

**Mercy Health and/or HealthSpan Partners  
Conflicts of Interest Policy - Definition of Gifts & Gratuities**

Duty of Loyalty and Avoidance of Conflicts Regarding Business Opportunities and Gifts or Gratuities – Board and Committee members and Interested Persons have a continuing Fiduciary Duty of loyalty to Mercy Health and/or HealthSpan Partners that requires them to ensure that any business opportunity they become aware of that would constitute a Conflict and that would likely be of interest to Mercy Health or Mercy Health Affiliate and/or HealthSpan Partners is made available first to Mercy Health and/or HealthSpan Partners, before s/he considers personal participation in the opportunity. Personal participation in business opportunities entered into after Mercy Health or Mercy Health Affiliate and/or HealthSpan Partners have had an opportunity to participate may create a Conflict that requires disclosure. To avoid the appearance of a Conflict, Board and Committee members and Interested Persons must decline any Gift or Gratuity offered by a current or prospective business partner of Mercy Health and/or HealthSpan Partners, regardless of value, during any business negotiation or other procurement process involving that business partner. Outside of the procurement or negotiation process with a current or potential business partner, Board and Committee members and Interested Persons must decline any Gift or Gratuity valued at more than \$300 offered by a current or prospective business partner of Mercy Health and/or HealthSpan Partners in order to preclude the creation of a Financial Interest. The \$300 limit is a limit on any individual Gift and Gratuity, as well as a cumulative limit for smaller Gifts and Gratuities from the same current or potential business partner in the same calendar year. Gifts or Gratuities requiring disclosure are reported on the Disclosure Certificate.

**Definition of Gifts and Gratuities:**

Compensation includes direct or indirect remuneration as well as gifts, entertainment, meals or favors that are substantial in value or nature:

- in excess of \$300 per item or occasion *or*
- in excess of \$300 in the aggregate from any one individual or entity in a calendar year

In almost all circumstances, the payment of fair market value for any item or service of value offered by a current or potential business partner eliminates the existence of a gift or gratuity. However, in the extremely unusual situation where an individual is invited to an exclusive event (e.g., Olympics, Super Bowl, NCAA Final Four, the Masters, etc.) the payment of face value may not eliminate the existence of a Gift or Gratuity. The receipt of items or services valued at or above \$100 requires disclosure to the reporting supervisor and Disclosure Certificate, but does not constitute compensation unless it also exceeds the \$300 annual limit. How to report and value such occurrences requires review and concurrence by the appropriate Corporate Responsibility Officer and General Counsel. Where meals are provided by a current or potential business partner at a restaurant, hotel or entertainment event, the following amounts should be used to value such meals, in the absence of actual knowledge of the costs: \$15 for breakfast, \$25 for lunch and \$45 for dinner. Physicians are subject to Federal Stark Laws and Non-Monetary and Incidental Benefit Requirements for gifts, services and gratuities that may be stricter and/or supersede Mercy Health and/or HealthSpan Partners policy provisions.