



HealthTrust Purchasing Group 2006 Public Accountability Questionnaire

1. **Does the GPO have a written code of business ethics and conduct? (Please provide copy and describe any changes since the last submission.)**

Answer: Yes. HPG has a written [Code of Conduct](#) for all individuals involved with HPG operations which provides guidance to ensure HPG's work is performed in an ethical and legal manner and emphasizes the shared common values and culture that guide HPG's actions. HPG also has a [Business Relationship Statement](#) that is provided to all HPG suppliers to further communicate HPG's expectations for vendor conduct with respect to HPG and its members. These are both available on HPG's public website.

2. **Does the GPO have policies and procedures that address conflicts of interest for all individuals involved in group purchasing and for members of the Board of Directors and/or the GPO's governing body? (Please provide.)**

Answer: Yes. HPG has a [Vendor Relations Policy](#) [HPG.002], a [Conflict of Interest Policy](#) [HPG.003] and a [Business Relationship Statement](#) (described in #1 above) that address conflicts of interest for HPG employees, clinical advisory boards, equity owners, and independent contractors. These are all available on HPG's public website.

3. **Does the GPO have policies and procedures that address company activities, including other lines of business, that might constitute conflicts of interest to the independence of its purchasing activity? (Please provide.)**

Answer: Yes. *HPG is a dedicated Group Purchasing Organization with no other lines of business.* HPG's mission is to obtain the best price for clinically recommended products, ensure their timely delivery, and continuously evaluate and improve services to patients, physicians and clinicians served by HPG. HPG has several policies and procedures that address company activities that might constitute conflicts of interest:

- [Vendor Relations Policy](#) [HPG.002] – articulates guidelines for HPG colleagues in their relationship with vendors doing business with HPG and defines expectations of vendors in their interactions with HPG and its colleagues.
- [Conflict of Interest Policy](#) [HPG.003] – provides procedures to ensure that HPG colleagues avoid conflicts of interest or the appearance of conflicts of interest and to promote competitive procurement to the maximum extent possible by ensuring that vendors are fairly chosen based on objective criteria.
- [Educational Events Policy](#) [HPG.004] – provides direction for the receipt of educational grants from vendors to help underwrite the costs of educational events.
- [Business Courtesies Policy](#) [HPG.005] – establishes parameters for the extension of business courtesies to vendor representatives, potential members, potential referral sources to HPG member healthcare providers, and other business contacts, and their immediate family members.

- [Entertainment Policy](#) [HPG.006] – provides rules related to receipt of business courtesies from any representatives from vendors, potential members, existing members, and potential referral sources to HPG members.
- [Vendor Promotional Training Policy](#) [HPG.007] – establishes parameters surrounding acceptance of vendor funding for attending vendor-sponsored seminars, training, and other kinds of meetings.

4. **Does the GPO disclose to member hospitals money or value received from vendors, whether in the form of administrative fees, marketing fees, partnership incentives, equity or any other form, and make any other disclosures required by law or by agreement with government regulators? (Please describe.)**

Answer: Yes. The only monies received by HPG from vendors are administrative fees (“GPO fees”), vendor display booth rental fees, and fees to support specific education meeting expenses. *HPG does not accept marketing fees, partnership incentives, equity or any other form of value from vendors.* HPG discloses all GPO fees and education meeting support received from vendors to member and former member facilities annually in conformance with the GPO Safe Harbor. The [Annual Report Disclosure](#) includes an attached detailed listing of administrative fees and any other monies received during the year; the fees are broken out by vendor and by vendor contract where applicable and also by individual member facility or former member facility. An additional report is also provided which discloses any vendor fees received during the year to support specific education meeting expenses; these fees are broken out by vendor.

5. **Does the GPO disclose to each member all fees and benefits, in any form, paid to the member organization, and make any disclosures required by law or by agreement with government regulators? (Please describe.)**

Answer: Yes. The only monies received by HPG from vendors are administrative fees (“GPO fees”), vendor display booth rental fees, and fees to support specific education meeting expenses. *HPG does not accept marketing fees, partnership incentives, equity or any other form of value from vendors.* As noted above in question #4, HPG discloses all GPO fees and education meeting support received from vendors to member and former member facilities annually in conformance with the GPO Safe Harbor. The [Annual Report Disclosure](#) includes an attached detailed listing of administrative fees and any other monies received during the year; the fees are broken out by vendor and by vendor contract where applicable and also by individual member facility or former member facility. An additional report is also provided which discloses any vendor fees received during the year to support specific education meeting expenses; these fees are broken out by vendor. HPG also provides reports supporting any fee payments made to member organizations. The detailed reports are mailed with the related payment and provide a detailed break-out of vendor fee by vendor contract and by earned period for each facility in the member organization.

6. **Does the GPO have a publicly available description of the bid and award process which includes the following principles similar to those embodied in the Federal Competition in Contracting Act? (Please provide and describe the items below.)**

Answer: Yes. HPG has a publicly available detailed description of the bid and contracting award process that is available on HPG's public website as described below. The bid and contracting award process includes the principles described below which are generally consistent to those embodied in the Federal Competition in Contracting Act.

i. Are the requirements for items or services to be purchased generally identified and published so as to be accessible to potential vendors?

Answer: Yes. A copy of HPG's [Annual Contract Plan](#) which provides a description of the products/services to be reviewed and negotiated throughout the year, and the time period in which the project review will occur, is published on HPG's public website where they are accessible to potential vendors. Supplier requirements are also documented in HPG's [Supplier Criteria Policy](#) [HPG.010] which is published on HPG's public website.

ii. Does the GPO disclose requirements to be identified as a responsible bidder?

Answer: Yes. A listing of [Supplier Criteria](#) which provides the requirements for vendors to be identified as responsible bidders for HPG is published on HPG's public website. These materials are also documented in HPG's [Supplier Criteria Policy](#) [HPG.010] which is published on HPG's public website.

iii. Are all responsible vendors eligible to compete and receive a contract award under the criteria?

Answer: Yes. A listing of [Supplier Criteria](#) is published on HPG's public website, as is an on-line form which interested Suppliers are asked to complete and submit to HPG. All Suppliers who meet the criteria and who have submitted the required form may be eligible to compete. These materials are also documented in HPG's [Supplier Criteria Policy](#) [HPG.010] which is published on HPG's public website.

iv. Are the criteria for selection of a vendor identified, publicized and followed?

Answer: Yes. The criteria for selection of all contract products or services being considered are generally identified as described in HPG's comprehensive [Contracting Process Policy](#) [HPG.008] which documents the procedures followed by the National Agreements team to select vendors for contracts including both an independent comprehensive quality/clinical review and an independent financial review. As described in the [Contracting Process Policy](#), criteria for product selection may be further refined by the appropriate quality/clinical [Advisory Board](#) and Contract Manager as they prepare a clinical scoring matrix based on service, technical and quality standards that are applicable to the product line. The [Contracting Process Policy](#) is published on HPG's public website.

v. Does the GPO have a fair and unbiased system for evaluating products and services considered for procurement?

Answer: Yes. HPG’s process incorporates both an extensive quality/clinical review and a separate financial review of products and services which are performed by independent teams. The quality/clinical review is performed by [Advisory Boards](#) which provide critical feedback on the practical usability and desirability of all products and services in HPG’s portfolio as well as potential innovative clinical product offerings. HPG’s [Advisory Boards](#) are described on HPG’s website in the “About HPG” area. A comprehensive policy and procedure which addresses HPG’s unbiased system for evaluating products and services including the Advisory Boards’ roles in HPG’s contract process is documented in HPG’s [Contracting Process Policy](#) [HPG.008] on HPG’s public website.

vi. Does the process include a preference for competitive procurement?

Answer: Yes, HPG’s process includes a preference for competitive procurement. HPG uses a Request for Proposals (“RFP”) process wherein bids are requested from applicable Suppliers who meet the criteria specified in the [Supplier Criteria Policy](#) [HPG.010] which is published on HPG’s website. Supplier proposals are analyzed using both an extensive quality/clinical review and a separate financial review performed by independent teams. The RFP process and quality/clinical review and financial review processes are documented in HPG’s [Contracting Process Policy](#) [HPG.008] in the “Project Initiation” phase (pp. 7 - 8) and the “Strategy Development and Negotiations” phase (pp. 8 - 20). This policy is published on HPG’s public website.

Please note that there are limited exceptions to the RFP process. Primarily exceptions relate to products/services which are currently under contract with a Supplier for which member and quality/clinical advisory board feedback is positive, the Supplier’s pricing is comparable to the market (based on market research), and for which a conversion to another Supplier’s product/service is costly. In these cases, the Contract Manager may recommend to renew an existing agreement. In addition, certain products/services are only available from a single qualified Supplier. The applicable HPG Contract Manager obtains price comparisons (if available) from the applicable financial review team, and researches products/services under current contracts in conjunction with the applicable quality/clinical advisory board lead. The research process is described in the “Project Initiation” and “Strategy Development” phases (pp. 7 - 8) of the [Contracting Process Policy](#) [HPG.008] which is available on the HPG website.

vii. Does the process establish a standard for the appropriate use of sole, single, and multi-source procurement, and is the business rationale for all sole source contracts disclosed?

Answer: Yes. HPG’s process includes definitions of “sole”, “dual”, “single” and “multi-source” procurement and explains when each strategy should be used. The decision to award a contract as sole, single, and/or multi-source is based on the award structure’s overall value to the organization. If there is little or no value in a sole or dual source arrangement the award will be multi-sourced. Value consideration includes cost of conversion, price, ability to deliver, clinical acceptance, supply chain efficiency and customer service. How often HPG awards sole or dual agreements is dependent the degree and level of occurrence. There is no set target or goal with respect to number of sole or dual awards. These definitions and standards are documented in HPG’s [Contracting Process Policy](#) [HPG.008] on HPG’s public website.

viii. *Does the process include an approach to administrative fees which insures that the interests of the GPO do not supplant those of the member organizations?*

Answer: Yes. HPG’s process insures that HPG’s interests do not supplant those of its member organizations:

- Contracting decisions are not made based on the administrative fee an interested vendor proposes to pay; instead supplier proposals are analyzed using both an extensive quality/clinical review and a separate financial review performed by independent teams. The quality/clinical reviews are performed by independent [Advisory Boards](#) which provide critical feedback on the practical usability and desirability of the products or services for each proposal. HPG’s quality/clinical review and financial review processes are documented in HPG’s [Contracting Process Policy](#) [HPG.008] in the “Project Initiation” phase (pp. 7 - 8) and the “Strategy Development and Negotiations” phase (pp. 8 - 20).
- HPG contracts for only those products/services that have been deemed clinically acceptable and are needed or wanted by HPG’s members or clinical advisory boards.
- HPG does not accept GPO fees in excess of 3% except for one vendor contract where the GPO fee is 3% and an additional 1% is provided for other obligations assumed by HPG. This additional fee is disclosed in the annual GPO fee disclosure provided to all member facilities.

ix. *Does the process include provisions which guide appropriate bundling of products and the length of contracts?*

Answer: Yes. HPG does not think it is appropriate to bundle contracts, and HPG does not bundle unlike or dissimilar or unrelated products. It is HPG's desire to treat each unique contracting product line/category as its own project. HPG may, however, based on clinical direction, consider products that are closely related or work together and treat the contracting opportunity as a system project versus a single product line. (For example, IV Therapy as a system approach to include IV sets, solutions and pumps versus having a separate contracting project for each category.) This is documented in HPG’s [Contracting Process Policy](#) [HPG.008] on HPG’s public website.

7. **Does the GPO have a publicly available policy and procedure to ensure vendor and bidder rights, including a procedure for vendor and bidder grievances? (Provide copy.)**

Answer: Yes. HPG has both a [Supplier and Bidder Grievance Policy](#) [HPG.014] and a [Facility Contract Compliance Resolution Policy](#) [HPG.009] that address procedures that vendors and bidders may follow to report any grievances to HPG. These are available on HPG's public website.

8. **Does the GPO have a process to evaluate and provide opportunities to contract for innovative clinical products and services? (Describe.)**

Answer: Yes. It is possible to write a new contract for a technological breakthrough. HPG's standard contract template allows for the opportunity to add suppliers that compete with an existing contract award if a product provides breakthrough benefits as determined by the appropriate HPG [Advisory Board](#). HPG contracts for only those innovations that have been deemed clinically acceptable and are needed or wanted by HPG's members or clinical [Advisory Boards](#). HPG utilizes several processes to evaluate innovative clinical products and services:

- HPG is dedicated to empowering members with new technology information and guidelines that will assist local care providers in their continual pursuit of better treatments and therapies while minimizing the financial impact often associated with a new technology. The "New Technology" team researches new and innovative products and services and provides information via an [HPG TechNet](#) website to identify, evaluate and communicate at multiple levels the pertinent information on emerging technology that will have significant clinical and/or financial impact on the operations of HPG's members.
- HPG has clinical and quality [Advisory Boards](#) which provide critical feedback on the practical usability and desirability of all products and services in HPG's portfolio as well as potential innovative clinical product offerings. HPG's Advisory Boards are described on HPG's website, and their role in HPG's contract process is documented in HPG's [Contracting Process Policy](#) [HPG.008] on HPG's public website.
- HPG routinely meets with its vendors to inquire about and address new and innovative products and services.

9. **Does the GPO have a program to encourage contracting with small, women-owned and/or minority business? (Describe.)**

Answer: Yes. HPG has a [Supplier Diversity Program](#) which is proactive in pre-sourcing and sourcing minority and women-owned business enterprises to meet the supplier needs of HPG members. A listing of current [HPG MWBE Suppliers](#) which have approximately \$90 million in HPG contract sales volume is provided for reference on HPG's public website. HPG aims to help ensure the supplier base of its members reflects the diversity of the communities they serve. HPG's [Supplier Diversity Program](#) is described on HPG's public website, and their role in HPG's contract process is documented in HPG's [Contracting Process Policy](#) [HPG.008] on HPG's public website.

10. **Does the GPO distribute its written code of business ethics and conduct to all employees, as well as to agents, contractors, clinical advisory committees, and all others involved in group purchasing activity? (Describe.)**

Answer: Yes. HPG has a written [Code of Conduct](#) which is provided to employees, agents, contractors, clinical advisory committees and equity owners. The HPG [Code of Conduct](#) must be reviewed annually by employees, agents, contractors, clinical advisory committees and equity owners as documented in HPG's [Code of Conduct Training Policy](#) [HPG.011]. All associates must sign a Code of Conduct Acknowledgment Statement confirming that they have received and reviewed the HPG Code of Conduct. Both the [Code of Conduct](#) and related policy are available on HPG's public website.

11. **Are new employees involved in group purchasing provided an orientation to the written code of business ethics and conduct? (When and how.)**

Answer: Yes. The HPG [Code of Conduct](#) must be reviewed by new employees, clinical advisory committee members and equity owners within 30 days of the date the associate begins working with HPG as documented in HPG's [Code of Conduct Training Policy](#) [HPG.011] Both the Code of Conduct and related policy are available on HPG's website.

12. **Does the GPO conduct employee refresher training on an annual basis on the Code of Conduct? (Provide examples.)**

Answer: Yes. The HPG [Code of Conduct](#) must be reviewed annually by employees, clinical advisory committees and equity owners as documented in HPG's [Code of Conduct Training Policy](#) [HPG.011] Both the Code of Conduct and related training policy are available on HPG's website. HPG utilizes a case study method for its annual employee training, which is designed to review the components of the Code of Conduct and related ethics and compliance policies and procedures with follow-up discussion questions to promote active class participation. Employees sign in to document class attendance and participation. In addition, all employees, agents, independent contractors, clinical advisory committees and equity owners must review the written [Code of Conduct](#) and sign an Acknowledgment form every year indicating that they have reviewed and understand the policy.

13. **Is there a corporate review board, ombudsman, corporate compliance or ethics officer, or similar mechanism, for employees to report possible violations of the written code of business ethics and conduct to someone other than one's direct supervisor, if necessary? Do organization policies and practices seek to protect the confidentiality of the reporting employee's identity and to prevent retaliation for good-faith use of the reporting mechanism? (Describe.)**

Answer: Yes. HPG's CFO, John Paul, is HPG's designated Ethics and Compliance Officer, and HPG maintains an HPG Ethics and Compliance Committee for administration of the HPG Ethics and Compliance Program. The roles and responsibilities of HPG's Ethics and Compliance Officer and Ethics and Compliance Committee are detailed in HPG's [Ethics & Compliance Officer and Ethics & Compliance Committee Policy](#) [HPG.013] which is available on HPG's website. HPG's [Code of Conduct](#) provides several methods with which HPG employees may report code of conduct violations:

- HPG encourages the resolution of issues, including human resources-related issues (e.g., payroll, fair treatment and disciplinary issues) at a local level. It is an expected good practice, when one is comfortable with it and thinks it appropriate under the circumstances, to raise concerns first with one's supervisor.
- If this is uncomfortable or inappropriate, the individual may discuss the situation with the HPG Ethics and Compliance Officer or another member of HPG senior management.
- Employees may always contact the HPG Ethics Line at 1-800-345-7419.
- HPG's [Code of Conduct](#) emphasizes that HPG will make every reasonable effort to maintain, within the limits of the law, the confidentiality of the identity of an individual who reports concerns or possible misconduct. There is no retribution or discipline for anyone who reports a concern in good faith.

The HCA Ethics Line operated by HCA, Inc. oversees the internal investigations received through the HPG Ethics Line as part of the management service agreement between HPG and HCA. HCA is the majority owner of HPG. The CEO of HPG provided a presentation on HPG's Ethics and Compliance Program to the Ethics and Compliance Committee of HCA's Board of Directors. In addition, HPG's Board of Equity Partners reviews HPG's [Code of Conduct](#) and [Conflict of Interest Policy](#) [HPG.003] annually, including information on the system HPG has in place for reporting possible violations of the code. The Board also receives updates on the Ethics and Compliance Program as needed.

14. Is there an appropriate mechanism to follow up on reports of suspected violations to determine what occurred and who was responsible, and to recommend corrective and other actions? (Describe.)

Answer: Yes. HPG is committed to investigating all reported concerns promptly and confidentially to the extent possible as stated in the HPG [Code of Conduct](#). The HPG Ethics and Compliance Officer coordinates such investigations with the HPG Ethics and Compliance Committee, reviews any findings from the investigations, and immediately recommends corrective action or changes that need to be made. Appeals may be presented to the HPG Ethics and Compliance Committee. HPG expects all colleagues to cooperate with investigation efforts.

15. Is conduct consistent with the written code of business ethics and conduct one of the standards by which all levels of supervision are measured in their job performance? (Describe.)

Answer: Yes. All HPG employees are assessed annually against a performance standard relative to their promotion of and adherence to the HPG [Code of Conduct](#). This is documented in HPG's [Performance Evaluation Policy](#) [HPG.012] which is available on HPG's website.

16. Is there a process to monitor, on a continuing basis, adherence to the written code of business ethics and conduct, and with applicable federal laws (Describe.)

Answer: Yes. HPG incorporates several practices to help ensure adherence to the written HPG [Code of Conduct](#):

- HPG requires all colleagues to sign an acknowledgment confirming they have received the [Code of Conduct](#), understand it represents mandatory policies of HPG, and agree to abide by it. New colleagues are required to sign this acknowledgment as a condition of employment (See HPG's [Code of Conduct Training Policy](#) [HPG.011] on HPG's website)
- Each HPG colleague is also required to participate in an annual [Code of Conduct](#) training, and records of such training are maintained at HPG (See HPG's [Code of Conduct Training Policy](#) [HPG.011] on HPG's website)
- Adherence to and support of HPG's [Code of Conduct](#) and participation in related activities and training is considered in decisions regarding hiring, promotion, and compensation for all candidates and colleagues. (See HPG's [Performance Evaluation Policy](#) [HPG.012] on HPG's website)
- New colleagues must receive [Code of Conduct](#) training within 30 days of employment (See HPG's [Code of Conduct Training Policy](#) [HPG.011] on HPG's website)
- HPG's CFO, John Paul, is HPG's designated Ethics and Compliance Officer. The roles of responsibilities of HPG's Ethics and Compliance Officer are detailed in HPG's [Ethics & Compliance Officer and Ethics & Compliance Committee Policy](#) [HPG.013] which is available on HPG's website.

17. Did the GPO fulfill its obligation to participate in the most recent GPO Best Practices Forum? (Who attended?)

Answer: Yes. HPG's Chief Executive Officer and President and several senior level associates participated in the first GPO Best Practices Forum.

18. Are periodic reports on the GPO's program to implement and maintain its commitment to these Principles made to the company's Board of Directors or to its Audit or other appropriate committee? (Describe.)

Answer: Yes. HPG reports developments and issues related to the implementation and maintenance of HPG's Compliance Program to the HPG Board.

19. Is a member of senior management assigned responsibility to oversee the business ethics and conduct program? (Please identify.)

Answer: Yes. HPG's CFO, John Paul, is HPG's designated Ethics and Compliance Officer. The roles of responsibilities of HPG's Ethics and Compliance Officer and HPG's Ethics & Compliance Committee are detailed in HPG's [Ethics & Compliance Officer and Ethics & Compliance Committee Policy](#) [HPG.013] which is available on HPG's website. Questions about the HPG compliance program should be directed to John.Paul@healthtrustpg.com

20. Please identify a contact person regarding this disclosure:

Answer: Questions about the HPG compliance program and Public Accountability Questionnaire should be directed to John Paul at: John.Paul@healthtrustpg.com