

## 2009 PUBLIC ACCOUNTABILITY QUESTIONNAIRE

**1. Please describe the key components of the GPO's written code of business ethics and conduct. (Please provide a copy and describe any changes since the last submission.)**

Please assure your response includes:

- 1.1. The title of the GPO's written code of business ethics and conduct.
- 1.2. Summary of the key components of the GPO's written code of business ethics and conduct.
- 1.3. Identification of changes that have been made to the written code of business ethics and conduct since last year.

- 1.1. HealthTrust Purchasing Group ("HT") has a written code of conduct titled [Colleagues Code of Conduct](#) for all individuals involved with HT operations, which provides guidance to ensure HT's work is performed in an ethical and legal manner and emphasizes the shared common values and culture that guide HT's actions. HT also has a [Business Relationship Statement](#) that is provided to all HT suppliers to further communicate HT's expectations for vendor conduct with respect to HT and its members. These are both available on HT's public website.
- 1.2. HT's [Business Relationship Statement](#) provides a basic foundation for ethical standards applicable to the conduct between HT and its suppliers. Included in the Statement are self imposed standards that HT will not own any financial interest in any HT vendor, that HT officers and employees will not own any stock in any HT vendor or any vendor that may possibly seek a contract with HT, and that HT will not offer private label products to its members. The Statement also includes standards for vendors regarding participation in HT sponsored functions, such as vendor fairs, and vendor entertainment of HT representatives.
- 1.3. There have been no substantive changes in either the [Colleagues Code of Conduct](#) or the [Business Relationship Statement](#) since last year.

**2. Please describe the GPO's policies and procedures that address conflicts of interest for all employees and clinical advisory members in a position to influence contracting decisions and for all other employees and members of the Board of Directors and/or the GPO's governing body.**

Please include in your answer:

- 2.1. Who is covered by your conflict of interest policies?
  - a) All employees or employees directly involved in purchasing?
  - b) All executives of the company or those directly supervising purchasing activity?
  - c) The board of directors?
  - d) Members of clinical advisory committees?
  - e) Any other groups?
- 2.2. What are the primary conflict of interest constraints for each of the categories listed in the question above?
  - a) No equity investments in participating vendors or disclosure of equity investments? (Or no investments above a threshold dollar level?)
  - b) No service on boards of directors of participating vendors or disclosure of board of director positions?
  - c) Are gifts allowed to be accepted from or provided to vendors? If yes, please describe the limitations.
  - d) Are meals or entertainment allowed to be accepted or provided to vendors?
  - e) Other constraints?

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

2.1.a. All employees of HT are covered by HT's [Conflict of Interest Policy](#) [HT.003] as outlined in the policy.

2.1.b. All executives of HT are covered by HT's [Conflict of Interest Policy](#) [HT.003] as outlined in the policy.

2.1.c. All advisory board members of HT are covered by HT's [Conflict of Interest Policy](#) [HT.003] as outlined in the policy.

2.1.d. All clinical advisory committee members of HT are covered by HT's [Conflict of Interest Policy](#) [HT.003] as outlined in the policy.

2.1.e. All vendors of HT are expected to avoid conflicts of interest as outlined in HT's [Business Relationship Statement](#).

2.2.a. HT's [Conflict of Interest Policy](#) [HT.003] provides that all persons in the capacities stated above shall not have any equity investments in HT vendors or vendors seeking a contract with HT. The policy also provides for disclosure of any such interests and provides for

means by which such a person can obtain management approval to abstain from any HT activities related to the subject vendor.

- 2.2.b. HT's [Conflict of Interest Policy](#) [HT.003] provides that all persons in the capacities stated above shall not hold office, serve on the board of directors, participate in management, provide consulting services or be otherwise employed by a vendor doing or actively attempting to do business with HT.
- 2.2.c. HT's [Business Relationship Statement](#) provides that the persons in the capacities stated above may accept gifts from vendors provided the amount does not exceed \$50.00 per year.
- 2.2.d. HT's [Entertainment Policy](#) [HT.006] provides that the persons in the capacities stated above may accept business entertainment from a vendor provided the cost does not exceed \$100 and such events are infrequent.
- 2.2.e. HT's [Business Courtesies Policy](#) [HT.005] provides corresponding limits on its representatives for offering business entertainment to others, such as potential members.

**3. Please describe the GPO's policies and procedures that address activities, including other lines of business of the GPO and the GPO's parent company or affiliates, that might constitute conflicts of interest to the independence of its purchasing activity.<sup>1</sup>**

Please include in your answer:

- 3.1. List other lines of business or investments of the GPO or affiliates.
- 3.2. List other lines of business or investments of its parent company or parent affiliates.
- 3.3. What other services does the GPO and its parent company and/or affiliate sell to vendors?
- 3.4. What policies or guidelines does the GPO have to address any potential conflicts of interest with regard to other lines of business within the GPO and/or its parent or affiliated companies?
  - a) Does the GPO and/or its parent or affiliated companies have either a policy to ensure that it does not accept a corporate equity interest in any participating vendor or a policy to mitigate against this potential conflict of interest?
  - b) Does the GPO and/or its parent or affiliated companies accept any vendor fees relating to conference sponsorship or exhibit booth space or have a policy to guard against any potential conflict of interest relating to vendor participation in industry trade shows?
  - c) Does the GPO and/or its parent or affiliated companies accept any grants for educational programs or other projects from vendors or have a policy to guard against any potential conflict of interest relating to such donations?

- 3.1. *HT is a dedicated Group Purchasing Organization with no lines of business other than in support of its contracting functions. HT's mission is to obtain the best price for clinically recommended products, provide for their timely delivery, provide services and tools for members to maximize savings, and continuously evaluate and improve services to patients, physicians and clinicians served by HT.*
- 3.2. HT is a limited partnership with an affiliate of HCA Inc. serving as the general partner and with Consorta, Inc., LifePoint Hospitals, Inc., Community Health Systems, Inc., Health Management Associates, Inc. and Universal Health Services, Inc. as limited partners.
- 3.3. Neither HT nor any of its partners has any affiliate that sells to any vendor. However, it is possible that HT members may provide healthcare services to vendor employees.
- 3.4. HT has no other line of business than its GPO business. HT indicates in its [Business Relationship Statement](#) that it does not invest in nor have any ownership or financial interest in any vendors. HealthTrust also has an affiliated GPO that is called CoreTrust Purchasing Group that provides CoreTrust members with access to non-clinical vendor

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<sup>1</sup> Business concerns, organizations, or individuals are affiliates of each other if, directly or indirectly, (1) either one controls or has the power to control the other, or (2) a third party controls or has the power to control both. ( See 48 CFR, Section 9.403 (2007): Securities Act, Sec. 16, 15 USC 77p(f))

contracts. HealthTrust vendors are eligible to join CoreTrust Purchasing Group. Decisions on contracting with HT vendors are made wholly independent of whether a vendor is a member of CoreTrust Purchasing Group.

- 3.4.a.** HT has no other line of business than its GPO business. HT indicates in its [Business Relationship Statement](#) that it does not invest in nor have any ownership or financial interest in any vendors.
- 3.4.b.** HT's [Vendor Relations Policy](#) [HT.002] provides that vendors may purchase exhibit opportunities at an event sponsored by HT provided that all vendors are charged a like amount for like opportunities.
- 3.4.c.** HT accepts grants for educational programs from vendors as stated in HT's [Vendor Relations Policy](#) [HT.002] and [Educational Events Policy](#) [HT.004]. Other HT policies related to vendor funding of educational programs include:
- [Conflict of Interest Policy](#) [HT.003] – provides procedures to ensure that HT 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.
  - [Business Courtesies Policy](#) [HT.005] – establishes parameters for the extension of business courtesies to vendor representatives, potential members, potential referral sources to HT member healthcare providers, and other business contacts, and their immediate family members.
  - [Entertainment Policy](#) [HT.006] – provides rules related to receipt of business courtesies from any representatives from vendors, potential members, existing members, and potential referral sources to HT members.
  - [Vendor Promotional Training Policy](#) [HT.007] – establishes parameters surrounding acceptance of vendor funding for attending vendor-sponsored seminars, training, and other kinds of meetings.

**4. Please describe the GPO’s policies with regard to disclosing to members money or value received from vendors, whether in the form of administrative fees, marketing fees, partnership incentives, equity or any other form.**

Please include in your answer:

- 4.1. Does the GPO make annual disclosures of administrative fees received from vendors for contracting activities with respect to the member’s purchase of products and services?
- 4.2. Does the GPO disclose to members all payments other than administrative fees the GPO received from any vendor in the course of the GPO’s group purchasing activities, whether from the purchasing activity of those members or not?
- 4.3. Does the GPO accept marketing fees?
- 4.4. Does the GPO accept partnership incentives?
- 4.5. Does the GPO accept equity?
- 4.6. Does the GPO accept upfront fees?
- 4.7. Does the GPO accept honoraria?
- 4.8. Please describe the GPO’s policy with respect to administrative fees received on purchases made by an ineligible member (e.g., a policy regarding the return of such administrative fees to the applicable vendor.

**4.1.** The only monies received by HT from vendors are administrative fees (“GPO fees”), vendor display booth rental fees, fees to support specific education meeting expenses, fees to advertise in HPG’s Source publication, and penalties for deficiencies in performance under vendor contracts. HT does not accept marketing fees, partnership incentives, equity, upfront fees, honoraria or any other form of value from vendors. HT 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.

**4.2.** HT 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.

**4.3.** HT does not accept marketing fees from vendors.

**4.4.** HT does not accept partnership incentives from vendors.

**4.5.** HT does not accept equity from vendors.

- 4.6.** HT does not accept upfront fees such as signing bonuses from vendors.
- 4.7.** HT does not accept honoraria from vendors.
- 4.8.** HT promptly returns all fees received on purchases made by ineligible members (facilities who either were not active members of HT at the time of purchase or facilities who were never members of HT) to the vendors who paid the fees to HT.

**5. Does the GPO disclose to each member all fees, in any form, paid to the member organization?**

Please include in your answer:

- 5.1. Describe your disclosure practices.
- 5.2. Does the GPO pay fees to members upon the signing or re-signing of a participation agreement with the GPO or the joining or renewal of membership in the GPO program?

**5.1.** The only monies received by HT from vendors are administrative fees (“GPO fees”), rebates, vendor display booth rental fees, fees to support specific education meeting expenses, fees to advertise in HPG’s Source publication, and penalties for deficiencies in performance under vendor contracts. *HT does not accept marketing fees, partnership incentives, equity or any other form of value from vendors.* As noted above in question #4, HT 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.

HT pays to members any rebates received from vendors on a monthly basis. These payments are sent to members along with detailed reports supporting the fee payments made to member organizations. The reports provide a detailed break-out of vendor fee by vendor contract and by earned period for each facility in the member organization.

**5.2.** HT does not pay fees to members upon signing or re-signing of participation agreements with HT or the joining or renewal of membership in HT’s program. However, HT may share a portion of the GPO Fees earned by a member with that member.

**6. Please describe the GPO's publicly available description of its bid and award process which includes the following principles similar to those embodied in the Federal Competition in Contracting Act?**

Please include in your answer:

- 6.1 Does the GPO have a publicly-available description of its bid and award process?
- 6.2 Is the description on a public website or sent to those who inquire, or provided in some other way?

- 6.1. HT has a publicly available detailed description of the bid and contracting award process which is documented in HT's comprehensive [Contracting Process Policy](#) [HT.008] that is available on HT's public website. 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.
- 6.2. HT bid and contracting award process is available on HT's public website at the following link: [Contracting Process Policy](#).

**6i. Please describe the GPO's requirements for how items or services to be purchased are generally identified and published so they are accessible to potential vendors.**

Please include in your answer:

6i.1. Does the GPO publish to all vendors the decision criteria used to award potential contracts? Where is it available?

**6.i.1.** A copy of HT's [HealthTrust Contract Schedule](#) 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 HT's public website where they are accessible to potential vendors. Supplier requirements are also documented in HT's [Supplier Criteria Policy](#) [HT.010] which is published on HT's public website.

**6ii. Please describe the GPO's disclosure requirements regarding how vendors are to be identified as a responsible bidder.**

Please include in your answer:

- 6ii.1. Does the GPO publish the general requirements to be considered a responsible bidder?
- 6ii.2. Does the GPO publish specific requirements to be considered a responsible bidder in each specific contract category?

**6ii.1.** A listing of [Supplier Criteria](#) is published on HT's public website, as is an on-line form which interested Suppliers are asked to complete and submit to HT. All Suppliers who meet the criteria and who have submitted the required form may be eligible to compete. These materials are also documented in HT's [Supplier Criteria Policy](#) [HT.010] which is published on HT's public website

**6ii.2.** The criteria for selection of all contract products or services being considered are generally identified as described in HT's comprehensive [Contracting Process Policy](#) [HT.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 HT's public website.

**6iii.** Please describe the GPO's policy with regard to whether all responsible vendors are eligible to compete and receive a contract award under the criteria.

Please include in your answer:

6.iii.1. Are all responsible vendors eligible for every contract award, or are there specific requirements for each bid process to be considered for an award?

**6iii.1.** All responsible vendors who meet the criteria and who have submitted the required form may be eligible to compete.

**6iv. Please describe how the criteria for selection of a vendor is identified and publicized to potential vendors, and followed.**

Please include in your answer:

- 6iv.1. Are the criteria by which a winning vendor will be selected identified to all bidders?
- 6iv.2. Does the GPO have a process to assure that the criteria are followed in the actual awards?

- 6iv.1.** The criteria for selection of all contract products or services being considered are generally identified as described in HT's comprehensive [Contracting Process Policy](#) [HT.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 HT's public website.
- 6iv.2.** As described in the [Contracting Process Policy](#), HT documents its RFP and vendor award process by maintaining copies of all communications, voting records and clinical scoring matrices prior to making an award. This helps to verify that the criteria defined in HT policies and procedures are followed when deciding contract awards.

**6v. Please describe GPO's practice with regard to having a fair and unbiased system for evaluating products and services considered for procurement.**

Please include in your answer:

6v.1. Does the GPO have such a system?

6v.2. Describe the process by which products and services are evaluated.

**6v.1.** HT's process incorporates both an extensive quality/clinical review and a separate financial review of products and services as described below in the response to 6v.2.

**6v.2.** HT'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 HT's portfolio as well as potential innovative clinical product offerings. HT's [Advisory Boards](#) are described on HT's website in the "National Agreements" area. A comprehensive policy and procedure which addresses HT's unbiased system for evaluating products and services including the Advisory Boards' roles in HT's contract process is documented in HT's [Contracting Process Policy](#) [HT.008] on HT's public website.

**6vi. Please describe how this practice includes a preference for competitive procurement.**

Please include in your answer:

1. Describe your policies that support competitive procurement.

**6vi.1.** HT's process includes a preference for competitive procurement. HT uses a Request for Proposals ("RFP") process wherein bids may be requested from applicable Suppliers who meet the criteria specified in the [Supplier Criteria Policy](#) [HT.010] which is published on HT'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 HT's [Contracting Process Policy](#) [HT.008]. This policy is published on HT'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 HT 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 [Contracting Process Policy](#) [HT.008] which is available on the HT website.

**6vii. Please describe the GPO's policy with regard to the appropriate use of single, sole, dual, and multi-source procurement.**

Please include in your answer:

- 6vii.1. Does the GPO have a policy for sole, dual and multi-source procurement?
- 6vii.2. When will sole and dual source procurement be used?
- 6vii.3. Describe the GPO's process for awarding contracts including contracts awarded to a single vendor where there is no exclusivity provision in the contract.

Sole and dual source contracts are contracts that contain exclusivity language that prevents the GPO from entering into a contract with more than one or two vendors.

**6vii.1.** HT's process includes definitions of "sole", "dual" and "multi-source" procurement and explains when each strategy should be used.

HealthTrust awards contracts for particular products or services to one supplier (sole-source contract) under certain, specific circumstances, subject to Advisory Board approval, as described below.

1. One supplier's products have been deemed by the applicable Advisory Board to be clinically superior and in the best interest of patient care.
2. The product is a proprietary technology where a sole-source award is the only available contract option.
3. There are only two providers (duopoly) of a clinically or otherwise functionally equivalent product in a given product category, and there is a significant member savings opportunity between a sole-source award and a dual-source award.
4. There are multiple sources of functionally equivalent products in a given category (e.g., flush syringes, suction catheters) or the products in the category are highly commoditized (e.g. linens, office supplies), and where there is a significant member savings opportunity between a sole-source award and a dual or multi-source award.
5. There is an opportunity to nurture the growth of small or MWBE suppliers who meet the clinical requirements and can service the needs of HealthTrust members.

There is no set target or goal with respect to number of sole or dual awards. These definitions and standards are documented in HT's [Contracting Process Policy](#) [HT.008] on HT's public website. Sole-source contracts include a "carve-out" provision (i.e., an exception to the sole source award) that allows HealthTrust to contract for a competing product in instances where the applicable Advisory Board believes a new or emerging technology product is in the best interest of patient care. Similarly, most agreements also include a "carve-out" provision that allows HealthTrust to contract for a competing product if it is supplied by a MWBE supplier or provides an environmental benefit not available from the contracted supplier. In most cases, sole-source contracts may be terminated for convenience by HealthTrust with 60 days notice.

**6vii.2.** See prior response.

**6vii.3.** Contracts awarded to a single vendor where there is no exclusivity are termed “optional” agreements in HT’s process. These suppliers go through the same process as any HT vendor; however, if HT’s ability to deliver compliance is questionable HT will not enforce compliance. These definitions and standards are documented in HT’s [Contracting Process Policy](#) [HT.008] on HT’s public website.

**6viii. Please describe the GPO’s process for ensuring that administrative fees do not encroach upon the best interests of the member organizations.**

Please include in your answer:

- 6viii.1. What is the GPO’s practice regarding the amount of administrative fees accepted?
- 6viii.2. Under what conditions does the GPO accept administrative fees beyond 3 percent, requiring specific (not blanket) disclosure under the Federal Regulatory Safe Harbor provisions?
- 6viii.3. Please describe the range of administrative fees accepted.
- 6viii.4. Does the GPO accept other kinds of fees from vendors, such as marketing fees, equity, signing bonuses, and upfront fees? Please describe these other fees and how prevalent they are.
- 6viii.5. Does the GPO impose a minimum fee requirement for suppliers, and if so, under what circumstances?

**6viii.1. HT’s process insures that HT’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. HT’s quality/clinical review and financial review processes are documented in HT’s [Contracting Process Policy](#) [HT.008].
- HT contracts for only those products/services that have been deemed clinically acceptable and are needed or wanted by HT’s members or clinical advisory boards.
- HT does not accept GPO fees in excess of 3% except for one vendor contract where the GPO fee is 3% and an additional 1.5% is provided for other obligations assumed by HT. This additional fee is disclosed in the annual GPO fee disclosure provided to all member facilities.

**6viii.2.** HT does not accept GPO fees in excess of 3% except for one vendor contract where the GPO fee is 3% and an additional 1.5% is provided for other obligations assumed by HT. This additional fee is fully disclosed to all member facilities as required by the GPO Safe Harbor.

**6viii.3.** HT accepts GPO fees up to 3%. HT does not accept GPO fees in excess of 3% except for one vendor contract where the GPO fee is 3% and an additional 1.5% is provided for other obligations assumed by HT. This additional fee is fully disclosed in the annual GPO fee disclosure provided to all member facilities.

**6viii.4.** The only monies received by HT from vendors are administrative fees (“GPO fees”), vendor display booth rental fees, fees to advertise in HPG’s Source publication, fees to support specific education meeting expenses, and penalties for deficiencies in performance under vendor contracts. HT does not accept marketing fees, partnership incentives, equity, upfront fees, honoraria or any other form of value from vendors. HT 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.

**6viii.5.** HT does not impose a minimum GPO fee or any other kind of minimum fee requirement for suppliers. In fact, it has contracts where no GPO Fee is paid.

**6ix. Please describe the GPO's policy to ensure the appropriate use of bundling products and the length of contracts for clinical preference products.**

Please include in your answer:

- 6ix.1. Describe the GPO's policy guiding the use of bundling.
- 6ix.2. Does the GPO permit bundling of unrelated products or services from the same vendor? When?
- 6ix.3. Does the GPO permit bundling of unrelated products or services from different vendors? When?
- 6ix.4. Describe the GPO's policy guiding the appropriate length of contracts for clinical preference products.

- 6ix.1.** HT does not think it is appropriate to bundle unlike or dissimilar or unrelated products. It is HT's desire to treat each unique contracting product line/category as its own project. HT 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 in an effort to provide the best overall value for its members. (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 HT's [Contracting Process Policy](#) [HT.008] on HT's public website.
- 6ix.2.** HT does not think it is appropriate to bundle unrelated products from the same vendor. It is HT's desire to treat each unique contracting product line/category as its own project. HT 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, especially if by doing so greater value for its members is achieved. (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 HT's [Contracting Process Policy](#) [HT.008] on HT's public website.
- 6ix.3.** HT does not think it is appropriate to bundle unrelated products from different vendors.
- 6ix.4.** HT's typical contract length is three years.

**6x. Please describe whether the GPO has a private label program for medical products.**

Please include in your answer:

- 6x.1. Describe the medical products the private label program covers.
- 6x.2. Describe the GPO's practice regarding the fees derived from this private label program?
- 6x.3. Please describe the range of private label fees accepted.
- 6x.4. Describe any internal policies that address the private labeling of medical products.

**6x.1.** HT does not have a private label program as noted in HT's [Business Courtesies Policy](#) [HT.005].

**6x.2.** HT does not have a private label program.

**6x.3.** HT does not have a private label program.

**6x.4.** HT does not have a private label program.

**7. Please describe the GPO's publicly available policy and procedure that addresses vendor rights, including a procedure for vendor grievances.**

Please include in your answer:

- 7.1. Please describe the GPO's policy and procedure related to vendor rights and where is it available.
- 7.2. How does the GPO address vendor grievances?
- 7.3. Please describe in general the grievance process.

- 7.1. HT has a written code of conduct titled [Colleagues Code of Conduct](#) for all individuals involved with HT operations which provides guidance to help ensure HT manages its vendor relationships in a fair and reasonable manner. HT also has a comprehensive [Contracting Process Policy](#) [HT.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. Finally, HT has both a [Supplier and Bidder Grievance Policy](#) [HT.014] and a [Facility Contract Compliance Resolution Policy](#) [HT.009] that address procedures that vendors and bidders may follow to report any grievances to HT. These documents are available on HT's public website.
- 7.2. HT has both a [Supplier and Bidder Grievance Policy](#) [HT.014] and a [Facility Contract Compliance Resolution Policy](#) [HT.009] that address procedures that vendors and bidders may follow to report any grievances to HT. These documents are available on HT's public website.
- 7.3. If a Supplier or Bidder has questions or concerns, they are asked to contact the applicable HT Contract Manager. Legal or Ethical concerns should be reported to HT's toll free Ethics Hotline. All Suppliers and Bidders may write to the HT VP of National Agreements if they have unresolved issues. This process is documented in HT's [Supplier and Bidder Grievance Policy](#) [HT.014] on HT's public website.

**8. Please describe the GPO's policy and process to evaluate and provide opportunities to contract for innovative clinical products and services.**

Please include in your answer:

- 8.1. Does the GPO have a process for evaluating innovative technologies? Please describe the process in general.
- 8.2. Does the GPO have the right to write a new contract at any time for innovative technology? Describe.
- 8.3. How does the GPO ensure innovative technology provisions exist in vendor contracts?
- 8.4. Are GPO members allowed to evaluate products from vendors, regardless of whether such vendor has a contract with the GPO?
- 8.5. Are GPO members allowed to communicate with all vendors, regardless of whether the vendor has a contract with the GPO?
- 8.6. Are GPO members allowed to purchase non-contracted products of clinical preference products or services directly from vendors?

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

- HT is dedicated to empowering members with new technology information and guidelines that will assist clinicians 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 [HT 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 HT's members.
- HT has clinical and quality [Advisory Boards](#) which provide critical feedback on the practical usability and desirability of all products and services in HT's portfolio as well as potential innovative clinical product offerings. HT's Advisory Boards are described on HT's website, and their role in HT's contract process is documented in HT's [Contracting Process Policy](#) [HT.008] on HT's public website.
- HT has developed a process for consideration of innovative clinical products as described in HT's [Innovative Implantable Medical Device \(IMD\) and New Technology Product Introduction Process](#) [HT.018]. Products that possess certain characteristics that improve upon the applicable standard of care resulting in improved clinical outcomes based on sound empirical clinical evidence are considered in this process.
- HT routinely meets with its vendors to inquire about and address new and innovative products and services.

- 8.2.** HT's contract template contains provisions which permit HT to contract for new technology products that have been deemed clinically acceptable and are needed or wanted by HT's members or clinical Advisory Boards.
- 8.3.** HT's contract template contains new technology provisions and HT attempts to retain the language in the final agreement with each vendor.
- 8.4.** HT does not have any contractual provisions with our members that would preclude a member from evaluating vendor products. Members are encouraged to provide information on new products to HT.
- 8.5.** HT members are allowed to communicate with all vendors regardless of whether such vendor has a contract with HT.
- 8.6.** HT members are allowed to purchase any non-contract products and services directly from vendors. HT recognizes that there will be situations where for clinical and patient care issues its members will need to obtain products outside of an HT vendor contract and allows for such in its compliance expectations with its members.

**9. Please describe the GPO's program or activities that encourage contracting with small, women-owned and minority businesses.**

Please include in your answer:

- 9.1. Please describe the program or activities and indicate specifically which types of businesses are included in the program
- 9.2. Please provide current statistics reflecting the percentage by dollar value and number of contract awards to support the program.

- 9.1. HT 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 HT members. The Program is managed by a dedicated staff that interacts very closely with the Contracting Team. HT aims to help ensure the supplier base of its members reflects the diversity of the communities they serve. HT's [Supplier Diversity Program](#) is described on HT's public website, and their role in HT's contract process is documented in HT's [Contracting Process Policy](#) [HT.008] and in HT's [MWBE Contract Process Policy](#) [HT.016] on HT's public website.

The HealthTrust Supplier Diversity Program is primarily focused on building relationships and seeking contractual opportunities for goods and services with minority, women and disabled veteran owned businesses that are certified by the National Minority Supplier Development Council, the Women's Business Enterprise National Council and/or the Association for Service Disabled Veterans. HealthTrust's Supplier Diversity Program offers prospective vendors an opportunity to register their interest in doing business with HealthTrust by submitting a supplier profile of their products and services. Prospective vendors are also given an opportunity to define their status as a woman, minority, or disabled veteran business by submitting a copy of their MWBE certification. Their information is kept in our database and queried when contracting solutions call for new MWBE participation to compete for HealthTrust agreements. Prospective MWBE suppliers from the database are mapped to contract opportunities when there are no existing HPG MWBE suppliers operating in that contract area and/or no existing HPG MWBE suppliers targeted for growth aligned to the new contract opportunity.

- 9.2. The HealthTrust Supplier Diversity Program provides ongoing opportunities for minority, woman-owned, and veteran owned business enterprises to compete and earn supplier contracts. Presently, HealthTrust has 31 MWBE vendors providing over 55 Tier 1 contracts to HealthTrust members valued in excess of \$90 million in sales. Our Supply Chain Business Diversity program promotes purchases of surgical supplies & product distribution, surgical instruments, medical equipment, pharmaceutical products distribution, lab products/distribution, IT products & services, MRO & janitorial, food services, office supplies & equipment, construction, staffing services, telecommunications, transportation/delivery services, promotional products, medical transcription, repair services, and energy.

**10. Please describe whether and in what manner the GPO distributes its written code of business ethics and conduct to all applicable employees, agents, contractors, clinical advisory committees, and others involved in group purchasing activity.**

Please include in your answer:

- 10.1. Does the GPO distribute the code of conduct to all employees? By what manner is the code provided to employees? How often?
- 10.2. Where can the code be found electronically?
- 10.3. Does the GPO distribute its code of conduct to all members of clinical advisory committees? How often?
- 10.4. Does the GPO distribute the code to all of the board of directors? How often?
- 10.5. Does the GPO distribute its code of conduct to all agents and contractors that participate in the GPO activity? How often?
- 10.6. Does the GPO distribute its code to vendors and others with whom it does business?

- 10.1. HT has a written [Code of Conduct](#) which is provided to employees, agents, contractors, clinical advisory committees and equity owners. Both hard copies and electronic copies of the code are provided based on the physical location of the associate. The HT [Code of Conduct](#) must be reviewed annually by employees, agents, contractors, clinical advisory committees and equity owners as documented in HT's [Code of Conduct Training Policy](#) [HT.011]. Employed associates must take annual on-line code of conduct training, and their on-line training performance is documented in an electronic database. Associates that are not employed or that do not have access to on-line training receive a hard copy of the code; these associates must sign a Code of Conduct Acknowledgment Statement confirming that they have received and reviewed the HT Code of Conduct.
- 10.2. Both the [Code of Conduct](#) and related policy are available on HT's public website.
- 10.3. The HT [Code of Conduct](#) must be reviewed annually by clinical advisory committees as documented in HT's [Code of Conduct Training Policy](#) [HT.011]. Employed associates must take annual on-line code of conduct training, and their on-line training performance is documented in an electronic database. Associates that are not employed or that do not have access to on-line training receive a hard copy of the code; these associates must sign a Code of Conduct Acknowledgment Statement confirming that they have received and reviewed the HT Code of Conduct.
- 10.4. The HT [Code of Conduct](#) must be reviewed annually by board members as documented in HT's [Code of Conduct Training Policy](#) [HT.011]. They must sign a Code of Conduct Acknowledgment Statement confirming that they have received and reviewed the HT Code of Conduct.
- 10.5. The HT [Code of Conduct](#) must be reviewed annually by agents and contractors as documented in HT's [Code of Conduct Training Policy](#) [HT.011]. They must sign a Code of Conduct Acknowledgment Statement confirming that they have received and reviewed the HT Code of Conduct.

**10.6.** HT has a written [Code of Conduct](#) and a [Business Relationship Statement](#) that are posted to the vendor secured area of HT's website and are also available on HT's public website.

**11. Please describe how new employees involved in group purchasing are provided an orientation to the written code of business ethics and conduct.**

Please include in your answer:

- 11.1. Do all new employees involved in group purchasing get a copy of the code during their orientation?
- 11.2. Do all new employees get some type of orientation to or discussion of the code? Please describe the orientation.

**11.1.** The HT [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 HT as documented in HT's [Code of Conduct Training Policy](#) [HT.011] Both the Code of Conduct and related policy are available on HT's website.

**11.2.** All new employees attend a Code of Conduct orientation training meeting within 30 days of the date the associate begins working with HT where the Code of Conduct and other applicable policies and procedures are discussed.

**12. Please describe the nature and content of the GPO's annual employee refresher training on the written code of business ethics and conduct.**

Please include in your answer:

- 12.1. Which employees receive annual refresher training?
- 12.2. Please describe the content of the training and the method of delivery.

**12.1.** The HT [Code of Conduct](#) must be reviewed annually by all employees, clinical advisory committees and equity owners as documented in HT's [Code of Conduct Training Policy](#) [HT.011] Both the Code of Conduct and related training policy are available on HT's website.

**12.2.** HT utilizes an on-line course which is designed to review the components of the Code of Conduct and related ethics and compliance policies and procedures with follow-up questions that must be answered to promote participation. Employee electronic sign-in and participation is documented and maintained in an electronic database. In addition, all employees, agents, independent contractors, clinical advisory committees and equity owners who do not have access to the on-line training must review the written [Code of Conduct](#) and sign an Acknowledgment form every year indicating that they have reviewed and understand the policy.

**13. Please describe the mechanism (e.g., a corporate review board, ombudsman, corporate compliance or ethics officer) 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.**

Please include in your answer:

- 13.1. Does the GPO have a mechanism for employees to report possible violations of the code to someone other than the direct supervisor? Please describe the mechanism.
- 13.2. What process is used to protect the confidentiality of the reporting employee's identity?
- 13.3. What safeguards are in place to mitigate the opportunities for retaliation?

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

- HT 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 HT Ethics and Compliance Officer or another member of HT senior management.
- Employees may always contact the HT Ethics Line at 1-800-345-7419.
- HT's [Code of Conduct](#) emphasizes that HT 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 HT Ethics Line as part of the management service agreement between HT and HCA. HCA is the majority owner of HT. HT's Board of Equity Partners reviews HT's [Code of Conduct](#) and [Conflict of Interest Policy](#) [HT.003] annually, including information on the system HT has in place for reporting possible violations of the code. The Board also receives updates on the Ethics and Compliance Program as needed.

**13.2.** HT has a toll free Ethics Line which is operated by an independent group contracted by HCA, Inc., the majority owner of HT.

**13.3.** HealthTrust promulgates a message that individuals who have retaliated or threatened to retaliate against another person who reports in good faith will be subject to disciplinary action. Also, employees are encouraged to report instances of retaliation through the chain of command or through the HT Ethics Line at 1-800-345-7419.

In addition, HT has a provision in their [Code of Conduct](#) which states that, "There is no retribution or discipline for anyone who reports a concern in good faith. Any colleague who deliberately makes a false accusation with the purpose of harming or retaliating against

another colleague is subject to discipline." (page 14). Furthermore, the [Code of Conduct](#) orientation and annual refresher training reiterates these messages

Finally, when the Ethics Line handles calls, those managers reiterate that retaliation is not tolerated and that callers who feel that may be going on should report those concerns.

**14. Please describe the mechanism the GPO utilizes to follow up on reports of suspected violations to determine what occurred and who was responsible, and to recommend corrective and other actions.**

Please include in your answer:

14.1. Describe the process to evaluate, investigate and resolve the report or concern and to review related current policies and practices for possible revision.

**14.1.** HT is committed to investigating all reported concerns promptly and confidentially to the extent possible as stated in the HT [Code of Conduct](#). The HT Ethics and Compliance Officer coordinates such investigations with the HT 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 HT Ethics and Compliance Committee. HT expects all colleagues to cooperate with investigation efforts.

**15. Please describe how the GPO employees' compliance with its written code of business ethics and conduct is measured in their job performance?**

Please include in your answer:

- 15.1. Is ethical conduct or conduct consistent with the written code of conduct an explicit standard by which all employees and levels of supervision are measured in their job performance?
- 15.2. Describe how ethics is evaluated and taken into account.

- 15.1. All HT employees are assessed annually against a performance standard relative to their promotion of and adherence to the HT [Code of Conduct](#). This is documented in HT's [Performance Evaluation Policy](#) [HT.012] which is available on HT's website.
- 15.2. All HT employees are measured on six core competencies annually during their performance review: integrity, teamwork, customer & quality focus, job knowledge, development and leadership. All of the core competencies are rated as follows except for "integrity": E = Exceeds Expectations; M = Meets Expectations; D = Does Not Meet Expectations. All employees must either exceed or meet expectations for integrity because HealthTrust expects all employees to maintain the highest ethical standards.

**16. Please describe the processes the GPO utilizes to monitor, on a continuing basis, adherence to the written code of business ethics and conduct, and with applicable federal laws.**

Please include in your response:

- 16.1. Is there a process to evaluate at least annually the GPO's adherence to the law and to the code of conduct? Please describe.
- 16.2. Who conducts the evaluation(s)?
- 16.3. To whom are reports of the evaluation(s) provided (e.g., Board, CEO)?

**16.1. HT incorporates several practices to help ensure adherence to the written HT [Code of Conduct](#):**

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

**16.2.** As noted in the response to question 16.1, HT incorporates several practices to help ensure employees adherence to the written [Code of Conduct](#). These practices are monitored by the Ethics and Compliance Officer and reported quarterly to the Ethics and Compliance Department of HCA, Inc., HT's majority owner.

**16.3.** As noted in the response to question 16.1, HT incorporates several practices to help ensure employees adherence to the written [Code of Conduct](#). These practices are monitored by the Ethics and Compliance Officer and reported quarterly to the Ethics and Compliance Department of HCA, Inc., HT's majority owner.

**17. Please describe how the GPO fulfilled its obligation to participate in the most recent Best Practices Forum.**

Please include in your answer:

- 17.1. Please state how many company persons attended the Best Practices Forum in Washington, DC in January 2009.
- 17.2. Please name the most senior executive who attended.

**17.1.** Officers who attended the meeting from HealthTrust Purchasing Group were: Jim Fitzgerald, CEO; John Paul, CFO and former Ethics & Compliance Officer; Ed Jones, COO; and Gary Pack, VP and Chief Legal Officer.

**17.2.** The most senior executive who attended was Jim Fitzgerald, CEO of HealthTrust Purchasing Group.

**18. Please describe how the GPO reports to the company's Board of Directors or its Audit or other appropriate committee on the GPO's ethics and compliance program and its commitment to the Initiative's Principles.**

Please include in your answer:

- 18.1. Are periodic reports on the company's ethics and compliance program made to the GPO's board of directors or to a committee of the board? If so, please state how often and in general, what information is reported?
- 18.2. Are periodic reports on the company's participation in the Initiative made to the GPO's board of directors or a committee of the board? If so, please state how often and in general, what information is reported?

- 18.1.** HT reports developments and issues related to the implementation and maintenance of HT's Compliance Program to the HT partners at every partner meeting (typically three times a year) or earlier if needed. Information presented includes Program violations (if any) and updates to the Program.
- 18.2.** HT reports developments and issues related to the Initiative and the impact on HT's Compliance Program to the HT partners at every partner meeting (typically three times a year) or earlier if needed. For example, activities from the Best Practices Forum were presented as were responses by HealthTrust to the Public Accountability Questionnaire.

**19. Please name the senior manager assigned responsibility to oversee the business ethics and conduct program.**

Please include in your answer:

- 19.1. The name and title of the individual.
- 19.2. Contact information for the individual.
- 19.3. Please give the contact information for the person responsible for responding to questions related to this report.

**19.1.** Bill Francis is HT's designated Ethics and Compliance Officer. The roles of responsibilities of HT's Ethics and Compliance Officer and HT's Ethics & Compliance Committee are detailed in HT's [Ethics & Compliance Officer and Ethics & Compliance Committee Policy](#) [HT.013] which is available on HT's website. Questions about the HT compliance program should be directed to [Bill.Francis@healthtrustpg.com](mailto:Bill.Francis@healthtrustpg.com).

**19.2.** Bill Francis can be contacted at [Bill.Francis@healthtrustpg.com](mailto:Bill.Francis@healthtrustpg.com).

**19.3.** Questions about the HT compliance program should be directed to [Bill.Francis@healthtrustpg.com](mailto:Bill.Francis@healthtrustpg.com).