Gifts and Entertainment and Vendor/Patient Interactions
Frequently Asked Questions (FAQ)

It is essential that Inland Northwest Health Services ("INHS") fulfills its Mission and our commitment to integrity in the delivery of quality patient care and other services. For this reason, INHS workforce members, including employees, board members, volunteers and others are expected to keep relationships with patients and their family members, vendors and potential vendors; non-INHS employed physicians and other practitioners their office staff; and other third parties impartial and appropriate. To do this, we must avoid accepting gifts or other items of value including, but not limited to: meals; tickets to events; special favors; loans; discounts; free services; tips; and gratuities. Remember, cash and cash equivalents, such as a gift card, are never to be accepted unless it comes from within INHS (e.g., from your supervisor or HR).

The purpose of this set of FAQs is to provide workforce members consistent guidance on accepting gifts and entertainment while fulfilling the INHS's mission.

**Are we allowed to accept a gift from a patient?** INHS's discourages workforce members from accepting gifts from patients or their family or friends. Gifts valued at less than $100, such as an occasional consumable gift (e.g., fruit basket or box of chocolates) shared among employees within your unit or department is acceptable.

**Are we allowed to accept gifts and/or entertainment from vendors?** INHS strongly discourages workforce members from accepting gifts or entertainment from existing or potential vendors. When a workforce member accepts any gift from an existing or potential vendor it can be seen as an influence on our decision making or a conflict of interest. On a limited basis, workforce members may accept perishable or consumable gifts, valued at less than $100, that are shared among the unit or department. There are additional gifts that may be allowed, so please consult the Vendor Interactions Policy, INHS-1718, for more information on vendor gift acceptance.

**Are we allowed to accept a prize or award from a vendor drawing?** INHS does allow workforce members to accept a prize or award from a bona fide competition held in public, such as a random drawing at a conference or training session. Workforce members are prohibited from participating in drawings that cannot be verified as random (e.g., drawing via email entry).

**Is the gift limit $50 or $100?** INHS's workforce members may accept gifts valued at less than $100 according to the INHS's Code of Conduct, and Conflicts of Interest Policy. The Vendor Interactions Policy states “Workforce members who accept a gift are required to document the source, value and circumstances relating to the gift if valued over $50.” So an employee may accept a gift valued at less than $100, and they must disclose where required to do so or maintain records of receiving a gift from a vendor if over $50.00.
Are workforce members allowed to accept gifts from their managers? Yes, workforce members are allowed to accept gifts from their manager. If your manager is reimbursed by INHS, the gift must meet the de minimis fringe benefit definition (see below), or the gift is seen by the Internal Revenue Service (IRS) as income and must be reported to Payroll for tax purposes. This does not apply to cash or cash equivalents such as gift cards, which are addressed below.

De Minimis Fringe Benefit:
The term "de minimis" means minor or insignificant and comes from the IRS. A deminimis fringe benefit is one that, considering its value and the frequency with which it is provided, is so small and infrequently provided that accounting for it would be unreasonable or impractical. An item that is considered a cash equivalent is NEVER de minimis according to the IRS. A INHS-purchased item valued below $100 would likely fall under the de minimis fringe benefit exception. Items that have more than a de minimis value or are provided on a more frequent basis would be considered compensation and must be reported to Payroll for inclusion in the workforce member’s gross income.

Examples of de minimis fringe benefits that are excludable from income, when infrequent and non-routine are coffee, doughnuts, flowers or fruit for special circumstances, and group meals. De minimis fringe benefits only apply to accepting gifts from a manager or someone who is employed by INHS.

Is INHS required by the Internal Revenue Service (IRS) to tax gift cards/certificates provided by INHS to its workforce members? Yes, monetary awards such as gift certificates and gift cards are considered “cash equivalents” by the IRS when given to a workforce member. A “cash equivalent” allows the purchase of or redemption for a product or service as if cash were being used. Therefore, gift certificates and gift cards are considered compensation to the workforce member and must be reported through the payroll system (making the gift certificates and gift cards subject to all applicable payroll taxes) regardless of the amount, even if it is a gift card valued at $5 or less. One exception to this rule would be certificates with no cash value and that are limited to specific purchases (e.g., a latte, a turkey, or a fruit platter).

Are employees allowed to purchase gifts for other co-workers and colleagues? Yes, employees are allowed to exchange gifts. This can include gift cards as they are not taxed by INHS’s payroll when they are paid for out-of-pocket by that employees. This means the person providing the gift card must not be reimbursed by INHS. Note that this applies to gifts given by a employees to a caregiver and not a gift from a board member, volunteer or others to a caregiver. Such an exchange can have different consequences because the board member might be a non-INHS employed physician or a vendor.

Can we offer patients gift certificates or some other gift of nominal value as long as we have a tracking process in place? Yes, the Health and Human Services, Office of Inspector General (OIG) stated that it is okay for inexpensive items or services to be provided to patients. The OIG defines inexpensive as having a retail value of no more than $10 per item or $50 in the aggregate per patient on an annual basis, and the gift cannot be in the form of cash or cash equivalents. Any such gifts
provided to patients must be tracked ahead of the purchase by a ministry/facility to assure the $50 cap is not exceeded. There is an exception that a gift card is allowed for the purpose of customer service recovery under the following conditions:

- The individual gift cards will have a value not exceeding $10;
- The cards will be redeemable at specific vendors that do not sell items or services paid for by Federal health care programs (including Medicare and Medicaid/Medi-Cal);
- The cards cannot be redeemed for cash or for items or services provided by INHS; and
- INHS has a system for tracking the issuance of the cards, for the purpose of ensuring that individual beneficiaries do not receive multiple cards having an aggregate value in excess of $50 in one year.

If the above conditions are met, the OIG states that the “gift card is considered nominal in value and will not constitute cash or a cash equivalent.” The intent of providing a gift or gift card cannot be to entice the patient to utilize INHS’s services.

**Can we host a contest via an approved INHSFacebook site and offer a café voucher to the winning entry?** Yes, the café voucher must be of reasonable value (e.g., less than $50) and the rules of entry must be clearly detailed upon entry. The INHS’s Facebook site must have been approved by the Communications department.

**How does our Gifts and Entertainment and Vendor Interactions Policy (INHS-1718) apply to speaking engagements for our employed physicians, while on PTO, and receiving an honorarium?** Expectations are the same for INHS’s employed physicians as it is for other employees. Paid speaking engagements made on an employee’s own time are similar to a second job and differ from speaking engagements at association conferences where your expenses are reimbursed. The concern arises when the presentation is on behalf of or paid by a vendor that INHS uses or would consider using. The conflict of interest (COI) policy challenges us to avoid an appearance of impropriety. If a physician is asked to speak by an existing INHS vendor or prospective vendor because he/she is an INHS employee, the individual is benefiting from our INHS not-for-profit status and the speaking engagement should generally be declined. For those with influence or authority to choose a product or service, it likely would be a COI and the speaking engagement should be avoided. In all cases where the speaking engagement is permitted, and approved by the individual’s supervisor, the honorarium should be commensurate with the value of the work provided. The vendor relations policy provides additional guidance related to the purpose of the speaking. If the talk is educational (like at a professional association meeting), then it is usually acceptable. In no cases should we be endorsing products or services.

For our physician groups, having the medical director, after review of our applicable policies, approve/disapprove of the speaking engagement is strongly encouraged. When unsure, it should be referred to our regional integrity & compliance team. In all cases, the honorarium paid should be reported on the annual COI disclosure form. The $100 limit set in the Vendor Interactions Policy, (INHS-1718) policy would not apply in these circumstances as any honorarium received would be a fair market value payment in exchange for services rendered (as discussed above).
You should always check your local policies to determine if there is a more stringent employment or other policy to be followed.

**How does the Vendor Interactions (INHS-1718) policy apply to gifts that an independent physician may make to our employees?** The policy is clear that an employee may accept the gift if it is not cash or a cash equivalent item such as a gift card. The $100 limit does apply. However, we suggest that management discourage the practice given the relationship between a physician and INHS.

**Can our employees accept an invitation to join a vendor at its table at a charitable event such as O’Christmas Trees?** Given the important mission and business related role served by INHS sponsored charitable events (i.e., where the event is hosted by INHS and the funds raised by the event will benefit an INHS exclusively), INHS employees may attend these types of events as a guest of a third party (including vendors ofINHS) without making a required donation to INHS or an INHS-related foundation (of course, voluntarily making such donations is encouraged). If you accept an invitation you should disclose participation on your annual conflict of interest form and your attendance should be approved in advance by your immediate supervisor.

**How do I determine if accepting a gift is appropriate?** If you have been offered a gift and you need to determine if you can accept the gift, you can do the following:

- Consult with your supervisor or manager
- Consult the Code of Conduct
- Consider the questions below. If you answer “yes” to any of the questions the gift may not meet Providence ethical standards, our Code of Conduct or legal requirements.
  - Is this a personal gift from someone outside ofINHS?
  - Is this a cash gift? A gift card? A gift certificate?
  - Would I feel uncomfortable disclosing acceptance of this gift to other INHS employees? Patients? Friends or family members?
  - Is this gift being offered to me because my job at INHS might influence a decision in favor of the individual or organization offering the gift?

**What happens if I have knowledge of someone violating the Vendor Interaction Policy (INHS- 1718) section of the Code of Conduct?** If you have knowledge or believe that there is a violation of the Code of Conduct, you should report your concerns to your manager or supervisor. If you are uncomfortable reporting the concerns directly to your manager or supervisor you may also report your concerns confidentially to the INHS Integrity Line at 888.294.8455 or Integrity Online.

**Where can I find a copy of the Code of Conduct?** You can find a copy of the Code of Conduct online on myINHS.org.

**How can I get more information if I still have questions?** Please call the INHS Integrity Line at 888.294.8455 or contact a member of the Integrity, Compliance and Privacy team.