



## 2015 PUBLIC ACCOUNTABILITY QUESTIONNAIRE

This Questionnaire Covers Calendar Year 2015.

Please return your response to [hope.morris@arentfox.com](mailto:hope.morris@arentfox.com) no later than June 1, 2016.

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### OWNERSHIP AND ORGANIZATIONAL STRUCTURE

1. Describe the ownership structure of your GPO and/or its parent or affiliated companies, including details regarding the following:
  - Person(s) or entities that control the majority of voting interests in your GPO:  
HealthTrust is organized as a limited partnership. A wholly-owned, indirect subsidiary of HCA Holdings, Inc. is the general partner and operates the partnership.
  - The types of equity holders of your GPO (e.g., publicly-held company, healthcare providers, individuals, for-profit and/or not-for-profit entities):  
The limited partners and the general partner are all healthcare providers or are owned by healthcare providers. They are listed below:  
General partner: HPG Enterprises, LLC (a wholly-owned indirect subsidiary of HCA Holdings, Inc. which is publicly traded)  
Limited partners<sup>1</sup>: HPG Solutions, LLC (a wholly-owned indirect subsidiary of HCA Holdings, Inc. HCA Holdings, Inc. is publicly traded)  
Catholic Health Initiatives (a non-profit company)  
CHS/Community Health Systems, Inc. (a subsidiary of Community Health Systems, Inc. which is publicly traded)  
LifePoint Hospitals Holdings, Inc. (a subsidiary of LifePoint Health, Inc. which is publicly traded)  
Consorta, Inc. (a for-profit company)

The following healthcare provider systems are shareholders of, and hold their interest in HealthTrust through, Consorta, Inc.:

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<sup>1</sup> The information shown as to HealthTrust's limited partners and Consorta Shareholders is accurate as of December 31, 2015. On January 1, 2016, Consorta, Inc. ceased to be a limited partner, and the following shareholders of Consorta became HealthTrust limited partners: Franciscan Alliance, Inc., Hospital Sisters Health System and Trinity Health Corporation, all of which are non-profit entities. Tenet HealthSystem Medical, Inc. became a limited partner as of February 1, 2016. Tenet is a subsidiary of Tenet Healthcare Corp., which is publicly traded.

Franciscan Alliance, Inc. (a non-profit company)  
Hospital Sisters Health System (a non-profit company)  
Trinity Health Corporation (a non-profit company)  
Wheaton Franciscan Services, Inc. (a non-profit company)

HealthTrust is not a publicly-held company. All of the partners listed above other than Catholic Health Initiatives and Consorta, Inc. are subsidiaries of publicly-held companies. The shareholders of Consorta are not publicly-held.

The corporate form of your GPO and/or its parent or affiliated companies – such as corporation, partnership, limited liability company, co-op:

HealthTrust is organized as a limited partnership. It has a subsidiary in Birmingham, United Kingdom, called HealthTrust Europe, which is a group purchasing organization that serves the UK market. In addition, HealthTrust has a Representative Office in Shanghai, China. The responses in this questionnaire are limited to the US portion of HealthTrust’s business relating to GPO programs for healthcare providers.

- Whether the GPO is organized as a for-profit or not-for-profit organization:  
HealthTrust is organized in Delaware as a for-profit limited partnership.
- Location of corporate headquarters:  
155 Franklin Road, Brentwood, Tennessee 37027.

2. Describe the composition of your Board of Directors or other governing body and reflect any changes from the previous HGPII reporting year. Include the following in your response:

- Number of individuals serving on your Board:  
As a limited partnership, HealthTrust does not have a Board of Directors, and instead has an advisory group (“Partner Advisory Committee”) comprised of a representative of each partner listed above in Item 1, plus a representative of each Consorta, Inc. shareholder, for a total of approximately 8 partner representatives<sup>2</sup>. In addition, there are approximately 7 HealthTrust employees who regularly attend Partner Advisory Committee meetings. The number of HealthTrust employee attendees varies depending on the agenda.
- Percentage of Board representing GPO customers:  
All attendees of Partner Advisory Committee meetings (other than HealthTrust employees) are representatives of the limited partners, all of which participate in HealthTrust’s GPO program.

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<sup>2</sup> Representation on the Partner Advisory Committee is subject to adjustment to align with the current composition of HealthTrust’s ownership structure, as described in Footnote 1. However, the Committee representation described here is accurate for 2015.

- Percentage of Board that are employees of the GPO:  
The percentage of attendees at Partner Advisory Committees who are employees of HealthTrust varies, depending on the meeting agenda.
  - Percentage of Board members also serving as employees, officers, or directors of a participating vendor.  
None.
3. Indicate whether any equity holder of your GPO and/or its parent or affiliated companies is a physician (or an immediate family member of a physician).
- No HealthTrust general or limited partner is a physician or an immediate family member of a physician.

### CONFLICT OF INTEREST

4. Describe the GPO's policies and procedures that address conflicts of interest for:
- Employees in a position of influence with regard to contracting decisions;
  - Clinical Advisory Members; and
  - Members of the GPO's Board of Directors or other governing body.

As part of your response, provide details about reporting requirements for conflicts and provide a copy of written policies.

HealthTrust has a [Conflict of Interest](#) policy [HT.003] that addresses conflicts of interest for HealthTrust employees, representatives of members who serve on HealthTrust's Partner Advisory Committee or Advisory Boards (as described in [Item 16](#) of this Questionnaire and at this link: [Advisory Boards](#)), and equity owner entities.

HealthTrust's [Conflict of Interest](#) policy [HT.003] provides that there may be a conflict if an individual in the capacity described in the paragraph above (or family member of such person) has an interest in a vendor or potential vendor, or a HealthTrust competitor, such as the following:

- a financial interest such as an investment interest, or compensation arrangement
- a personal interest such as employment of a family member
- being an advisor such as a board member or consultant
- being a current employee, or a former employee within the past 3 years
- being a speaker for, or accepting honoraria or other monies from, a vendor

If such circumstances exist, and the individual has influence over the HealthTrust contracting process or other HealthTrust decisions with respect to such vendor, the individual must either remove the conflict by divesting the interest (if applicable), or the conflict must be disclosed to the relevant HealthTrust leadership. The conflicted person's

participation in matters relating to the conflict will be curtailed or restricted in accordance with the policy.

As to conflicts reporting, generally all of the described individuals must complete a Conflicts Statement annually in which they disclose any conflicts or potential conflicts. HealthTrust's Ethics and Compliance Officer follows up on each matter disclosed with the individual who reported it as well as his or her manager or Advisory Board lead, as applicable, to ensure that the conflict is mitigated.

Acceptance of gifts from vendors is discouraged and the dollar value of gifts that may be accepted is limited. The total value of all gifts from any one vendor in any calendar year that may be accepted by a member of HealthTrust's Partner Advisory Committee, any Advisory Board member or any HealthTrust employee must be modest, reasonable and customary for the location, and cannot exceed a total of \$75, per HealthTrust's policy [Business Courtesies Received by HealthTrust Colleagues from Others](#) [HT.006].

That policy also provides that those individuals may accept business entertainment or food/beverages from a vendor, provided the cost does not exceed \$150 per person per instance, with a maximum of \$500 per year for events in the U.S. from any one vendor or vendor division. No offer to provide or pay costs of travel or lodging may be accepted, with very limited exceptions.

HealthTrust's Policy entitled [Business Courtesies Given by HealthTrust to Others](#) [HT.005] provides corresponding limits on the ability of HealthTrust representatives to offer business entertainment, food, beverages or gifts to others, such as current or potential members, clients, vendor representatives, or any source of referrals of new members or vendors. HealthTrust may offer or give business entertainment, food and beverages to a business contact if the cost does not exceed \$150 per person per instance, with a maximum of \$500 per year for events in the U.S. The dollar value of gifts given by HealthTrust to any business contact cannot exceed a total of \$75 per year.

As to reporting of business courtesies: HealthTrust employees report business courtesies given at the time that they request reimbursement for the related expense. They report business courtesies received within 30 days of receipt.

5. Describe actions the GPO takes to avoid conflict of interest issues for members of the Board of Directors (e.g. disclosure and/or prevention of equity investments in participating vendor relationships and acceptance of gifts/meals/travel/entertainment paid for by vendors.)

See response to [Item 4](#) above as to conflicts that members of HealthTrust's Partner Advisory Committee or Advisory Boards may have as individuals, and [Item 6](#) below as to conflicts that member entities may have.

6. Describe the GPO's policies and procedures that address activities, including other lines of business of the GPO and/or its affiliates (including non-GPO services and strategic

investments) that might constitute conflicts of interest to the independence of its purchasing activity.<sup>3</sup>

As of this writing, HealthTrust does not have an investment interest in any vendor. Its conflict of interest policy reiterates that it does not intend to do so, unless HealthTrust concludes that the acquisition would benefit members or clients, for example by creating or maintaining a source for a product or service where there is no other source or very limited sources available.

HealthTrust also remains alert to the possibility of its general or limited partner entities having a direct or indirect (for example through a venture capital fund or an affiliate) investment in a current or potential HealthTrust vendor. HealthTrust's partners are asked to report any such potential institutional conflict to HealthTrust. If there is such an interest, the participation of the representative of the conflicted partner in HealthTrust's decision making process (such as an Advisory Board or Partner Advisory Committee role) as to that vendor would be curtailed or restricted in accordance with HealthTrust's [Conflict of Interest](#) policy [HT.003].

HealthTrust has a separate group purchasing program called CoreTrust that provides its members with access to over 75 categories of non-clinical vendor contracts, including such diverse items as office supplies, artwork, batteries, car rental services, IT products such as laptops, and food procurement. Most companies, including HealthTrust vendors, are eligible to voluntarily join CoreTrust by executing a participation agreement. There is no fee for becoming a member of CoreTrust. HealthTrust's decisions on contracting with vendors are made wholly independent of whether a vendor is a member of CoreTrust.

HealthTrust's general partner company is owned by HCA Holdings, Inc. HCA Holdings has three indirect, wholly-owned entities that have HealthTrust GPO vendor contracts, and has a minority investment in one entity (Mobile Heartbeat) that has a HealthTrust GPO vendor contract. These contracts are made available to HealthTrust members on an optional basis as described in [Item 18](#). These entities are described below:

- [Parallon](#). Headquartered in Nashville, Tennessee, Parallon Business Solutions, LLC is an indirectly wholly-owned subsidiary of HCA Holdings, Inc. It provides the following services through its affiliated entities:
  - [Parallon Business Solutions](#). Revenue cycle, billing, collections, Medicaid eligibility and related services.
  - [Parallon Workforce Solutions](#). Workforce contingent labor and scheduling technology.

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<sup>3</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)).

- [Parallon Technology Solutions](#). EHR implementations, application support, IT managed services, technical staffing and strategic IT consulting services.
- [Invivolink](#). Headquartered in Nashville, TN, Invivolink offers orthopedic and spine implant care management software that operationalizes evidence-based medicine by providing data, content, services and support that can result in better patient outcomes, lower cost and improved patient experiences.
- [Mobile Heartbeat™](#). HCA Holdings, Inc. has an indirect minority interest in Mobile Heartbeat, which uses smartphones to improve clinical workflow and team communications. Its solution consolidates clinical communications, patient information and lab data, secure texting, voice, and photography, and provides a clinical team directory and workflow that connects a patient's care team inside and outside the hospital.

## OTHER LINES OF BUSINESS

7. Describe other lines of business or investments of the GPO and its affiliates. We are interested in hearing about new as well as nontraditional GPO services that your company and its affiliates are involved with.

For purposes of this Item, HealthTrust interprets “affiliate” to mean subsidiaries of HealthTrust, but not affiliates of HealthTrust’s general partner or limited partners.

HealthTrust’s mission is to strengthen provider performance and clinical excellence by delivering total cost management solutions. In addition to the HealthTrust GPO program (which focuses on acute care healthcare providers) and the AdvantageTrust GPO program (which focuses on non-acute care healthcare providers), HealthTrust offers its GPO members and other clients certain services that are complementary to group purchasing activities, such as consulting services that address all aspects of supply and operating expense including procurement, inventory management and accounts payable; services related to sourcing of medical devices, purchased services and energy are also available; consulting on clinical resource management, distribution and logistics, shared services, and management services such as CRM/Rx; and spend analytics. For a complete list of HealthTrust offerings, see [HealthTrust Solutions](#). HealthTrust also offers a variety of consulting and outsourcing services to its members through Parallon Business Solutions, an affiliate of HealthTrust’s general partner, as noted in [Item 6](#).

8. What policies or guidelines does the GPO have to address potential conflicts of interest with regard to other lines of business engaged in by the GPO and/or its parent or affiliated companies?

See response to [Item 6](#) above.

## MONIES FROM VENDORS

9. Describe the GPO's policy with respect to the receipt of sponsorship funds, grants for research or other educational programs, or any other source of non-administrative fee revenue from vendors. What policies does the GPO have to guard against any potential conflict of interest relating to such payments?

HealthTrust does not accept non-administrative fee revenue of any sort from vendors except as noted under [Item 10](#) (funds that may be received from vendors in return for opportunities to sponsor, or exhibit their products or services at, HealthTrust events); [Item 11](#) (advertising fees); and [Item 13](#) (Global Sourcing Fee).

10. Does the GPO and/or its parent or affiliated companies accept vendor fees relating to conference sponsorship or exhibit booth space? What policies does the GPO have to guard against a potential conflict of interest relating to vendor participation in industry trade shows, and donations in general?

For purposes of this Item, HealthTrust interprets "affiliate" to mean subsidiaries of HealthTrust, but not affiliates of HealthTrust's general partner or limited partners.

HealthTrust accepts fees from vendors that choose to participate in HealthTrust conferences. These conferences may include educational presentations, trade shows and similar activities. HealthTrust chooses the content, methods, educational objectives, materials, speakers, invitees, location and activities for its conferences. The policy governing such activities and guarding against potential conflicts is HealthTrust Policy HT.004 - [HealthTrust Events](#). No vendor is required to participate.

A vendor's participation in a HealthTrust conference may include a purchase of exhibition booth space; sponsorship of a meal, refreshments, entertainment; sponsorship of a time block for an informational session, a keynote address or general session, or similar activities. The requirements of participation are as follows:

- (a) unless otherwise approved by HealthTrust, only vendors that have a national contract with HealthTrust available to all HealthTrust members at the time of the event may participate;
- (b) a vendor's participation cannot be otherwise conditioned on HealthTrust's conduct of business with the vendor, or the volume of HealthTrust members' purchases from the vendor;
- (c) all vendors must be charged a like amount for like opportunities (except that reduced prices may be charged, at HealthTrust's discretion, pursuant to HealthTrust's Supplier Diversity Program as described in [Item 34](#)); and
- (d) the vendor must receive something of value, such as promotional benefits and/or exhibition booth space with exposure to existing or potential customers.

With regard to vendor- or industry-sponsored conferences or trade shows, HealthTrust also has a policy guarding against potential conflicts in those situations: HT.007 - [HealthTrust Colleague Participation in Educational, Training and Promotional Events of Others](#). This policy provides that a HealthTrust colleague may not accept free or reduced event registration, meals or entertainment at such an event unless the same free or reduced terms are offered to all attendees. If not offered to all attendees (for example if a small group of HealthTrust colleagues is offered dinner by a vendor), then they may accept, subject to HealthTrust's business courtesies policy - HT.006 - [Business Courtesies Received by HealthTrust Colleagues from Others](#).

11. Describe any services or products the GPO or its affiliates provide to vendors on a fee-for-service basis (e.g. data, claims processing, etc.).

The only services or products that HealthTrust provides to vendors for a fee not discussed elsewhere in this document are advertising services purchased by vendors for publication in HealthTrust's quarterly magazine, *The Source*.

12. 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 (e.g. safe harbor reports)? If this document is publicly available, provide an electronic link to this information.

Yes, HealthTrust makes an annual disclosure to each member or former member participating in either the HealthTrust or AdvantageTrust GPO programs of the amounts of administrative fees received from vendors with respect to the member's purchase of products and services ("[GPO Fees](#)") in conformance with the GPO safe harbor. The current form of the disclosure can be viewed at this link: [Form of Annual Disclosure to Members](#).

13. Does the GPO disclose to members all payments other than administrative fees the GPO receives from any vendor in the course of the GPO's group purchasing activities (e.g. booth space, educational grants, marketing fees, honoraria, etc.) whether from the purchasing activity of those members or not? Describe your disclosure practices.

In the same annual disclosure letter to members described in [Item 12](#) directly above, HealthTrust also discloses names of vendors that paid fees for booth rentals and other promotional opportunities at HealthTrust seminars, meetings and conferences, as well as names of those vendors that purchased advertisements in HealthTrust's *The Source* magazine.

In addition to GPO fees, HealthTrust may receive fees in connection with sourcing products directly from manufacturers in various parts of the world (a "Global Sourcing Fee"). HealthTrust has established a Global Sourcing group staffed by HealthTrust personnel in the US and Shanghai, China. They assist in identifying vendors for the Global Sourcing program. They monitor those vendors, engage in quality assurance activities, and provide other services to help ensure that HealthTrust members can purchase high quality, clinically acceptable products from these vendors at very competitive pricing. For these



efforts, HealthTrust receives a Global Sourcing Fee based on sales to HealthTrust members of the products jointly sourced through this program. Members are notified of this additional fee in their Participation Agreement. Also the amount of Global Sourcing Fees received and attributable to a particular Global Sourcing vendor contract are disclosed to members as part of the letter described in Item 12.

14. 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).

HealthTrust returns to vendors all material fees received on purchases made by ineligible members (i.e., facilities that either were not active members of HealthTrust within 12 months of the time of purchase, or facilities that were never members of HealthTrust). If the aggregate amount of such fees relating to any one vendor is less than \$1,000, HealthTrust considers the amount immaterial and does not return it to the related vendor.

## **MEMBER FEES**

15. Does the GPO pay fees or offer equity 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?

HealthTrust does not charge a membership fee or other fee to any entity to become a member of HealthTrust. HealthTrust does not pay a signing bonus to members upon signing or re-signing a participation agreement under which a member joins the HealthTrust GPO. Equity grants are a rare occurrence, requiring approval from partners who are diluted by them.

## **BID AND AWARD/CONTRACTING ISSUES**

16. Does the GPO have a publicly-available description of its bid and award process? If so, provide a link and written description of your bid and award process. If not, describe how it may be obtained.

HealthTrust's bid and award process is described in its [Contracting Process Policy](#) [HT.008] available on its public website. The process includes the principles described below, many of which are generally consistent with those embodied in the U.S. Federal Competition in Contracting Act.

As described in the policy, HealthTrust operates a member-driven contracting process. Advisory Boards are engaged to determine the clinical, technical, operational, conversion, business and other criteria important for that specific bid category. The boards are comprised of representatives from HealthTrust's membership who have appropriate experience, credentials/licensures, and decision-making authority within their respective health systems for the board on which they serve. Advisory Boards include: Surgical,

Cardiovascular, Nursing, Radiology, Laboratory, Information Technology, Food and Nutrition, Pharmacy and Facility Infrastructure. Certain categories may require additional specialized subject matter expertise and warrant the forming of a Specialty Committee. Examples of Specialty Committees include: Advanced Wound Care, Perinatal, Infection Prevention, Cardiovascular OR, Respiratory Therapy and Human Resources. HealthTrust also operates a Supply Chain Board comprised of representatives from HealthTrust members who have appropriate responsibility for supply chain within their organizations. The Supply Chain Board reviews Advisory Board recommendations, and provides additional business requirements for bid categories. Contract award decisions are subject to the approval of HealthTrust's Advisory Board/Supply Chain Board. If there were ever a situation where the applicable Advisory Board and the Supply Chain Board were not aligned in their recommendation for a particular award, the decision would be moved up to the Partner Advisory Committee.

HealthTrust's requirements for specific products and services are published on its [Contract Schedule](#) on its public website, as described in [Item 17](#) below. HealthTrust's requirements for vendors are outlined in its [Supplier Criteria Policy](#) [HT.010]. A listing of the minimum [Supplier Criteria](#) is also published on HealthTrust's public website. The website also contains an on-line form that interested vendors may complete and submit to HealthTrust; see the [Prospective Supplier Profile](#). All vendors that meet the criteria and that have submitted the required form may be eligible to compete, although completion of the Prospective Supplier Profile does not guarantee that a vendor will be invited to bid or receive an award.

The [Contracting Process Policy](#) [HT.008] includes criteria for the selection of contract products and services and documents the procedures followed by HealthTrust's contracting team to select vendors for consideration. HealthTrust's Advisory Boards and the Supply Chain Board may provide additional requirements or other criteria that would be incorporated into the RFP (request for proposals) process, where appropriate.

HealthTrust's process includes a preference for competitive procurement. HealthTrust uses an RFP process whereby bids may be requested from vendors that meet the criteria specified in the [Supplier Criteria Policy](#) [HT.010]. Vendor proposals are analyzed using an extensive clinical/technical review as described above, as well as a financial/operational review.

Please note that there are limited exceptions to HealthTrust's standard RFP process. Such exceptions usually relate to products or services that are currently under contract with a vendor for which member and Advisory Board feedback is positive, the vendor's pricing is competitive in the market, the category is relatively low in spend, there is no new technology in the category, or for which a conversion to another vendor's product or service would be operationally difficult and/or costly. In these cases, renewal of an existing agreement may be recommended to the Advisory Board for their consideration. In addition, this process may be used for those products/services that are only available from a single qualified vendor. Under this process, the HealthTrust contract manager obtains price comparisons (if available) from HealthTrust's financial review team, and researches

products/services under current contracts in conjunction with the applicable Advisory Board lead. The research process is described in the [Contracting Process Policy](#) [HT.008]. If the Advisory Board has recommended approval of the vendor in such a situation, the contract manager will complete the contract without resubmitting the matter to the Advisory Board.

HealthTrust maintains appropriate documentation of the bid process, engagement with its boards, and awarded vendor bid information such as copies of financial analysis, price files, communications, voting records and contract documents. This helps to verify that the criteria defined in HealthTrust policies and procedures are followed when contract award decisions are made.

17. Describe the GPO's requirements for how products or services are published so they are accessible to potential vendors. If a bidder is not awarded a contract, is that bidder able to review the decision criteria used to evaluate the bid? Include in your response a general description of the GPO's criteria for vendor selection.

HealthTrust's [Contract Schedule](#) provides a description of the products and services on its annual contracting work plan, and the time period in which the respective projects are expected to occur. It is regularly updated and published on HealthTrust's public website where it is accessible to current and potential vendors.

Details on HealthTrust's criteria for consideration of a vendor in the contract bid process are documented in HealthTrust's [Supplier Criteria Policy](#) [HT.010], also on the public website. For example, a vendor's products and services must meet or exceed the quality, durability and cost effectiveness of similar items currently under contract with HealthTrust; its distribution system must be national in scope and able to accommodate the volume of orders from HealthTrust members; and the vendor must demonstrate financial stability and long-term viability. Additional bid criteria or requirements are outlined in the specific category bid documents that are sent to bidding vendors for a particular project.

Bidders that are not awarded a contract are notified in writing via a letter or email from the HealthTrust contract manager. Bidders are provided the contract manager's contact information and, if desired, may contact the contract manager if they would like to have a more detailed understanding of why they did not receive the award. See HealthTrust's [Process for Addressing Supplier and Bidder Grievances](#) [HT.014].

18. Describe the GPO's policy with regard to the use of single, sole, dual, and multi-source procurement and provide an example or two to support use of these contracting tools.

HealthTrust's [Contracting Process Policy](#) [HT.008] includes definitions of "sole", "dual", "multi-source" and "optional" procurement and explains when each strategy should be considered. There is no set target or goal with respect to number of sole source or dual source awards.

Sole Source: Under a sole source award, HealthTrust awards a contract to one vendor for a particular product or service. The expectation for a sole source agreement is that it will deliver exceptional value to HealthTrust’s members, and that the membership has the ability to drive compliance and market share to the awarded vendor. In some cases, a product may be a proprietary technology where a sole source award is the only available contract option. More typically, products under a sole source award are commodity-type products for which there is no clinical or physician preference. In most cases, sole source contracts may be terminated for convenience by HealthTrust upon 60 days’ notice.

Dual Source: HealthTrust awards dual source contracts for particular products or services to two vendors. The expectation for a dual source agreement is that it will deliver significant value to HealthTrust members, and that each member has the ability to standardize to one of the awarded vendors.

Multi-source: HealthTrust awards multi-source contracts for particular products or services to three or more vendors. Multi-source is typically used when clinical or operational requirements dictate a need for choice. Standardization may still be achievable at the facility or IDN level, but standardizing to a sole or dual contract may not be achievable. It is expected that members will utilize one or more of the multi-source vendors.

Optional Source: Under an optional source award, HealthTrust contracts with one or more vendors, and it is the member’s choice whether to use the contract(s). If a member chooses not to use an optional contract, it will not count against the member’s compliance to the HealthTrust portfolio as further described in Item 33. These vendors go through the same qualification process as any other HealthTrust vendor.

Carve-outs for new technology, diversity and environmental benefits: HealthTrust contract templates include a “carve-out” provision (i.e., an exception to the award status) that allows HealthTrust to contract with a competing vendor for a competing product if (a) the applicable Advisory Board believes that having the ability to contract for a new or emerging technology product is in the best interest of patients, as described in Item 30 and following; or (b) it is supplied by a diverse vendor as described in Item 34 and following; or (c) it provides an environmental benefit not available from other contracted vendors.

19. Does the GPO permit bundling of unrelated products or services from the same vendor or from different vendors? If so, under what circumstances would the GPO consider bundling to be appropriate?

HealthTrust generally believes it is inappropriate to bundle unlike, dissimilar or unrelated products. Its preference is to treat each unique contracting product line/category as its own project. There are two exceptions to this principle:

- (i) As of this writing, HealthTrust has one contract for two unrelated products from a particular vendor. Under this contract, members receive better pricing if they purchase both of the products.

- (ii) HealthTrust may, based on clinical direction, consider products that are closely related or that work together as a system project rather than a single product line, in an effort to provide the best overall value for its members. For example, IV Therapy that is considered a system project would include IV sets, solutions and pumps together, instead of having a separate contracting project for each category. This is documented in HealthTrust's [Contracting Process Policy](#) [HT.008].

20. Describe the process for contracting for clinical preference items. Describe the GPO's policy guiding the appropriate length/term of contracts for clinical preference products.

There are two basic contracting processes for clinical or physician preference products, one process for a vendor contract that all members can access (a national contract), and a second process for contracting for a specific member. The process for a national contract for clinical preference items is the same standard process as described above in [Item 16](#) for engaging the appropriate Advisory Board(s) and the Supply Chain Board. Many agreements for such clinical preference items are either Multi-source or Optional Source agreements, but such agreements could be Sole or Dual Source if the applicable Advisory Board so recommends. Typical contract terms are for 3 years, but ultimately HealthTrust also relies on recommendations from its Advisory Board and Supply Chain Board on the contract term length.

Contracts for clinical preference products for specific members are typically negotiated by HealthTrust in collaboration with the particular member and reflected in either an amendment to the applicable national contract that applies just to that member, or in a stand-alone contract for that member.

## **ADMINISTRATIVE FEES**

21. What is the GPO's practice regarding the amount of administrative fees accepted? If there is a written policy, please provide an electronic link or copy of the GPO's policy regarding these fees.

With respect to accepting administrative fees from vendors, HealthTrust complies with the exceptions to the Medicare and Medicaid Anti-Kickback statute set forth at 42 U.S.C. § 1320a-7b(b)(3) (A) and (C), as well as with the "GPO safe harbor" regulations regarding payments to group purchasing organizations set forth in 42 C.F.R. § 1001.952(j). HealthTrust's current policy and practice is not to accept administrative fees in excess of 3% from any vendor or 1% from any distributor as set forth in the response to [Item 22](#) below.

22. Describe the conditions in which the GPO accepts administrative fees beyond 3 percent, requiring specific (not blanket) disclosure under the Federal Regulatory Safe Harbor provisions?

HealthTrust does not enter into new contracts with any vendor for an administrative fee in excess of 3 percent. However HealthTrust has one legacy, non-clinical contract with a

vendor where the GPO fee is 3% and an additional 1.5% is provided for other obligations assumed by HealthTrust.

For products that are purchased through distributors, HealthTrust may receive a GPO fee of up to 1%, but in no event will the total GPO fee from the vendor and the distributor exceed 4%.

These additional fees are disclosed in the annual GPO fee disclosure provided to all member facilities, and in the HealthTrust membership agreements, in compliance with the GPO Safe Harbor.

23. Describe the range of administrative fees accepted and examples of the types of contracts (without specifying specific proprietary information) that have administrative fees greater than 3 percent.

Administrative fees from vendors as opposed to distributors can range from zero or nearly zero to 3%. See response to [Item 22](#) regarding administrative fees greater than 3%.

#### **PRIVATE LABEL PROGRAMS**

24. Describe whether the GPO has a private label program and if so, describe the products the private label program covers.

HealthTrust does not have a private label program.

25. Describe the GPO's practice regarding administrative fees derived from a private label program.

Not applicable.

#### **VENDOR GRIEVANCE PROCESS**

26. Describe the GPO's policy and process with respect to responding to a vendor's grievance regarding the bid/award process.

HealthTrust has a [Process for Addressing Supplier and Bidder Grievances](#) [HT.014] that addresses steps a vendor or bidder may take to report any grievance to HealthTrust. If a company is notified that it will not receive a contract award and believes the decision was made inappropriately, it may submit a letter or email detailing its concerns to the HealthTrust contract manager (copy to appropriate contract AVP and HealthTrust's ethics and compliance officer). The contract manager will offer the company a debriefing as to why it did not receive the award. The contract manager will coordinate with the Advisory Board Lead, the Advisory Board and the contract AVP to make a final determination on the matter, which will be presented to the company in writing. If the company remains unsatisfied, it may write to HealthTrust's Chief Operating Officer. If still unsatisfied, it may

submit its complaint for an independent evaluation by the American Arbitration Association in accordance with the Independent Evaluation Process established by HGPII, a copy of which is attached to the referenced policy HT.014.

Also, vendors and bidders are invited, in HealthTrust's [Code of Conduct](#) which is available on the HealthTrust website, to report any legal or ethical concerns to HealthTrust's toll-free Ethics Line at 1-800-345-7419, or to the HealthTrust Ethics and Compliance Officer.

27. Did any vendor, since submission of the last GPO's Public Accountability Questionnaire, request an evaluation pursuant to the HGPII Independent Evaluation Process? If so, please provide information regarding the outcome of such evaluation.

As of this writing, no vendor has ever requested from HealthTrust an evaluation pursuant to the HGPII Independent Evaluation Process.

28. Does the GPO participate in HGPII's Independent Evaluation Process?

Yes, as a member of HGPII, HealthTrust does participate in HGPII's Independent Evaluation Process.

29. Is the HGPII Independent Evaluation Process displayed on the GPO's public website? If so, please provide an electronic link to this information.

Yes, it is displayed as an attachment to the policy at this link: [Process for Addressing Supplier and Bidder Grievances](#) [HT.014].

## **INNOVATION**

30. Describe the GPO's policy and process to evaluate and provide opportunities to contract for innovative products and services.

HealthTrust utilizes several processes to ensure that its Advisory Boards are aware of and have an opportunity to evaluate innovative technologies. HealthTrust contracts for these products and services at the direction of the Boards. Activities in this area are described below:

- HealthTrust 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. HealthTrust experts, with the appropriate clinical, technical and operational expertise, research new and innovative products and services to identify, evaluate and communicate at multiple levels the pertinent information on emerging technology that could have significant clinical and/or financial impact on the operations of HealthTrust's members. This work is done under the direction of HealthTrust's Chief Medical Officer.



- HealthTrust has a number of Advisory Boards as described in [Item 16](#) that provide critical feedback on the practical usability and desirability of all products and services in HealthTrust's portfolio including potential innovative clinical product offerings.
- HealthTrust utilizes physician advisors in their respective specialties to assist internal experts in evaluating innovative technology. This input is incorporated into clinical evidence reviews and the contracting process for HealthTrust membership.
- HealthTrust has developed a process for consideration of innovative clinical products as described in its [New Technology Introduction](#) policy [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.
- HealthTrust routinely meets with its vendors to inquire about and address new and innovative products and services.

HealthTrust held the first Innovation Summit May 4-5, 2015. The Innovation Summit is an avenue for suppliers with new technology to present their innovative products and new technologies to service line clinical experts and supply chain leaders from within HealthTrust's membership. The Summit is open to both contracted and non-contracted suppliers, and items may be directly related to patient care, information technology, or supply chain management.

In 2015, thirty-two suppliers were selected to participate in the Summit and presented a total of 40 innovative products in an exhibit hall. Approximately 100 HealthTrust staff and Advisory Board members attended. Innovation Summit attendees chose sixteen products for presentation to the clinical and supply chain boards and participation in the contracting process.

The second Innovation Summit was held May 11-12, 2016 with the same goals and objectives. Sixty products from fifty-five vendors exhibited, followed by presentations of each of these products to their respective clinical or supply chain boards. Over 200 HealthTrust Advisory Board members and staff attended, as well as 150 vendor representatives. HealthTrust expects many of the participants to engage in the contracting process.

HealthTrust also innovates through its sustainability initiatives. Its goal is to support the initiatives of its members by effectively incorporating the principles of environmentally preferable purchasing (EPP) into the contracting process.

The lack of agreed-upon standards within the industry makes capturing sustainability information difficult. However HealthTrust has created a process that provides relevant information to assist members in purchasing sustainable products.



HealthTrust has developed an [Environmental Sustainability Network](#) made up of representatives of HealthTrust members to review EPP questions as part of the supplier RFP process. Potential supplier responses are reviewed for sustainability-related attributes that can be used as differentiators in making recommendations to related Advisory Boards during the contract awards process.

HealthTrust also provides education and information related to sustainability to its members, and includes key information related to sustainability within contract launch packages where applicable.

31. Does the GPO have the right to enter into a GPO contract for innovative technology at any time during its bid and award cycle? Describe the process the GPO has for fostering the development of GPO contracts for innovative products.

HealthTrust has the ability to award a new contract for a product that is clearly a technological breakthrough, even if HealthTrust already has a contract in that category. HealthTrust's standard contract template allows for this, if the product provides technology and/or clinical breakthrough benefits as determined by the appropriate HealthTrust Advisory Board. HealthTrust attempts to retain these provisions in its final agreement with each vendor.

32. Are GPO members allowed to evaluate products and/or communicate with vendors, regardless of whether a vendor has a contract with the GPO?

Yes. HealthTrust does not restrict its members from communicating with any vendor on any matter, regardless of whether such vendor has a contract with HealthTrust. Members are encouraged to provide information on new and existing products and vendors to HealthTrust.

33. Are GPO members allowed to purchase non-contracted products or services directly from non-participating vendors?

Yes. While HealthTrust members are required under their membership agreements to make a certain percentage of their purchases under HealthTrust vendor contracts, there is sufficient flexibility to allow them to purchase products and services not covered by a HealthTrust vendor contract. HealthTrust recognizes that there will be situations where, for clinical and patient care issues, its members may wish to obtain products outside of a HealthTrust vendor contract, and HealthTrust allows for this in its compliance expectations with its members.

## **VENDOR DIVERSITY PROGRAMS**

34. Describe the GPO's program or activities that encourage contracting with Diverse Suppliers (small, women-owned, veteran-owned, minority-owned). Explain how you promote or market those programs to the GPO's membership and to Diverse Suppliers.

HealthTrust's Supplier Diversity Program is proactive in pre-sourcing and sourcing minority-owned businesses, women-owned businesses, and service-disabled veteran-owned small businesses, to meet the needs of HealthTrust members. It is an integral part of HealthTrust's sourcing process, and it enables HealthTrust members to help support the economic well-being of their communities. Diverse suppliers are identified to compete for contracts in a variety of ways. HealthTrust reviews Prospective Supplier Profiles (described in [Item 16](#)) submitted via its website, and its Supplier Diversity Program team attends local, regional and national trade shows held by various advocacy groups. Diverse suppliers are also referred to HealthTrust by members and employees, and suppliers already on contract.

The HealthTrust Supplier Diversity Program is managed by a dedicated team that interacts closely with HealthTrust's contracting, implementation and clinical teams. HealthTrust strives to ensure its supplier base reflects the diversity of the communities that HealthTrust members serve. HealthTrust's Supplier Diversity Program is described in more detail on HealthTrust's public website at this link: [Supplier Diversity](#). The role of the Program in HealthTrust's contracting process is documented in HealthTrust's [Contracting Process Policy](#) [HT.008] and HealthTrust's [MWBE Guidelines](#) [HT.016].

The Supplier Diversity Program is primarily focused on building relationships with and seeking contractual opportunities for minority-owned businesses, women-owned businesses, and service-disabled veteran-owned small businesses that are certified, respectively, by the National Minority Supplier Development Council, the Women's Business Enterprise National Council, and/or the Association for Service-Disabled Veterans. Other types of small businesses (i.e. other veterans, non-minority, etc.) routinely participate in HealthTrust's bid processes but these businesses were not tracked by HealthTrust's Supplier Diversity Program during 2015.

Diverse suppliers seeking an opportunity to do business with HealthTrust are vetted by HealthTrust's Supplier Diversity Program team and briefed on the sequence of events that takes place over the course of a typical bid process. If a diverse supplier matches a business need of the HealthTrust membership, it will be considered for inclusion in the bid process. In some cases after the bid process has started or subsequent to an award, it is possible for a diverse supplier to submit a proposal to add a product or service to a contract, as per the terms of the HealthTrust diversity carve out language within HealthTrust's standard contract.

Once awarded a contract, a supplier is provided a copy of HealthTrust's Supplier Orientation Guide and works closely with the Supplier Diversity Program team to present contract implementation plans and maximize opportunities to successfully introduce the product or service to the HealthTrust membership. All diverse suppliers are encouraged to attend HealthTrust's Annual Supplier Diversity Conference which provides educational information about HealthTrust and the industry in general, and they are invited to participate in the annual HealthTrust conference known as "HealthTrust University"

HealthTrust's Supplier Diversity team periodically meets with HealthTrust account directors who work closely with members on matters such as contract compliance, cost reduction,

quality improvement, promotion of standardization and elimination of waste. During these meetings, diverse suppliers and cost savings available through diverse contracts are discussed, and support is solicited where member participation under diverse contracts could be improved. Also, a Supplier Diversity onboarding document was developed to explain and promote the Program to new HealthTrust employees.

For member convenience, a summary of all diverse supplier contracts is maintained on the HealthTrust on-line member portal. Members can easily access the contract launch package of any diverse supplier, which provides key details about the contract, by clicking on the supplier name.

Diverse suppliers are also offered the opportunity to purchase advertising for their contracted products in *The Source* magazine. They can also schedule an annual business review at HealthTrust to present new offerings. These reviews may include members of the following HealthTrust teams: contracting, clinical, portfolio managers, and the Supplier Diversity team.

In 2015, HealthTrust hosted a Supplier Diversity Conference in Nashville, Tennessee for its contracted diverse suppliers. Approximately 70 attended. The agenda included presentations by a large IDN member and four major Tier 1 contracted suppliers on how to do business with their respective organizations; the HealthTrust contracting process; a panel discussion with the Tier 1 suppliers and an opportunity to discuss potential subcontracting opportunities. A Tier 1 supplier is a supplier that has a contract directly with HealthTrust. A Tier 2 supplier is one that provides products or services to HealthTrust members as a subcontractor of a Tier 1 supplier.

Details of a new HealthTrust internal document called the Supplier Diversity Charter, which was finalized in 2015, were presented at this event. The Charter was developed with input from the internal team and provides guidelines for the inclusion of diverse suppliers in the HealthTrust contracting process at the beginning of a bid as well as during mid-contract cycle, and also covers acceptable partnering arrangements with non-diverse suppliers that HealthTrust will consider.

See [Item 37](#) for details on how the Supplier Diversity Program promotes the Program to member health systems.

35. Has the GPO increased contracting with Diverse Suppliers over the prior year(s)? If so, quantify these increases within each Diverse Supplier category (SBE, WBE, VBE, and/or MBE).

Yes. Presently, HealthTrust has 71 diverse suppliers providing over 116 Tier 1 contracts available to HealthTrust members as of December 31, 2015. The value of these contracts exceeded \$221.7 million in member purchases for calendar year 2015. HealthTrust's diverse suppliers cover a wide spectrum of products and services such as surgical supplies, instruments, medical equipment, pharmaceutical products, laboratory products, IT products, janitorial services, food services, security services, delivery services, medical transcription, repair services and more.

HealthTrust sets goals for its Diversity Program on an annual basis. Overall, HealthTrust exceeded its goals for 2015. There was a net gain in the number of diverse suppliers, from 63 in 2014 to 71 in 2015; and a net gain in the number of contracts (100 contracts in 2014 compared to 116 in 2015). The actual 2015 spend of \$221.7 million exceeded HealthTrust's \$187.7 million goal for 2015 by 18%. The 2015 spend breaks down as follows: \$153.4 million with ethnic minority-owned enterprises, \$67.9 with women-owned enterprises, and \$400,000 with service-disabled veteran-owned enterprises. HealthTrust has also expanded its Tier 2 program from 10 to 20 major Tier 1 suppliers. These Tier 1 companies are now reporting their spend with diverse suppliers for purchases made by HealthTrust members on a quarterly basis. Going forward, HealthTrust will collaborate with these suppliers to identify best practices, share data to promote opportunities and growth, and organize "match maker" sessions for diverse suppliers to compete for the business of those Tier 1 suppliers.

36. Does the GPO have a Supplier Diversity Committee or other program or group for developing diversity goals and expanding opportunities? If so, describe. What are its mission, goals, and objectives? Does it work directly with the GPO's sourcing team in developing its goals and expanding opportunities? What are the Committee's significant achievements over the GPO's last fiscal year? If it is a committee, who are its members and how frequently does it meet?

HealthTrust does not have a separate Supplier Diversity Committee but the Supplier Diversity Program goals and activities are fully integrated into all facets of the HealthTrust organization. That includes the various Advisory Boards, the contracting team, clinical team, global sourcing team, implementation team, GPO members and others. The supplier diversity mission and goals are outlined in HealthTrust's Supplier Diversity Charter as follows:

Mission

*"Our mission is to maximize participation of minority, women, service-disabled veterans and other small businesses in the contracting process to promote inclusion in our supplier base in such a way that our contracted vendors mirror the faces of the communities served by our members."*

Goal

*"The goal of HealthTrust's Supplier Diversity Program is to increase sales with minority, women, service-disabled veterans and other small businesses and to seek opportunities for these vendors to earn and compete for contracts that provide members with high-quality products and services they need at competitive prices."*

37. Does the program described in question 36 provide education to member health systems regarding diversity program best practices and/or how to establish a Supplier Diversity Program within their system? Does it solicit member feedback to ensure it is meeting member expectations?

The Supplier Diversity Program provides education to member health systems in a number of ways.

The HealthTrust Diversity Program team presents at various meetings of HealthTrust Advisory Boards, which are made up of representatives of HealthTrust GPO members. In 2015, Program updates were presented to the nursing, surgery, radiology and supply chain Advisory Boards. These presentations covered goals for the year, success stories, details on prospective suppliers that matched new contract categories and various metrics such as the number of diverse contracts, spend data and new contracting opportunities for diverse suppliers.

Also during 2015, a number of conference calls were held with HealthTrust members to discuss diversity best practices, highlight diverse suppliers and solicit input for Program improvements.

A program titled “The Importance of Supplier Diversity” was presented to members during HealthTrust University in 2015. It included a history of supplier diversity programs in the United States, described what supplier diversity means, the key reasons for having such a program, how to build or improve a program, and updated attendees on HealthTrust’s efforts to increase supplier diversity. The program also covered Tier 2 initiatives, and member and supplier success stories were shared.

The Diversity Team also holds meetings of HealthTrust account management teams who interact most closely with HealthTrust members, to provide updates, share best practices for members, and solicit member feedback on the Diversity Program to ensure member expectations are being met.

Each quarter HealthTrust publishes a quarterly magazine called *The Source* which is circulated to 17,000 HealthTrust GPO member employees. The 2015 third quarter edition featured an article titled “Diversity Matters”. It described how two HealthTrust GPO members focus their efforts on community engagement through their commitment to supplier diversity.

38. Describe any other actions concerning Supplier Diversity you think are important that are not covered by the preceding questions.

HealthTrust is actively working to build its Tier 2 program as explained in the response to [Item 35](#). By working with major suppliers to identify these opportunities, HealthTrust is expanding these opportunities to increase the Diversity Program spend.

## **CODE OF CONDUCT**

39. Provide a copy of (as well as an electronic link to) your GPO’s written code of business ethics and conduct and describe any changes from the previous HGPII reporting year.

HealthTrust's Code of Conduct is available at this link: [Code of Conduct](#). There have been no changes to the Code of Conduct since the previous HGPII reporting year.

40. 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. How often is the code of conduct provided to employees? Do employees receive annual refresher training on the GPO's ethics and the code of conduct? Describe the content of the training and the method of delivery.

The HealthTrust Code of Conduct is available on its public website to all persons at any time at this link: [Code of Conduct](#).

New employees (including contract employees) are directed to the Code of Conduct upon joining the company, and are required to take an on-line training course covering all aspects of the Code within thirty days of commencing work. The training includes the message that the Code of Conduct represents mandatory policies of HealthTrust and that all employees must abide by it. Most new employees also attend a live orientation session that includes a segment on HealthTrust's Ethics and Compliance program and key policies. All HealthTrust employees receive annual Code of Conduct refresher training covering particular aspects of the code and/or policies. Failure to take the refresher training results in suspension without pay.

The Code of Conduct is distributed to HealthTrust's Advisory Board members and Partner Advisory Committee members via the member-secured area of HealthTrust's website, and is also available on its public website. They are required to take annual training on aspects of HealthTrust's Code and policies that have relevance for the work that they do for HealthTrust (with an emphasis primarily on conflict of interest issues and business courtesies). They too receive the message that their compliance with those HealthTrust standards is mandatory. The training may be delivered live or via WebEx.

The HealthTrust Code of Conduct is also posted to the supplier-secured area of HealthTrust's website.

Participation in the training is documented and maintained in an electronic database.

41. 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.

HealthTrust has a dedicated Ethics and Compliance Officer who implements its Ethics and Compliance Program, and an Ethics and Compliance Committee as described in [Item 45](#), to oversee and advise the Program. The roles and responsibilities of HealthTrust's Ethics and Compliance Officer and the Ethics and Compliance Committee are detailed in HealthTrust's policy titled [Requirements to Establish and Maintain Ethics and Compliance Officer and Committee](#) [HT.013], available on HealthTrust's website.

The HealthTrust Code of Conduct provides several methods by which HealthTrust employees may report possible Code of Conduct violations or other ethics or compliance concerns:

HealthTrust encourages the resolution of issues, including human resources-related issues (such as payroll, fair treatment and disciplinary issues) at the local level. It is an expected good practice, when one is comfortable with it and views it as 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 HealthTrust Ethics and Compliance Officer, a Human Resources Manager or another member of management.

Employees may always contact HealthTrust's toll free Ethics Line, which is operated by an independent company. The number is 1-800-345-7419. When a matter relating to HealthTrust is received through the HealthTrust Ethics Line, it is referred to HealthTrust's Ethics and Compliance Officer.

## **REPORTING POTENTIAL ETHICAL VIOLATIONS**

42. What process is used to protect the confidentiality of the reporting employee's identity and what safeguards are in place to mitigate the opportunities for retaliation?

The HealthTrust Code of Conduct emphasizes that HealthTrust will make every effort to maintain, within the limits of the law, the confidentiality of the identity of an individual who reports concerns or possible misconduct if he or she requests to remain anonymous.

HealthTrust has a provision in the HealthTrust Code of Conduct that states, "There is no retribution or discipline for anyone who reports a concern in good faith. However, any colleague who deliberately makes a false accusation for the purpose of harming or retaliating against another colleague is subject to discipline." The Code of Conduct orientation and annual refresher training ensure that these policies are regularly communicated. Also, employees are invited to report their concerns to the Ethics Officer or a manager with whom they are comfortable, or through the Ethics Line, which mitigates the risk of retaliation. Ethics Line managers and others who receive an ethics concern from an employee are trained to reiterate for the employee that retaliation is not tolerated, and they encourage employees to report any instances of retaliation.

43. Describe how the GPO follows up on reports of suspected violations of the code of business ethics and conduct to determine if a violation has occurred and if so, who was responsible. Describe corrective and other actions taken in such circumstances.

HealthTrust is committed to investigating all reported concerns promptly and confidentially to the extent possible as stated in the HealthTrust Code of Conduct. The HealthTrust Ethics and Compliance Officer conducts investigations by interviewing employees and others who may have knowledge of the reported incident, reviewing any documentation and seeking



out other sources of information on the matter. He or she then reviews findings with the CEO and/or other management personnel, recommends corrective action where appropriate, and reviews the resolution of the matter with the person who raised the concern. HealthTrust expects all colleagues to cooperate with investigation efforts. If the concern is substantiated, the person responsible is subject to discipline, which can range from a verbal or written warning, suspension with or without pay, and termination.

44. Describe the processes the GPO follows up on, to monitor on a continuing basis, adherence to the written code of business ethics and conduct, and compliance with applicable federal laws.

HealthTrust incorporates several practices to help ensure adherence to its Code of Conduct, and the Code of Conduct itself mandates compliance with applicable law:

- All new HealthTrust employees receive the Code of Conduct via HealthTrust's website. They are required to take training on the Code within 30 days of commencing work for HealthTrust. The training includes the message that the Code of Conduct represents mandatory policies of HealthTrust and that all must abide by it. Please see HealthTrust's [Code of Conduct Distribution and Training Policy](#) [HT.011].
- All HealthTrust employees, Partner Advisory Committee members and Advisory Board members are generally required to participate in annual ethics and compliance refresher training, and records of such training are maintained at HealthTrust.
- Adherence to and support of the HealthTrust Code of Conduct and participation in related activities and training is considered in decisions regarding hiring and promotion for all candidates and employees. All HealthTrust employees are measured annually as part of their performance review on several core competencies, including one on ethics and compliance. All employees are designated as having either met or not met the ethics and compliance standard for integrity. HealthTrust expects all employees to maintain the highest ethical standards. Please see HealthTrust's policy on [Performance Evaluations](#) [HT.012].
- Questionnaires as to conflict of interest are generally completed on an annual basis by HealthTrust decision makers (including certain employees and all Advisory Board members) and submitted to the Ethics and Compliance Officer.
- The Ethics and Compliance Officer keeps a log of issues, concerns and questions raised throughout the year. This data is evaluated to track any observable trends.

45. Are periodic reports on the GPO'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? Are periodic reports on the company's participation in HGPII made to the GPOs Board of Directors or to a committee of the Board? If so, please state how often and in general, what information is reported.



Regular reports on HealthTrust's Ethics and Compliance Program are made to HealthTrust's Ethics and Compliance Committee, which is comprised of the ethics officers of several HealthTrust members. The report, which is usually made annually, contains an update on the business; an update on key activities of the Ethics and Compliance function since the last report including changes to the Code of Conduct and policies; training activities carried out; conflict of interest and business courtesies reporting; a review of practices for monitoring the effectiveness of the program; and a review of issues raised, questions asked and investigations conducted, including data on issues substantiated. In addition, the ECO meets regularly with the HealthTrust CEO, who is on the HealthTrust's Partner Advisory Committee.

Also, as noted in the response to [Item 44](#), HealthTrust incorporates several practices to help ensure employees' adherence to the HealthTrust Code of Conduct and applicable laws. These practices are monitored by the Ethics and Compliance Officer, who summarizes them for the CEO and the HealthTrust Ethics and Compliance Committee.

The CEO and other HealthTrust leaders report significant developments and issues, if any, related to its Ethics and Compliance Program, to the Partner Advisory Committee at its regular meetings or earlier if warranted. Information presented includes Program violations (if any), discussion of new policies and procedures, trends in questions or issues presented, and updates to the Program.

HealthTrust partners are aware that HealthTrust is a member of HGPII, and from time to time reports as to HGPII matters are provided to them.

46. How many of your GPO employees attended the Best Practices Forum in 2014? Include the name of the most senior executive who attended.

Six HealthTrust representatives attended the 2015 Best Practices Forum. The most senior executive who attended was Michael Berryhill, Chief Operating Officer of HealthTrust.

47. List the name, title and contact information of the senior manager assigned responsibility to oversee the business ethics and conduct program. Provide the name, title and contact information for the individual(s) responsible for responding to this report.

Lynn Egan is HealthTrust's Ethics and Compliance Officer. She can be contacted at [lynn.egan@healthtrustpg.com](mailto:lynn.egan@healthtrustpg.com).