



Policy: AA.1204
Title: **Gifts, Honoraria, and Travel Payments**
Department: CalOptima Health Administrative
Section: Not Applicable

CEO Approval: /s/ Michael Hunn 07/25/2024

Effective Date: 01/10/1996

Revised Date: 07/01/2024

Applicable to: ☐ Medi-Cal
☐ OneCare
☐ PACE
☒ Administrative

I. PURPOSE

This policy ensures that CalOptima Health Employees and officials comply with established legal and ethical limits to avoid any Conflict of Interest, when offered an Honorarium, Gift, or Travel Payment from any outside source.

II. POLICY

A. Prohibition on Receipt of Honoraria

1. A CalOptima Health Employee or official (designated or non-designated) shall not accept an Honorarium in connection with their responsibilities at CalOptima Health.
2. If a CalOptima Health Employee or official is offered an Honorarium from any source, they shall decline the offer, but may suggest that the donor present the Honorarium to the CalOptima Health general fund as a donation within thirty (30) days after receipt.
3. The following forms of compensation are not considered Honoraria and must be reported as income on a designated Employee's Form 700 Statement of Economic Interests:
 - a. Income earned from personal services in connection with an Employee's bona fide business, trade, or profession; and
 - b. Compensation for speeches, conference attendance, publication of articles, or attendance at any public or private conference, convention, meeting, social event, meal, or like gathering in connection with an Employee's bona fide profession.
4. Additional exceptions to the definition of Honorarium are included under Title 2, California Code of Regulations, Sections 18930 through 18933, and may include, but are not limited to:
 - a. Information materials;
 - b. Campaign contributions;

- c. Personalized plaque or trophy with an individual value of less than two hundred fifty dollars (\$250);
- d. Free admission, refreshments, and similar non-cash nominal benefits provided during the entire event at which the Employee or officer gives a speech, participates in a panel or seminar, or provides a similar service; or
- e. Actual intrastate transportation and any necessary lodging and subsistence provided directly in connection with the speech, panel, seminar, or service, including but not limited to meals and beverages on the day of the activity.

B. Prohibition on Receipt of Gifts Greater Than Five Dollars (\$5.00)

1. CalOptima Health Employees and officials shall not solicit or accept any personal gift, money, food, beverages, tickets, passes, special accommodations, services, favors, or the use of property or facilities, totaling more than five dollars (\$5) in a calendar year from any person who the Employee or official knows, or has reason to know, is doing business with or intends to do business with CalOptima Health, unless an exception under applicable laws and regulations or as provided herein applies.
 - a. This prohibition is not meant to preclude the acceptance of:
 - i. Free attendance or participation at official or quasi-official functions in the regular course of an Employee's job responsibilities or events in which the Employee attends in a representative capacity as an Employee of CalOptima Health;
 - ii. Free food, beverages, and/or entertainment that are part of such programs and functions; and/or
 - iii. Gifts of nominal value such as promotional items in the form of calendars, key chains, scratch pads, recyclable bags, etc.
2. The following items will not be considered Gifts to an Employee or official:
 - a. Items that are returned to the donor unused and without receiving anything of value in exchange for the returned gift within thirty (30) days after receipt;
 - b. Items that are given to an Employee or official and donated, unused, to a 501(c)(3) charitable organization within thirty (30) days after receipt.
3. Additional regulations governing Gifts, including exceptions, are included under Title 2, California Code of Regulations, sections 18940 through 18946.5.
4. Pursuant to the Federal Anti-Kickback Statute, a CalOptima Health Employee or official (designated or non-designated) shall not solicit or receive any gift or remuneration of any amount (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind, to induce the referral of business reimbursable under the Medi-Cal or Medicare programs.

C. Travel Payment Exceptions to the Honoraria and Gift Prohibitions

1. Payments, advancements or reimbursements for travel, including actual transportation and related lodging and subsistence, that is reasonably related to a legislative or governmental purpose may be an exception to the Gift and Honoraria prohibition.
2. The following types of Travel Payments are not subject to any limit and are not reportable on a Statement of Economic Interests Form 700:
 - a. Travel payments provided to a CalOptima Health Employee or official by CalOptima Health or by any state, local, or federal government agency which would be considered income;
 - b. Travel provided to the Employee or official in a vehicle or aircraft owned by another Employee, official or agency when each Employee or official is traveling to or from the same location for an event as a representative of their respective offices; or
 - c. Travel payments limited to the duration necessary to accomplish the purposes for which the travel was provided, made in conjunction with official CalOptima Health business in lieu of using CalOptima Health funds if the following applies to the payment:
 - i. Used for official agency business, with the agency deciding who will do the traveling, where the official agency business is to:
 - a) Fulfill a contract term that requires the contracting party to pay any expenses associated with any CalOptima Health travel resulting from CalOptima Health's participation in the contract and payment is used for that purpose;
 - b) Perform regulatory inspections or auditing function that CalOptima Health is mandated to perform;
 - c) Provide training or educational information directly related to the duties of CalOptima Health;
 - d) Attend educational conference directly related to CalOptima Health's functions or duties where the Employee or official is a named presenter at the conference and the payment is made by the organizers of the event;
 - e) Receive training directly related to an Employees or official's duties;
 - f) Participate in a working group meeting in which food is provided to all attendees of the work group and the Employee or official participates as a representative of CalOptima Health under officially assigned job duties; or
 - g) View an operation, structure, or facility to help make a decision whether to enter into a contract regarding a similar operation.
 - ii. Made directly to CalOptima Health or by making arrangements with CalOptima Health to make payments directly to the transportation or lodging providers and not made to the Employee using the travel;
 - iii. Provide no personal benefit to the individual who uses the payment; and
 - iv. Reported by CalOptima Health on a Form 801.

3. The following types of Travel Payments are not subject to any limits but must be reported on a designated Employee's Statement of Economic Interests Form 700:
 - a. Travel within the United States that is reasonably related to a legislative or governmental purpose or to an issue of state, national, or international public policy, and in connection with an event at which the designated Employee gives a speech, participates in a panel, or makes a substantive formal presentation at a seminar or similar event. Lodging and subsistence expenses in this case are limited to the day immediately preceding, the day of, and the day immediately following the speech, panel, or presentation.
 - b. Travel that is reasonably necessary in connection with a bona fide business, trade, or profession, and which satisfies the criteria for federal income tax deductions for business expenses specified in Sections 162 and 274 of the Internal Revenue Code. For reporting purposes, these Travel Payments would be considered part of the salary, wages, and other income received from the business entity.
4. Additional regulations governing Travel expenses, including a full listing of all exceptions, are included under Government Code section 89506 and Title 2, California Code of Regulations, Sections 18950 through 18950.4.

III. PROCEDURE

- A. Consistent with all applicable laws and CalOptima Health policies, designated Employees and officials shall report all gifts and income annually on the Statement of Economic Interest Form 700. All Employees (designated and non-designated) are required to submit a completed CalOptima Health Supplement to Form 700 upon hire and annually.
- B. The Clerk of the Board shall report all Gifts and Ticket donations to CalOptima Health in accordance with CalOptima Health Policy AA.1216: Solicitation and Receipt of Gifts to CalOptima Health.

IV. ATTACHMENT(S)

Not Applicable

V. REFERENCE(S)

- A. CalOptima Health Conflicts of Interest Code
- B. CalOptima Health Policy AA.1216: Solicitation and Receipt of Gifts to CalOptima Health
- C. CalOptima Health Policy GA.8012: Conflicts of Interest
- D. California Code of Regulations, Title 2, Sections 18930 through 18961 (Honoraria, Gifts, Travel Payments)
- E. California Government Code, Sections 89500 through 89506
- F. Title 42, United States Code, Section 1320a-7b(b)

VI. REGULATORY AGENCY APPROVAL(S)

None to Date

VII. BOARD ACTION(S)

Date	Meeting
06/04/2020	Regular Meeting of the CalOptima Board of Directors

VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	01/10/1996	AA.1204	Gifts, Honoraria, and Travel Payments	Administrative
Revised	10/01/1998	AA.1204	Gifts, Honoraria, and Travel Payments	Administrative
Revised	07/01/2007	AA.1204	Gifts, Honoraria, and Travel Payments	Administrative
Revised	06/04/2020	AA.1204	Gifts, Honoraria, and Travel Payments	Administrative
Revised	10/01/2022	AA.1204	Gifts, Honoraria, and Travel Payments	Administrative
Revised	09/01/2023	AA.1204	Gifts, Honoraria, and Travel Payments	Administrative
Revised	07/01/2024	AA.1204	Gifts, Honoraria, and Travel Payments	Administrative

IX. GLOSSARY

Term	Definition
Conflict of Interest	A situation in which a person is in a position to derive personal benefit from actions or decisions made in their official capacity.
Employee	For purposes of this policy, includes, but is not limited to, all full-time and part-time regular CalOptima Health employees, all temporary Employees, interns, CalOptima Health Board members, and applicable contractors and consultants.
Gift	For purposes of this policy, a gift is any payment or other benefit given to a CalOptima Health Employee or official for which the Employee or official does not provide goods or services of equal or greater value.
Honorarium/Honoraria	For purposes of this policy, Any payment made in consideration for any speech given, article published, or attendance at any public or private conference, convention, meeting, social event, meal, or like gathering, that is connected to an Employee's or official's responsibilities at CalOptima Health.
Travel Payment	Payments, advances, or reimbursements for travel, including actual transportation and related lodging and subsistence that is reasonably related to an Employee's or official's responsibilities at CalOptima Health.