



Subject: Supplier Expectations and Performance Management

Manual: Supply Chain Shared Services

Policy #: SC2000

Section: Strategic Sourcing and Engagement

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Distribution: All Network

Approved by Tim Miller

Review Date: 05/20/2019

Effective Date: 2/1/2018

STATEMENT OF PURPOSE:

The purpose of this policy is to outline the expectations and performance requirements for all Suppliers serving HonorHealth and to educate HonorHealth Employees on business partner requirements.

GUIDING PRINCIPLES:

1. HonorHealth Leadership supports a comprehensive Strategic Sourcing and Engagement program that includes New Product and Business Review (NPBR) processes.
2. The Strategic Sourcing and Engagement team will directly own all Supplier relationships and negotiations.
3. HonorHealth will make all efforts to standardize a Category by supplier using evidence supported protocols for products and services.
4. Suppliers and HonorHealth Employees are responsible to understand this Supplier Expectation and Performance Policy and the Strategic Sourcing and Engagement and New Product and Business Policy and all defined processes within them.
5. HonorHealth Strategic Sourcing and Engagement will be reviewing the CMS Open Payment data to understand Physician and Supplier relationships.
6. Suppliers and HonorHealth Employees will be held accountable for any misconduct against the Supplier Expectations and Performance Policy.

DEFINITIONS:

1. **Supplier (Vendor, Vendor Representative, Supplier Representative, Vendor Partner, Supplier Partner, Business Partner, Service Provider, Consultant, etc):** any entity that provides a service, charges HonorHealth a fee for service or supply, or collects a fee on behalf of HonorHealth or any extension of that entity.
2. **HonorHealth Employee:** any resource working directly for HonorHealth or on behalf of HonorHealth excluding any independent or contracted Physicians. All other employees or contractors doing business on behalf of HonorHealth will be included.

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3. **HonorHealth Locations:** any and all locations listed on the HonorHealth website as owned, leased, or managed (including majority owned joint ventures).

POLICY:

HonorHealth interacts with a significant number of Suppliers on a daily basis. Appropriate processes and controls must exist for HonorHealth to be successful.

The expectations and performance requirements for HonorHealth Employees and Suppliers include the following:

1. Access to HonorHealth is a privilege and access can be taken away by HonorHealth at any point in time by the Strategic Sourcing and Engagement team due to a Supplier not being in compliance with the HonorHealth Values of Integrity, Caring, Accountability, Stewardship, Excellence, and Respect. Any perceived misconduct of the HonorHealth Values will not be tolerated.
2. All Suppliers must register with the HonorHealth Vendor Credentialing System (Symplr)
3. All Suppliers must maintain good and compliant standing with Symplr and must be up to date with all vaccinations and cannot enter a HonorHealth Location without a Symplr Badge for Patient Safety reasons and compliance with the law.
4. All Suppliers are required to have an authorized pre-scheduled appointment prior to visiting a HonorHealth Location. Any Supplier in a HonorHealth Location without an appointment attempting to sell a product or service or performing a service will be held accountable in accordance with the Supplier Misconduct section below. All Suppliers are required to log their appointment within Symplr.
5. All Suppliers must park in the designated visitor parking section.
6. All Supplier deliveries are to be made to the Supply Chain Receiving Department between the hours of operation at that specific location in which the delivery is being made.
7. Suppliers will not be allowed to post sales material or information in any HonorHealth location, unless otherwise approved by HonorHealth Strategic Sourcing and Engagement, regardless of being solicited by a HonorHealth Employee.
8. Suppliers are not allowed in Physician lounges or staff break rooms.
9. If applicable, Suppliers must submit all invoices within 60 days.
10. Suppliers are responsible for all delivered and/ or consignment products; failure to do so may result in disciplinary actions.
11. Prior to visiting a procedure, all Suppliers must do all of the following:
 - a. Receive approval from the surgeon or physician, as the case may be, overseeing the case
 - b. Suppliers must arrive in CSPD to retrieve their designated instrumentation 30 minutes prior to the surgical set time.
 - c. Preference for tray delivery is 48 hours prior to the case. Trays received less than 24 hours will be entered as a violation of the policy and shared with Supply Chain Leadership to review vendor rep privileges if more than 2 violations occur within a month. An exception can be made for emergent cases. Suppliers will collaborate with CSPD staff in retrieving instrumentation. Copies of Instructions for Use (IFU) are required for all loaned or consigned instrument sets

- d. Suppliers must log instruments on the Consignment/Loaner form provided by HonorHealth or the Supplier.
- e. All loaner equipment, instruments, and totes must be removed within 48 hours. Totes retained on site should be intended for HonorHealth use only. An example of loaner equipment is trunk stock, sterile trays, or totes.
- f. Unused sterile trays must be unwrapped prior to removal from the facility
- g. HonorHealth will not replace equipment that is missing or broken unless provided adequate evidence and timely communication within 24 hours of the procedure
- h. HonorHealth will not pay for freight charges incurred for borrowed or consigned instruments, trays, implants, or surgical equipment.

12. Expectations of Suppliers:

- a. Hand Hygiene: Suppliers must adhere to the latest CDC hand washing techniques at www.cdc.com
- b. Suppliers will be issued a new disposable Scrub for each visit and Suppliers must dispose the Scrubs prior to leaving the facility. Suppliers must wear the HonorHealth provided scrub top, scrub pants, a **red** hat that covers all the hair, shoe covers (as indicated by service area) and mask must be worn before entering the operating room when a patient is present or when sterile supplies are opened. It is acceptable to wear an undershirt (crew neck or V-neck, short sleeves) under your scrubs. A jacket should be worn if any part of the suppliers under shirt is visible below the scrub top (neck, sleeves, & bottom of shirt). Suppliers leaving the department must remove shoe covers, masks, and change out scrubs upon leaving the operating room or procedure suite. Removing hospital provided scrubs from the facility is considered theft.
- c. Stud earring's are the only acceptable form of jewelry
- d. Hair should be completely covered when donning the cap including beards or facial hair coverage.
- e. Masks should be worn when entering the procedural rooms, unless a facility clinical manager states otherwise prior to entering.
- f. Suppliers should use lockers and secure appropriately. HonorHealth is not responsible for lost or stolen items.
- g. All Supplier Symplr badges must be visible at all times.
- h. Suppliers are not allowed to come in direct contact with a patient during a procedure.
- i. Suppliers must not enter the sterile field.
- j. Suppliers should stand at the back of the room away from staff during a procedure or in pre-defined area if designated within the Vendor Credentialing System.
- k. Suppliers should engage in limited conversation during a procedure.
- l. All Suppliers should take direction from HonorHealth Hospital Leadership in the event of an emergency.
- m. Suppliers are required to state their name to be logged into the operative record.

13. Suppliers will not sell or attempt to sell or position products or services for use that are not on contract with HonorHealth. If a Supplier attempts to sell or use a non-contracted item in a procedure that is not pre-authorized by Supply Chain Shared Services, then the Supplier assumes the risk that HonorHealth has the full right to not pay the Supplier for the products

or services used and will be held accountable to the Supplier Misconduct section listed below. In terms of liability, regardless of any discrepancy between the PO terms and conditions and what the Supplier invoices for non-contracted items, HonorHealth will not be liable for any issues when a non-contract item is used at a HonorHealth facility. Suppliers should work with the Strategic Sourcing and Engagement team to identify products for use within HonorHealth, if not contracted. All Suppliers should understand that new items will follow the New Product and Business Review process, as referenced in SCSS2001. All Suppliers that do not abide by this rule will be held accountable through the Supplier Misconduct section below.

14. HonorHealth Employees engaging with Suppliers on a daily basis should never feel the need to sell for a Supplier including contracted or non-contracted products. HonorHealth Employees that feel a Supplier is aggressively pushing a new product or service or have concern around Supplier behavior should refer the Supplier to the Strategic Sourcing and Engagement team. HonorHealth reserves the right to prevent any new product from entering the system. HonorHealth Employees should work through their Strategic Sourcing and Engagement and/or Service Area Lead or Team on new products, services, or suppliers for non-contracted items for a system wide evaluation.
15. Suppliers are not permitted in supply rooms unless requested by HonorHealth Supply Chain in written form.
16. Suppliers should not visit a HonorHealth facility if ill.
17. Suppliers should not smoke on HonorHealth property.
18. HonorHealth screens all Suppliers to ensure 'good standing' from an OIG, Federal, and State perspective.
19. Suppliers are not permitted to distribute or use HonorHealth for advertising purposes unless there is prior written consent.
20. HonorHealth will not conduct business with any Supplier excluded, debarred, or ineligible to participate in federal or state health programs such as Medicare or Medicaid.
21. Suppliers who are responsible for providing services to HonorHealth are accountable for the requirements of the Health Insurance Portability and Accountability Act (HIPAA) Privacy and Security Rules, HonorHealth policy, and state laws that provide more stringent protection of Personal Health Information (PHI).
22. Supply Chain Shared Services expects HonorHealth employees to be in good standing with the HonorHealth Gifts and Entertainment policy as it relates to Supplier interaction. In addition to the HonorHealth gifts and entertainment policy, Supply Chain Shared Services expects all HonorHealth Employees and Suppliers to not offer or provide gifts, entertainment, food, or favors during a Request for Proposal (RFP) process or during any contract negotiation. Any HonorHealth Employee that accepts a gift, entertainment, food, or favor during an RFP or Negotiation will be reported to the HonorHealth Compliance Officer (excluding CEU or CME related events). Under normal non-RFP or normal business circumstances, HonorHealth Employees and Suppliers can accept or provide entertainment or food in Nominal Value to discuss potential business with HonorHealth following the same rules as the HonorHealth Gifts and Entertainment Policy.
23. HonorHealth Employees may attend supplier-sponsored events locally or out of town that have a sincere educational purpose or support HonorHealth business objectives. HonorHealth, not the Supplier, must pay for lodging and travel. Any Supplier funded trips should be approved by a Senior Vice President or above.

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24. Suppliers and HonorHealth Employees must abide by all state and federal laws.
25. Suppliers will abide by the HonorHealth Code of Conduct, Compliance Program Manual, False Claims Act, and all other applicable Policies found on the HonorHealth website under compliance and/or the Supplier page.

IMPLICATIONS OF SUPPLIER MISCONDUCT

1. Supplier misconduct is a serious offense at HonorHealth and can cause various negative impacts to HonorHealth, HonorHealth Patients, and HonorHealth Employees.
2. Supply Chain Shared Services reserves the right, without penalty, to take action on all Suppliers in the following ways:

TYPE 1 OFFENSE

- **DEFINED:** minimal impact to HonorHealth by Supplier through a direct violation of this Policy, any of HonorHealth policies, HonorHealth Values, or any of the HonorHealth Guiding Principles with HonorHealth Supply Chain Shared Services determining the penalty.
- **CONSEQUENCES of TYPE 1:** verbal warning or up to a 1 month suspension with the HonorHealth Supply Chain Shared Services determining the penalty.

TYPE 2 OFFENSE

- **DEFINED:** significant impact to HonorHealth by Supplier through a direct violation of this Policy, any of HonorHealth policies, HonorHealth Values, or any of the HonorHealth Guiding Principles with HonorHealth Supply Chain Shared Services determining the penalty.
- **CONSEQUENCES of TYPE 2:** 1 month to permanent suspension with the HonorHealth Supply Chain Shared Services determining the penalty. A Supplier that is permanently removed from HonorHealth while with company A will still be banned and permanently suspended upon leaving company A and moving to company B. Permanent suspensions can only be lifted upon HonorHealth Executive Level approval and review through the Supply Chain Governance team. If a Supplier receives more than two Type 2 offenses, then that Supplier will be permanently removed from servicing HonorHealth.

DOCUMENTATION:

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