



ESSENT HEALTHCARE, INC.

Section: Corporate Compliance	Effective Date: 08/01/05
Subject: Receiving Business Courtesies from Healthcare Business Vendors, Contractors And Suppliers	Revision Date: 08/01/05
Policy #: CC-8-C	Review Date: 11/18/09
Responsible Party: Corporate Compliance Officer	Revision #: 1

Scope:

This policy applies to all employees of Essent Healthcare, Inc. and all employees of affiliates of Essent Healthcare, Inc. (collectively, “Essent” or “the Company”).

Purpose:

The purpose of this policy is to establish guidelines for the receiving of business courtesies from healthcare business vendors, contractors, suppliers or others in a position to receive referrals of patients or business from the Company, in a manner that complies with all legal standards and Company ethics.

Policy:

Essent conducts its business with the primary purpose of providing quality, needed healthcare in the communities it serves, and in no way conducts business based on the giving or receiving of gifts and/or bribes or inducements for referrals of patients or healthcare business. Business courtesies, when accepted, are for the purpose of fostering a collaborative business relationship and never as compensation or inducement for referrals of patients or healthcare business. The following provides guidance with regard to Essent policy on the receiving of business courtesies from healthcare business vendors, contractors, suppliers or others in a position to receive referrals of patients or business from the Company. Employees are to contact the Corporate Compliance Officer (CCO) if there are questions regarding receiving business courtesies that are not addressed in this policy. The receiving of business courtesies by Essent and Essent affiliate board members is addressed in the [Corporate Governance] policy.

Definitions:

Business Courtesies are compensation or benefits provided to Essent, and include gifts, meals, entertainment, social events (including receptions to which Essent employees are invited), and similar items of value extended without charge. Business Courtesies do not include discounts, rebates, or other price reductions offered by Healthcare Contractors.



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Healthcare Business Vendors, Contractors or Suppliers (collectively, “**Healthcare Contractors**”) include any individual or organization (and the employees of such organization) that: 1) currently has a contract with Essent for the provision of healthcare goods or services to Essent, 2) has performed under a contract with Essent for the provision of healthcare goods or services to Essent within the past year, 3) anticipates bidding on such a contract in the future, or 4) is otherwise in a position to receive referrals of patients or business from the Company. Examples of Healthcare Contractors include Durable Medical Equipment (“DME”) vendors, pharmaceutical companies, physicians providing services to Essent facilities, home health companies, and EMS service providers.

Healthcare Professional means any clinical practitioner, including physicians and physician assistants, employed or otherwise engaged by Essent.

Nominal Value is defined as *insignificantly small*. For purposes of this policy, nominal will generally mean \$100.00 or less per calendar quarter.

Procedure:

On behalf of the Company, employees may accept business courtesies from Healthcare Contractors only as described below. ***Nothing in this policy permits any business courtesy or other benefit that is understood by either party to be offered or provided as an inducement to refer patients or business or as a reward for such referrals, nor should any Essent employee ever solicit a business courtesy.***

1. Meals/Social Events/Entertainment

- a. Invitations to a social event may be accepted from a Healthcare Contractor in order to further develop the business relationship provided that the cost of the event is nominal in value.
- b. These events must not include expenses paid for travel or overnight lodging.
- c. Such social events with respect to any particular individual must be infrequent, which as a general rule, means not more than quarterly.
- d. Employees must not accept business courtesies to the extent that decision making might be influenced.
- e. Healthcare Professionals may not accept social event invitations from pharmaceutical companies, and may only accept meals in connection with on-site sales presentations.



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2. Training/Education

- a. Attendance at a Healthcare Contractor-sponsored workshops, seminars, or training sessions is permitted. Arrangements that include travel and overnight accommodations at no cost to the employee or the hospital must be approved in advance by the CCO.
- b. Similarly, there are some circumstances where Company employees may be invited to an event at a Healthcare Contractor's expense to receive information about new products or services. Prior to accepting any such invitation, approval of the department manager is required.
- c. Where the department manager is unsure as to the propriety of accepting the invitation, he/she is to consult with the Compliance Officer before approving the employees' attendance.

3. Gifts

- a. Employees may accept gifts with a total value of \$50.00 or less in any one year from any Healthcare Contractor, except that Healthcare Professionals may only accept such gifts from pharmaceutical companies if the item relates to the Healthcare Professional's practice (for example, pens or notebooks would be acceptable but golf accessories would not).
- b. Cash or cash equivalents, such as gift certificates, may **NOT** be accepted.
- c. Perishable or consumable gifts given to a department or group are acceptable, provided that they are provided infrequently and provided that they are not given to a Healthcare Professional from a pharmaceutical company.

4. **Non-Healthcare Contractors.** Business courtesies may be accepted from non-Healthcare Contractors so long as they are reasonable in nature. It is Essent policy, however, not to accept anything of value from any patient, except that perishable items such as food or flowers may be accepting if they are infrequent, reasonable and unsolicited.



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References:

HCCA Compliance Manual

OIG Hospital Compliance Program Guidance

OIG Pharmaceutical Manufacturer Compliance Program Guidance

OIG Report "Promotion of Prescription Drugs through Payments and Gifts"

PhRMA Code