

# Frequently Asked Questions

## Patient Inducement

The intent of the following FAQs is to help UW Medicine workforce members gain a better understanding of actions that may constitute patient inducement.

Federal healthcare regulators have long been concerned about the impact of inappropriate incentives in healthcare, which can undermine decision-making that prioritizes a patient's healthcare needs and best interests. In response, several anti-fraud and abuse laws have been enacted – namely the Civil Monetary Penalties Law (CMPL) and a closely related law known as the Anti-Kickback Statute (AKS) – to help protect the financial integrity and longevity of federal healthcare programs (e.g., Medicare, Medicaid, etc.). The CMPL prohibits offering or paying rewards, incentives, discounts, gifts or other items of value (these things are collectively known as “remuneration”) to federal beneficiaries if the offer will or is likely to influence the beneficiary's choice of services or items that are paid for by insurance. This is also referred to as “patient inducement.”

There are limited exceptions to the CMPL and in some instances, it may be permissible to give things to patients, as described below. You should avoid offering things to patients except in limited circumstances approved by senior leadership and/or in consultation with Compliance. For more information, please refer to the [UW Medicine Compliance Code of Conduct](#), or contact UW Medicine Compliance at [comply@uw.edu](mailto:comply@uw.edu) / 206.543.3098.

### 1. Why are we not allowed to give things to patients?

Federal regulators do not want gifts or discounts (or anything of value) to inappropriately influence a patient's choice of healthcare provider or care. Regulators also do not want the cost of offering things to divert scarce resources away from providing high-quality care or to cause unnecessary care to patients. Finally, when giving things to patients causes the patient to choose larger providers over smaller ones, the smaller providers may not be able to compete and patient choice could be decreased.

### 2. What are examples of prohibited gifts?

- Reimbursing parking for some, but not all, patients.
- Routinely waiving patient co-pays or deductibles regardless of a patient's ability to pay.
- Giving patients free equipment, supplies or drugs that are more than a nominal value.
- Providing patients with items or services for which they are not billed.

### 3. Are we allowed to give anything to patients?

Yes, the law allows us to offer patients certain *inexpensive* things other than cash or cash equivalents. Inexpensive means valued at no more than \$15 per patient and no more than \$75 in total annually per patient (or patient's family). Examples include, but are not limited to:

- Facemasks to wear while onsite;
- Toiletries or hygiene items during a patient's hospital stay (e.g., slippers, toothbrushes, toothpaste, soap, shampoo, etc.); or
- Complementary beverages in waiting area.

**4. I want to give something to patients that will help in their treatment/recovery, but the value is more than \$15 (or \$75 in total annually) per patient. What should I do?**

Start by talking with your supervisor and/or department leadership. If there is little risk of patient inducement, ask them to consult with UW Medicine Compliance. In addition, please keep these requirements in mind when considering something valued more than the thresholds mentioned above:

- The gift must be based on clinical need or policy and apply equally to all similar patients (i.e., regardless of a patient's health insurance coverage status);
- No claim can be submitted to a federal healthcare program to pay for the cost of the gift;
- The cost of the gift cannot be added to the hospital's cost report;
- The gift cannot be advertised or otherwise used to attract patients;
- The gift must be consistent with UW Medicine's mission and values; *and*
- Decisions about when to offer the gift must be based on a written policy or procedure to ensure adequate oversight.

**5. When can we waive co-pays, co-insurance or other patient charges?**

Discounting or waiving charges for healthcare services is prohibited except in specific circumstances, such as service recovery, financial need, or for patients participating in certain clinical research studies in which some or all study-related healthcare services are covered by the study sponsor. Waivers and discounts must be approved by UW Medicine Patient Accounts and Support Services (PASS) and/or the appropriate administrative review and approval – which includes consulting with UW Medicine Compliance and the appropriate entity financial official as needed. Refer to [UW Medicine Compliance Policy COMP.205 – Applying Charge Waivers and Discounts to Patient Accounts and Balances](#), [UWP Board of Trustees Policy on Waiver and Discount of Professional Charges](#) (which requires UW Medicine AMC access) and the [UW Medicine Financial Assistance Policy](#) for more information.

**6. Are we allowed to pay or give other items of value like gift cards to patients who are participating as speakers or panelists in a UW Medicine hospital or clinical-based continuing education program?**

Patients who participate as speakers or panelists in these types of programs are providing their expertise, time and expenses incurred for coming to the UW Medicine program site and therefore are providing a service for which payment is allowed. The amount and method of payment should be approved in advance by your department's leadership and the entity's finance team to ensure the budget and tax implications of the transaction are fully vetted. The transaction should be clearly documented according to the finance team's standard process(es). For further information about payments to non-UW employees, reference the UW Procurement Services [How to Pay](#) guidance page and/or contact UW Procurement Services at [pcshelp@uw.edu](mailto:pcshelp@uw.edu) or 206.543.4500.

**7. Are we allowed to reimburse (e.g., for parking), compensate, pay incentives, or give other items of value like gift cards to patients who are participating in a clinical research study?**

In general, patients who participate in a clinical research study may be given payment and/or other items of value which is commensurate with their time and expenses incurred for coming to a UW Medicine research study site(s) for study-related visit(s). This is typically addressed during the informed consent process in which a potential participant is given detailed information about the research study so they can make an informed decision about whether to participate. Please note, however, there are numerous human subjects research principles which must be adhered to, as described in further detail in the [Subject Payment](#) guidance page on UW Human Subjects

Division (HSD) website. For further information, please contact HSD at [hsdinfo@uw.edu](mailto:hsdinfo@uw.edu) or **206.543.0098**. For financial, tax, and related information about subject payment, reference the UW Procurement Services [Pay Research Subjects](#) guidance page and/or contact UW Procurement Services at [pcshelp@uw.edu](mailto:pcshelp@uw.edu) or **206.543.4500**.

**8. Are there additional situations where giving things of value to patients is allowed under UW Medicine Policies?**

Yes, federal law allows us to give patients items of value in certain situations. However, each situation is very fact-dependent, so please contact Compliance at [comply@uw.edu](mailto:comply@uw.edu) / **206.543.3098** to discuss patient gift ideas or initiatives you think may meet one of the following:

- Waiving patient co-pays or deductibles based on a special circumstance, such as service recovery or financial need, which are only approved as outlined in #5 above.
- Certain modes of transportation assistance related to a patient's healthcare needs, such as providing a non-luxury, ground transportation ride home after discharge.
- Properly disclosed differences in health plan coinsurance and deductible amounts.
- Incentives to promote certain preventive healthcare services.
- Waiving certain hospital outpatient co-pays.
- Healthcare-related items or services which promote access to care and pose a low risk of harm to patients and Federal healthcare programs (e.g., Medicare, Medicaid, etc.).
- Coupons, rebates, or other rewards from a retailer that are offered for free or less than fair market value and:
  - are available to the public regardless of health insurance status; and
  - are not tied to the provision of other healthcare-related items or services reimbursed in whole or in part by a federal healthcare program.
- Healthcare-related items or services that are offered for free or less than fair market value and:
  - are not offered as part of any advertisement or solicitation; and
  - are not tied to the provision of other services reimbursed in whole or in part by Federal healthcare programs (e.g., Medicare, Medicaid, etc.);
  - there is a reasonable connection between the items or services and the healthcare needs of the individual; and
  - the person provides the items or services after determining in good faith that the individual is in financial need.
- Providing telehealth technologies to patients with End-Stage Renal Disease (ESRD) in accordance with specific requirements.<sup>1</sup>

**9. If the items I want to give to patients can be donated to UW Medicine, does that change any of these guidelines?**

No, the same guidelines and policies apply to donated items. In addition, soliciting items for donation must be done in coordination with UW Medicine Advancement to ensure gift acceptance policies and procedures are followed. Please contact UW Medicine Advancement at **206.543.6472** before reaching out to a potential donor.

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<sup>1</sup> [https://www.ssa.gov/OP\\_Home/ssact/title11/1128A.htm](https://www.ssa.gov/OP_Home/ssact/title11/1128A.htm)



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