



# Encompass Health

## Gifts or Benefits to/from Medicare or Medicaid Patients

### PURPOSE

#### Background

Federal and some state laws prohibit the offer or transfer of benefits for the purpose of influencing a patient to "order or receive from a particular provider, practitioner, or supplier any item or service" that is payable by Medicare or Medicaid.

This requirement is intended to ensure that patients select health care providers on the basis of quality, convenience, and other factors of importance to the patient - not on the basis of improper financial inducements.

The restrictions described in this policy are not intended to prevent a hospital from developing programs that foster patient compliance with treatment programs or from providing nominal benefits designed to boost patient morale. They are also not intended to interfere with actions needed to address urgent or immediate patient needs.

Company employees are occasionally asked to accept personal gifts from patients as a token of their appreciation for excellent service. As a genuine expression of appreciation, modest gifts of food or other items can be accepted in a spirit of good will.

### SCOPE

This policy applies to all Medicare and Medicaid patients. Hospitals should consult with the ethics & compliance department or legal services department to determine whether state laws impose any similar restrictions on

#### Policy Details

Policy ID

CMP-202

Audience

All

Effective Date

10/1/2008

Last Review Date

5/23/2024

furnishing gifts or benefits to commercial or self-pay patients.

## DEFINITIONS

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Nominal Value - In accordance with the interpretation adopted by the Department of Health and Human Services Office of Inspector General (“OIG”), nominal value means ‘having a retail value of no more than \$15 per item or \$75 in the aggregate per patient on an annual basis.’ The interpretation of nominal value will be reviewed periodically by the OIG and adjusted for inflation as appropriate.”

## ROLES & RESPONSIBILITIES

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n/a

## POLICY

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Company employees will not offer gifts or benefits to Medicare or Medicaid patients for the purpose of influencing a health care decision. Any gifts offered will be of nominal value, as defined by the OIG at the time in question. Company employees will not solicit gifts from patients and may only accept small expressions of appreciation from patients.

## PROCEDURES

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### 1. Gifts and Incentive Rewards to Patients

Most incentive programs designed to encourage patient compliance with treatment plans are acceptable. Appropriate items for program awards might include such items as baseball caps, t-shirts, tote bags, pillboxes, or travel cups.

The value of benefits or gifts furnished to patients or their families must be of “nominal value,” i.e., not exceeding \$15 per incentive and, together with any other gifts or benefits provided to the patient or patient’s family under this policy, not more than \$75 per patient per year.

Benefits or gifts may not be provided in cash, cash equivalents or by checks. Cash equivalents include checks, gift cards, gift certificates, and debit or credit cards, whether store-branded (e.g. Starbucks, Walmart) or designed for universal spending (e.g., Visa, MasterCard, American Express).

### 2. Patient Group Activities

Modest holiday parties and special events designed to promote patient morale, such as summer picnics, are acceptable if the costs are reasonable and the events are open and accessible to all patients. Such activities need not be counted toward the annual gift limitations described above.

### 3. Overnight Stays by Patient Family Members

#### a. Family Member Stays in the Patient’s Room

In certain circumstances, it may be appropriate for the hospital to allow a family member to stay overnight in a patient's room using a cot or pull-out couch (if the patient has a single room). Hospitals should not advertise this policy, but can describe the overnight stay policy with other visitor policies and can publish this information on its website or in other locations, as appropriate (for example, as a hand-out for new admissions).

**b. Family Member Stays in Other Rooms**

Family members cannot stay in hospital rooms other than the family member's room unless:

- i. the hospital charges for this service
- ii. has approval from the Risk Management Department.

The hospital must determine a fair market value price for this benefit (e.g., \$35 a night). The hospital may consult with the Real Estate Department for assistance in setting a standard uniform price. Paid overnight stays by family members cannot be mentioned in hospital advertisement.

This information should be reported in the electronic Cost Report Information Package (CRIP).

**4. Free or Discounted Medical Items and Services**

Medical items or services should generally not be furnished to non-indigent patients at no cost or at a discount below the Company's cost. Exceptions are permitted in the following instances:

- a. Items or services furnished to members of the public through health fairs or facility "open houses" where:
  - the event is open to the public;
  - items and services are furnished to all members of the public on the same basis,
  - no patients or third party payors are billed for any items or services furnished at the health fair or "open house"; and
  - the duration of the health fair or "open house" is reasonably limited in scope (e.g. one or two days).
- b. Coupons for free or discounted services in connection with a government or Company-sponsored medical "awareness" campaign (e.g. discounted mammography exams during National Breast Cancer Awareness Month) where:
  - the coupon offer is for a period or not more than one month;
  - coupons are made available to the general public;
  - free or discounted services are offered on the same terms to all patients during the offer period whether or not they have a coupon; and

- any fees charged to third party payors (including any related coinsurance obligations) must reflect the full coupon discount.

**No programs involving free or discounted services may be used by a hospital to refer patients to a particular physician or group of physicians in exchange for any direct or indirect agreement to make cross-referrals back to the hospital.**

These types of programs may be advertised as long as they are of nominal value (i.e. not exceeding \$15 per incentive and not more than \$75 per patient per year).

## **5. Sources of Funding for Patient Gifts and Benefits**

Funds derived from sources other than Company budgeted accounts, such as vending machine profits, fund-raisers, community donations, supplier donations, and contributions from third parties are subject to the limits and restrictions of this policy when controlled or managed by Company personnel.

Patient funds established by hospital physicians or other third parties should not be administered by, or involve, Company personnel, other than in communicating a patient's need for benefits to the fund administrator.

The Company may not permit vendor or supplier donations to circumvent the intent of this policy. Any vendor or supplier benefits furnished to patients in connection with services received from the Company are subject to the standards set forth in this policy.

## **6. Soliciting or Receiving Gifts from Patients**

Company employees should never solicit gifts from patients or their families for personal benefit or on behalf of the Company.

Employees may accept small expressions of appreciation from patients and their families. Personal gifts with a value of no more than \$50 per patient, per year must be approved by a Hospital CEO. Employees should seek such approval if they are unsure whether personal gifts have a value of more than \$50. Gifts of cash, checks, or cash equivalents should not be accepted.

In determining whether to accept a gift from a patient, Company employees should consider:

- The perceptions of other patients regarding their quality of care being influenced by whether or not they offer gifts to facility staff, and
- Not offending the patient giving the gift.

## **GUIDELINES**

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## **REFERENCES**

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n/a

## NOTES

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Contact Person: National Director - Compliance Audit