

HEALTHCARE GROUP PURCHASING INDUSTRY INITIATIVE

2007 Annual Public Accountability Questionnaire

Purpose: Each Signatory of the Initiative pledges to: (a) follow a set of six core ethical and business principles and each of their components (i.e., The Health Care Group Purchasing Industry Code of Conduct Principles); (b) report annually on adherence to these principles using an Annual Public Accountability Questionnaire; and (c) participate in an Annual Best Practices Forum to discuss best ethical and business conduct practices with other GPO representatives and interested parties.

The Initiative is committed to transparency and public accountability. One of our six fundamental Principles states: “Each Signatory is accountable to the public.” In keeping with this Principle, the responses to this annual questionnaire will be displayed on the Initiative’s web site for public review.

Please read each question carefully and respond fully to help us meet this commitment. The Coordinator will contact the GPO person responsible for completing this Questionnaire should the Coordinator require clarification or additional information.

Instructions for Preparing Responses:

- Provide a separate response for each sub-question listed in the boxes below.
- Provide electronic links to documents which are available online for each question.
- Do not include any information you consider competitively sensitive.
- Provide additional supporting documents for responses if not electronically linked. These documents are to be submitted on a confidential basis to the Initiative Coordinator who will review them and then return them to the company after he or she approves the questionnaire for posting on-line and completes the Summary Report. These materials will not be shared with other GPOs.
- In collating the “supporting documents,” no GPO needs to submit internal documents which are covered by the attorney-client or work-product privilege, or which contain competitively sensitive information. However, each GPO should submit information adequate to allow the Initiative Coordinator to have confidence that each answer is “responsive, complete and accurate.” (language adopted by Steering Committee).
- The GPO’s Chief Executive Officer and Compliance Officer are required to sign the cover letter indicating review and approval of the GPO’s Public Accountability Questionnaire submission and that the GPO is in compliance with the Healthcare Group Purchasing Industry Code of Conduct Principles.

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

Please assure your response includes:

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

1.1. The title of the written code of business ethics and conduct is the Code of Conduct and Conflict of Interest Policy of Greater New York Hospital Association and its Subsidiaries and Affiliates (the "Code"). As indicated by its name, the Code applies to all GNYHA companies (collectively, "GNYHA"), including GNYHA Ventures, Inc. ("GNYHA Ventures") and its group purchasing subsidiary, GNYHA Services, Inc. ("GNYHA Services" or the "GPO"). Unless otherwise indicated herein, all capitalized terms in this response have the meanings set forth in the Code.

1.2. The Code is essentially divided into two components, one of which governs the conduct of GNYHA, and one of which governs the personal conduct of GNYHA's employees. Key provisions of the Code include that GNYHA may not own an Equity Interest in any Health Care Entity (broadly defined to include Participating GPO Vendors and other health care organizations) or accept any grant or similar payment from any Health Care Entity without the approval of the GNYHA Audit and Compliance Committee. Multiple relationships with third parties, particularly Health Care Entities, are reviewed by the Compliance Officer prior to the commencement of an arrangement and annually by the GNYHA Audit and Compliance Committee. Similarly, GNYHA Executive Employees are prohibited from having financial or managerial interests, including Equity Interests in any Health Care Entity or entity that they know to be a consultant or contractor of GNYHA, even if not specifically a health care company. The Code also prohibits Executive Employees from receiving Gifts of more than Nominal Value from parties that do or seek to do business with GNYHA.

Additionally, the GPO has adopted a number of policies specific to its business that are intended to protect against conflicts of interest, including that it caps its administrative fees at 3% of members' purchases, is prohibited from receiving marketing and similar fees from Participating GPO Vendors, and may not hold an Equity Interest in any Participating GPO Vendor.

1.3. The Code first took effect for GNYHA Ventures and its subsidiaries as of January 1, 2003. On November 9, 2006, these companies adopted certain amendments to the Code that were intended to improve upon the Code and clarify issues that had arisen since its inception in 2003. Among other things, GNYHA Ventures revised its policies on the receipt of grants and advertising fees from Health Care Entities. Under the revised provisions, GNYHA Ventures and its affiliates may not take either of such types of funds unless they obtain the approval of the GNYHA Audit and Compliance Committee and the Board of the relevant GNYHA company. The Code previously restricted such funds in certain circumstances, but did not specifically require prior approval by the Audit and Compliance Committee and the Board.

Links:

http://www.gnyhaventures.com/code_conduct_conflict.pdf

Supporting Documents:

The Code

Cover letter for distribution of the Code Annual Disclosure Statement for Employees

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

Please include in your answer:

2.1. Who is covered by your conflict of interest policies?

- a) All employees or employees directly involved in purchasing?
- b) All executives of the company or those directly supervising purchasing activity?
- c) The board of directors?
- d) Members of clinical advisory committees?
- e) Any other groups?

2.2. What are the primary conflict of interest constraints for each of the categories listed in the question above?

- a) No equity investments in participating vendors or disclosure of equity investments? (Or no investments above a threshold dollar level?)
- b) No service on boards of directors of participating vendors or disclosure of board of director positions?
- c) Are gifts allowed to be accepted from or provided to vendors? If yes, please describe the limitations.
- d) Are meals or entertainment allowed to be accepted or provided to vendors?
- e) Other constraints?

2.1a) All employees are covered by GNYHA's general conflict of interest policies contained in the employee handbook, which is updated from time to time and was last updated on January 1, 2003. The particular provisions contained in the Code apply to all managerial and executive level employees of the GPO and all other employees of the GPO who are in a position to influence its group purchasing activities. All employees, regardless of their position with GNYHA receive a copy of the Code and are trained on its provisions.

Each Executive Employee is required to complete an annual Disclosure Statement in which he/she discloses issues that may present a conflict or potential conflict of interest. The Compliance Officer or a designee reviews all Disclosure Statements and requests that the relevant employee take action when warranted. (See Article III of the Code regarding the process for review of conflict issues.) Relevant issues may also be reviewed with the GNYHA Audit and Compliance Committee.

- b) As indicated above, the Code applies to all managerial and executive level employees of the GPO and all other employees who are in a position to influence its group purchasing activities.
- c) Yes. The Code applies to members of the Boards of Directors of the relevant GNYHA companies (See Article VI of the Code). On an annual basis, members of the Board are asked to complete a Disclosure Statement that requires that they disclose actual or potential conflicts of interest and answer certain questions related to the Code. These Disclosure Statements are reviewed by the Compliance Officer who may ask the relevant individual to recuse

himself/herself from a particular Board or committee discussion or take other action as appropriate. Relevant issues may also be reviewed with the GNYHA Audit and Compliance Committee.

- d) Yes. The Code applies to members of all advisory committees, including any clinical advisory committees that GNYHA may convene. On an annual basis, members of any relevant GNYHA clinical advisory committees are also asked to complete a Disclosure Statement that requires that they disclose actual or potential conflicts of interest and answer certain questions related to the Code. These Disclosure Statements are reviewed by the Compliance Officer who may ask the relevant individual to recuse himself/herself from a particular Board or Committee discussion or take other action as appropriate. Relevant issues may also be reviewed with the GNYHA Audit and Compliance Committee.
- e) The Code also applies to members of purchasing and other advisory committees and to relevant consultants of the GPO. The process regarding clinical advisory committee members also applies to other advisory committee members and relevant consultants.

2.2

- (a) Equity Investments. The Code prohibits the GPO from having an Equity Interest in any Health Care Entity or any other entity that is a consultant or contractor of the GPO, unless approved by the Audit and Compliance Committee and the Board based on their determination that the GPO's ownership of such interest is consistent with the principles set forth in the Code and other relevant factors and is being undertaken to meet the needs of the GPO's members or is otherwise in the best interest of the GPO's members.

All executives and employees described in 2.1(a) and (b) above and members of their Immediate Family are prohibited from owning any equity interests in any Health Care Entity or any entity that they know to be a contractor or consultant of GNYHA.

Members of the Board, advisors and consultants of the GPO must disclose financial or management interests (including any Equity Interests) they or members of their Immediate Family have in any Health Care Entity or any company that they know to be a contractor or consultant of the GPO, and must recuse themselves from any negotiations or decisions relating to such party(ies).

- (b) Service on Boards. Management or executive level employees and any other employees who are in a position to influence contracting decisions of the GPO are not permitted to serve on the Board of any for-profit company or on the board of any not-for-profit Health Care Entity without the prior approval of the Compliance Officer. It is unlikely that GNYHA would allow any employee to serve on the board of a Participating GPO Vendor. We note that pursuant to its business relationship with Premier Purchasing Partners, LP, ("Premier") for group purchasing, GNYHA has a representative on the Premier board. (See answer to question 6 for more information regarding the GNYHA/Premier Program.)

Members of the Board, advisors, and consultants are asked to complete a Disclosure Statement that requires them to disclose any trustee or board positions they hold in third parties. These Disclosure Statements are reviewed by the Compliance Officer who may ask the relevant

individual to recuse himself/herself from a particular Board or Committee discussion or take other action as appropriate.

- (c) Gifts. Management or executive level employees and any other employee who is in a position to influence contracting decisions of the GPO may not accept gifts of more than Nominal Value from any vendor or other party that does or seeks to do business with the GPO. Nominal Value is essentially defined as \$50 or less. Gifts of cash and cash equivalents may never be accepted.

Members of the Board, advisors, and consultants are asked to complete a Disclosure Statement that requires them to disclose any gifts they have received from any vendor that does business or seeks to do business with the GPO. As noted above, these Disclosure Statements are reviewed by the Compliance Officer who may ask the relevant individual to recuse himself/herself from a particular Board or Committee discussion or take other action as appropriate.

- (d) Meals or Entertainment. As noted above, Employees may not accept Gifts of more than Nominal Value from any vendor or other party that does or seeks to do business with GNYHA. In general, meals fall within the definition of Gifts, thus, GNYHA employees may not accept meals of more than Nominal Value from Participating GPO Vendors and others. There are some exceptions for widely attended events (e.g., receptions) that meet certain criteria.

Management or executive level employees and any other employee who is in a position to influence contracting decisions of the GPO and members of their respective Immediate Families are prohibited from accepting tickets to entertainment events that are paid for by a vendor and are of more than Nominal Value, or from attending entertainment events paid for by a vendor if the per person cost of the event is more than Nominal Value.

Members of the Board, advisors, and consultants are required to disclose Gifts of more than Nominal Value and may be asked to recuse themselves on matters relating to parties from which they may have received Gifts.

- (e) Other Constraints. Management or executive level employees and any other employee who is in a position to influence contracting decisions of the GPO may not accept personal services payments from any vendor or other party that does or seeks to do business with the GPO.

Links:

http://www.gnyhaventures.com/code_conduct_conflict.pdf

Supporting Documents:

Articles III, IV and VI of the Code

GNYHA Policy #1, Training and Education Policy

Cover Letter to Directors regarding Annual Disclosure Statement

Annual Disclosure Statement of Directors

Annual Disclosure Statement of Advisory Committee members

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

Please include in your answer:

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

3.1 GNYHA Services, the GPO entity, provides a wide array of group purchasing services to its members, including supply chain management services, clinical support services and other significant value-added services. GNYHA Services provides all of those services as value added services to its participating members. It currently does not conduct lines of business outside of its GPO business.

3.2 The GPO's ultimate parent company, Greater New York Hospital Association, is a trade association that has over 300 not-for-profit and governmentally-owned hospitals and continuing care facilities in the New York City metropolitan area and its surroundings as its members. GNYHA provides a wide variety of services for its members, including quality assurance, emergency preparedness, and regulatory assistance, education, and advocacy on numerous issues including finance, reimbursement, and payment issues.

In addition to its acute care GPO, GNYHA also has several other affiliated companies that provide group purchasing services to non-acute care facilities, including Innovatix, LLC, which has completed a separate response to this 2007 HGPII questionnaire.

Another GNYHA affiliate, Nexera, Inc., serves as a consulting company with respect to supply chain management and other operational efficiencies for health care providers. Nexera charges its clients, most of which are GNYHA members and participants in the GPO, on a fee-for-service basis.

¹ 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, Section 16, 15 USC 77p (f))

GNYHA also recently created a company, Bellwether Specialty Management, Inc., that provides certain consulting services to third party payers including negotiating with vendors on behalf of such payers for rebates and/or discounts.

- 3.3 The GPO, its parent companies, and its affiliates do not currently sell other services to Participating GPO Vendors, except exhibit booth space at conferences. (See response to question 3.4(b)).
- 3.4. Article VII, Section 11 of the Code specifically addresses the issue of other lines of business and provides that GNYHA's group purchasing businesses will not have other business relationships with Participating GPO Vendors unless those relationships are in the best interest of GNYHA's members and Participants. If GNYHA were to have multiple relationships with vendors, the GNYHA Audit and Compliance Committee would review such relationships prior to their inception. Additionally, pursuant to the Code, any such relationships must be disclosed to the members; fees and/or other payments received must be reasonably related to the value received; and participation or lack of participation in such relationships will have no bearing on GNYHA's group purchasing contracting decisions.
- (a) Yes. Article VII, Section 1(b) of the Code precludes GNYHA from having any equity interest in any third-party vendor that sells or offers products or services to GNYHA members in connection with any GNYHA contract.
- (b) Most conferences of the GPO are conducted by Premier (See Premier's response to this HGPII questionnaire). Nevertheless, under GNYHA's policy, GNYHA may allow Participating GPO Vendors to rent exhibit booth space at conferences. Exhibit space must be available to all vendors on the same terms and on a first come, first served basis.
- (c) GNYHA's policy on soliciting and receiving grants and other funds from parties with which GNYHA may do business sets forth a procedure for determining when it is appropriate for GNYHA to accept funding from such parties. GNYHA may not accept grants for educational programs or similar program funding from vendors or other third parties with which GNYHA has a business relationship unless the receipt of such funds is approved by the GNYHA Audit and Compliance Committee and Board after their consideration of relevant factors. To the extent that grants or similar funds are accepted by GNYHA, GNYHA would disclose information regarding such funds to members in connection with its safe harbor disclosure reports.

Links:

http://www.gnyhaventures.com/code_conduct_conflict.pdf

Supporting Documents:

Article VII, Sections 1(b) and 11 and Article II, Section 2 of the Code Policy #8, Soliciting and Receiving of Grants and Other Funds from Companies With Which GNYHA Does Business

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

Please include in your answer:

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

- 4.1 Yes. The GPO makes annual disclosures to its members of administrative fees received from vendors with respect to members purchases by sending reports, itemized by vendor to members indicating the amount of administrative fees it received from Participating GPO Vendors for the relevant year as a result of the particular member's purchases.
- 4.2 Yes. The GPO discloses to members all payments from Participating GPO Vendors other than administrative fees, regardless of whether such payments are from the group purchasing activity of the member. For example, if in any year GNYHA received fees for exhibit booths at conferences or other permissible fees from vendors, disclosure regarding the relevant amounts would be made in connection with its safe harbor reports. As indicated previously and below, the Code prohibits GNYHA from receiving marketing and similar fees.
- 4.3 No. The GPO does not accept marketing fees.
- 4.4 No. The GPO does not accept partnership incentives.
- 4.5 No. The GPO does not accept equity in Participating GPO Vendors. (See response to question 3.4(a)).
- 4.6 No. The GPO does not accept up front fees from Participating GPO Vendors.
- 4.7 GNYHA's policy on honoraria for a speaking engagements is set forth in Article III, Section 4 of the Code. In general, the determination about whether GNYHA would accept an honorarium is made by the Compliance Officer. The considerations regarding honoraria are similar to those regarding grants from Health Care Entities.
- 4.8 If the GPO received an administrative fee that did not appear to pertain to an eligible member, it would review the situation to determine to which, if any, member the fee corresponds. Pursuant to

the GPO's policy, the GPO is permitted to retain the fee while such review takes place, and if the determination regarding the fee has not been made by the end of the fiscal year, the GPO would include the fee amount in its calculation of "unallocated funds" and report the total amount of such funds in its annual safe harbor reports to members. Unallocated funds (i.e., funds for which the specific member to which the funds are attributable has not been identified as the relevant date) account for a very small percentage of total administrative fees received on an annual basis and the total amount of such fees for a relevant year is reported to the members in conjunction with the annual safe harbor fee disclosure reports. If it is determined that a particular fee does not pertain to an eligible member, such fee would be returned.

Links:

http://www.gnyhaventures.com/code_conduct_conflict.pdf

Supporting Documents:

Sample Safe Harbor Report

Sample Cover Letter to Safe Harbor Reports

GNVHA Policy #4, Oversight and Monitoring Compliance, paragraph 6 regarding internal review that safe harbor reports were properly disseminated to members

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

Please include in your answer:

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

5.1 Yes. The GPO discloses to each member all fees, in any form, paid to the member organization. The GPO generally does not pay member organizations fees or dividends or make distributions to its members, however, it does provide certain rebates to its members. To the extent there are payments to members in the form of rebates, the GPO does make full disclosure to members in a rebate agreement and/or a cover letter that accompanies the rebates and advises such members that pursuant to the safe harbor regulation for rebates, such rebates may need to be reported in governmental cost reports. If the GPO did make any other types of payments to members, it would fully disclose such payments to the members.

5.2 No. The GPO does not pay fees to members upon the signing or re-signing of a participation agreement with the GPO or the joining or renewal of membership in the GPO program.

Supporting Documents: GNYHA Policy #7, Disclosure of Fee Information and Other Vendor Payments
Sample cover letter to members regarding cost report treatment of rebates

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

Please include in your answer:

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

6. The GNYHA group purchasing program is offered primarily in conjunction with Premier pursuant to an agreement between GNYHA and Premier that took effect on July 1, 2004. It consists of a national component directly operated by Premier (the "National Program") and a regional component directly operated by GNYHA (the "Regional Program").

The national contracting process, which covers the vast majority of the contracts offered by GNYHA, is subject to Premier's contracting rules (See Premier's Web site, www.premierinc.com, and Premier's response to this HGPII survey) and has a publicly available bid and award process that includes the principles discussed below and similar to those embodied in the Federal Competition in Contracting Act. The Regional Program, which is administered directly by GNYHA, is subject to GNYHA's contracting rules and related policies, which are described in detail on the GNYHA Web site, www.gnyhaventures.com. The GNYHA process includes the principles discussed below and similar to those embodied in the Federal Competition in Contracting Act. As described on the GNYHA Web site, due to the nature of certain regional products and services offered, GNYHA does, however, frequently utilize a competitive negotiation process rather than a formal RFP process.

- 6.1 Yes. The GPO has a publicly-available description of its bid and award process. It can be found on the GNYHA Web site, www.gnyhaventures.com.
- 6.2 As indicated above, the description of the bid and award process is described on the Web site, www.gnyhaventures.com. It is also available in hard copy, upon request.

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

Please include in your answer:

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

- 6i.1. Yes. The GPO publishes to all vendors the decision criteria used to award potential contracts. It is available on the GNYHA Web site, on the Regional Program pages.

Additionally, the Premier Web site, www.premierinc.com, identifies all items and services to be purchased through the National Program and contains a bid/contract award timetable. Premier's policies and procedures are discussed further in Premier's response to this 2007 HGPII questionnaire.

The remainder of GNYHA’s response to this question 6 relates to GNYHA’s Regional Program pursuant to which it directly contracts with vendors. With respect to products and services that are offered through GNYHA’s Regional Program, the GNYHA Web site, www.gnyhaventures.com, lists current regional contracts, including the product description, vendor name, and term (commencement and expiration dates) of such contracts. Certain confidential, proprietary, or competitively sensitive information may be listed in a “members only” section of the Web site. In accordance with its policies, GNYHA is required to post a notice on its Web site notifying vendors of its intent to receive proposals for a relevant product/service to be offered through a regional contract and provide detailed information regarding when and where interested vendors should submit proposals.

Links: http://www.gnyhaventures.com/regional_program/negotiations_rfp.html
http://www.gnyhaventures.com/regional_program/contract_timetable.html

Supporting Documents: Policy #5, Contract Award and Vendor Information Policy
Regional Program Web site page(s) cited above **6ii. Please describe the GPO’s disclosure requirements regarding how vendors are to be identified as a responsible bidder.**

Please include in your answer:

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

6.ii.1. Yes. The Regional Program page of the GNYHA Web site lists criteria for vendors to participate in the Regional Program. Generally, all vendors that are duly qualified to do business regarding the relevant product or service would be deemed responsible bidders that are eligible to participate in the GNYHA program.

6.ii.2 If specific additional criteria are required for a particular bid or contract category, the criteria would be posted on the GNYHA Web site.

Links: http://www.gnyhaventures.com/regional_program/bidder_qualifications.html

Supporting Documents: Policy #5, Contract Award and Vendor Information Policy
Regional Program Web site page(s) cited above

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

Please include in your answer:

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

6.iii.1 Yes. For the overwhelming majority of contracts, all responsible vendors are eligible to compete and receive an award. GNYHA does offer regional enhancement contracts, i.e., contracts for which the terms of a national contract are enhanced to provide additional benefits to GNYHA members, as well as custom contracts in which members request that GNYHA develop a contract with a particular vendor. As discussed on the GNYHA Web site, for regional enhancements in which the members’ needs or other market characteristics dictate that

negotiation be pursued with only a particular vendor or vendors and a formal RFP or other competitive bid process has already taken place on the national level or for certain custom contracts requested by members, the pool of eligible vendors may be more limited.

Links: http://www.gnyhaventures.com/regional_program/contracting_process.html

Supporting Documents: Policy #5, Contract Award and Vendor Information Policy
Regional Program Web site page(s) cited above

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

Please include in your answer:

6iv.1. Are the criteria by which a winning vendor will be selected identified to all bidders?

6iv.2. Does the GPO have a process to assure that the criteria are followed in the actual awards?

6.iv.1 Yes. According to GNYHA's policy, specific criteria for the selection of a vendor must be identified in the notification of a pending contract award and posted on the Web site. GNYHA has the discretion to select a particular vendor based on recommendations from members and other subjective factors, but must document the reason for the selection of a vendor if such selection was based on a reason other than that the vendor offered the lowest price.

6.iv.2 Yes. If the GPO issues a formal RFP, a workgroup of staff members and, when warranted, an advisory group of members would review the bid responses against the established criteria. In the less formal negotiated bid situation, the contracting staff would evaluate the responses, and the Vice President, Contract Operations would review the contracting process after an award is made.

Links: http://www.gnyhaventures.com/regional_program/contracting_process.html

http://www.gnyhaventures.com/regional_program/bidder_qualifications.html

http://www.gnyhaventures.com/regional_program/negotiations_rfp.html

Supporting Documents: Policy #5, Contract Award and Vendor Information Policy
Regional Program Web site page(s) cited above

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

Please include in your answer:

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

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

6.v.1 Yes. The mission of GNYHA is to provide participating providers with the best products at the lowest prices available. The policies that dictate absence of any conflicts of interest relating to vendors allow GNYHA to review all product selections in a fair and unbiased manner without any incentive other than to best serve the members in all cases.

6.v.2 The evaluation and selection of products and services are member-driven on both the national and regional levels. All national contracts are awarded and the evaluation of products and services are conducted through the Premier process (See Premier’s HGPII survey response). Regional enhancement contracts are for products that are already on contract with Premier, but for which members are seeking better pricing, and have in effect, already been evaluated through the Premier process. For products that have not gone through that process, GNYHA relies on various member committees for input and assessment.

GNYHA has established a Regional Advisory Committee (RAC) made up of senior purchasing staff of GNYHA members. That group meets regularly to provide GNYHA with input on its contracting process and on recommendations for the particular products they would like to have GNYHA offer through a regional contract. With respect to contracts for products and services outside the pharmaceutical, medical-surgical, and other core national products areas, a GNYHA member review group typically provides feedback and advice on particular products.

Links: http://www.gnyhaventures.com/regional_program/bidder_qualifications.html
http://www.gnyhaventures.com/regional_program/member_advisory.html
http://www.gnyhaventures.com/regional_program/contracting_process.html

Supporting Documents: Web site page(s) cited above on Contract Award Process

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

Please include in your answer:

6vi.1 Describe your policies that support competitive procurement.

6.vi.1 The entire GPO program is geared toward generating competition among vendors for the purpose of allowing members to purchase at the lowest prices and/or best quality. As discussed above, GNYHA offers a National Program through which contracts with vendors are entered into directly by Premier as well as a Regional Program through which contracts are entered into directly by GNYHA. The Regional Program in large part offers second sourcing opportunities to participants through enhancements of Premier contracts that are made available to GNYHA participants or other contracts that supplement that National Program offering. By its nature, the Regional Program frequently consists of a negotiation with a single vendor within the National Program. However, even when a contract is negotiated with one particular vendor, it is the result of comparison of and/or competition among vendors even if not achieved through a formal RFP procurement process.

Links: http://www.gnyhaventures.com/regional_program/contracting_process.html

Supporting Documents: Regional Program Web site page(s) cited above regarding Contract Award Process

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

Please include in your answer:

- 6vii.1. Does the GPO have a policy for sole, dual and multi-source procurement?
- 6vii.2. When will sole and dual source procurement be used?
- 6vii.3. Describe the GPO's process for awarding contracts including contracts awarded to a single vendor where there is no exclusivity provision in the contract. Sole and dual source contracts are contracts that contain exclusivity language that prevents the GPO from entering into a contract with more than one or two vendors.

6vii.1 Yes. Article VII, Section 9 of the Code addresses those practices, which are explained in more detail in Section 6.vii.2 below.

6.vii.2 Pursuant to the Code provisions, contracts for physician preference products are to be "based on multi-source contracting, no commitment levels, and no bundling with unrelated products, except to the extent that GNYHA determines that its members' interest in obtaining high-quality products and services at the lowest possible prices will not be served by the use of such practices." Currently, all physician preference products are offered on a multi-source basis, i.e., for all physician preference products, at least two vendors' products are offered through the National Program and the Regional Program collectively. Since the inception of the Code, GNYHA has not had to use the exception regarding physician preference products, and would do so sparingly.

The overwhelming majority of contracts for physician preference products, other than enhancements of existing Premier contracts, are offered through national contracts. It is Premier's policy is to multi-source all physician preference products. Therefore, on a total Premier/GNYHA program level, GNYHA members have access to multiple vendors for all physician preference products that are offered through the Premier/GNYHA Program. One purpose of the Regional Program is to supply our members with better pricing or more enhanced contract terms, which we achieve, in part, by working with a particular vendor that is willing to give discounted prices to members based on efficiencies that the GNYHA group can bring to that vendor. In such a case, there is a compelling reason for GNYHA to offer the regional contract on a "sole source" basis and it may do so. However, no member is required to participate in the regional contract, and all members have access to the other choices being offered in the Premier/GNYHA Program through the national contracts. With respect to regional products that are not available through national contracts (and that are not physician preference products), it is GNYHA's policy to offer contracts on a multisource basis if there is more than one available vendor that offers appropriate contract terms. However, if a sole source award will result in better pricing and other terms for members, GNYHA may offer the contract on a sole source basis.

6vii.3 GNYHA may offer a single vendor when it is determined that a single source contract is in the best interests of the members. For example, as described elsewhere in this question 6, in its Regional Program, GNYHA may award a regional contract that provides additional value to members to one of the vendors that participate in the National Program. Additionally, in other instances, GNYHA may identify one vendor that offers a unique product or products that is distinguishable from other like products. In such cases, when other suitable vendors are not readily available, GNYHA may offer to a single vendor without exclusivity. GNYHA would have the flexibility to offer the product of one or

more additional vendors if it later identifies appropriate vendors, but it can leave it a single source if other appropriate vendors are not identified.

Links: http://www.gnyhaventures.com/code_conduct_conflict.pdf
Supporting Documents: Article VII, Section 9 of the Code

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

Please include in your answer:

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

- 6viii.1 Under Article VII, Section 1 of the Code, all administrative fees must be 3% or less of members' purchases.
- 6viii.2. GNYHA does not accept any administrative fees beyond 3% from any Participating GPO Vendor.
- 6viii.3 As discussed above, GNYHA does not receive administrative fees of more than 3% of members' purchases.
- 6viii.4. No. The GPO does not accept marketing fees, equity, signing bonuses, up-front fees or any fees other than administrative fees from vendors, except exhibit booth fees. The Code allows the GPO to accept exhibit booth fees from Participating GPO Vendors, but virtually all other funding from Participating GPO Vendors, is either significantly limited or prohibited.
- 6viii.5 The GPO does not impose a minimum fee requirement for suppliers.

Links: http://www.gnyhaventures.com/code_conduct_conflict.pdf
Supporting Documents: Article VII, Section 1 of the Code

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

Please include in your answer:

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

6ix.4. Describe the GPO's policy guiding the appropriate length of contracts for clinical preference products.

- 6ix.1. Article VII, Section 7 of the Code prohibits bundling unrelated products, except to the extent that GNYHA determines that its members' interest in obtaining high-quality products and services at the lowest possible prices will not be served by the use of such practices. However, the issue of bundling has generally not come up in the context of GNYHA's Regional Program.
- 6ix.2. The GPO does not permit bundling of unrelated products or services from the same vendor in a manner that would result in higher prices for Participants than they would pay absent such practices. The GPO would allow a vendor to give additional rebates or discounts for purchases of unrelated products for that vendor if the GPO determined that such practices conform with relevant law and that they would yield lower pricing for the members. However, with respect to physician preference products, the GPO does not permit any vendor to bundle unrelated products under any circumstances. (See Article VII, Sections 7 and 9c of the Code.)
- 6ix.3. No. The GPO does not permit bundling of unrelated products or services from different vendors. (See Article VII, Section 7 of the Code.)
- 6ix.4. Article VII, Section 10 of the Code limits the length of contracts to three years, absent extraordinary circumstances in which participants would materially benefit from the existence of a longer-term contract. GNYHA is currently a party to a few group purchasing contracts that have a term of more than 3 years. The reasons for the longer contract terms include that, in several cases, GNYHA sought a longer term in order to secure each of the contracts' highly favorable pricing and other terms for its members for as long as possible.

Links: http://www.gnyhaventures.com/code_conduct_conflict.pdf
Supporting Documents: Article VII, Sections 7, 9 and 10 of the Code

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

Please include in your answer:

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

6x. No. The GPO does not have a private label program for medical products.

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

Please include in your answer:

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

- 7.1 GNYHA’s policy and procedure on vendor information is available on the GNYHA Web site. In general, it addresses issues including the criteria for being an eligible vendor, the contracting process, and the vendor grievance process. The Web site also provides contact information for vendors to contact relevant GPO staff and contains an inquiry form for new vendors.
- 7.2 The GNYHA Web site posts the policy for vendor grievances and provides the contact information for registering a complaint. If a grievance is submitted to the GPO, the Compliance Officer reviews all facts and circumstances in conjunction with a senior officer responsible for the relevant contract/contracting process and conducts an investigation. The Compliance Officer then responds to the vendor within 30 days. If the Compliance Officer determined that there was a material breach of policy, he/she would review the matter with the GNYHA Audit and Compliance Committee.
- 7.3 The vendor submits a written description of the grievance. It is sent to the President of the GPO and forwarded to the Compliance Officer. The Compliance Officer conducts an investigation, which could include consultation with outside advisors as necessary. After the Compliance Officer reaches a conclusion he/she discusses the relevant information with the senior officer of the GPO, records it in a log, and contacts the vendor for resolution.

Links: http://www.gnyhaventures.com/regional_program/grievance_procedure.html
Supporting Documents: Regional Program Web site page(s) cited above regarding vendor grievances
Policy #5, Section V, Response to Vendor Complaints

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

Please include in your answer:

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

- 8.1 Yes. Technology evaluation is largely conducted by Premier, which has extensive processes to evaluate and review innovative clinical products. GNYHA and its members participate on several Premier committees and provide input and assist in evaluating products.

Additionally, vendors that believe they have innovative clinical products and services are encouraged to contact the designated GNYHA staff member. The Web site page regarding new supplier information indicates the procedure for submission and review of the information.

- 8.2 Yes. The GPO has the right to write a new contract. GNYHA contracts typically have technology clauses in them that allow the GPO to award a contract to one or more additional vendors that make an innovative product available in mid-contract cycle. Additionally, most contracts are not exclusive so that a new vendor can be added any time for any reason that would benefit the members.
- 8.3 The GPO's standard contract contains relevant language regarding the GPO's ability to offer an innovative technology product at any time, and we would attempt to put appropriate clauses in all contracts that do not use the standard contract.
- 8.4 Yes. GPO members are allowed to evaluate products from all vendors, regardless of whether such vendor has a contract with the GPO. There are no restrictions on members' ability to purchase directly from vendors if such members deem it to be in their best interest.
- 8.5 Yes. GPO members are allowed to communicate with all vendors, regardless of whether the vendor has a contract with the GPO.
- 8.6 Yes. GPO members are allowed to purchase non-contracted products of clinical preference products or services directly from vendors. The GPO does not in any way restrict direct purchases of clinical preference items between the members and the suppliers.

Links: http://www.gnyhaventures.com/businesses/new_supplier_info.html
http://www.gnyhaventures.com/businesses/Supplier_Questionnaire.pdf

http://www.gnyhaventures.com/regional_program/contracting_process.html

Supporting Documents: GNYHA Policy #5, Contract Award and Vendor Information Policy
Prospective Supplier Questionnaire
Regional Program Web site page(s) cited above
Sample Contract Provision

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

Please include in your answer:

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

9.1 Premier has an extensive program to encourage contracting with small, women-owned, and/or minority businesses, which GNYHA accesses and relies on. According to GNYHA's Contract Award and Vendor Information Policy, senior staff of GNYHA are to evaluate that policy annually as it relates to GNYHA and are responsible for developing supplements to the program for GNYHA, as necessary.

9.2 Please see Premier's response to this question regarding the statistics of the program.

Supporting Documents: Policy #5, Contract Award and Vendor Information Policy, Section II(i)

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

Please include in your answer:

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

10.1 Yes. The GPO distributes hard copies of its Code to all employees annually. Additionally, as discussed above, it also distributes an Annual Disclosure Statement to all Executive Employees.

10.2 The Code is also available to employees and the general public on our Web site, www.gnyhaventures.com.

10.3 The GPO distributes its Code to all members of advisory committees on an annual basis. It also distributes an Annual Disclosure Statement to each of such advisory committee members and requires that the members complete the Disclosure Statement and return it to GNYHA.

10.4 The GPO distributes its Code to all members of its Board of Directors on an annual basis. It also distributes an Annual Disclosure Statement to such Board members and requires that they complete the Disclosure Statement and return it to GNYHA.

10.5 Yes. The GPO distributes its Code to agents and contractors that participate in the GPO activity on an annual basis. It also distributes an Annual Disclosure Statement to such persons and requires that they complete the Disclosure Statement and return it to GNYHA.

10.6 Yes. The GPO distributes its Code to Participating GPO Vendors as part of the contracting process. The GNYHA contract template typically contains a provision in which the vendor acknowledges the provisions of the Code and is requested to comply with relevant provisions.

Supporting Documents: Cover letter to employees for distribution of Code
 Contract provision with Consultants

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

Please include in your answer:

11.1. Do all new employees involved in group purchasing get a copy of the code during their orientation?

11.2. Do all new employees get some type of orientation to or discussion of the code? Please describe the orientation.

11.1 Yes. All new Executive Employees of the GPO are provided with copies of the Code upon the commencement of their employment. The Code is then redistributed to them once a year, along with an employee Disclosure Statement, which requires such employees to make disclosures of conflicts or potential conflicts of interest and answer other questions regarding their compliance with the Code.

11.2 Yes. A member of the human resources department who provides the new employee orientation briefing gives a brief summary of the Code, presents the Annual Disclosure Statement that an employee is required to complete before commencement of his/her employment, and provides the name of the Compliance Officer and/or his/her designee and other relevant individuals. In certain cases (i.e., when an employee has a question or there is an actual or potential conflict disclosed), the employee would meet with the relevant compliance staff member for a more in-depth orientation or discussion and resolution of an issue. GNYHA also conducts periodic training sessions for all employees.

Supporting Documents: Policy #1, Training and Education Policy
Annual Disclosure Statement for Employees

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

Please include in your answer:

12.1. Which employees receive annual refresher training?

12.2. Please describe the content of the training and the method of delivery.

12.1 GNYHA conducts employee refresher training sessions for all Executive Employees of the GPO at least annually, and more frequently for members of the senior staff. Such sessions are typically in a large group of all relevant employees and are conducted by the Compliance Officer or the Deputy Compliance Officer. The Compliance Officer or Deputy Compliance Officer also conduct periodic training sessions on particular topics throughout the year.

12.2 In general, the training provides an overview of relevant laws, a discussion of conflicts of interest and the various issues that may be raised by conflicts or potential conflicts, and a detailed description of various key provisions of the Code. The Compliance Officer or Deputy Compliance Officer makes an oral presentation to the relevant employee group or groups. In general, GNYHA conducts one overall session annually to the full executive employee group and smaller sub-group sessions through the year.

Supporting Documents: Policy #1, Training and Education Policy
Slide Presentation from 7/30/07 and 8/13/07 Training Session

13. Please describe the mechanism (e.g., a corporate review board, ombudsman, corporate compliance or ethics officer) for employees to report possible violations of the written code of business ethics and conduct to someone other than one’s direct supervisor, if necessary.

Please include in your answer:

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

13.1 Yes. GNYHA has a Compliance Officer and a Deputy Compliance Officer. Pursuant to GNYHA’s policy for asking questions and reporting non-compliance with the Code, complaints may be reported to the Compliance Officer or the staff member’s immediate supervisor, and are reviewed in accordance with GNYHA’s policy on Response to Questions, Complaint Follow-up, and Corrective Action Procedures. GNYHA also accepts anonymous complaints and has set up a “Compliance Hotline” telephone line that can receive anonymous questions and complaints.

All compliance issues are overseen by the GNYHA Audit and Compliance Committee, a committee of the Board that serves as GNYHA’s Compliance Committee. GNYHA’s policy on Oversight and Monitoring Compliance requires that the Compliance Officer meet with the Committee on a quarterly basis.

13.2 GNYHA’s policy for Communications with Employees and Reporting Potential Non-Compliance with the Code requires GNYHA to protect confidentiality when appropriate and prohibits GNYHA or any officer or staff member from retaliating against an individual that uses the reporting mechanism in good faith.

13.3 Matters regarding employment status of an employee who is involved in raising a compliance issue would be undertaken in conjunction with the Compliance Officer and the human resources director and pursuant to all relevant human resource and other policies.

Supporting Documents: Policy #2, Communications with Employees and Reporting Potential Non-Compliance with the Code
Policy #4, Oversight and Monitoring Compliance, Section II

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

Please include in your answer:

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

14.1 GNYHA's policy on Response to Questions, Complaint Follow-up, and Corrective Action Procedures sets forth the process by which the Compliance Officer would investigate an inquiry and take the relevant action. All such actions are recorded in a compliance log. Additionally, reports of violations or suspected violations are made to the GNYHA Audit and Compliance Committee. The Compliance Officer is also required to give quarterly updates on the Compliance Program to that Committee and to provide a comprehensive report to the full GNYHA Board on at least an annual basis.

Supporting Documents: Policy #3, Response to Questions, Complaint Follow-up, and Corrective Action Procedures

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

Please include in your answer:

15.1. Is ethical conduct or conduct consistent with the written code of conduct an explicit standard by which all employees and levels of supervision are measured in their job performance?

15.2. Describe how ethics is evaluated and taken into account.

15.1 Yes. Compliance with the Code is a critical factor in evaluating an employee's overall job performance.

15.2 GNYHA's recently amended employee evaluation form contains a section in which the supervisor specifically reviews the employee's performance in light of ethics issues. The President of the GPO, who signs off on all compensation arrangements including salaries and bonuses, also considers the employee's performance in this area before approving a compensation arrangement.

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

Please include in your response:

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

- 16.1 Yes. Pursuant to GNYHA's policy on Oversight and Monitoring Compliance, senior management of the GPO is required to meet several times a year to review and evaluate compliance issues that may arise and assess the GPO's adherence to the law and to the Code.
- 16.2 The Compliance Officer and Deputy Compliance Officer oversee and conduct the evaluation.
- 16.3 Reports of the evaluation are made to the GNYHA Audit and Compliance Committee.

Supporting Documents: Policy #4, Oversight and Monitoring Compliance with the Code

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

Please include in your answer:

17.1. Please state how many company persons attended the Best Practices Forum in Charlotte, North Carolina in January 2007.

17.2. Please name the most senior executive who attended.

17.1 Nine members of the GNYHA staff participated in the January 2007 Best Practices Forum in Charlotte, N.C.

17.2 The GPO's President and Chief Executive Officer, Lee H. Perlman, was the most senior executive who attended.

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

Please include in your answer:

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

18.1 Yes. The Compliance Officer is required to meet with the GNYHA Audit and Compliance Committee at least quarterly. The GNYHA Audit and Compliance Committee and the Compliance Officer are required to make a formal report to the Board of Directors at least annually. In general, the reports describe the elements of the GNYHA Compliance Program, summarize key provisions in the Code and related policies and how they have been implemented within the relevant timeframe. Additionally, the Compliance Officer is required to report to the GNYHA Audit and Compliance Committee on material compliance issues, if any, that have arisen during the relevant time frame.

18.2 Yes. The Compliance Officer reports to the GNYHA Audit and Compliance Committee on the GPO's participation in HGPII. Among other things, the Compliance Officer provides the Committee with an overview of the company's responses to this questionnaire, along with a copy of this response to this questionnaire, and in general discusses the company's policies in light of various best practices that have been suggested by HGPII.

Supporting Documents: Policy #4, Oversight and Monitoring Compliance

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

Please include in your answer:

19.1. The name and title of the individual.

19.2. Contact information for the individual.

19.3. Please give the contact information for the person responsible for responding to questions related to this report.

19.1 Susan C. Waltman, Senior Vice President and General Counsel, is the Compliance Officer of GNYHA and is responsible for overseeing the business ethics and conduct program of GNYHA. She was appointed as the Compliance Officer by formal action of the Board of Directors. Lori R. Levinson, Senior Vice President and Deputy General Counsel, has been appointed as the Deputy Compliance Officer.

19.2 Ms. Waltman's contact information is as follows:

Susan C. Waltman, Senior Vice President,
General Counsel and Compliance Officer
Greater New York Hospital Association and its Subsidiaries and Affiliates
555 West 57th Street, Suite 1500
New York, New York 10019
(phone) 212-506-5405
(fax) 212-262-6350
(email) waltman@gnyha.org

19.3 With respect to questions about this report, please call Ms. Waltman, Senior Vice President and General Counsel, and Compliance Officer or Lori R. Levinson, Senior Vice President and Deputy General Counsel, and Deputy Compliance Officer.

Ms. Levinson's contact information is as follows:

Lori R. Levinson, Senior Vice President, Deputy General Counsel
and Deputy Compliance Officer
GNYHA Ventures, Inc.
555 West 57th Street, Suite 1500
New York, New York 10019
(phone) 212-506-5419
(fax) 212-489-1409
(email) levinson@gnyha.org

Supporting Documents: GNYHA Audit and Compliance Committee Charter