

AdvaMed Benchmarking Survey

Providing Meals to U.S. Health Care Professionals (2018)

BACKGROUND

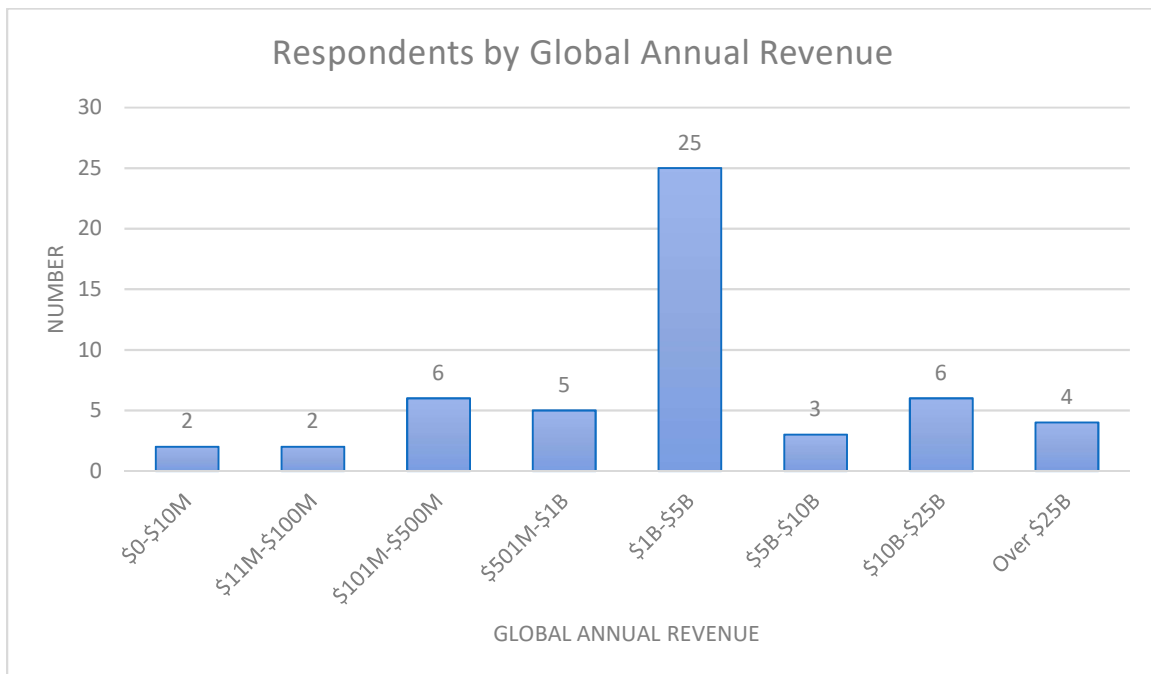
In Q3 and Q4 2018, AdvaMed surveyed its members regarding their policies on meals with U.S. Health Care Professionals (US HCPs). 53 companies completed the survey. This document summarizes the survey responses, including additional commentary submitted by some (but not all) companies. The responses reflect a broad cross-section of company policies, and it is not intended to reflect all medical technology company policies on meals.

AdvaMed strongly encourages companies to adopt policies on meals provided to US HCPs, including addressing many of the aspects summarized in this benchmarking data.

Note: The information contained in this report is intended to provide benchmarking data on companies' existing policies only. It is not intended to endorse or mandate any one particular approach for medical technology companies' policies on providing meals to US HCPs.

DEMOGRAPHIC INFORMATION

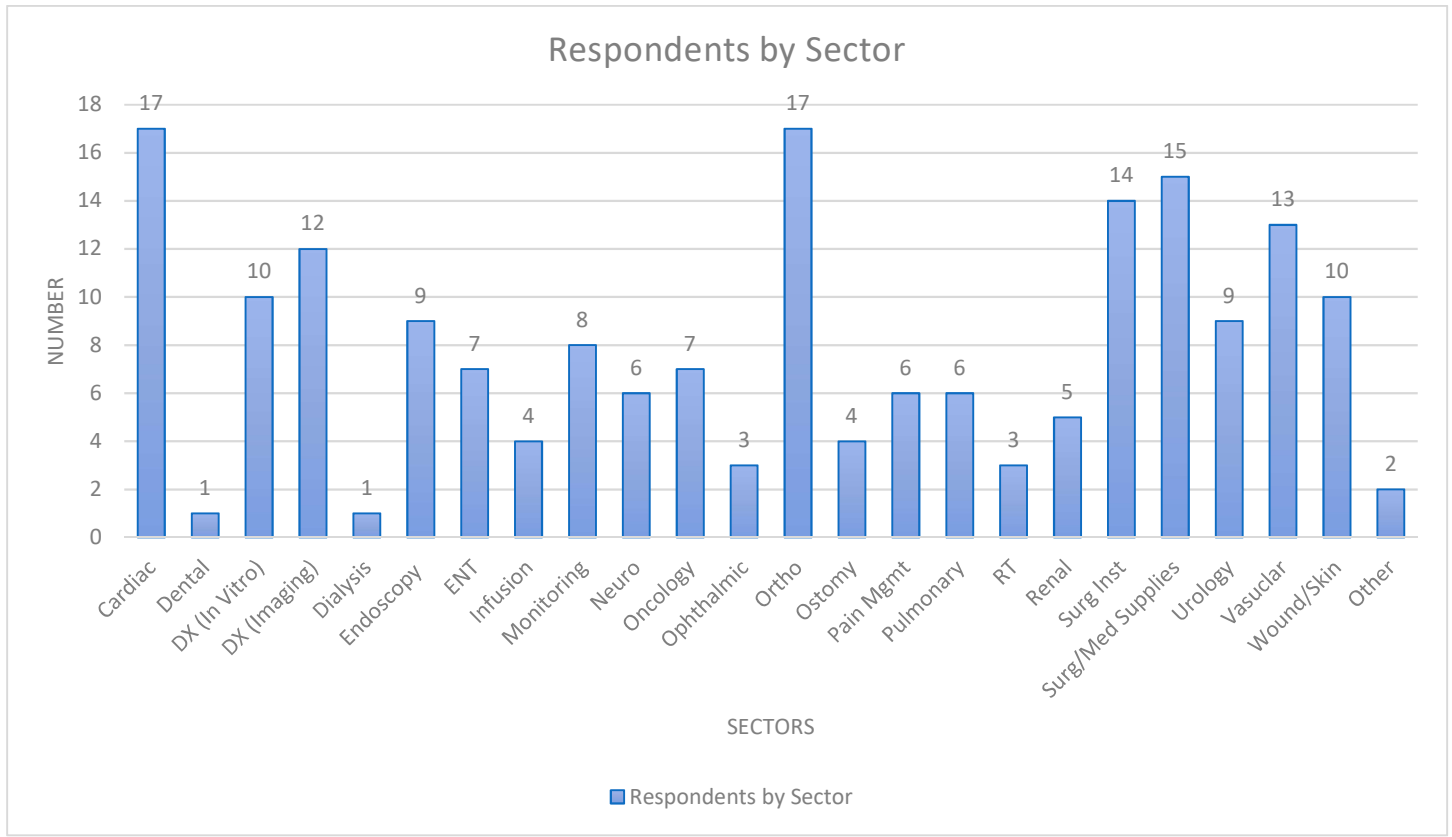
Respondents reflected a broad cross-section of company sizes (by annual global revenue) and sector:



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Respondents also reflected a broad cross-section of sectors within the medical technology industry:



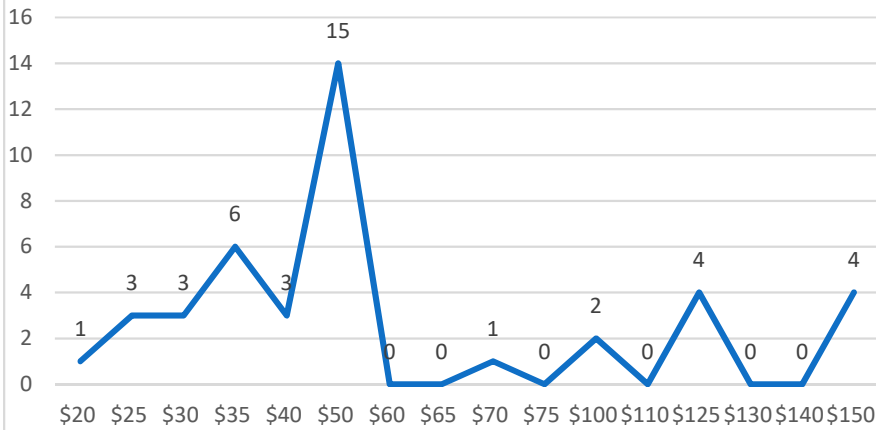
MEAL SPENDING LIMITS

Does your company have a policy on providing meals to U.S. HCPs?	100% of companies (53) responded that they maintain a policy on providing meals to U.S. HCPs.
Does your company's meal policy include per person spending limits for meals with U.S. HCPs?	Approximately 85% of companies (45) responded that their meal policies include a per person spending limit for meals with U.S. HCPs (i.e. \$X per person per meal with a U.S. HCP). Approximately 15% of companies (8) responded that their meal policies do not include a per person spending limit.

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Per Person Meal Limits - **Breakfast**

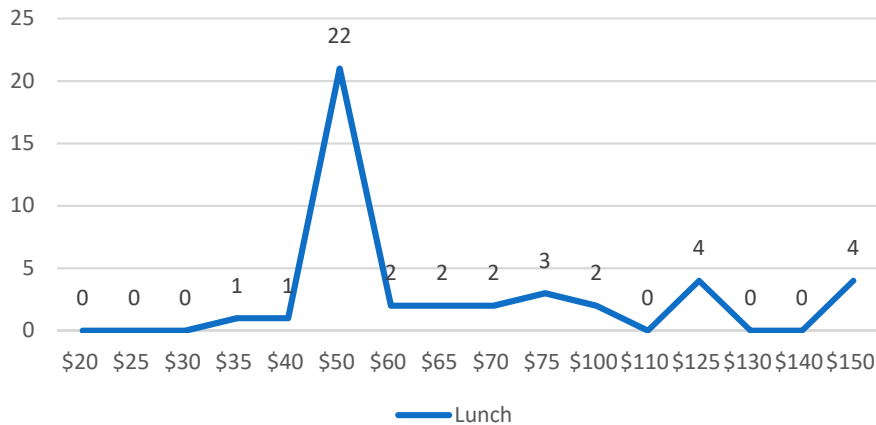


Range of Per Person Breakfast Spend Limits: **\$20 - \$150**

Average Per Person Breakfast Spend Limit: **\$63**

Most Common Per Person Breakfast Spend Limit: **\$50**

Per Person Meal Limits - **Lunch**

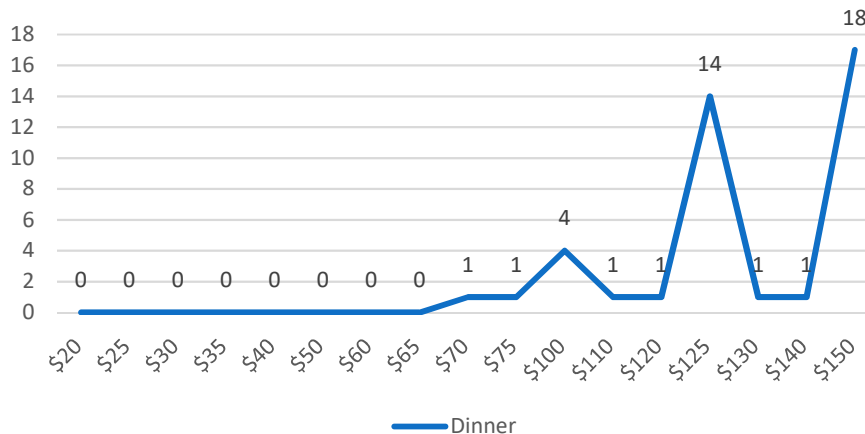


Range of Per Person Lunch Spend Limits: **\$20 - \$150**

Average Per Person Lunch Spend Limit: **\$72**

Most Common Per Person Lunch Spend Limit: **\$50**

Per Person Meal Limits - **Dinner**



Range of Per Person Dinner Spend Limits: **\$75 - \$150**

Average Per Person Dinner Spend Limit: **\$133**

Most Common Per Person Dinner Spend Limit: **\$150**

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What formula or methodology do you use to set your per person spending limits? (Select all that apply)	Of the 45 companies with a per person spending limit: • Approximately 71% (32) responded that they use benchmarking data about peer companies' meal limits to set their own limits • Approximately 28% (13) responded that they do not have a separate methodology for establishing their meal limits • Approximately 11% (5) responded that they use a vendor or consultant to help set limits • Approximately 4% (2) responded that they use the same meal limits as their employee-only limits • One company responded that it uses IRS or government guidance to set meal limits.
Which of the following meals do you exempt from your US HCP meal spending limits? (Select all that apply)	Of the 45 companies with a per person spending limit: • Approximately 87% (39) indicated that they have no exceptions to their meal spending limits • Approximately 9% (4) responded that they except meals held in connection with third-party educational conferences from their meal spending limits • Approximately 7% (3) responded that they except "large group meals" from their meal spending limits • One company indicated that it excepts "meals with company executives / senior management" from its meal spending limits

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HIGH COST CITIES

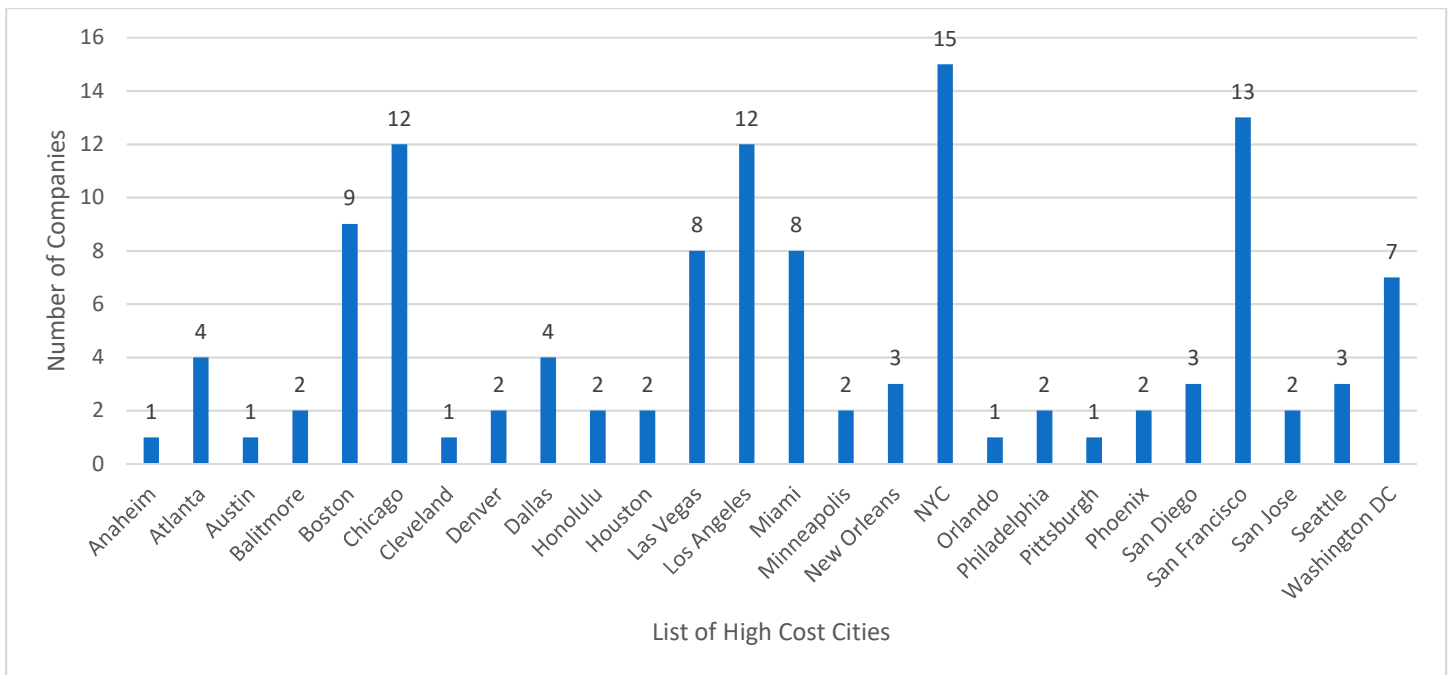
Do your meal spending limits vary based on geography within the United States (for example, meals in NYC are subject to a higher limit)?	Approximately 68% of companies (36) responded that their meal policy spending limits do not vary based on geography within the United States. Approximately 28% of companies (15) responded that their meal policy spending limits vary based on geography within the United States. One company did not respond to this question. Only some companies listed their high-cost city spending limits, which ranged from \$150 per person to \$190 per person
What methodology do you use to calculate your higher meal spending limits? (Select all that apply)	Of the companies who maintain higher spend limits for high cost cities: • 11 indicated that they increase standard US HCP meal limits by a specific dollar value (ex: high cost city limits are \$25 per person more than our standard meal limits) • Seven companies indicated that they use benchmarking data about peer companies' meal limits in high cost cities • One company indicated that it uses IRS or other government guidance to form the basis of our meal limits • One company uses the same meal limits for employee-only meals • One company uses a vendor or consultant to assist in establishing meal limits in high cost cities • One company sets higher cost cities based on management experience
What methodology do you use to identify the cities that qualify for higher meal spending limits? (Select all that apply)	Of the companies who maintain higher spend limits for high cost cities: • Eight companies indicated that they take recommendations for high cost cities from employees and vet them internally • Six companies indicated that they use government data to identify the US cities with the highest cost of living

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- Three companies indicated that they use benchmarking data about peer companies' policies
- One company uses a vendor or consultant to assist in identifying high cost cities
- One company identifies high cost cities based on management experience

Companies with higher spend limits in high cost cities indicated that the following are the high cost cities to which their policies apply:



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OTHER DETAILS

Do your meal spending include or exclude tax and/or tip from the calculation?	Of the 45 companies with a per person spending limit: • Approximately 80% (36) indicated that their meal spending limits include tax • 76% (34) indicated that their meal spending limits include tip • 76% (34) indicated that their meal spending limits include both tax and tip • 24% (11) indicated that their meal spending limits exclude tip • 20% (9) indicated that their meal spending limits exclude tax • 20% (9) indicated that their meal spending limits exclude both tax and tip • Approximately 4% (2) include tax but exclude tip
Do your meal spending limits vary based on the setting of the meal (for example, a restaurant meal vs. an in-office meal)?	Approximately 85% of companies (45) responded that their meal policy spending limits do not vary based on the setting of the meal. Approximately 13% of companies (7) indicated that their meal policy limits vary based on the setting of the meal. • Five companies noted specific meal limits of \$25 per person for the in-office setting • One company noted specific meal limit of \$30 per person for the in-office setting • One company noted \$10 limit for snacks; \$25 limit for lunch/dinner; and \$60 per day limit for the in-office setting One company declined to respond.

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Does your company have limits on the frequency or number of times that an employee can provide a meal to a specific HCP?	Approximately 43% of companies (23) responded that they limit frequency or number of times an employee can provide a meal to a specific HCP. Approximately 55% of companies (29) responded that they do not limit frequency or number of times an employee can provide a meal to a specific HCP. Approximately 53% of companies (28) indicated that they limit meals to being provided on an “infrequent” or “occasional” basis One company declined to respond.
Does your company have a requirement that there must be a minimum ratio of employees to U.S. HCPs at a meal?	Approximately 85% of companies (45) responded that they do not require that there must be a minimum ratio of employees to U.S. HCPs at a meal. • Four companies noted that there should be an appropriate ratio of employees to HCPs to allow for meaningful discussion • Three companies noted that there must be at least one company employee at the meal
Does your company prohibit splitting checks at meals with U.S. HCPs?	Approximately 57% of companies (30) responded that their meal policy prohibits splitting checks at meals with U.S. HCPs. Approximately 42% of companies (22) responded that their meal policy does not prohibit splitting checks at meals with US HCPs One company declined to respond.

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Does your company maintain an annual aggregate spending cap on meals with U.S. HCPs?	Approximately 74% of companies (39) responded that they do not maintain an annual aggregate spending cap on meals with U.S. HCPs. Approximately 23% of companies (12) responded that they maintain an annual aggregate spending cap on meals with US HCPs: • 5 companies indicated an aggregate cap for California HCPs • 4 companies indicated standard per employee per HCP annual spend cap • 3 companies indicated that they apply certain Stark Law caps due to the nature of their businesses
Does your company mandate any transparency requirement at a U.S. HCP meal (ex: consent form or other acknowledgement)?	Approximately 66% of companies (35) indicated that they do not mandate any transparency or disclosure requirements at a U.S. HCP meal. Approximately 32% of companies (17) indicated that they mandate transparency or disclosure requirements at a US HCP meal. Of these: • 13 companies indicated that they mandate the use of a sign-in sheet • One company indicated that it uses a badge scanner at US HCP meals (depending upon the setting) • One company noted that it requires HCPs to sign an acknowledgement that their employer allows the meal, not licensed in Vermont, and aware of transparency obligation One company declined to respond.
Do you apply your US meal limits to interactions with US HCPs when they are traveling abroad?	Approximately 75% of companies (40) indicated that they apply their US meal limits to interactions with US HCPs when they are traveling abroad. Approximately 19% of companies (10) indicated that they do not. Three companies declined to respond.

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<u>Government Employees</u> Does your company have separate meal limits for interactions with US HCPs who are local, state, or federal government employees?	• 75% of companies (40) indicated that they do not have separate meal limits for US HCPs who are also government employees • Approximately 21% of companies (11) indicated that they do have separate government employee policies • Two companies declined to respond.
<u>Alcohol at Meals</u> What limits does your company place on providing alcohol in connection with US HCP meals? (Select all that apply)	• Approximately 38% of companies (20) do not place limits on alcohol • Approximately 21% of companies (11) prohibit alcohol-only interactions • Approximately 19% of companies (10) limit attendees to a certain number of drinks per person • Approximately 8% of companies (4) limit certain types of alcohol but not others (for example, shots) • One company indicated that all alcohol is prohibited
Are your US HCP meal spending limits the same as your employee-only meal spending limits?	• Approximately 89% of companies (47) indicated that their US HCP and employee-only meal limits are not the same • Approximately 7% of companies (4) indicated that their US HCP and employee-only meal limits are the same • Two companies declined to respond.
Is your company subject to a settlement agreement that requires you to undertake specific compliance measures?	• Only four companies indicated that they are subject to a settlement agreement that requires specific compliance measures • Of these, none of the specific compliance measures relates to establishing meal spending limits