

POLICY

Industry Relations

Category: Organizational

Sub-Category: Integrity

Type: POLICY

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Regulatory Citation Number(s): 42 USC 1320a-7(b); 42 CFR 1001; 42 USC 1320a-7h

Citation title:

42 U.S. Code § 1320a-7b. Criminal penalties for acts involving Federal health care programs;

42 CFR 1001 Program Integrity;

42 USC 1320a-7h Transparency reports and reporting of physician ownership or investment interests

Foundational Mirrored Policy: To be determined

Other: Vendor Relations

Other: Click here to enter text.

PURPOSE:

Describe the policies which shall guide Virginia Mason and its workforce members in their interactions with industry Vendors.

SCOPE: Workforce

POLICY:

1. **General Policy Principles.** Vendor relationships shall be conducted in a manner consistent with the Virginia Mason strategic mission of improving the health and wellbeing of the patients we serve. Vendor relationships shall be consistent with the principles of responsible governance, including consistency with our tax exempt charitable purposes; meeting legal and regulatory obligations; and sound management of actual or potential conflicts of interest. Workforce Members shall act with integrity in their interactions with industry Vendors, avoiding any appearance of favoritism.
2. **Specific Policies.** Vendor relationships shall be governed by Virginia Mason policies including this industry relations policy, conflict of interest, observers, purchasing, outside employment, and the Virginia Mason Standards of Conduct.

Vendor relationships are also subject to the following specific guidelines:

- a. **Consulting and Speaker Agreements with Virginia Mason.** All consulting and speaker agreements must be between the industry Vendor and Virginia Mason, with payment of compensation (honoraria) to Virginia Mason.
- b. **Chief Approval for Consulting Agreements.** The Department Chief (or designee) shall review and approve all physician consulting agreements in their sections, for consistency with the Virginia Mason strategic mission. Consulting agreements involving workforce members who are not physicians shall be approved by the Department Administrative Director. Legal review of all consulting agreements is required following approval.

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- c. **Chief Approval for Vendor Speaker Services Agreements.** Department Chief (or designee) approval, followed by legal department review, shall be required for the following Vendor agreements for physician speaking services:
- i) an agreement involving domestic presentations only, in which total annual honoraria payments and expected lodging/travel reimbursement together exceed \$10,000 per year; or
 - ii) an agreement which includes international speaking presentations, in which the total annual honoraria payments and expected lodging/travel reimbursement together exceed \$15,000 per year.
- Physicians shall exercise their professional judgment in assessing the accuracy of Vendor prepared presentation materials and in confirming that the materials and speaking engagement support clinical education rather than Vendor marketing and sales efforts. Workforce members who are not physicians shall seek Department Administrative Director approval for any agreement for staff speaking services, followed by legal department review.
- d. **Onsite Vendor Gifts Prohibited.** Onsite at Virginia Mason, no Vendor gifts, including those of a nominal value such as pens and other branded materials, shall be accepted by a Workforce Member.
- e. **Onsite Vendor Food or Drink Prohibited.** Vendors shall not distribute or provide food or drink in any Virginia Mason facility. Modest offsite meals may be accepted if the meal has a genuine educational purpose and facilitates educational discussion. However, the federal Sunshine Act law requires Vendors to track and report payments to physicians and teaching hospitals, including reporting such meals. Payment data reported by Vendors is posted on a public website maintained by CMS.
- f. **Pharmaceutical Samples Prohibited.** Prescription decision making shall be patient centered and based on efficacy, safety and cost. Pharmaceutical samples, including legend drugs and over the counter medications, shall not be allowed at Virginia Mason facilities. The foregoing does not prohibit utilization of bona fide Vendor sponsored Patient Assistance Programs.
- g. **Pharmaceutical, Device and Equipment Purchasing.** Pharmaceutical, medical device and equipment purchasing committees (including the Pharmacy and Therapeutics Committee) shall exclude from meeting participation, committee members who have financial or other relationships with industry Vendors with products before the committee, which are prohibited by Virginia Mason conflict of interest policies. Loans of equipment (e.g., for evaluation purposes) shall be handled through the Purchasing Department at Virginia Mason.

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- h. **Closed Campus - Vendor Representatives.** Virginia Mason is a closed campus for Vendors. Vendor representatives from pharmaceutical or device companies shall not be allowed access to any part of the medical center for any marketing or promotional activities, including distribution of product information, continuing education activities or any other activity involving product communications.

Special Exceptions: Device and Pharmaceutical Vendors. Vendor representatives from device companies shall be allowed access to the medical center pursuant to a scheduled appointment for the purpose of delivering, or providing technical support for, purchased equipment and devices. Additionally, Vendor representatives from **either pharmaceutical or device companies** may be allowed access for a limited period, and for specified purposes, if specifically approved by a Pharmacy Manager, Pharmacy Director, or Pharmacy Administrative Director; Department Chief, the Chief Medical Officer, Medical Director of Perioperative and Procedural Services, Executive Medical Director for Clinic or Hospital, or Chief Executive Officer.

- i. **Meeting Attendance.** No Virginia Mason Workforce Member shall accept compensation (including travel expenses) from a Vendor for time spent merely attending a meeting (i.e., listening to Vendor educational or marketing presentations), except for necessary training or education relating to an already purchased item or new application of a purchased item, as contemplated by contractual arrangements with the Vendor. For training or education provided by a Vendor which is not subject to an existing contractual arrangement, funding shall be made available via Virginia Mason processes.
- j. **Vendor Grants.** Industry Vendors may make unrestricted grants to Virginia Mason CME and CNE for physician CME and nurse CNE, respectively, and may also make unrestricted grants to the Virginia Mason Foundation. Restricted grants are limited to in-kind donations (e.g., loans of equipment for training) and grants restricted to a specific program (e.g., the Heart Institute).
- k. **Publications.** To the extent that Vendors contribute to, or serve as joint authors for, clinical research and other academic health care publications prepared by Virginia Mason Workforce Members, such information shall be disclosed consistent with guidelines for crediting authors and contributors developed by the International Committee of Medical Journal Editors.
- l. **Endorsements.** No Virginia Mason Workforce Member shall provide any product endorsement or testimonial, without the prior written approval of the Department Chief and review by the Legal Services Department. Examples of activities requiring review include a Vendor request for a Virginia Mason physician to record a video, or author an article, regarding Vendor products or services, to be posted on Vendor's website.

DEFINITIONS:

Refer to **Medical Center Policy Development & Approval - Appendix A for standard workforce, roles and work product definitions.**

POLICY

REFERENCES:

KEYWORD Indexes:

Vendor Relations, Consulting, Samples, Honorarium, Sunshine Act

Effective Date:	April 3, 2019	Term Date:	
Governing Department:	Regulatory Leadership Team		
Sponsor:	Sr VP & General Counsel, Lynne Chafetz		
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Revised By:	Erin Sheridan, Senior Attorney	Date:	March 2019
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