



Supply Chain  
Management

**Subject:** Vendor Policy and Procedures

**Effective:** 01/01/2007

**Revised:** 11/13/2008

**Supersedes:** none

**Policy No.:**

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**Approved by:** Henry Ford Health System Executive Administration

### 1.0 Philosophy/Purpose:

- 1.1. The purpose of this policy is to establish clear and consistent rules governing all Vendor and Vendor representative activities while conducting business with Henry Ford Health System (HFHS).
- 1.2. Consistent with our Mission, Vision and Values, this policy is intended to establish guidelines for Vendor activities that will meet the needs of HFHS, our staff and our patients. This includes the promotion of physician and staff efficiency and integrity, minimizing disruption of care, ensuring patient safety, privacy and confidentiality, ensuring the most appropriate and cost effective use of medical devices, pharmaceuticals and all other clinical and non-clinical services.
- 1.3. This policy is not meant to be punitive nor is it a statement about the honesty, fairness or goodwill of any of the Vendor representatives.

### 2.0 Scope:

- 2.1 This policy governs the activities of all HFHS locations, including Henry Ford Hospital and Health Network, Henry Ford Medical Group and all of its locations, Henry Ford West Bloomfield Hospital, Henry Ford Wyandotte Hospital, Henry Ford Macomb-Warren Campus, Henry Ford Macomb Hospital, Henry Ford Cottage Hospital, and Community Care Services. HF locations include any facility in which HFHS conducts business of any sort .
- 2.2 All activities at the HF locations are included in the scope of this policy, including those related to patient care, administration and research.
- 2.3 This policy is designed to address all vendor relationships. However, depending on the nature of the Vendor relationship, the approach to applying certain elements of this policy may vary as stipulated in underlying contractual agreements or as stated elsewhere in this policy. Supply Chain Management (SCM) shall serve as the arbitrator for any elements in dispute.
- 2.4 Vendor relationships are frequently addressed in written contracts. In such cases, specific terms of the contract may take precedent over the terms of this policy at the discretion of HFHS and SCM.
- 2.5 This policy does not apply to the activities of private individuals, physicians or companies that lease HFHS property unless otherwise stated in the lease agreement.

### 3.0 Responsibility:

- 3.1 It is the responsibility of staff to ensure that Vendors are knowledgeable as to and compliant with these guidelines.
- 3.2 Staff is responsible to monitor compliance with this policy and to report any suspected violations of these guidelines to their supervisor or SCM, as appropriate.
- 3.3 All Vendors that interact with HFHS are required to adhere to this policy and all other SCM policies.
- 3.4 It is the responsibility of the Vendor, to ensure all of their employees and agents are educated on SCM policies. Policies are available on the internet.
- 3.5 If a Vendor is new to HFHS the initial Vendor representative shall serve as the portal to relate all policies and procedures throughout the Vendor.



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- 3.6 Vendors are expected to conduct business in a professional manner, respecting the diversity of our staff and patients.
- 3.7 Vendors will be held accountable for the actions of their representatives.

#### **4.0 Policy / Practice / Procedure / Requirements for Compliance:**

##### **4.1 The following requirements apply to all Vendors:**

- 4.1.1 Appointments
  - 4.1.1.1 All Vendors visiting an HF location must either have a specific appointment or be otherwise scheduled prior to the visit subject to the terms of any existing contractual arrangement.
  - 4.1.1.2 Dropping in on staff is a violation of this policy.
  - 4.1.1.3 Vendors are only permitted to visit with the respective scheduled personnel while at any HF location.
  - 4.1.1.4 Vendors may not meet with residents/students/trainees without a HF staff member present.
- 4.1.2 Identification
  - 4.1.2.1 All Vendors are required to wear a visible identification badge when on HF property.
  - 4.1.2.2 Whether the identification is HF supplied or Vendor supplied shall be based upon terms of this policy or as determined by SCM based upon the nature of the relationship with the Vendor.
- 4.1.3 Displays
  - 4.1.3.1 Vendors are not permitted to display products or product information within any HF location, other than as specifically allowed for in this section or in accordance with the terms of a contractual arrangement.
  - 4.1.3.2 Vendors cannot place information in mailboxes of staff or post materials on bulletin boards within any HF location.
  - 4.1.3.3 Displays may be allowed adjacent to meeting rooms in conjunction with approved HFH CME courses, approved research symposia or other educational activities if:
    - 4.1.3.3.1 The course director approves having commercial displays.
    - 4.1.3.3.2 Placement is not a condition of providing support.
    - 4.1.3.3.3 Vendors may not engage in any sales activity within the area that the education is occurring.
    - 4.1.3.3.4 Displays must be consistent with policies endorsed by the Accreditation Council for CME Standards for Commercial Support and HFMG Code of Professionalism.
  - 4.1.3.4 Displays may be allowed in staff lounges for training if approved by the unit manager.
- 4.1.4 Promotional Activities
  - 4.1.4.1 Cash or other Vendor supported incentive programs are strictly prohibited at any HF location.
  - 4.1.4.2 No Vendor promotional items (pens, penlights, paper pads featuring product names) of any kind from Vendors are permitted within HF locations.
  - 4.1.4.3 No food of any kind will be directly supplied by Vendors for employees at any HF location.



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- 4.1.4.4 Vendors are not permitted to distribute, post, or leave any type of *unsolicited* printed or handwritten material, advertisements, signs or invitations at any HF location. If requested by the Physician during the course of a scheduled meeting, Vendors may provide the physician with educational information of extend to an invitation to the physician they are meeting with.
- 4.1.4.5 Vendor-sponsored raffles, lotteries or contests which result in gifts to the winner are forbidden at any HF location.
- 4.1.4.6 Promotion of drugs against established Drug Policies is strictly prohibited.
- 4.1.4.7 Preprinted prescription pads from Vendors are not permitted at any HF location.
- 4.1.5 Grants/Gifts
  - 4.1.5.1 No personal gifts from Vendors of any kind are permitted at any HF location or to any staff.
  - 4.1.5.2 No departmental, staff directed, or general gifts or food from Vendors of any kind are permitted at any HF location.
  - 4.1.5.3 Vendor support of any CME activities must be made through the Chair or Division Head and the Department of Graduate Medical Education consistent with established policies and guidelines of the Office of Philanthropy.
    - 4.1.5.3.1 Educational materials should be balanced in presentation and should not directly market a product or company; however the educational material can have the creators name and company on it.
    - 4.1.5.3.2 The Standards of Commercial Support of the Accreditation Council for CME addresses institutional responsibility, handling of funds, and reasonableness of payments, disclosure, and other issues.
  - 4.1.5.4 Unrestricted educational grants must be processed through the Chair or Division/ Department Head.
  - 4.1.5.5 Textbooks and items of educational value may be provided to the institution if approved by the department chair/director and consistent with Conflict of Interest policies.
  - 4.1.5.6 Preceptorship programs designed to “educate” the Vendors are considered to be payment for access and are not allowed, whether they involve contact with patients or not.
- 4.1.6 Solicitations
  - 4.1.6.1 HFHS Staff seeking to solicit donations from Vendors to support any CME activities, departmental activities, supplies, functions, events, fundraisers; equipment, etc must follow established policy and guidelines of the Office of Philanthropy.
- 4.1.7 Confidentiality
  - 4.1.7.1 Vendors shall not attend programs in which specific patients are discussed or when quality assurance or risk management issues are presented.
  - 4.1.7.2 Any individual participating or observing patient care, or having access to confidential information must be subject to a confidentiality agreement and receive the patient’s approval and the medical staff’s approval to be present for the procedure.



- 4.1.7.3 It is not acceptable for Staff to share internal reports, communications, agendas, minutes, or other documents intended for internal distribution with Vendors unless the information is provided in conjunction with a contractually established consulting project.
  - 4.1.7.4 Vendors can not solicit procedure or patient volumes or competitive cost information from HF staff unless the information is provided in conjunction with a contractually established consulting project.
  - 4.1.7.5 Conversely, staff may not provide or share physician or Operating Room schedules, volumes, or pricing with any Vendors.
  - 4.1.7.6 Pricing comparisons are frequently misleading since the ultimate cost of supplies is dependent on many factors, including contracted discounts and rebates. Therefore, only pricing/cost information which has been approved by SCM and/or Pharmacy may be discussed with Vendors and only upon the request of the administrative or clinical department leader.
  - 4.1.8 Product Safety
    - 4.1.8.1 SCM must be provided with a written letter with regard to any recalled product, product substitutes, product package changes, product design changes, product use changes, and product education issues.
      - 4.1.8.1.1 This includes products used for training.
      - 4.1.8.1.2 Notification may be provided to SCM via email at [Productalerts@hfhs.org](mailto:Productalerts@hfhs.org) or by telephoning Vendor Compliance in SCM and faxing the notification.
  - 4.1.9 Non-Compliance
    - 4.1.9.1 If a Vendor does not adhere to all applicable HFHS policies, Security or a designee will assume control of the HFHS photo identification badge and revoke access for that Vendor to HF locations for a period not less than one month or as otherwise provided for in the associated contractual agreement.
    - 4.1.9.2 The Vendor and their supervisor may be requested to participate in a meeting with SCM.
    - 4.1.9.3 Depending on the violation of policy and the related circumstances, consequences will be determined at that time.
    - 4.1.9.4 Repeated and flagrant violations can result in indefinite suspension of privileges for the Vendor representative and, if necessary, the Vendor. There will be no refund of the Orientation fees to the Vendor.
- 4.2 Specific Guidance for approved Medical/Surgical/Pharmaceutical Vendors**
- 4.2.1 Orientation Process
    - 4.2.1.1 A Vendor desiring to be allowed on-site access must initiate the Orientation process by submitting an application. The Vendor must then pay a non-refundable fee intended to cover the costs of providing the education and associated ongoing compliance monitoring. The fee for providing these services is non-refundable and will be periodically reevaluated in light of the total associated costs.
    - 4.2.1.2 Orientation sessions are currently conducted on-site, however in the future they may be available through the internet.
    - 4.2.1.3 Orientation sessions are planned to be held monthly and a reference manual outlining the educational materials will be provided to the Vendor at that time.



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- The Vendor is to sign a statement confirming they have received, reviewed, and agree to comply with the policies therein.
- 4.2.1.4 At the time of the orientation process, the Vendor must provide contact information for him/her self as well as their immediate supervisor.
  - 4.2.1.5 Orientation must be updated annually.
  - 4.2.1.6 Upon the successful completion of the Orientation process, a photo identification badge will be issued by HFHS Security.
- 4.2.2 Patient Care Procedure Area Requirements
- 4.2.2.1 Vendors are allowed in patient care areas during procedures with the consent of the patient, physician, and the manager in charge to protect patient privacy and safety vendors must provide the following: (For this purpose, patient care areas include the Operating Room, Cardiac Catheterization Laboratory, Vascular Laboratory, and other interventional Procedure areas)
    - 4.2.2.1.1 Vendors shall have no direct (physical or verbal) contact with patients unless specifically stipulated in a contracted agreement.
    - 4.2.2.1.2 Vendors are to be accompanied by a HFHS employee at all times unless stipulated in a contracted agreement.
    - 4.2.2.1.3 Vendors must check in as required by the individual department's procedures prior to entering into procedure rooms or patient rooms.
  - 4.2.2.2 A letter of competency from their employer that states that the Vendor has had the qualified training to supervise procedures utilizing the described company equipment/tools and/or the ability to train others in the use of their product.
  - 4.2.2.3 A background check on all Vendor representatives that will be observing or performing procedures with patients.
  - 4.2.2.4 Documentation of TB testing within the last 12 months, which complies with JCAHO standards. All costs shall be the responsibility of the Vendor.
  - 4.2.2.5 Their own plain black clean scrubs to be worn in these areas, no logos, other identifiers or other colors are allowed. .
  - 4.2.2.6 Within procedural areas on occasion a physician may request an additional Vendor representative be present to observe a procedure without completion of the Orientation Process. This individual must provide written documentation as to compliance with the medical screening requirements.
- 4.2.3 Appointments
- 4.2.3.1 Requests for appointments with clinical personnel should be made by the Vendor at [vap@hfhs.org](mailto:vap@hfhs.org), or [www.henryford.com/vap](http://www.henryford.com/vap) at least 7 business days prior to the requested day. This allows the individual with whom the appointment is requested five business days to respond. Time, date, product or service to be discussed, individual, and site where the appointment is taking place must be designated at the time the appointment is being made.
  - 4.2.3.2 Each HF location/Department will have a designated check-in area for Vendors. Vendor representatives must have a HFHS picture identification badge that is clearly visible to be allowed on site. Any associate of the Vendor representative accompanying them must also be scheduled and have appropriate identification visible at all times.



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- 4.2.3.3 Vendors must bring their appointment confirmation with them to present to the check-in area when they arrive.
- 4.2.3.4 If necessary, the duration and number of visits to an HF location may be limited.
- 4.2.3.5 Vendors are restricted to visiting only physicians' offices, administrative offices, Supply Chain Management, Compliance, Pharmacy, Security and public areas, unless they meet the Patient Care Procedures Requirements.
- 4.2.3.6 Should unanticipated patient care requirements arise, the appointment may need to be rescheduled.
- 4.2.3.7 Vendors who are not yet approved HFHS suppliers having occasion to visit an HF location must have a confirmation letter for an appointment but do not need to complete Orientation in advance of the appointment. The department must request the appointment through SCM and SCM will send the Vendor a confirmation letter via email.
- 4.2.3.8 If the Vendor intends to visit multiple times and HF will be doing business with them they must go through the Orientation process and be determined to be an approved Vendor by SCM.
- 4.2.4 Sample Medications
  - 4.2.4.1 Vendors that supply pharmaceutical samples must comply with the terms of the HFHS Sample Medication Policy 450.80.

## 5.0 Compliance Monitors and Audits:

- 5.1 The area of Vendor Compliance & Management within SCM will investigate any reported violations of this policy.
- 5.2 Vendors who violate policies are subject to loss of visitation privileges at HF locations.
- 5.3 Disciplinary actions for violations of this policy are detailed in other SCM Policies.
- 5.4 Staff found not to be in compliance with this policy will be reported to their supervisor for action. Depending on the severity, in accordance with established Human Resource policies, discipline up to and including discharge may be warranted.
- 5.5 Continuous trended monitoring will take place through this new process.

## 6.0 Definitions:

- 6.1 *Vendor/Vendor Representative* include any company or its representative or distributor of a manufacturer or company who visits for the purpose of soliciting, marketing, or distributing products or information regarding the use of medications, products, equipment and/or services.
- 6.2 *Vendor Orientation* is the educational program vendors must participate in to be allowed to visit an HF location.
- 6.3 *Supply Chain Management (SCM)* is HFHS's Purchasing Department.
- 6.4 *Approved Vendor* is a vendor who has been determined to meet all of the criteria to do business with HFHS as determined by SCM.

## 7.0 References/Sources:

- 7.1 Please refer to the following additional Supply Chain Management policies:



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*Approval Requirements and Authorization Levels Policy; Business Associate Agreement Policy; Consignment/Loan Policy; Emergency Procurement Policy;-New Product Introduction Policy; Product Recall (RASMAS) Policy; Supplier Diversity Policy; Supply Chain Management Policy, New Vendor and Vendor Information Change Policy and Procedures*

- 7.2 Council on Ethical and Judicial Affairs of the AMA, Gifts to Physicians from Industry. JAMA 1991; 265:501.
- 7.3 Council on Ethical and Judicial Affairs of the AMA, Gifts to Physicians from Industry. (Report G, 1-90), Chicago, IL: AMA 1990.
- 7.4 Council on Ethical and judicial Affairs of the AMA, Annotated Guidelines on Gifts to Physicians from Industry, Chicago, IL: AMA, 1991
- 7.5 Gifts to physicians from industry: Opinion 8.061, Chicago, IL: AMA, 1998
- 7.6 Clarification of gifts to physicians from industry, Addendum II, Opinion 8.061, Chicago, IL : AMA 1998
- 7.7 Health Industry Practices That Create Conflicts of Interest: A Policy Proposal for Academic Medical Centers. Brennan T, Rothman D, Blank L, Blumenthal D, Chimonas S, Cohen J, Goldman J, Kassirer J, Kimball H, Naughton J, Smelser N, JAMA 2006; 429-433.
- 7.8 PhRMA Code on interactions with healthcare professionals. [www.phRMA.org](http://www.phRMA.org)
- 7.9 Standard for Commercial Support, Accreditation Council for Continuing Medical Education, 2004