6-20 IMPROPER PATIENT INDUCEMENTS

Purpose

1. From time to time, the Company may desire to offer certain items and services without charge, at a reduced charge or pursuant to a bundled charge to Company patients, potential patients or the general community in order to enhance the Company's name recognition, visibility and goodwill in the community, to furnish quality healthcare services and/or to promote preventative healthcare.

2. Federal laws and many State laws prohibit the transfer of anything of value to any individual eligible for federal healthcare benefits (including Medicaid, Medicare, TRICARE, etc.) and in some cases state and privately funded healthcare benefits, that the Company's representative knows or should know is likely to influence the individual to order or to receive any item or service from a particular provider (other than on the basis of the quality of our healthcare services).

3. If a Company Associate would like to offer any item or service without charge, at a reduced charge or pursuant to a bundled charge, to patients or potential patients, that is not specifically authorized in this policy, the Associate must obtain approval from the Chief Compliance Officer, who may consult with the Law Department in making any final determinations.

Policy

The government expects consumers to make healthcare purchasing decisions based solely upon price and quality and not because one provider will supply a free item or service while another provider will not. Accordingly, the following policy statements apply to items or services provided to Company patients or potential patients without charge, at a reduced charge or pursuant to a bundled charge:

1. No Company representative may offer or transfer anything of value to a patient, or potential patient, in order to influence that patient or potential patient to select the Company's products or services (other than on the basis of the quality of our healthcare services).

2. No Company representative may offer or transfer anything of value to any individual that the Company representative knows or should know is likely to influence someone to order or receive any item or service from the Company (other than on the basis of the quality of our healthcare services).

3. Not only can the Company be liable for offering or providing something of value, the recipient of the improper remuneration also can be liable for accepting the improper remuneration.

4. There are certain items or services which may be permitted as specified under this policy. For example, an authorized health related item or service is one that has a preventive healthcare benefit, or where its retail value is considered nominal (and, therefore, the item or service is not likely to influence a patient's purchasing behavior), or which is specifically authorized by the payer.

5. There are certain items or services expressly not authorized under this policy (See page 4 of this policy).

Company Associates also should make a good faith effort to be aware of the cumulative effect of any items or services provided to any particular individual patient pursuant to this policy and to use
reasonable prudence to restrict the overall quantity and retail value of these items and services provided to that individual patient.

**General Information**

1. Permissible Activities:
   
a. Preventive Health Related Items or Services.

   The Company may offer the following health related items or services, each of which provides a preventative healthcare benefit, without charge, at a reduced charge, or within a bundled charge, to patients or potential patients in a reasonable and necessary quantity solely for the patient’s use in connection with or ancillary to healthcare services provided by the Company:
   
   - Nursing services for patient education purposes or to evaluate the patient’s need and eligibility for services following a request from the patient, family, physician or other individual or entity;
   
   - Nursing services provided at free health fairs (e.g., blood pressure readings), *but not* if the item or service contributes to a determination of medical necessity for another item or service for which the Company is billing federal or state healthcare programs. For example, health fair screenings at which blood pressure readings are taken and the results provided to the patient for education are permissible. Participation at a health fair screening at which the patient is screened for the purpose of steering the patients for admission is not permitted);
   
   - Presentations on healthcare issues to community groups for the purpose of community education (e.g., programs on advance directives)¹.
   
   - Offices will provide only non-invasive screening programs at health fairs and will not use the results of such screenings to solicit patients for other office programs and services.

   b. Nominal Non-Health Related Items.

   The following are examples of nominal value non-health related items that Company Associates may offer, without charge, to Company patients or potential patients, *not exceeding a per item limit of $10 retail value with an annual, per patient aggregate retail value limit of $50 per patient irrespective of the Company’s cost*. *(Note: the deminimis amounts do not include cash or cash equivalents (i.e. items with a cash value such as fare cards, gift certificates, etc. - See Section II for a list of unauthorized items and services):*

   - General medical, safety and educational literature; (e.g., books, pamphlets);
   
   - Small items with the Company logo (e.g., coffee mugs, pens, notepads, key chains, calendars tee shirts and kitchen magnets);
   
   - Stuffed animals;

¹ For purposes of this policy, educational presentations apply only to patient groups and not to referral sources and must be done in accordance with the Company policy on educational programs.
• Crayon packs;
• Flowers;
• Greeting cards;
• School supplies;
• Holiday treats.

(Note: With respect to the Home Health, CareCentrix and business lines, the costs associated with the provision of services in connection with health fairs, complimentary local transportation, community educational presentations given by anyone other than the administrator of a home health office, each as described in Section I.a above, and the provision of nominal value, non-health related items, other than general medical educational literature, as described in Section I.b above, must be coded to the proper GL account within the proper cost center for cost reporting purposes. If there is a question as to the proper coding for such costs, the Government Financial Services Group should be consulted.)

2. Unauthorized Items or Services².

Under no circumstances should Company Associates offer any of the following types of items or services without charge, at a reduced charge or pursuant to a bundled charge to Company patients or potential patients, regardless of the retail value of the item or service:

• Cash or cash equivalents;
• Cellular phones and associated fees;
• Use of Associate's credit cards or fare cards;
• Airline tickets;
• Free pre-operative assessments;
• Free assessments associated with HME’s and/or respiratory services;
• Bounties to patients for the referral of another patient;
• Payment of patient's insurance premiums;
• Payment of patient's phone bill;
• Payment of patient's rent or mortgage, or utilities;
• Payment of patient's tuition;
• Free company products or services (other than those authorized health related items and authorized nominal non-health related items specifically permitted in this policy or required by state licensing/CON regulations);
• Household items such as computers, fax machines, refrigerators (other than specifically permitted in this policy);

²Patients requesting unauthorized items or services may be referred to charitable organizations (for example, those specializing in the patient’s disease state, where applicable), and the Company's donations to such charitable organizations shall be governed by the Company's charitable contributions policy.
• TVs, VCRs and other entertainment-related equipment;
• Paid vacations, trips or summer camp;
• Attendance at conferences;
• Personal gifts to patients (e.g., hobby items, bicycles, magazine subscriptions and health club memberships; tickets to entertainment events) (other than specifically permitted in this policy); or
• Waivers of coinsurance and deductibles (other than specifically permitted Company policy).

3. Improper Use of Company Resources.

All Company Associates shall use Company resources in a manner that meets the highest standards of legal and ethical conduct.

Company Associates shall not, under any circumstances, participate directly or indirectly in the following types of activities:

• Offering company property for the patient's personal use; or
• Hiring patients, potential patients or their family members unless the individual is adequately qualified and competent, performs legitimate and necessary services, and is compensated at a fair market value based on the individual's experience and job responsibilities. No patient or potential patient should be offered employment in order to influence that patient or potential patient to select Company's products or services.

IMPROPER TELEMARKETING PRACTICES

Medicare beneficiaries may not be contacted by telephone regarding the furnishing of a covered item or service unless one of the following applies:

• The beneficiary has given written permission to make contact by telephone; or
• The Company has furnished a covered item or service to the individual and the contact is only regarding such item or service; or
• If the contact is regarding a covered item or service other than an item or service already furnished, the Company must have furnished at least one covered item or service to the individual during the last 6 months; or
• A request for services/referral has been received from the patient, family, physician, facility or other source for the beneficiary.

IMPROPER COMPETITOR ACTIVITY

If a Company Associate becomes aware of improper competitor activity regarding improper patient inducements by competitors, as much specific information about the alleged activity should be obtained by the Associate. Such information should include: the name of the company engaging in the activity, the principal people involved, the time, place and date of the alleged activity, statements from patients (in writing if possible) and any other relevant information. After obtaining the foregoing information, the Associate should contact his/her supervisor. The supervisor should consult with the Chief Compliance Officer or the Law Department to discuss possible responses to such activity.
QUESTIONS

All questions regarding this policy shall be directed to the Associate's supervisor, who shall consult with the respective Policy Administrator, Chief Compliance Officer or the Law Department. The Associate is also encouraged to contact the appropriate Policy Administrator or the Chief Compliance Officer directly.

Related Policies

In addition to this policy, please keep in mind that other policies may be affected by the provision of items or services to patients or prospective patients. Some of these other policies, which may be found in the Policy Manual, are as follows:

- Corporate Compliance Program
- 5-6, Ethics
- 5-7, Conflict of Interest
- 6-15, Charitable Contributions
- 6-18, Compliance Program Stark II
- 6-19, Gifts or Payments to Referral Sources
- Financial/Accounting Policies
- Source for more information:
- OIG Special Advisory Bulletin: Offering Gifts and Other Inducements to Beneficiaries, August 2002