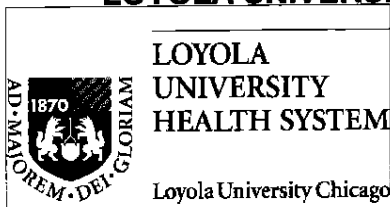


LOYOLA UNIVERSITY MEDICAL CENTER**ADMINISTRATIVE
POLICY NUMBER: PS-10****Subject: VENDOR RELATIONS****Date Implemented: August 2005**
October 15, 2007**Date Revised: September 20, 2005****University****Administration Approval:**

Paul K. Whelton, M.B., M.D., M.Sc.
President and Chief Executive Officer
Loyola University Health System/
Loyola University Medical Center
Vice President for the Health Sciences
Loyola University of Chicago

Medical Center**Administration Approval:**

Michael Scheer
Senior Vice President, Chief Financial Officer
and Treasurer
Loyola University Health System/
Loyola University Medical Center

Physician Foundation**Approval:**

Stephen Valerio
President and Chief Executive Officer
Loyola University Physician Foundation

I. PURPOSE

The Loyola University of Chicago's Stritch School of Medicine (LUC-SSOM) and Neihoff School of Nursing (SON), Loyola University Health System (LUHS), Loyola University Medical Center (LUMC) and Loyola University Physician Foundation (LUPF), (collectively "Loyola") desire to articulate Loyola's expectations of Vendors in their interactions with Loyola and its Colleagues; to establish parameters for seeking and accepting funds from Vendors for conferences, educational programs; for describing when gifts are acceptable and to what extent; and to establish criteria for Colleague's honoraria and consulting engagements.

II. DEFINITIONS/APPLICATIONS**A. Definitions**

1. Annual Disclosure Statement – The Statement certain Colleagues are expected to fill out annually. See the Conflicts of Interests and Disclosure of Certain Interests Policy P-17 for more details on the Annual Disclosure Statement and its reporting process.
2. Colleague – A Colleague(s), for purposes of this policy, is defined as any of the following:
 - a. Employees of LUHS, LUMC and LUPF Employees of LUC working on the Maywood campus, including SSOM and SON.
 - b. Graduate Medical Education residents and fellows
3. Department Chairperson – Department Chairperson, for purposes of this policy means the Chair of a clinical or basic sciences department of the LUC-SSOM, Chair of a department of the

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LUC-SON or the Medical Director of the LUMC Emergency Department or the Primary Care Division, as applicable.

4. Educational Events – Those events held at Loyola for which the attendees may receive certification towards their professional CME or CEU requirements, as well as any other activities provided for general educational purposes and are sponsored by Loyola.
5. Supervisor – A Supervisor, for purposes of this policy is defined as follows:
 - a. For faculty, the Department Chairperson
 - b. For Department Chairpersons, the Senior Vice President for Clinical Affairs
 - c. For non-faculty employees, his/her Vice President or Associate Dean, as applicable
 - d. For Associate Deans, the Dean of LUC-SSOM
 - e. For Vice Presidents, the Senior Vice President or President as applicable
 - f. For residents and fellows, the Department Chairperson
6. Vendor – A Vendor, for purposes of this policy, is defined as a company doing or seeking to do business Loyola.

B. Applications

This policy applies to Colleagues as defined in this policy.

III. PROCEDURE/INFORMATION**A. Expectations of Vendors**

1. Loyola expects its Vendors to be familiar with Loyola's policies as they pertain to Vendors as well as the LUMC Vendor Brochure.
2. Loyola encourages its Vendors to have an ethics and compliance program, a code of conduct, or other policies and programs demonstrating their commitment to ethical business practices.
3. Any discounts, rebates, administrative fees or other Group Purchasing Organization Fees ("GPO fees"), and any other payments received from Vendors should be structured to comply with the Discount Safe Harbor Regulations and the GPO Safe Harbor Regulations.

B. Permissible Arrangements for Vendor Funding

Loyola should not contract with a Vendor for goods and/or services and at the same time obligate the Vendor to provide funding for any of the activities described in this section; however, these activities may be a part of a broader agreement for products, as long as the activity's value is captured in the base agreement. Under no circumstances should a decision to buy products and/or services from a particular Vendor be contingent upon a Vendor's contribution to any below described activity. The following arrangements for Vendor funding are permissible:

1. Vendor Funded Loyola Sponsored Educational Programs

Loyola may accept funds from Vendors to help underwrite the cost of Educational Events sponsored by Loyola provided the Receipt of Vendor Funds for Educational Events Policy PS-11 and Vendor Funding for Off-Site Promotional Training and Seminars Policy PS-12, as applicable are followed. Grants for such Educational Events should not be accepted from the same Vendor on more than an occasional basis.

2. Research Grants

Loyola may accept funds from Vendors to help underwrite the cost of research provided this policy and the others listed in III.B.1., as applicable, are followed. To the extent that the Vendor and Loyola are engaged in business activities: 1) there should be a clear separation within Loyola between the part of Loyola that assists the Vendor with research and the part of Loyola involved with the business activities; and 2) Colleagues who are involved with the Vendor's business activities will not be the same individuals who carry out activities supported by a Vendor's research grant. Research grants should be coordinated with the Development Office, the Department Chairperson and the Office of Research Services, if applicable. Checks supporting such funding should always be made payable to the applicable corporation and not to any Colleague individually.

3. Gifts

- a. To Loyola – A not-for-profit institution depends to a certain extent on gifts to fulfill its mission; however, prior to accepting gifts, conflicts of interest and potential kickback

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situations should be ruled-out. A gift from a Vendor to Loyola may be permissible if such gift was not solicited and is not provided in connection with a decision to buy products and/or services from the Vendor. Prior to accepting such gift from a Vendor, those involved in the gift process should be in close contact with the Development Office (x65767) and the Chief Compliance Officer (x62036) to ensure that corporate guidelines are met.

- b. To Colleagues – A gift from a Vendor to a Colleague is permissible provided such gift was not solicited and is not provided in connection with a decision to buy products and/or services from the Vendor. The value of such acceptable gift is limited to \$50 in value (including advertising items such as pens, notepads, etcetera) in any one year from any Vendor.

4. Vendor-Sponsored Entertainment

Occasionally, at a Vendor's invitation to an off-site location, a Colleague may accept modest meals, entertainment or refreshments at the Vendor's expense; generally, corporate business should be discussed at the gathering. The Colleague should disclose any such entertainment on his/her Annual Disclosure Statement if the Colleague is required to complete such statement.

5. Vendor Funded Professional Association Conferences

Occasionally, payments for professional association conference attendance may be received from a Vendor. These payments should not be accepted from the same vendor on more than an occasional basis. The Colleague should obtain prior Supervisor approval and disclose attendance at any such conference on his/her Annual Disclosure Statement if the Colleague is required to complete such statement. The Development Office should also be contacted so that the payment may be properly receipted. The attached form should be used when obtaining Supervisor approval.

6. Vendor-Promotional Training and Vendor-Sponsored Seminars – Vendor promotional training and vendor-sponsored seminars may be paid for by the Vendor when the business value to Loyola outweighs any recreational or entertainment value of the event, provided that the appropriate approvals are obtained in advance. The Vendor Funding for Off-site Promotional Training and Seminars Policy PS-12 should be followed.**7. Staff Lunches** – Vendor sponsored meals to promote a new or existing product or service are **prohibited**. Vendor sponsored meals for departmental educational events is permissible but should be in accordance with the Vendor Relations Educational Events policy and disclosed to the Purchasing Department by the Vendor.**8. Educational and Practice Related Items** – Items primarily for the benefit of patients may be accepted from vendors if they are not of substantial value (\$100 or less). For example, an anatomical model for use in an examination room primarily involves a patient benefit, whereas a DVD or CD player does not. Items should not be accepted from the same vendor on more than an occasional basis, even if each individual item is appropriate. Receiving product samples for patient use in accordance with the Drug Sample Policy is acceptable. Acceptance of other product samples should be coordinated through the Department of Purchasing.**C. Permissible Arrangements between Colleagues and Vendors**

It is acknowledged that occasionally a Colleague may perform certain honoraria or consulting services on his/her own time. These services are acceptable if the procedures described in the Vendor Relations – Permissible Arrangements between Colleagues and Vendors Policy PS-13 are followed. Prior Supervisor approval is required. Colleagues should not accept any payment as "compensation" for their time or any out-of-pocket expenses if such payments are not for actual services rendered or expenses incurred. The Colleague should disclose all honoraria or consulting fees on his/her Annual Disclosure Statement if the Colleague is required to complete such statement.

D. Vendor On-Site Visits

The LUMC Vendor Access to the Medical Center Policy PS-6 governs vendor access to the Medical Center. The LUMC Vendor Brochure may also be consulted for further information.

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All activities/interactions with for-profit companies should adhere to the LUHS Logo Use Endorsements & Compliance with Tax-Exempt Status Requirements Policy A-31.

IV. RESPONSIBLE PARTY

The LUC Vice President for the Health Sciences, the LUHS/LUMC President & Chief Executive Officer and the LUPF President and Chief Executive Officer, as applicable and in collaboration with the appropriate Chief Compliance Officer, should use all necessary authority to implement this policy, enforce it, and assess its effectiveness from time to time. Questions regarding this Policy should be addressed to the Chief Compliance Officer at x62036.

Supervisor Approval Form

Instructions:

1. This form should be used to obtain your Supervisor's pre-approval as required by any of the following policies:
 - a. Vendor Access – PS-6.
 - b. Vendor Relations – PS-10.
 - c. Vendor Receipt of Vendor Funds for Educational Events – PS-11.
 - d. Vendor Funding for Off-Site Promotional Training and Seminars – PS-12.
 - e. Permissible Arrangements between Colleagues & Vendors Policy – PS-13.
 - f. Itinerant Vendors – PS-18.

2. Supervisor, for purposes of this form means:
 - a. For faculty, the Department Chairperson
 - b. For Department Chairpersons, the Dean of SSOM or SON as applicable,
 - c. For non-faculty employees, his/her Vice President or Associate Dean, as applicable
 - d. For Associate Deans, the Dean of LUC-SSOM
 - e. For Vice Presidents or higher, the Senior Vice President or President as applicable
 - f. For residents and fellows, the Department Chairperson

3. The Supervisor should maintain a copy of this form in the Colleague's personnel file.

4. The staff member completing this form should retain a copy of the form in his/her departmental files.

Reason Supervisor Approval is requested:

- Vendor funded educational event
- Vendor funded attendance at professional association conference
- Vendor promotional training
- Vendor sponsored seminar
- Vendor sponsored site visit
- Consulting services performed by Loyola staff for vendor
- Speaking engagements performed by Loyola staff for vendor
- Vendor booth on-site at Loyola

General Information:

Name of Person Completing this Form: _____

Phone Number: _____

Department: _____

Vendor Information:

Vendor: _____

Program/Event/Service Information:

Title/Subject matter: _____

Description of Program/Gift/Compensation to be received: _____

Purpose/Benefit: _____

Dollar Amount: _____

Signature of Requestor:

Signature _____

Dated: _____

Signature of Supervisor if approved:

Signature _____

Dated: _____