



HEALTHTRUSTSM

PURCHASING GROUP

{ HEALTHTRUST - BUSINESS RELATIONSHIP STATEMENT }



Business Relationship Statement
HealthTrust Purchasing Group Vendors

Dear HPG Vendors,

Without the continuing support and cooperation of our vendor community, HPG could not make available to its members the outstanding products and services necessary for them to provide quality healthcare to their patients. One reason this relationship has been so successful is the professional day-to-day relationship displayed by our vendors.

We have provided this Business Relationship Statement to further communicate HPG's expectations for vendor conduct with respect to HPG and its members. We hope you will find this helpful and invite any comments you may have.

Please sign where noted at the end of the Statement to indicate your acknowledgement of the content of this Statement, and return the signed copy to your HPG Contract Manager.

Thank you for your continued support of HPG and its members.

Sincerely,



Jim Fitzgerald
President and CEO



HEALTHTRUST
PURCHASING GROUP

Purpose

High ethical business principles are necessary to establish and maintain a sound foundation for vendor-GPO relationships as well as for vendor-member relationships. HealthTrust Purchasing Group (“HPG”) has created this Vendor Business Relationship Statement as part of its commitment to promote ethical business relationships and to fulfill its responsibilities to its members. It is HPG’s expectation that the vendor employees and representatives who work with HPG and its members on a day-to-day basis will be familiar with the expectations set forth in this Statement and will conduct themselves in a manner consistent with these provisions.

Mission

HPG’s mission is to obtain the best price for clinically recommended products, ensure their timely delivery, and continuously evaluate and improve our services to the patients, physicians and clinicians we serve.

Members

HPG’s current membership comprises acute care facilities, surgery centers, alternate site facilities, and physician practices, located throughout the United States. A current list of members is maintained on the SCRUBS™ section of the HPG website (<http://www.healthtrustpg.com/>), which is available to all vendors having contracts with HPG.

Self Guidance Standards

HPG has implemented a number of policies, practices, and programs to ensure that its employees operate with unquestioned integrity. The following are some of the actions we have taken:



HPG’s Vendor Diversity Program
proactively works with minority and
women-owned business enterprises...

- We have designated a senior executive as our Ethics & Compliance Officer.
- We do not own any financial interest in any HPG vendor.
- Our officers and employees are not permitted to own or to accept stock or options from any current contracted vendor or any vendor that may desire to have a contract with HPG.
- We do not have investments in venture capital funds.
- We do not have investments in any product research initiatives.
- We believe maintaining business relationships with minority and women-owned businesses is beneficial to our members.
- We do not accept or contract for administrative fees in excess of three percent (3%), as allowed by the Federal GPO Safe Harbor.
- We do not have any ownership interest in Global Health Exchange (“GHX”), our contracted e-commerce company.
- We do not offer private label products for sale to our members.

Diversity

HPG's Vendor Diversity Program proactively works with minority and women-owned business enterprises ("MWBE") to identify and contract for products and services for HPG members. This Diversity Program has a goal of ensuring that the vendor base of our members reflects the diversity of the communities they serve. HPG expects its vendors to have their own diversity programs for identifying contracting opportunities with MWBE businesses and that these programs include the following:

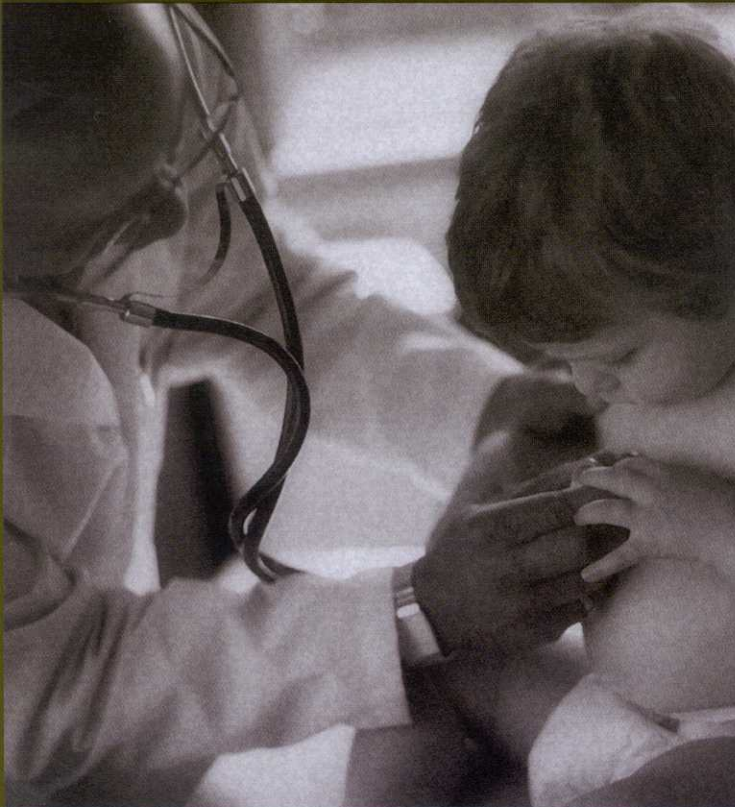
- A dedicated staff to support its Diversity Program.
- Contracting with certified MWBE manufacturers, distributors, and service providers to provide quality products and services.
- Agreements with its subcontractors that include terms encouraging them to utilize MWBE businesses.
- A continuing program to increase use of MWBE businesses by vendor and its subcontractors.
- Regular reporting to the HPG Diversity Program on its contracts with MWBE businesses.

... vendors are selected because of their commitment to promote and serve the needs of healthcare providers and their patients.

Compliance

HPG members and the healthcare community at large recognize that vendors are selected because of their commitment to promote and serve the needs of healthcare providers and their patients. As a result of the trust that HPG and its members place in our vendors, utmost integrity in our business relationships is a must. HPG expects each of its vendors to have their own ethics and compliance program to ensure their employees conduct themselves in compliance with not only applicable laws and regulations, but also in an ethical and responsible manner. The following are a few basic, underlying requirements that HPG vendors are expected to support.

- HPG will not contract with any vendor if it or any of its officers, directors or employees are, or become, excluded, debarred, or ineligible to participate in Federal healthcare programs; or are convicted of a criminal offense related to the provision of healthcare items or services. Vendors shall report to HPG's Ethics and Compliance Officer if this occurs during the term of any agreement with HPG.
- Accurate and timely payments to HPG for all administrative fees, rebates, or other payments



shall be made by vendors according to agreement terms. Failure to provide such payments timely and accurately, with appropriate back-up information, may result in inaccuracies on financial and cost reports for HPG members.

- Conflicts of interest should be avoided. It is important that vendors not have any conflict of interest with respect to those negotiating agreements and making buying decisions. Consulting and other relationships by vendors with physicians on staff at HPG member facilities must be fully disclosed to such facilities prior to their making any purchasing decision. Likewise, family and business relationships by vendor representatives with HPG or member facility staff and employees must be disclosed to HPG senior management.
- Vendors shall provide billing, coding or reimbursement information on vendor products and/or services to HPG members only after consultation with the appropriate billing, coding, or reimbursement official for the HPG member.
- HPG vendor products shall be provided in conformance with FDA or other legal and regulatory approval.

Conduct

Sound business relationships are built upon more than just complying with laws and regulations. The following are additional guidelines for conduct expected in vendor relationships with both HPG and its members, and which help support strong and trusting relationships:

- HPG has a Code of Conduct for its employees and others who assist HPG from time to time. It sets forth standards of conduct for HPG colleagues and also describes many standards that are appropriate for vendor

relationships with HPG and its colleagues. This Code can be found on the Internet at <http://www.healthtrustpg.com/>, or copies can be obtained by contacting the HPG receptionist at 615-344-3000. HPG expects its vendors to conduct themselves in a manner consistent with the letter and spirit of the HPG Code of Conduct.

- Vendors are expected to not only honor the terms and conditions in vendor agreements but also the spirit and intent of these agreements.
- Members of HPG have agreed to purchase products and services consistent with the terms of our vendor agreements. We expect any vendor who is aware of the existence of such agreements not to encourage an HPG member to fail to fully meet its freely assumed membership obligations.
- HPG has a stated commitment that its members buy from vendors with which it has agreements. Accordingly, should a vendor without an agreement attempt to market its products or services to HPG members where a vendor agreement exists for the products or services involved, HPG regards it as appropriate to assist its contracted vendor in such a circumstance. Such assistance may include a disclosure of any information that becomes known to HPG that might assist in ensuring compliance by HPG members with the applicable vendor agreement.
- Should any vendor lose a contractual position with HPG, the vendor should cooperate with HPG to develop a reasonable and appropriate transition plan to facilitate the movement of HPG members to the new vendor and to avoid any disruption in patient care.
- Marketing by vendors should be conducted in a manner to promote competition in the marketplace. Vendors should not attempt to block, delay, or undermine legitimate

evaluations of competing products by HPG and its committees. HPG vendors shall provide detailed product information, including non-proprietary information concerning product composition, when requested to do so.

- Innovative new technology benefits the healthcare industry and the patients we serve. Ongoing research and development by vendors of new products and services is encouraged. Any vendors not offering the latest innovative technology should not interfere with HPG's efforts to contract with a competing vendor in order to offer new technology to HPG members.

- Vendors need to support the educational needs of HPG members with respect to their product lines. This includes providing adequate in-service training for vendor products and services as well as other appropriate educational opportunities.

- Vendors may participate at HPG-sponsored functions by renting booth space for display of vendor products and services. Vendors may offer to underwrite all or part of the costs for presentations, meals, or receptions at HPG-sponsored functions, provided the per attendee cost is in compliance with HPG's Entertainment Policy (HPG.006). No decisions on awarding contracts will be based on whether a vendor purchases booth space or otherwise participates in any HPG-sponsored activity.

- Vendors are expected to proactively provide HPG staff with information on new clinical preference items that may improve the quality of care for patients in HPG member facilities. Once approved by HPG's clinical committees, vendors should work with HPG staff to include such products on an HPG vendor agreement in a timely fashion.

- The healthcare industry's efforts to fully



Ongoing research and development by vendors of new products and services is encouraged.

implement Universal Product Numbering (UPN) is an important initiative for reducing supply costs. Vendor labeling with a UPN and bar code down to the unit of use level is a mandatory requirement for most products.

- Vendors should refrain from offering HPG staff, including their spouses and minor children, gifts, gratuities, or entertainment of greater than Nominal Value. "Entertainment" means any social activity (e.g., meal, attendance at a sporting or cultural event, participation in a sporting activity) at which both representatives of the vendor and HPG are present and where business matters are discussed but where the predominant purpose of the event is social. "Nominal Value" means: (i) for any item or other thing of value, or any services (excluding cash or cash equivalents), with a total value of \$50.00 or less in any one calendar year; and (ii) for entertainment, a total value not to exceed \$100.00 per person and not more than four times per year. The HPG Entertainment Policy (HPG .006) provides a detailed explanation of this policy.

- Vendors shall report to HPG's Ethics and Compliance Officer or contact the HPG Ethics Line (1-800-345-7419) if an HPG colleague requests any gifts, gratuities, or entertainment or otherwise engages in activities inconsistent with this Statement.
- Vendors shall work with HPG staff to develop contract implementation materials and actively support the launch of HPG vendor agreements, as well as other communications required for contract amendments and addressing other issues.
- A competent, well-trained, responsive field sales force shall be provided by vendors to support use of the agreements by HPG members. This helps ensure better acceptance of vendor products and enhances vendor reputation.
- Providing an experienced national account representative, or at a minimum a central point of contact for HPG representatives, that is authorized to speak for and make decisions on behalf of the vendor. This enables better communication between HPG and the vendor and better addresses the needs of HPG members. Vendor national account teams shall respond to inquiries from HPG and its members within one business day following receipt of such inquiries.
- Accurate and timely sales reporting in the electronic format specified by HPG is required of every vendor. The information provided enables HPG and the vendor to better support HPG members and facilitates contract compliance.
- Vendors shall have appropriate systems and processes in place to ensure accurate and timely pricing in the electronic format specified by HPG is provided, and HPG member facilities are invoiced with the correct contracted pricing. Where vendor products are

sold through distribution, it is the vendor's responsibility to ensure the distributors have accurate pricing in a timely manner.

- Vendors shall have internal systems in place to ensure correct prices are charged, to verify correct prices were charged, and to automatically refund over charges to HPG members.
- e-Commerce, EDI and other HPG technology initiatives intended to reduce supply chain costs and improve efficiencies for its members should be supported by all vendors.
- Vendors shall utilize the membership data regularly provided by HPG to update and maintain an accurate HPG membership roster. This will help ensure access by HPG members to all agreements and accurate pricing, and will facilitate the accurate allocation of administrative fees and rebates.
- Vendors shall provide complete and accurate product number cross-referencing and other information requested by HPG staff and the staff of its member facilities to facilitate the agreement development and implementation process.
- Vendors should not create individual agreements with HPG members that would be in direct conflict with an existing agreement between vendor and HPG.

"Vendor(s)" as used in this statement includes any manufacturers, suppliers, distributors, wholesalers, service companies, and any other businesses that contract with, or seek to contract with HPG to provide products and services to HPG and HPG members.

This HPG Vendor Business Relationship Statement and the HPG Code of Conduct and policies referenced herein can be found on the HPG website (<http://www.healthtrustpg.com/>).

Version date: July 1, 2004

Acknowledgment Card

Vendors need to support the educational needs of HPG members...

On behalf of the vendor identified below, I certify that this HealthTrust Purchasing Group Business Relationship Statement has been reviewed and will be made available to those vendor employees and representatives who have frequent contact with HPG and its members.

EXECUTED this _____ day of

_____ , _____ .

Vendor

Vendor Address

d/b/a

By

Name

Title



HEALTHTRUST®
PURCHASING GROUP

