

Frequently asked question about giving and receiving gifts

It is essential that Providence St. Joseph Health fulfill its Mission and its commitment to integrity in the delivery of quality patient care and other services. For this reason, caregivers (employees); employees of affiliated organizations; professional staff, volunteers and others who are in the direct control of PSJH, and members of the PSJH System Board; Community Boards; and Foundation Boards (collectively referred to as workforce members) of Providence St. Joseph Health and our family of organizations must maintain impartial and appropriate relationships and not partake in activities that present a real or perceived conflict.

In order to avoid actual or perceived conflict, workforce members must avoid accepting gifts or other items of value including, but not limited to meals, tickets to events, special favors, loans, discounts, free services, tips and gratuities. Remember, cash and cash equivalents, such as a gift card, are never to be accepted unless it comes from within Providence or our affiliates (e.g., from your supervisor or HR).

The purpose of these FAQs is to provide workforce members consistent guidance on giving and receiving of gifts while fulfilling the Providence St. Joseph Health Mission.

Gifts from within PSJH

What is the difference between a tangible gift, a voucher, and a gift of cash or cash equivalent? Are gifts to workforce members' taxable if reimbursed or paid directly by PSJH?

Tangible items or gifts for a specific item such as a cafeteria meal voucher, turkey, a haircut or a fruit platter, up to \$75, are not considered taxable to the workforce member.

Tangible items or gifts over \$75 are taxable to the workforce member and will be reported as compensation to the employee on the employee's W2 unless the employee has declined to accept the item.

Because gift certificates or gift cards are considered gifts of cash equivalent and are not tangible items, these items will always be taxable to the employee regardless of value when given by PSJH.

For gifts of cash or cash equivalent provided by PSJH, [payroll](#) must be notified for taxation purposes.

When contacting payroll provide the following information:

- Caregiver ID #
- Full Name
- Home Department
- Charge to Department if different than home department
- Amount of Gift Card and or value of gift

Can a ministry, hospital, or clinic provide a meal voucher or gift card to workforce members as a token of recognition (i.e. upon completion of mandatory training)?

Yes, however, gift cards or gift certificates of any amount provided to workforce members from within PSJH will be taxable to the employee. An occasional meal voucher in conjunction with a planned event is allowable but should generally be avoided.

Are workforce members allowed to accept gifts purchased by their managers from the manager's personal account?

Yes, workforce members are allowed to accept gifts from their manager and there are no tax implications to the workforce member if the gift is not purchased with PSJH funds.

Are workforce members allowed to purchase gifts for other workforce members?

Yes, workforce members are allowed to exchange gifts. This can include gift cards as they are not taxed by PSJH payroll when paid for, out-of-pocket, by the workforce member not using PSJH funds. This means the person providing the gift card must not request to be reimbursed by PSJH.

Gifts from the community, independent physicians, vendors, or other parties

Are workforce members allowed to accept a gift card/gift certificate from a patient, patient's families, or other parties?

Generally, no. A gift card, or gift certificate, is considered a gift of cash and is not a tangible item. In the event that a gift card or gift certificate cannot be declined, or returned to the giver, the item must be forwarded to a [foundation](#) or Employee assistance program.

Are workforce members allowed to accept a non-cash/cash equivalent gift from a patient, patient's family or other parties?

According to the [PSJH Code of Conduct](#) and [PSJH-GOV-208 Conflicts of Interest Policy](#), workforce members may accept non-monetary gifts valued at less than \$100, such as an occasional consumable gift (e.g., meal, fruit basket) if shared among workforce members within the unit or department. These gifts and services from the community are not considered income, nor are they taxable to the employees. Nominal gifts such as pens and mugs may also be accepted.

Can workforce members accept perishable food items?

Perishable food items given by community members and community food establishments (i.e.: KFC offers to drop off 50 meals for caregivers, local restaurant offered to cater lunch) do not present compliance issues. However, before *accepting these food items local policies or procedures must be reviewed as they relate to:*

1. Pest control issues
2. Potential food borne illness issues

Are workforce members allowed to accept a prize or award from a vendor drawing?

Providence St. Joseph Health does allow workforce members to accept a prize or award from a bona fide competition held in public, such as a random drawing at a conference or training session. Workforce members are prohibited from participating in drawings that cannot be verified as random (e.g., drawing via email entry).

Can research programs accept gifts from outside companies?

In addition to the vendor policy, the code of conduct and the Sunshine Act, the Conflicts of Interest in Research Policy ([PSJH-RIS-724](#)), applies to this scenario. Even if individually the amount spent doesn't constitute a "significant financial interest," such activities could be seen as impairments to objectivity. It is important for Providence St. Joseph Health employees, individually and as an organization to strive to maintain independence and avoid situations where even the appearance of a conflict might exist.

Vendor Interactions Policy

How does our Vendor Interactions Policy ([PROV-ICP-718](#)) apply to speaking engagements for our employed physicians, while on PTO and receiving an honorarium?

Expectations are the same for PSJH employed physicians as it is for other employees. Paid speaking engagements made on an employee's own time are similar to a second job and differ from speaking engagements at association conferences where the employee's expenses are reimbursed.

The concern arises when the presentation is on behalf of or paid by a vendor that Providence St. Joseph Health uses or would consider using. The [conflict of interest policy](#) challenges us to avoid an appearance of impropriety. If a physician is asked to speak by an existing Providence St. Joseph Health vendor or prospective vendor because he/she is a PSJH employee, the individual is benefiting from our not-for-profit status and the speaking engagement should generally be declined. For those with influence or authority to choose a product or service, it likely would be a conflict of interest, and the speaking engagement should be avoided.

In all cases where the speaking engagement is permitted, and approved by the individual's supervisor, the honorarium should be commensurate with the value of the work provided. The vendor interactions policy provides additional guidance related to the purpose of the speech. If the talk is educational (as at a professional association meeting), then it is usually acceptable. In no case should we endorse products or services.

For our physician groups the medical director or chief medical officer is strongly encouraged to review all of our applicable policies and approve/disapprove of the speaking engagement. When unsure, it should be referred to our regional integrity and compliance team. In all cases, the honorarium paid should be reported on the annual conflicts of interest disclosure form. The \$100 limit set in the Vendor Interactions Policy would not apply in these circumstances as any honorarium received would be a fair market value payment in exchange for services rendered (as discussed above). Workforce members should always check local ministry policies to determine if there is a more stringent employment or other policy to be followed.

How do the Gifts and Vendor Interactions Policy ([PROV-ICP-718](#)) apply to gifts that an independent physician may give to a workforce member?

A workforce member may accept a non-monetary gift if it is not cash or a cash equivalent item such as a gift card. The \$100 limit does apply. However, it is recommended that management discourage the practice of gifts between independent physicians and workforce members.

In California, physicians are generally not employed by hospitals. Policy permits that a hospital may provide a non-monetary item of value to a physician so long as the fair market value of the item does not exceed an annual cap (established by 42 CFR 411.357(k)) regulation. Gifts of cash or gift cards are monetary items of value and may never be provided to physicians. For more information

visit: https://www.govregs.com/regulations/expand/title42_chapterIV_part411_subpartJ_section411

Fundraising and charitable events

Can workforce members solicit cash contributions or fundraise for things like department holiday parties? Is it ok as long as contributors submit the funds through the foundation?

Generally speaking, the answer is no. Caregivers, whether through the foundation or otherwise, should not solicit cash contributions from anyone with whom we do business (vendors, physicians, etc.) for the purpose of department parties. PSJH facilitated fundraising for aligned community causes may be incorporated into existing initiatives from time to time upon approval of the foundation. Solicitations must be carefully coordinated to prevent potential damage to image and mission. It is very important that foundation leaders have the ability to provide consultation on any proposals due to IRS tax donation regulations as well. Please be sure to check with the foundation's administrative director as well for any local policies that may apply. Vendors requesting to make a contribution should be connected with the Foundation to learn more about how the vendor might support the ministry.

Can a workforce member accept an invitation by a vendor sponsoring a Providence hosted charitable event such as a festival of trees?

Given the important mission- and business-related role served by PSJH-sponsored charitable events (i.e., where the event is hosted by Providence and the funds raised by the event will benefit a Providence ministry exclusively), Providence employees may attend these types of events as a guest of a third party (including vendors) without making a required donation to Providence St. Joseph Health or a PSJH-related foundation (voluntary donations are encouraged). Employees accepting such invitations should disclose participation on the annual conflicts of interest disclosure form and attendance should be approved in advance by the employee's immediate supervisor.

Can workforce members accept an invitation by a vendor to a non-Providence hosted charitable event such as a cancer survivorship dinner?

Meals may be provided when offered in conjunction with a legitimate education function, and when they are reasonable and modest (\$50 or less). The structure of vendor presentations, if included, should consist of content that is commercially unbiased, objective and scientific and should not be a marketing opportunity for any vendor. Promotional activities, to the extent that

they may occur, need to be completely separate from the content of the education. If a cancer survivorship dinner exceeds the recommended amount of \$50 or less, it would be inappropriate to attend this event.

Even if individually the amount spent doesn't constitute a "significant financial interest," such activities could be seen as impairments to objectivity.

De minimis benefits and gifts of nominal value

What is a de minimis benefit?

The IRS defines a de minimis benefit as one for which, considering its value and the frequency with which it is provided, is so small as to make accounting for it unreasonable or impractical. An essential element of a de minimis benefit is that it is occasional or unusual in frequency.

Consumable items such as fruit baskets, chocolates, or coffee is generally considered de minimis. Non-cash prizes can be excluded from taxable income if the value is de minimis, such as a t-shirt.

An infrequent meal voucher to enable caregivers to stay on the premises for the employer's convenience (such as our orientation days or trainings) is acceptable. A lunch/café voucher provided by PSJH could qualify as a de minimis benefit.

Cash is generally intended as a wage and therefore cannot be a de minimis fringe benefit. Gift certificates that are redeemable for general merchandise or have a cash equivalent value are not de minimis benefits and are taxable.

For more information visit: <https://www.irs.gov/government-entities/federal-state-local-governments/de-minimis-fringe-benefits>

Can workforce members offer patients gift certificates or some other gift of nominal value?

Yes, the Health and Human Services, Office of Inspector General (OIG) has issued guidance suggesting that it is appropriate for inexpensive items or services to be provided to patients. The OIG defines inexpensive as having a retail value of no more than \$15 per item or \$75 in the aggregate per patient on an annual basis, and the gift cannot be in the form of cash or cash equivalents. "Cash equivalents" are defined as items convertible to cash (such as a check) or that can be used like cash (such as a MasterCard or Visa debit card, but not a gift card that can be redeemed only at certain stores or for a certain purpose, like a gasoline gift card). So Visa or MasterCard debit cards are NOT allowable, but provision of a store card (that generally cannot be converted to cash) would be acceptable so long as the guidelines for remuneration levels are applied. Any such gifts provided to patients must be tracked ahead of the purchase by the ministry/facility to assure the \$75 cap is not exceeded.

There is an exception that a gift card is allowed for the purpose of customer service recovery under the following conditions:

- The individual gift cards will have a value not exceeding \$15;
- The cards will be redeemable at specific vendors that do not sell items or services paid for by Federal health care programs (including Medicare and Medicaid/Medi-Cal);

- The cards cannot be redeemed for cash or for items or services provided by PSJH; and
- The gift card should not be linked in any way to the provision of services.

PSJH has a system for tracking the issuance of the cards, for the purpose of ensuring that individual beneficiaries do not receive multiple cards having an aggregate value in excess of \$75 in one year.

If the above conditions are met, the OIG states that the “gift card is considered nominal in value and will not constitute cash or a cash equivalent.” The intent of providing a gift or gift card cannot be to entice the patient to utilize PSJH’s services.

Other frequently asked questions

How do I determine if accepting a gift is appropriate?

Additional guidance can be obtained by:

- Consulting with your supervisor or manager
- Consulting the [Code of Conduct](#)
- Contacting the PSJH Compliance Hotline at 888-294-8455 or [online](#) for guidance
- Considering the questions below. If the answer is “yes” to any of the questions the gift may not meet PSJH ethical standards, the Code of Conduct, or legal requirements.
 - Is this a personal gift from someone outside of Providence St. Joseph Health?
 - Is this a cash gift? A gift card? A gift certificate?
 - Would I feel uncomfortable disclosing acceptance of this gift to other Providence St. Joseph Health caregivers/employees? Patients? Friends or family members?
 - Is this gift being offered to me because my job at Providence might influence a decision in favor of the individual or organization offering the gift?

Where can I find the Code of Conduct?

[Code of Conduct link.](#)

What should I do if I know someone is violating the Vendor Interactions Policy or Code of Conduct?

If you have knowledge or believe there is a violation of the Code of Conduct, you should report your concerns to your manager or supervisor. If you are uncomfortable reporting the concerns directly to your manager or supervisor, you may report your concerns confidentially to the PSJH Integrity Hotline at 888-294-8455 or [Integrity Hotline.](#)

How can I get more information if I still have questions?

Please call the Integrity Hotline at 888-294-8455, or contact a member of the [Risk and Integrity Services](#), Compliance team.