

<b>Title:</b> Compliance: Business Courtesies to Physicians and Immediate Family Members		
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<b>Next Review Date:</b> 01/03/2026		<b>Owner:</b> Ethics & Compliance Department; Andrew Glosenger
<b>Approved by:</b> Administrative Policy Committee, Chief Legal Officer/General Counsel, PolicyTech Administrators		
<b>Discrete Operating Unit/Facility:</b> Banner Baywood Medical Center Banner Behavioral Health Hospital Banner Boswell Medical Center Banner Casa Grande Medical Center Banner Churchill Community Hospital Banner Del E Webb Medical Center Banner Desert Medical Center Banner Estrella Medical Center Banner Fort Collins Medical Center Banner Gateway Medical Center Banner Goldfield Medical Center Banner Heart Hospital Banner Ironwood Medical Center Banner Lassen Medical Center Banner McKee Medical Center Banner North Colorado Medical Center Banner Ocotillo Medical Center Banner Payson Medical Center Banner Thunderbird Medical Center Banner--University Medical Center Phoenix Banner--University Medical Center South Banner--University Medical Center Tucson East Morgan County Hospital Ogallala Community Hospital Page Hospital Platte County Hospital Sterling Regional Medical Center Torrington Community Hospital Washakie Medical Center Wyoming Medical Center		<b>Banner Corporate</b>  <b>Ambulatory (Outpatient) Services</b> Banner Health Clinics Banner Imaging Services Banner Imaging Services Colorado Banner MD Anderson Cancer Center Banner Sleep Center Banner Surgery Centers Banner Urgent Care Services Occupational Health/Employee Health Services Rural Health Clinics  <b>Banner Home Care and Hospice (BHCH)</b>  <b>Banner Pharmacy Services</b>  <b>Post Acute Services (PAC)</b>  <b>Research</b>

## **I. Purpose/Population:**

- A. **Purpose:** To establish parameters governing the provision and recording of Business Courtesies from Banner Health (Banner) Team Members to Physicians and their Immediate Family Members in order to maintain compliance with Federal and State laws and regulations, including, but not limited to, the Physician Self-Referral Law (Stark Law) and the Anti-Kickback Statute. The Stark Law, in particular, limits Business Courtesies to Physicians and their Immediate Family Members to the Annual Monetary Limits.
- B. **Population:** All team members.

## **II. Definitions:**

- A. Annual Monetary Limits: The annual dollar limit for NMC, and the dollar limit for MSIB, that are annually adjusted by the increase in the Consumer Price Index-Urban All Items (CPI-U) for the 12-month period ending the preceding September 30. Exhibit A lists the current Annual Monetary Limits for NMC and MSIB, which Exhibit will be updated on an annual basis to reflect changes in such Index.
- B. Anti-Kickback Statute: Federal law that prohibits the knowing and willful offer or payment of "remuneration," directly or indirectly, overtly or covertly, to induce or reward patient referrals or the generation of business involving any item or service payable by a Federal health care program. Remuneration includes anything of value.
- C. Business Courtesies: Gifts and entertainment from Banner or from Banner Team Members to Physicians and their Immediate Family Members. They include items of value given to a Physician or an Immediate Family Member free of cost; social events sponsored or hosted by Banner such as meals, sporting events, theatrical events, and receptions; and items of value that are funded personally by a Banner employee or agent, acting on Banner's behalf, regardless of whether or not it is reimbursed as a business expense. For purposes of this policy, any gifts, entertainment or other items of value paid from medical staff accounts are considered to be Business Courtesies. Business Courtesies also include both Medical Staff Incidental Benefits and Non-Monetary Compensation, as defined below.
- D. Cash Equivalents: Items convertible to cash (such as a check) or that can be used like cash including general-purpose debit cards or gift cards.
- E. Designated Health Services (DHS): includes any of the following services:
1. Clinical laboratory services;
  2. Physical therapy, occupational therapy, and outpatient speech-language; pathology services; radiology and certain other imaging services;
  3. Radiology and certain other imaging services;
  4. Radiation therapy services and supplies;
  5. DME and supplies;
  6. Parenteral and enteral nutrients, equipment, and supplies;
  7. Prosthetics, orthotics, and prosthetic devices and supplies;
  8. Home health services;
  9. Outpatient prescription drugs; and
  10. Inpatient and outpatient hospital services.
- F. Immediate Family Member: Husband or wife; birth or adoptive parents, child or sibling; stepparent, stepchild, stepbrother, or stepsister; father-in-law, mother-in-law, son-in-law,

daughter-in-law, brother-in-law, or sister-in-law; grandparent or grandchild; and spouse of a grandparent or grandchild.

- G. Medical Staff Incidental Benefit (MSIB): Remuneration in the form of items or services (not including cash or Cash Equivalents) from a hospital to a member of its medical staff when the item or service is used on the hospital's campus. The value of the benefit is adjusted annually by the increase in the Consumer Price Index-Urban All Items (CPI-U) for the 12-month period ending the preceding September 30. Exhibit A lists the current MSIB Amount which Exhibit will be updated on an annual basis to reflect changes in such Index.
- H. Non-Monetary Compensation (NMC): Remuneration from an entity in the form of items or services (not including cash or Cash Equivalents). NMC's Annual Monetary Limit is adjusted annually by the increase in the Consumer Price Index-Urban All Items (CPI-U) for the 12-month period ending the preceding September 30. Exhibit A lists the current Annual Monetary Limit for NMC.
- I. NMC Database: Banner's internal system for reporting NMC provided to a Physician and/or their Immediate Family Member.
- J. Physicians: A doctor of medicine or osteopathy, a doctor of dental surgery or dental medicine, a doctor of podiatric medicine, a doctor of optometry, or a doctor of chiropractic. It does not, however, include any such doctors who do not practice any clinical care or order any tests for patients (e.g., physicians who provide non-clinical consulting or other leadership services to a Banner-affiliated entity and do not provide clinical services).
- K. Solicit: To request a Business Courtesy.
- L. Stark Law (Physician Self-Referral Law): Federal law that prohibits physicians from referring patients for services payable by Medicare or Medicaid, to entities with which the Physician, or an Immediate Family Member, has a financial relationship, unless an exception applies.
- M. Team Member: For purposes of this policy, a Team Member refers to any individual employed by or acting as an agent on behalf of Banner.

### **III. Policy:**

- A. Except for Physicians employed by Banner, all Business Courtesies offered or provided to Physicians and/or their Immediate Family Members must:
  - 1. be either NMC or MSIB and meet all applicable guidelines stated in this Policy; and
  - 2. not be offered or provided as an inducement to refer patients or business or as a reward for such referrals.
- B. If a Banner Team Member has a personal relationship with a Physician and socializes with such individual(s) with respect to such personal relationship, they may personally pay for social events and it would not be considered Business Courtesies, however it would be expected that such incidences would be reciprocal from time to time.
- C. Exhibit B provides examples of Business Courtesies, including those that should be recorded and those that are exempt from being recorded.

**Note:** Business Courtesies extended on behalf of Banner **to** individuals and entities other than Physicians are governed by Banner's Code of Conduct, and the *Service Recovery Policy*. Moreover, the Code of Conduct and the *Compliance: Acceptance of Items from Outside Business Associates Policy* also address the receipt by Banner employees of gifts and entertainment **from** business associates, including Physicians.

**D. Permissible Business Courtesies Consistent with Applicable Stark Law Exceptions**

**1. NMC:**

- a. NMC Requirements. Consistent with the NMC exception to the Stark Law, a Banner Team Member may provide Business Courtesies to a Physician and/or their Immediate Family Member that do not exceed in the aggregate the Annual Monetary Limit, so long as each of the following conditions are met:
  - i. The compensation is not determined in any manner that takes into account the volume or value of referrals or other business generated by the referring Physician.
  - ii. The compensation is not Solicited by the Physician or the Physician's practice or an Immediate Family Member (including their employees and staff members).
  - iii. The compensation arrangement does not violate the Anti-Kickback Statute or any Federal or State law or regulation governing billing or claims submission.
- b. Recording NMC:
  - i. Team Members providing NMC to a Physician and/or their Immediate Family Member must record it in the [NMC Database](#) before the 10<sup>th</sup> day of the following month.
  - ii. On a quarterly basis, Banner entity CEO's (or their designee, approved by the Ethics & Compliance Department) must complete an attestation by the last day of the month after the end of each quarter, that indicates one of the following:
    - (i) To the best of their knowledge, there was no NMC to report for the quarter; or
    - (ii) To the best of their knowledge, the NMC reported for that quarter for their respective entity is accurate and complete.
  - iii. Any exceptions to the recording of NMC or the quarterly attestation process must be approved in advance by the business area's Compliance Officer.
  - iv. For NMC provided to a Physician and/or their Immediate Family Member by Team Members affiliated with a Banner entity that does not provide DHS (e.g., Banner Health Foundation, Banner Medical Group, and Banner Urgent Care), the Team Member providing the NMC must record the NMC in the NMC Database designating the hospital at which the Physician has, or will have, privileges. If the Physician is not a member of a Banner medical staff, the NMC must be recorded using the business area where they refer patients for DHS.
    - (i) Unless the NMC is being given to a Physician and/or their Immediate Family Member on behalf of a specific hospital/business area that provides DHS, the dollar value may be divided evenly across all business area(s) where the Physician has, or is expected to have, privileges and/or refers patients for DHS.

- v. Failure to record NMC in accordance with this Policy may lead to corrective action, up to and including, termination.
- c. NMC in Excess of Limits: Where an entity has provided NMC to a Physician in excess of the Annual Monetary Limit contained in Exhibit A, such compensation is deemed to be within the limit if:
  - i. The value of the excess NMC is no more than 50% of the Annual Monetary Limit; and
  - ii. The Physician returns the excess NMC (or an amount equal to the value of excess NMC) to the entity by the end of the calendar year in which it was received or within 180 consecutive calendar days following the date that it was received by the Physician, whichever is earlier.

**Note:** This repayment provision may be used by a hospital only once every 3 years with respect to the same Physician.

2. MSIB:

- a. MSIB Requirements: Consistent with the MSIB exception to the Stark Law, Banner may provide items or services that are used on the applicable hospital's campus to members of its medical staff, as long as the following conditions are met:
  - i. With respect to each occurrence of the MSIB, the MSIB value must be less than the allowable limit listed in Exhibit A.
  - ii. The MSIB is offered to all members of the medical staff of that hospital practicing in the same specialty (whether or not such compensation is accepted by every member to whom it is offered) and is not offered in a manner taking into account the volume or value of referrals or other business generated between the parties.
  - iii. Except with respect to identification of medical staff on a hospital Web site or in hospital advertising, the MSIB is provided only during periods when the medical staff members are making rounds or are engaged in other services or activities that benefit the hospital or its patients.

Note: For more information on physician advertising, see Banner's policy #761, [Physician Advertising](#).

- iv. The MSIB is provided by the hospital and used by the medical staff members only on the hospital's campus.
  - (i) Internet access, pagers, or two-way radios, used away from the campus only to access hospital medical records, communicate with patients or personnel who are on the hospital campus, or to identify the medical staff on a hospital Web site or in hospital advertising, are considered to be "on campus" for compliance with the requirements of this paragraph.
- v. The MSIB is reasonably related to the provision of, or designed to facilitate directly or indirectly the delivery of medical services at the hospital.
- vi. The amount of the MSIB is of low value and does not exceed the applicable limit (see Exhibit A) with respect to each occurrence of the MSIB. For example, each meal given to a Physician while they are serving patients at the hospital must not exceed the MSIB limit.

- vii. The compensation arrangement does not violate the Anti-Kickback Statute or any Federal or State law or regulation governing billing or claims submission.
  - b. MSIB that fully complies with this Policy as set forth in Section III.B.2. does not need to be recorded in the NMC database.
- E. Exceptions:
  - 1. Any exceptions to this policy must be approved in advance by the business area's Compliance Officer.

#### **IV. Procedural Documentation:**

- A. N/A

#### **V. Additional Information:**

- A. N/A

#### **VI. References:**

- A. The Ethics in Patient Referrals Act, Social Security Act Sec. 1877; (Stark) Law, 42 U.S.C. § 1395nn; Exceptions: 42 C.F.R. §§ 411.350-389.
- B. The Federal Anti-Kickback Statute, Social Security Act Sec. 1128B(b), 42 USC Sec. 1320a-7b(b); Safe Harbors: 42 C.F.R. § 1000.952.
- C. The CMS website listing the Annual Monetary Limit and the Medical Staff Benefit Amount: [https://www.cms.gov/medicare/fraud-and-abuse/physiciansselfreferral/cpi-u\\_updates](https://www.cms.gov/medicare/fraud-and-abuse/physiciansselfreferral/cpi-u_updates).

#### **VII. Other Related Policies/Procedures:**

- A. [Business Courtesies to Potential Referral Sources FAQ](#)
- B. [Code of Conduct](#)
- C. [Compliance: Acceptance of Items from Outside Business Associates, #256](#)
- D. [Physician Advertising, #761](#)

#### **VIII. Keywords and Keyword Phrases:**

- A. Stark Law
- B. Stark
- C. Physician Self-Referral Law
- D. Non-Monetary Compensation
- E. NMC
- F. Medical Staff Incidental Benefits
- G. Anti-Kickback
- H. Business Courtesies

#### **IX. Appendix:**

- A. Exhibit A- Annual Monetary Limits for NMC and MSIB
- B. Exhibit B-NMC Examples

**Exhibit A**

**Annual Monetary Limits**

<b>Calendar Year</b>	<b>NMC</b>	<b>MSIB</b>
2022	\$452	Less than \$39
2023	\$489	Less than \$42
2024	\$507	Less than \$44
2025	\$519	Less than \$45

**Exhibit B**

**Example of Business Courtesies that Require Recording**

1. Paying for business meals for Physicians and/or their Immediate Family Members;
2. Paying for expenses associated with local recreational events, such as fishing, boating, hunting, and golfing (including cart fees and meals), but excluding the value of the charitable contribution, if the events are charity events.
3. Providing tickets for Physicians and/or their Immediate Family Members for sporting or similar events (including movies).
4. Providing flowers or any other gifts to Physicians and/or their Immediate Family Member when they are hospitalized or to recognize a birthday, death, or other important family occasion.
5. Providing a gift to a Physician and/or their Immediate Family Member in recognition of the holidays, Doctor's Day, or other special occasions, unless the gifts meet the MSIB exception (See III.B.2. in the policy and Exhibit C).
6. Paying for CME program costs (unless costs are to be paid for pursuant to a written professional services agreement that contemplates CME's or otherwise fall within another Stark Law exception for which approval has been obtained in advance from the business area's Compliance Officer).
7. Hosting or funding a holiday or other party for Physicians and/or their Immediate Family Members other than the one annual medical staff appreciation event listed in section B.3 above.
8. Providing perishable items to a Physician's office when it is anticipated that the Physician will share in the enjoyment of the items with their office colleagues.
9. The value to each Physician in the practice is the total cost of the items divided by the number of persons working in the office who may enjoy the benefit of the items.
10. If Physicians are expected to partake, or are known to have partaken, in a modest meal that Banner provided a practice, the Team Member is to attribute \$10 toward each Physician's Annual Monetary Limit.

**Examples of Business Courtesies that Do Not Require Recording**

1. MSIB:
  - a. Free/discounted meals served in the Banner hospital (such as meals served in the Physician lounges);
  - b. Free computer/internet access on hospital campuses;
  - c. Free parking at a Banner hospital; and
  - d. Free lab coats to use at a Banner hospital.
2. Hosting one local medical staff appreciation event (such as a holiday party) per year for the entire medical staff.
3. Providing items or services pursuant to a letter of appointment, medical staff leadership agreement, personal service agreement, recruiting agreement, or other written agreement approved by the legal department.



4. Providing compliance training to a Physician (or his or her office staff) who practices in the entity's community or service area, provided the training is held in the local community or service area.

**Notes:**

For additional guidance on Business Courtesies related to NMC or MSIB, consult the Business Courtesies to Potential Referral Sources FAQ, included under Section VII.

If you have a question about a possible Business Courtesy that is not specifically mentioned above, contact the business area's Compliance Officer.