penalties may be imposed on both the offeror and the recipient of an improper inducement. The purpose of these laws is to prevent personal benefit to a physician, medical provider, or patient from overriding considerations of quality or patient well being.

Entertainment and Recreational Activities

Fresenius personnel may not give, offer or receive any entertainment or recreational activities to or from persons or companies doing business with the Company (e.g., sporting events, golf outings, fishing or boating trips, concerts or shows, etc.)

Legal and Company restrictions focus on extravagant gifts or meals that are intended to, or give the appearance of trying to, compromise healthcare decisions (e.g., weekend trips, elaborate dinners, or similar benefits). More moderate expressions of good will, which are consistent with industry and local business practices, are acceptable (e.g., promotional items of minimal value such as pens and notepads that can be used in the recipient's business practice, modest lunches or dinners where business is discussed).

Gifts given to or received from persons or companies doing business with the Company should not be items that have a personal benefit or value to the recipient (such as golf balls, music CDs, gym bags, artwork, etc.).

The **appearance** created by giving or receiving a gift or meal must be considered. Even if a gift or meal may be technically acceptable, it may, under some circumstances, appear improper to another person. In such cases, it may be appropriate to refrain from offering or accepting a gift or meal, or to take steps to ensure that an action is not misinterpreted.



Modest Gifts or Meals

Where modest gifts or meals are appropriate, good judgment should be followed.

All gifts or meals should fall within the bounds of moderation and be common business courtesies that have a valid business purpose (e.g., a business lunch). A pattern of giving or receiving gifts or meals may be inappropriate if the frequency or total value of the gifts or meals exceeds reasonable limits.

Offers of individual gifts with a value of more than \$50, or of business meals more than \$150, must be approved in writing by a Vice President or other designated member of senior level management. Annual limits apply to offers or receipt of:

- Business gifts (\$100)
- Business meals (\$300) to; or
- From a single person or their organization.

Gift Limits

Gifts in excess of \$50 per year should not be offered to patients.

In addition, gifts in excess of \$50 per year should not be received from patients unless approved by an Area Manager or other comparable business unit manager.

Gifts and Government Officials

Gifts should generally not be offered to government officials or employees.

Federal, state and local laws set specific restrictions on such practices, which must be carefully observed. Any such expenditure must be approved by a Vice President or other designated senior manager.

Gifts, Meals and Entertainment: Q & A

Large Accounts

Q: *Can I send a large holiday gift basket to several of my large accounts?*

A: No. Gift baskets imply personal benefit and value and as such, do not fall within the categories of acceptable gifts

Lunch with Possible Medical Directors

Q: *I am negotiating with a local nephrologist to accept a position as Medical Director of a new dialysis facility that the Company proposes to open. Can I invite her to lunch or dinner to discuss the position?*

A: Generally yes, so long as the meal is not extravagant and you use the occasion to discuss business. Lunch and dinner meetings are generally viewed as common business practice and are generally acceptable, unless the cost of food or drinks exceeds reasonable limits. The presence of spouses or other guests is inappropriate, unless the spouse is part of the business organization and given his/her job function, his/her attendance at the business meal would be appropriate.

Sporting Events

Q: *I received a couple of box seat tickets to the local basketball arena from a friend and would like to offer them to one of my customers. Is this appropriate?*

A: No. The Company may not provide or accept an invitation to a sporting event, entertainment or recreational activity to or from persons or companies doing business with the Company. Thus, the Company should not invite persons or companies doing business with the Company to sporting events, concerts, or shows or provide them with recreational activities such as hunting, fishing, or boating (even if those activities are used to facilitate informational exchanges between the parties – such as a business meeting tied to a round of golf).

Small Favors from Drug Companies

Q: *A drug company is holding a seminar for my facility's staff to teach them how to use their product. The seminar is at a hotel, and will last until 2:00 PM. They will provide a lunch, and they have also offered to let us use the conference room for our own facility meeting from 2:00 to 5:00 PM. Can we do this?*

A: The facility staff may attend the drug company's seminar and may accept a modest lunch, since this is directly related to the use of the drug company's product. However, the use of the conference room in the afternoon would not be appropriate, since the vendor seminar will be over and vendors may not provide gifts to facilities to support their general operations. If the facility needs the use of a hotel conference room, it should arrange for it independently from the drug company.

Co-worker Presents

Q: *I want to give my co-worker a present for her birthday. Do these rules apply?*

A: No, these rules do not apply to interactions solely between Fresenius personnel. As such, the birthday gift would be acceptable as long as it is intended to be a genuine expression of personal esteem and does not influence personnel or business decisions in an improper manner.