

Oct. 18, 2007

To Management Council  
From: Randy Hall  
Director Supply Chain  
Re: Vendor Policy Questions

We have received a number of questions about the new Vendor Policy and so have compiled some examples to lend clarification to the concerns you and your staff may have with regard to gifts. We will update you periodically on new questions and considerations as they arise.

**Below are some key points that may also help to clarify the policy.**

- 1- No matter what the circumstance, an individual vendor never pays for your expenses or is allowed to give you a gift. Pooled funds from multiple vendors or professional societies may be OK. You should consult with your director or the Vendor Policy Team.
- 2- If a vendor offers to pay for a conference or event that offers significant benefit to the University of Utah Hospitals & Clinics, you may want to talk with your director and ask for consideration from administration to have the University pay for the event.
- 3- If number two above, does not apply UUHC employees may represent themselves, pay for their own expenses and use paid time off to attend events.
- 4- If you elect to do consulting it must be on your own time, you may not represent the University of Utah, your compensation must be "reasonable" and you must disclose this to your supervisor. You must not be involved in decisions to purchase from the company for which you consult. University Policy 2-26 governs an employee's right to consult for non-University companies.
- 5- With Christmas coming soon, you may receive gifts from some vendors. Please forward any gifts you cannot return to the Employee Recognition Team or to the Hospital Foundation and write a letter to the vendor telling them you will no longer accept these gifts.

**Policy Administration**

Questions for the Vendor Policy Team should come through directors. Directors and managers should become fluent in the policy and begin to administer it on a departmental level. When there are questions that cannot be fielded at the department level the director should forward them to the Vendor Policy Team c/o Supply Chain at [http://uuhsc.utah.edu/supply\\_chain/index.html](http://uuhsc.utah.edu/supply_chain/index.html) Click on the link that says "contact us" and submit your question.

Below, are some examples of questions that have been asked since the policy was distributed in August.

Q: One of my staff has been invited to an "advisory board"--Drug Company pays for your time to get your opinion. We have allowed this in the past as long as they are not directly involved in purchasing or P&T as a member and that they take vacation time to do it. I need some guidance if this is an acceptable thing to do or not at this point.

A: As long as the employee does the consulting on their own time, with approval of their supervisor and for reasonable pay, it should not run afoul of the new policy. This person must also not be involved in purchasing decisions concerning the vendor.

Q: Does the new policy on gratuities apply to small gifts, meals, or speaker presentations from meetings put on by non-profit organizations? Since non-profits are not specifically excluded, the definition of vendor could be stretched to fit a non-profit organization "that distributes information regarding the use of medications, products, equipment, or services" - which our infection control organizations definitely do.

A: Non-Profits: Non-profits have been excluded as long as the entity is not a vendor. Both the national standards and PPM 2-30 exclude non-profits.

Q: Some non-profit professional organizations receive vendor sponsorship/funding to keep costs down for attendees. In addition to speaker funding, sometimes those funds are used to sponsor a continental breakfast, or a break, for all attendees; that sponsorship is recognized in the handout materials. Can we eat these meals/breaks?

A: Association Meeting Vendor Sponsored Events: In most professions, vendors may contribute generally to the event for the association to use in creating the event. We are much less concerned about pooled vendor funds. We are more concerned about single vendor sponsored events. Attending presentations is not a problem. Accepting gifts (e.g. meals) from single sponsors is the problem.

Q: At some professional meetings there are drawings for prizes, many of which have been donated by vendors, although some are purchased by our professional organizations as well. The prizes are not branded by vendors, but some may have our professional logo. Can our employees accept these prizes should they win?

A: Vendor sponsored drawings and prizes: If these are pooled funds they are not of concern. Branded items (not including the association brand) would be a problem

Q: Some vendors mail small, unsolicited gifts to us. Must we take these materials to Administration for dissemination?

A: Vendor mailed gifts: These should be given to the Employee Recognition Team or the Foundation or given back. You should also write a letter to these vendors requesting that they not send gifts.

Q: One of our group attends round table dinners that keep her updated on professional topics/issues, which is part of her job. There is no mechanism to reimburse for the dinners, and the education is very valuable. What is the status of these - can they attend but not eat the meal?

A: If these events are supported by multiple vendors there is less concern about this. If a single vendor sponsored event, you should not partake of the meal. You can always attend the presentation and not eat.

Q: Worker's Compensation Fund of Utah has displays at our Safety Fair and often hands out small gifts that are branded with their logo? Is this OK?

A: WCFU: Not an issue, not a vendor.

Q: I have been to dinners and lunches in the past with different vendors. As is consistent within industry, the vendor has paid for the meal. These have always been to discuss current or future projects and have never been for the purpose of gaining influence. The venue is a productive one for working through problems and building a relationship of trust with vendor partners who play a strategic role in the success of our mission here. Are these events now forbidden?

A: The "event" is not prohibited. The only thing prohibited is accepting the free meal from the vendor. You can always attend the meeting and pay for your meal or simply not accept the meal. Also, if the event is of sufficient value to the University, you could check with administration to see if the Hospital would pick up the cost of the meal.

Q: Is a representative of a company that fits the definition of a vendor always considered a vendor regardless of the reason they are here? I would like clarification of sponsor vs. vendor. Shouldn't the definition of a vendor be based on the purpose of the interaction and not solely on the employment of the individual/s you are interacting with?

A: If a company is in the business of selling products to the Hospital, they are a vendor. If the company is a vendor, regardless of how they are interacting with the University in any particular circumstance, we should be very careful about accepting any gifts from the company. We want to avoid the appearance of

impropriety and accepting any gifts from an actual vendor of the Hospital, regardless of the context, could have the appearance of impropriety.

Q: A physician was concerned that the wording of the patient information section might be misunderstood and prevent patients from receiving the information they need.

Pulmonary patients often require education to operate their equipment. We were wondering if you could work with her on clarifying wording. Please let us know how we can help.

The following change was made to the policy, highlighted in blue.

**A: H. PATIENT EDUCATIONAL MATERIALS**

Vendors are strictly prohibited from providing educational materials of any kind directly to patients or their families or leaving these materials in areas accessible to patients. Educational Materials must first be given to a department Manager or Director or their designee for review. If the materials are to be used as a component in the care of specific patients and have been approved by appropriate hospital physicians &/or staff for distribution, vendors may distribute these types of information to patients as necessary. Information intended to generate sales or move patients to a particular product are not allowed.

The University may otherwise, at its sole discretion, distribute educational materials that are useful to our patients.