



Fresenius Medical Care
Corporate Compliance Department

Compliance Policy C-005
Vendor Relationships

Federal and some state laws impose criminal and civil penalties for offering or receiving improper “inducements” to order, refer, or purchase a health care item or service. The purpose of these laws is to prevent personal benefit to a health care provider from encouraging over-utilization of medical items or services or otherwise overriding considerations of product or service quality or patient well-being.

This policy brings together relevant standards that address situations that may arise in dealings among FMCNA personnel and FMCNA vendors. The standards in this policy reflect those found in FMCNA policies addressing Business Gifts, Meals and Entertainment; Donations; and other related activities. In general, subsidies or other non-contractual benefits received from vendors by the Company itself or by individual FMCNA personnel should be modest in value and scope, directly tied to legitimate business purposes, and must not improperly influence the decision making of FMCNA personnel.

1. A vendor is a person or organization that furnishes, or that seeks to furnish, goods or services to FMCNA. Professional associations are not considered vendors.
2. Vendor-Supported Training
 - a. FMCNA personnel may participate in vendor-sponsored training where the training is directly related to a product or service sold by the vendor.
 - b. If the training provided qualifies for Continuing Education Units or similar professional education credits (“CEUs”), such CEUs may be received up to a fair market value of \$300 per person per year from the vendor. If the value of a CEU is not known, the fair market value will be assumed to be \$20 per contact hour.
 - c. If the training is specifically addressed in a written contract between FMCNA and the vendor:
 - i. Meals, lodging and travel may be provided by the vendor if it is not reasonable to conduct the training at a location near the recipient, and
 - ii. CEUs received in connection with such training are not subject to the \$300 per person per year limit.
 - d. FMCNA personnel may not accept payment or reimbursement of registration fees, or related travel or lodging, for general trade or professional association conferences from current or prospective vendors.



3. Vendor-sponsored "Users Meetings" or "Focus Groups"

From time to time vendors may organize meetings for their customers to become further acquainted with their products and services and to meet with other users of the vendor's product or service to identify or compare best practices.

- a. FMCNA personnel may attend such users' meetings or focus groups upon approval by the Business Unit President or similar senior executive.
- b. The vendor may pay for reasonable travel, meals, and lodging associated with such meetings.

Note: When such a meeting is held during the same timeframe and in the same location as a trade or professional conference, it would not be appropriate for FMCNA personnel to accept vendor support to also attend the trade or professional conference.

4. Vendor Speakers at FMCNA Functions

Vendors may furnish employees or regular consultants to serve as expert speakers at FMCNA conferences/meetings. FMCNA approval is required from a Business Unit President or similar senior executive for vendor sponsorship of speakers who are not vendor employees or regular consultants.

5. Vendor Support of FMCNA Speakers

Vendors may request FMCNA personnel to speak at conferences or other business related events. Any such speaking engagements must be approved by a Business Unit President or similar senior executive. The vendor may reimburse FMCNA personnel for out-of-pocket travel expenses in connection with speaking engagements with supervisor approval. FMCNA personnel may accept a modest honorarium that reasonably reflects the amount of personal time spent in preparing and delivering a specific talk, with the approval of the Business Unit President or similar senior executive.

6. Gifts, Meals, and Entertainment

- a. FMCNA personnel may not give, offer or receive any form of entertainment or recreational activities to or from vendors (e.g., sporting events, golf outings, fishing or boating trips, concerts or shows, etc.).
- b. FMCNA personnel may not give, offer, or receive gifts in excess of \$100 per person, per calendar year; or meals in excess of \$300 per person, per calendar year from or to a vendor. Vendor gifts and meals should be modest in value and scope as judged by local standards.
 - i. Vendor meals must be offered in conjunction with training, informational presentations, or discussions that provide a recognizable and legitimate business purpose. The meal must be subordinate to the training, presentation, or discussion, and must occur in a venue conducive to informational communication.



- ii. Gifts are acceptable if they are only given occasionally and are:
 - 1) Primarily associated with the recipient's or business' practice (*e.g.*, pens, notepads, or "reminder" items with the Company's/Vendor's logo), or
 - 2) The item is primarily for the benefit of a patient and is offered, given, or received from or to a health care professional, and the item is not of substantial value (\$100 or less). Examples would include medical textbooks, anatomical models, computer memory sticks, etc.
 - c. Vendors are discouraged from subsidizing meals for large groups consisting predominately of FMCNA personnel (*e.g.*, seasonal parties at facilities, dinners at out-of-town conferences) even where the value of an individual meal or other benefit may be within "per person" limits.
7. Employee/Facility Awards
- FMCNA may authorize vendors to participate in FMCNA-sponsored programs designed to recognize excellence in clinical practice or patient outcomes. Such recognition may take the form of certificates or modest non-monetary awards.
8. Support of FMCNA Meetings
- Vendor support of internal FMCNA meetings, functions, or conferences is generally discouraged. Contributions are subject to the limits applicable to the Company's policy on business gifts.
9. Donations to FMCNA Facilities
- a. Vendor donations to FMCNA facilities are discouraged. Modest donations intended to benefit patients are subject to the limits applicable to the Company's policy on business gifts, (*e.g.*, an example would be support of a patient education fair).
 - b. Non-routine donations of limited amounts of free samples of a vendor's product for evaluation by patients or staff are permitted.
10. Use of Vendor Facilities
- FMCNA facilities and personnel may not accept the use of vendor-owned or subsidized office space, meeting rooms, or other facilities unless FMCNA pays the vendor fair market value.
11. Vendor Promotions
- Vendors may be offered the use of "tabletops," booths or other facilities at FMCNA meetings. Vendors may also be offered the opportunity to "advertise" in FMCNA programs or newsletters. Such offers should be limited to circumstances where the activity will directly benefit FMCNA and/or its patients. Charges to vendors for such activities should reflect fair market value for such space or advertisement.



12. Distribution of Vendor Materials

FMCNA must approve all clinical and technical materials or manuals (*e.g.*, recommended product or service protocols or procedures) furnished by vendors to FMCNA to ensure conformance to Company policies. Normally such approvals should be obtained from the Corporate Department or Program Office responsible for setting Company policies on such issues.

13. Service by FMCNA Personnel on Vendor Advisory Boards

Based on their professional expertise, FMCNA personnel may be asked to serve on advisory boards of vendor organizations. FMCNA personnel who serve in this capacity must disclose their participation on a vendor advisory board to their supervisor and the Business Unit President or similar senior executive. FMCNA personnel who serve on vendor advisory boards may accept reimbursement for reasonable travel and lodging, and may receive honoraria commensurate with the hours spent related to their duties on the advisory board that are not compensated by FMCNA.

14. Circumvention of Policies

Vendors and FMCNA personnel may not attempt to circumvent the application of this policy or other FMCNA policies by furnishing or accepting items or support to FMCNA facilities, employees, or patients through third parties (*e.g.*, Medical Directors or other parties with a business relationship with FMCNA who in turn provide it to a facility, personnel, or patients).

FMCNA personnel should not request vendor support for an activity that is not permitted by this policy. Vendors should report such requests to the Corporate Compliance Department at 1-800-662-1237, ext. 9099.

The ***appearance*** created by the acceptance of gifts or other subsidies from vendors must be considered by FMCNA personnel and the vendor. Even if an item or activity appears to comply with this policy or other applicable Company policies, it may, under certain situations, appear improper to another person. In such cases, it may be appropriate for FMCNA personnel to refrain from accepting the item, or to take steps to ensure that an activity is not misinterpreted by others. For example, a pattern of gifts or subsidies by a vendor to large numbers of FMCNA facilities or personnel may violate the spirit of this policy even if individual gifts or subsidies fall within the letter of specific Company rules.



Sample Approval Form

Date: _____

Name of Person Making Request: _____
(Please Print)

Recipient / Facility: _____
(Please Print)

Vendor Name / Address: _____
(Please Print)

(Please Print)

(Please Print)

Description of Item / Activity

Value: _____

Business Unit President or
similar senior executive
signature: _____
(Signature)

Printed Name: _____
(Please Print)

Date of signature: _____