



<b>DEPARTMENT:</b> Legal	<b>POLICY DESCRIPTION:</b> Nonphysician Practitioner Recruiting Assistance Agreements
<b>PAGE:</b> 1 of 9	<b>REPLACES POLICY DATED</b>
<b>EFFECTIVE DATE:</b> February 1, 2017	<b>REFERENCE NUMBER:</b> LL.030
<b>APPROVED BY:</b> Ethics and Compliance Policy Committee	

**SCOPE:** This Policy applies to HCA Holdings, Inc. (the “**Company**”) and all of its Affiliates operating in the United States (“**HCA Affiliates**”).

*Other capitalized terms used in this Policy and not otherwise defined have the meaning given to them below in the Definitions section.*

**PURPOSE:** To provide direction regarding Nonphysician Practitioner Recruiting Assistance Agreements by and among a hospital, a Physician (and a Physician Organization, if applicable) and a Qualified Nonphysician Practitioner (QNP).

**POLICY:** In certain limited circumstances in order to add a QNP in an Under-Served Geographic Location, a hospital may provide assistance to a Physician to recruit and compensate a QNP who will devote Substantially All of his or her Patient Care Services to furnishing Primary Care Services or mental health services to patients of the Physician’s practice in the Geographic Area Served by the Hospital (GSA).

Any agreement with a QNP or a Physician who is a Foreign Official must also comply with the Global Anti-Corruption Policy, LL.AC.001.

**DEFINITIONS:**

Affiliate means any person or entity Controlling, Controlled by or under common Control with another person or entity.

Approving Authority means the applicable Division President or Division CFO.

Control means the direct or indirect power to govern the management and policies of an entity; or the power or authority through a management agreement or otherwise to approve an entity’s transactions (includes Controlled, Controlling).

Geographic Area Served by the Hospital (“GSA”) means the area composed of the lowest number of contiguous zip codes from which the hospital draws at least 75 percent of its inpatients. Contiguous zip codes touch at least one other zip code in which inpatients reside. The hospital may include one or more zip codes from which the hospital draws no inpatients, provided such zip codes are entirely surrounded by contiguous zip codes in the GSA. If, on the effective date of the recruiting agreement, there is more than one configuration of the lowest number of contiguous zip codes that draw 75 percent of the facility’s inpatients, the hospital may select the configuration that it wishes to apply.

Immediate Family Member means husband or wife; birth or adoptive parent, child, or sibling; stepparent, stepchild, stepbrother, or stepsister; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; grandparent or grandchild; and spouse of a grandparent or grandchild.

Nonphysician Practitioner is a healthcare practitioner other than a Physician who can bill

<b>DEPARTMENT:</b> Legal	<b>POLICY DESCRIPTION:</b> Nonphysician Practitioner Recruiting Assistance Agreements
<b>PAGE:</b> 2 of 9	<b>REPLACES POLICY DATED</b>
<b>EFFECTIVE DATE:</b> February 1, 2017	<b>REFERENCE NUMBER:</b> LL.030
<b>APPROVED BY:</b> Ethics and Compliance Policy Committee	

independently for professional services (and not under a physician’s number “incident to” the physician’s services), including but not limited to a nurse practitioner, clinical nurse specialist, physician assistant, certified nurse-midwife, clinical social worker or clinical psychologist.

Patient care services are measured by one of the following: (1) the total time the individual spends on patient care services documented by any reasonable means (including, but not limited to, time cards, appointment schedules or personal diaries) or (2) any alternative measure that is reasonable, fixed in advance of the performance of the services being measured, uniformly applied over time, verifiable and documented.

Physician means physicians, osteopaths, oral surgeons, dentists, podiatrists, optometrists, and chiropractors.

Physician Organization means a physician, a physician practice or a physician group practice.

Primary Care Services means general family practice, general internal medicine, pediatrics, geriatrics, obstetrics and gynecology services.

Qualified Nonphysician Practitioner (or “QNP”) means: (1) a nurse practitioner, clinical nurse specialist, physician assistant, certified nurse-midwife, clinical social worker or clinical psychologist, (2) who is not excluded, suspended or debarred from any federal or state healthcare program and (3) who devotes Substantially All of his or her Patient Care Services to furnishing Primary Care Services or mental health services to patients of the Physician’s (or Physician Organization’s) practice.

Substantially All means at least seventy-five percent (75%).

Under-served Geographic Location is determined by one or more of the following (for purposes of this policy only):

1. a population to physician ratio in the community that is deficient in Primary Care Services or mental health services (with reference to the applicable ratio set forth by an independent non-interested entity, e.g., MGMA) applicable to the QNP being recruited (for example, physician deficiency in psychiatry for recruitment of mental health practitioner; physician deficiency in obstetrics for recruitment of certified nurse midwife; physician deficiency in Primary Care Services such as family practice or internal medicine for other QNPs); or
2. designation of the community (or that portion of the community that the Physician is serving) at the time the Nonphysician Practitioner Recruiting Assistance Agreement is executed as a Health Professional Shortage Area (HPSA) as defined in 42 CFR 5.1-5.4.

Company colleagues should consult the definition of Foreign Official, provided in the Global Anti-Corruption Policy, LL.AC.001, and be aware that Physicians and other employees of

<b>DEPARTMENT:</b> Legal	<b>POLICY DESCRIPTION:</b> Nonphysician Practitioner Recruiting Assistance Agreements
<b>PAGE:</b> 3 of 9	<b>REPLACES POLICY DATED</b>
<b>EFFECTIVE DATE:</b> February 1, 2017	<b>REFERENCE NUMBER:</b> LL.030
<b>APPROVED BY:</b> Ethics and Compliance Policy Committee	

hospitals or other facilities owned or controlled by national, state or local governments of any Foreign Country may be considered Foreign Officials under the Global Anti-Corruption Policy and Foreign Corrupt Practices Act.

**PROCEDURE:**

1. Requirements: All of the following requirements must be satisfied:

- a. Under-served Geographic Location: Recruitment of a QNP must be into an Under-served Geographic Location as supported by a current, documented community need analysis completed by an independent party in accordance with LL.003.
- b. Relocation Requirements: The QNP to be recruited must satisfy both of the following relocation requirements:

- i. During the 12 months prior to the commencement date of his or her compensation arrangement with the Physician (or Physician Organization), the QNP has not practiced in the hospital's GSA; and
- ii. During the 12 months prior to the commencement date of his or her compensation arrangement with the Physician (or Physician Organization), the QNP has not been employed or otherwise engaged to provide patient care services by a Physician or a Physician Organization that has a medical practice site located in the hospital's GSA, regardless of whether the QNP furnished services at such medical practice site.

**Note:** there is **NOT** an exception to these relocation requirements for QNPs who are completing training, who have been in practice one year or less or who were employed on a full-time basis for the immediately preceding two years by a federal or state prison, the Department of Defense, Department of Veteran Affairs or the Indian Health Service (as, for example, exists for such physicians, as discussed in LL.003). Questions regarding whether an individual QNP satisfies these relocation requirements should be reviewed by applicable Operations Counsel well in advance of any proposed arrangement.

- c. Practitioner must be a QNP: The practitioner must be a QNP. (No other types of Nonphysician Practitioner, and no Nonphysician Practitioners providing specialty services, qualify.)
- d. Amount of Remuneration:
  - i. The remuneration from the hospital—
    - A. does not exceed 50 percent of the actual compensation, signing bonus, and benefits paid by the Physician (or Physician Organization) to the QNP during a period not to exceed the first 12 consecutive months of the compensation arrangement between the QNP and the Physician (or the Physician Organization); and

<b>DEPARTMENT:</b> Legal	<b>POLICY DESCRIPTION:</b> Nonphysician Practitioner Recruiting Assistance Agreements
<b>PAGE:</b> 4 of 9	<b>REPLACES POLICY DATED</b>
<b>EFFECTIVE DATE:</b> February 1, 2017	<b>REFERENCE NUMBER:</b> LL.030
<b>APPROVED BY:</b> Ethics and Compliance Policy Committee	

<p>B. is not determined in a manner that takes into account (directly or indirectly) the volume or value of any actual or anticipated referrals by either the Physician (or any Physician in the Physician Organization) or the QNP (or any Nonphysician Practitioner in the Physician Organization's), or any other business generated between the parties.</p> <p>ii. The compensation, signing bonus, and benefits paid to the QNP by the Physician (or Physician Organization) does not exceed fair market value for the patient care services furnished by the QNP to patients of the Physician's (or Physician Organization's) practice. "Fair market value" should be determined using methodologies consistent with HCA Policy LL.025 ("Fair Market Valuations"). The hospital shall verify, in conjunction with HCA Physician Services Group (PSG), the actual compensation, signing bonus and benefits to be paid to the QNP by the Physician (or Physician Organization).</p> <p>iii. All compensation assistance provided by the hospital should be provided on a reimbursement basis after the Physician (or Physician Organization) has paid the expense and the hospital has received adequate documentation necessary to support such expense. On a monthly basis, the Physician (or Physician Organization) shall furnish the hospital with a monthly statement of actual costs and benefits paid to the QNP. Only after receipt of all such necessary supporting documentation shall the hospital approve payment consistent with the terms of the Nonphysician Practitioner Recruiting Assistance Agreement.</p> <p>iv. Reimbursement of up to 50% of any fair market value signing bonus should be prorated over the full period in which compensation assistance is provided (up to 12 months).</p> <p>v. "Benefits" include only health insurance, paid leave and other routine non-cash benefits offered to similarly situated employees of the Physician's (or Physician Organization's) practice.</p> <p>vi. The compensation assistance may include an amount associated with the relocation costs of the QNP joining the Physician's (or Physician Organization's) practice provided that: (A) the amount is included when calculating the actual aggregate compensation, signing bonus and benefits paid by the Physician (or Physician Organization) to the QNP, (B) the compensation assistance from the hospital does not exceed the 50% cap on actual compensation, signing bonus and benefits and (C) the compensation, signing bonus and benefits paid by the Physician (or Physician Organization) to the QNP, including any amounts associated with the relocation costs, does not exceed fair market value for the patient care services furnished by the QNP to the patients of the Physician's (or Physician Organization's) practice.</p> <p>vii. The hospital may not reimburse recruitment (e.g., headhunter), travel, entertainment or any other additional incremental costs/expenses attributed to</p>
---

<b>DEPARTMENT:</b> Legal	<b>POLICY DESCRIPTION:</b> Nonphysician Practitioner Recruiting Assistance Agreements
<b>PAGE:</b> 5 of 9	<b>REPLACES POLICY DATED</b>
<b>EFFECTIVE DATE:</b> February 1, 2017	<b>REFERENCE NUMBER:</b> LL.030
<b>APPROVED BY:</b> Ethics and Compliance Policy Committee	

the QNP in connection with the recruitment of the QNP. In addition, the hospital may not provide any other assistance to a Physician (or Physician Organization) in a contemplated recruitment or engagement of a Nonphysician Practitioner, except as specifically provided in this policy.

- e. Frequency Limitation; Limited Exception for a Replacement QNP: A hospital may only enter into a Nonphysician Practitioner Recruiting Assistance Agreement to provide QNP recruiting and compensation assistance *once* every three years with any Physician (and his or her Physician Organization). (For the avoidance of doubt, a hospital can only enter into one Nonphysician Practitioner Recruiting Assistance Agreement with a particular Physician Organization *once* every three years). The three year period is measured from the date the hospital initially provided remuneration to the Physician (or Physician Organization) to compensate an *original* (or prior) QNP under a Nonphysician Practitioner Recruiting Assistance Agreement.
- i. Limited Exception for a Replacement QNP: The above notwithstanding, in limited circumstances, where an *original* QNP (who was the subject of a Nonphysician Practitioner Recruiting Assistance Agreement) terminated his or her employment or contractual arrangement to provide patient care services with the Physician (or the Physician Organization) within one year of the commencement of such employment or contractual arrangement and has left (and no longer remains with) the Physician (or Physician Organization), a hospital may provide additional assistance to the Physician (or Physician Organization) to recruit and compensate a *replacement* QNP if all of the following criteria are satisfied:
- A. all requirements of this Policy are met with respect to the replacement QNP;
  - B. the aggregate remuneration from the hospital to the Physician (or Physician Organization) does not exceed 50% of the actual aggregate compensation, signing bonus and benefits paid to the replacement QNP; and
  - C. the assistance is limited to the remainder of the one year period that began on the date of the compensation arrangement between the *original* QNP and the Physician (or Physician Organization).
- ii. Limited Exception Example. For example, if a hospital agrees to provide assistance with respect to an original QNP's for 12 months beginning January 1 (i.e., the date of the QNP's employment agreement with the Physician or Physician Organization) and the original QNP terminates his or her employment with the Physician (or Physician Organization) on March 30, but is replaced by a replacement QNP June 1, the hospital can additionally provide to the Physician (or Physician Organization) under a separate replacement Nonphysician Practitioner Recruiting Assistance Agreement up to 50% of the compensation,

<b>DEPARTMENT:</b> Legal	<b>POLICY DESCRIPTION:</b> Nonphysician Practitioner Recruiting Assistance Agreements
<b>PAGE:</b> 6 of 9	<b>REPLACES POLICY DATED</b>
<b>EFFECTIVE DATE:</b> February 1, 2017	<b>REFERENCE NUMBER:</b> LL.030
<b>APPROVED BY:</b> Ethics and Compliance Policy Committee	

signing bonus and benefit costs of the replacement QNP for the period June 1 to December 31. Note that the “clock runs” on the arrangement even while there is no QNP working; the assistance may not be tolled and provided over a longer period.

- f. Compensation Arrangement between QNP and Physician (or Physician Organization): The QNP must have a direct compensation arrangement with the Physician (or Physician Organization) that is either an employment or independent contractor arrangement under which remuneration passes directly between the parties, but does not include a QNP’s ownership or investment interest in a Physician Organization.

Accordingly, a QNP is not permitted to have an ownership or investment interest in the Physician’s (or Physician Organization’s) practice. Moreover, a hospital shall not provide remuneration to a Physician (or Physician Organization) to assist with conferring an ownership or investment interest in the Physician Organization upon a Nonphysician Practitioner.

An arrangement between a Physician (or Physician Organization) and a third party or intervening entity (such as a staffing company) that has the direct contractual or employment arrangement with the QNP is not permitted.

The Physician (or Physician Organization) shall provide the hospital with a copy of the written compensation arrangement between the Physician (or Physician Organization) and the QNP or any other documentation of the compensation, signing bonus and other benefits provided to the QNP.

- g. Additional Practice Restrictions: The Physician (or Physician Organization) may not impose on the QNP any additional practice restrictions that unreasonably restrict the QNP’s ability to provide patient care services in the hospital’s GSA other than (i) those permitted by HCA PSG and pre-approved by applicable Operations Counsel and/or (ii) conditions related to quality of care. Additionally, the Physician (or Physician Organization) may not seek to recoup from the QNP amounts paid or provided by the hospital under the Nonphysician Practitioner Recruiting Assistance Agreement in the event of the QNP’s breach of the QNP’s compensation agreement with the Physician (or Physician Organization).
- h. Nonphysician Practitioner Recruiting Assistance Agreement Requirements: The Nonphysician Practitioner Recruiting Assistance Agreement must:
- i. be set out in writing and signed by the QNP, the Physician, the Physician Organization (if applicable), and the hospital (by the hospital CEO or other approved delegate) before the QNP begins practice in the hospital’s GSA and before any payments are made under the Nonphysician Practitioner Recruiting Assistance Agreement;
  - ii. require the QNP, the Physician and the Physician Organization (if applicable) to represent and warrant that he/she/it expects that Substantially All of the Patient



<b>DEPARTMENT:</b> Legal	<b>POLICY DESCRIPTION:</b> Nonphysician Practitioner Recruiting Assistance Agreements
<b>PAGE:</b> 7 of 9	<b>REPLACES POLICY DATED</b>
<b>EFFECTIVE DATE:</b> February 1, 2017	<b>REFERENCE NUMBER:</b> LL.030
<b>APPROVED BY:</b> Ethics and Compliance Policy Committee	

	<p>Care Services that the QNP furnishes to patients of the Physician's (or Physician Organization's) practice are/will be Primary Care Services or mental health services;</p> <ul style="list-style-type: none"> <li>iii. require the QNP, the Physician and the Physician Organization (if applicable) to provide the hospital with a copy of the written compensation arrangement between the Physician (or Physician Organization) and the QNP or any other documentation of the compensation, signing bonus and other benefits provided to the QNP;</li> <li>iv. require the QNP, the Physician and the Physician Organization (if applicable) to make available to the hospital the data used to document the percentage of time spent by the QNP on Patient Care Services upon request;</li> <li>v. must specify the remuneration provided by the hospital and the terms under which they are provided, and the obligations of each party;</li> <li>vi. state that the remuneration will not be provided by the hospital for a period exceeding twelve months;</li> <li>vii. require the Physician and the Physician Organization (if applicable) on a monthly basis to furnish the hospital with a monthly statement of actual costs and benefits paid to the QNP and all such supporting documentation necessary for the hospital to approve payment consistent with the terms of the Nonphysician Practitioner Recruiting Assistance Agreement;</li> <li>viii. require the QNP, if he or she agrees to treat patients receiving medical benefits or assistance under any federal health care program, to treat them in a nondiscriminatory manner;</li> <li>ix. state that the arrangement is not conditioned on the Physician's (or other Physicians' or practitioners' in the Physician Organization) or the QNP's referrals to the hospital;</li> <li>x. state that the QNP is not prohibited from maintaining staff privileges at, referring to or generating business for other facilities;</li> <li>xi. state that the Physician (and other Physicians and practitioners in the Physician Organization) and the QNP are not required to refer patients to the hospital;</li> <li>xii. state the remuneration provided by the hospital is not determined in a manner that takes in to account (directly or indirectly) the volume or value of any referrals by the QNP or the Physician (or the Physician Organization) or any other business generated between the parties;</li> <li>xiii. require the QNP, the Physician and the Physician Organization (if applicable) to comply with hospital's criminal background and federal/state healthcare program exclusion searches and requirements; and</li> <li>xiv. require the Physician and the Physician Organization (if applicable) to maintain records of the actual amount of remuneration/compensation provided by the</li> </ul>
--	--

<b>DEPARTMENT:</b> Legal	<b>POLICY DESCRIPTION:</b> Nonphysician Practitioner Recruiting Assistance Agreements
<b>PAGE:</b> 8 of 9	<b>REPLACES POLICY DATED</b>
<b>EFFECTIVE DATE:</b> February 1, 2017	<b>REFERENCE NUMBER:</b> LL.030
<b>APPROVED BY:</b> Ethics and Compliance Policy Committee	

Physician (or the Physician Organization) to the QNP for a period of at least six years and make available to the Secretary of the Department of Health and Human Services upon request.

- i. Records: Records of the actual amount of remuneration provided pursuant to the Nonphysician Practitioner Recruiting Assistance Agreement by the hospital to the Physician (or Physician Organization), and by the Physician (or Physician Organization) to the QNP, must be maintained for a period of at least 6 years and made available to the Secretary of the Department of Health and Human Services upon request.
2. No Physician Immediate Family Members. A Physician (or Physician Organization) is not eligible for assistance to recruit or compensate a QNP who is an Immediate Family Member of the Physician or any Physician in the Physician Organization.
3. Recruitment of a Nonphysician Practitioner Into Independent Practice (and who is **NOT** joining a Physician or Physician Organization): Occasionally, a hospital desires to recruit a Nonphysician Practitioner who will practice independently (i.e., will not join a Physician or Physician Organization) and whose practice will in no way benefit a Physician or Physician Organization. Such independent Nonphysician Practitioner must be permitted under state licensing law to bill and provide services independently under the practitioner's own name and the practitioner must not be providing or billing services "incident to" a Physician's (or Physician Organization's) practice or for the benefit of a Physician (or Physician Organization). Generally, the same conditions and terms are applicable to the recruitment of these independent Nonphysician Practitioners as to Physicians, and reference should be made to HCA Policy LL.003, Physician Recruiting Agreements. (In contrast, a hospital's recruitment of a Nonphysician Practitioner into a Physician's (or Physician Organization's) practice may only be done as provided in this HCA Policy LL.030.) Expenses related to Nonphysician Practitioners may not be considered "additional incremental expenses" in Physician recruiting arrangements under HCA Policy LL.003. Consult applicable Operations Counsel regarding the potential recruitment of a Nonphysician Practitioner into independent practice. Any recruitment of a Nonphysician Practitioner into independent practice must be approved by applicable Operations Counsel.
4. Certifications: The CEO of the hospital will be required to certify with respect to each Nonphysician Practitioner Recruiting Assistance Agreement that:
  - a. the Nonphysician Practitioner is a QNP;
  - b. during the 12 months prior to the commencement date of his or her compensation arrangement with the Physician (or Physician Organization), the QNP has not practiced in the hospital's GSA;
  - c. during the 12 months prior to the commencement date of his or her compensation arrangement with the Physician (or Physician Organization), the QNP has not been



<b>DEPARTMENT:</b> Legal	<b>POLICY DESCRIPTION:</b> Nonphysician Practitioner Recruiting Assistance Agreements
<b>PAGE:</b> 9 of 9	<b>REPLACES POLICY DATED</b>
<b>EFFECTIVE DATE:</b> February 1, 2017	<b>REFERENCE NUMBER:</b> LL.030
<b>APPROVED BY:</b> Ethics and Compliance Policy Committee	

employed or otherwise engaged to provide patient care services by a Physician or a Physician Organization that has a medical practice site located in the hospital's GSA, regardless of whether the QNP furnished services at such medical practice site;

- d. the compensation, signing bonus and benefits paid by the Physician (or Physician Organization) to the QNP do not exceed fair market value for the patient care services furnished by the QNP to patients of the Physician's (or Physician Organization's) practice;
- e. the hospital has not entered into a Nonphysician Practitioner Recruiting Assistance Agreement with the particular Physician (and/or his or her Physician Organization) in the past 36 months;
- f. there is a documented community need for the recruitment; and
- g. except as disclosed in the Certificate, there are no other agreements (oral or written) among the parties.

The Approving Authority must approve the terms of the Nonphysician Practitioner Recruiting Assistance Agreement.

**REFERENCES:**

1. Stark Law (42 U.S.C. § 1395nn and its implementing regulations and preamble discussions, including 42 CFR 411.357(x) ("Assistance to Compensate a Nonphysician Practitioner") and 80 Fed. Reg. 71300 et. seq. (Nov. 16, 2015));
2. Federal Anti-kickback Statute (42 U.S.C. § 1320a-7b) and related Safe Harbors (42 C.F.R. § 1001.952(a)-(v));
3. Physician Recruiting Agreements Policy, [LL.003](#)
4. Fair Market Valuations, [LL.025](#)
5. Global Anti-Corruption Policy, [LL.AC.001](#)