

 <p>All HFHS Includes: Allegiance Health Behavioral Health Services Community Care Services Corporate Services Henry Ford Hospital Henry Ford Medical Group Kingswood Hospital Henry Ford Macomb Hospitals West Bloomfield Hospital Wyandotte Hospital</p>	Policy Name/Subject: Vendor Policy and Procedures	
	Type of Document: Policy and Procedure	
	Applies to: Tier 1: System-wide Business Unit: Corporate Department: Supply Chain Management	
	Category: Finance/Supply Chain Management Sub-Category:	Current Approval Date: 7/2/2019
	Owner: Supplier Relationship Management	Approver: Vendor Policy Committee
	Related Policy/Procedure: Supply Chain Management Policy	
	Audience: All	
	Key Words: Vendor; Vendor Representative; Vendor Compliance	

Philosophy/Purpose:

The purpose of this policy is to establish clear and consistent rules governing all Vendors and Vendor representative's activities while conducting business with Henry Ford Health System (HFHS).

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 team members and our patients. This includes the promotion of physician and team members 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.

This policy is not meant to be punitive nor is it a statement about the honesty, fairness or goodwill of any of the Vendors or Vendor representatives.

Scope:

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 Hospital, Henry Ford Allegiance Health, and Community Care Services. HFHS locations include any facility in which HFHS conducts business of any sort.

All activities at the HFHS locations are included in the scope of this policy, including those related to patient care, administration and research.

This policy is designed to address all Vendor relationships. However, depending on the nature of the 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.

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.

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.

Responsibility:

- It is the responsibility of team members to ensure that Vendors are knowledgeable as to and compliant with these guidelines.
- Team members is responsible to monitor compliance with this policy and to report any suspected violations of these guidelines to their supervisor or SCM, as appropriate.
- All Vendors that interact with HFHS are required to adhere to this policy and all other SCM policies.
- All Vendors that interact with HFHS are required to adhere to HR Policy No. 5.06 System Wide Personal Appearance Standards.
- 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.
- 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.
- Vendors and representatives are expected to conduct business in a professional and courteous manner, respecting the diversity of our team members and patients.
- Vendors will be held accountable for the actions of their representatives.

Policy / Practice / Procedure / Requirements for Compliance:

- Appointments:
 - Vendor representatives are prohibited from contacting team members directly for appointments.
 - All Vendors visiting an HFHS location must either have a specific appointment prior to the visit subject to the terms of any existing contractual arrangement.
 - Dropping in on team members is a violation of this policy.
 - Vendors are only permitted to visit with the respective scheduled personnel while at any HFHS location.
 - Vendors may not meet with residents/students/trainees without a HFHS team member present.
 - Requests for appointments with clinical personnel should be made by the Vendor through Vendor Compliance at VAP@hfhs.org 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/department where the appointment is taking place must be designated at the time the appointment is being made. All guests joining the appointment must have their first and last name on the original request.
 - There will be select HFHS locations that will have a designated kiosk check-in area for Vendors. Vendor representatives must have a HFHS picture identification badge that is clearly visible, as well as the approval day pass from the kiosk check-in area or their mobile device 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.
 - If there is not a kiosk at a specific HFHS location then they must have a confirmed appointment showing on their mobile device for access. If necessary, the duration and number of visits to an HFHS location may be limited.
 - 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.

- Should unanticipated patient care requirements arise, the appointment may need to be rescheduled.
- All Vendor representatives need to be registered in the approved HFHS web based vendor management system in order to meet with any and all HFHS team members.
- If the Vendor representatives intends to visit multiple times and HFHS will be conducting business with them on an ongoing basis, they must go through the vendor credentialing process and become qualified as an approved Vendor by SCM.
- Vendors that supply pharmaceutical samples must comply with the terms of the HFHS Policy on Sample Medication 450.85.
- Identification
 - All Vendor representatives are required to wear a visible identification badge above the waist while on HFHS property.
 - Whether the identification is HFHS 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.
- Displays
 - 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.
 - Vendors cannot place information in mailboxes of team members or post materials on bulletin boards within any HF location.
 - Displays may be allowed adjacent to meeting rooms in conjunction with approved HFH CME courses, approved research symposia or other educational activities if:
 - The course director approves having commercial displays.
 - Placement is not a condition of providing support.
 - Vendors may not engage in any sales activity within the area that the education is occurring.
 - Displays must be consistent with policies endorsed by the Accreditation Council for CME Standards for Commercial Support and HFMG Code of Professionalism.
 - Displays may be allowed in team members lounges for training if approved by the unit manager.
- Promotional Activities
 - Cash or other Vendor supported incentive programs are strictly prohibited at any HF location.
 - No Vendor promotional items (e.g. pens, penlights, paper pads featuring product names) of any kind from Vendors are permitted within HFHS locations.
 - No food of any kind will be directly supplied by Vendors for employees at any HF location.
 - Vendors are not permitted to distribute, post, or leave any type of unsolicited printed or handwritten material, advertisements, signs or invitations at any HFHS location. If requested by the Provider during the course of a scheduled meeting, Vendors may provide the physician with educational information or extend an invitation to the physician they are meeting with.
 - Vendor-sponsored raffles, lotteries or contests which result in gifts to the winner are forbidden at any HFHS location.
 - Promotion of drugs against established Drug Policies is strictly prohibited.
 - Preprinted prescription pads from Vendors are not permitted at any HFHS location.
 - Promotional items are allowed ONLY if provided by Henry Ford Health System.
- Grants/Gifts
 - No personal gifts from Vendors of any kind are permitted at any HFHS location or to any team members.
 - No departmental, team members directed, or general gifts or food from Vendors of any kind are permitted at any HFHS location.

- 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.
- Educational materials should be balanced in presentation and must not directly market a product or company; however the educational material may have the creators name and company on it.
- 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.
- Unrestricted educational grants must be processed through the Chair or Division/ Department Head.
- 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. (Contact the Office of Philanthropy to coordinate the donation)
- 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.
- Solicitations
 - HFHS Team members 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.
- Confidentiality
 - Vendors shall not attend programs in which specific patients are discussed or when quality assurance or risk management issues are presented.
 - 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 team member’s approval to be present for the procedure.
 - It is not acceptable for Team members 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.
 - Vendors can not solicit procedure or patient volumes or competitive cost information from HF team members unless the information is provided in conjunction with a contractually established consulting project.
 - Conversely, team members may not provide or share physician or Operating Room schedules, volumes, or pricing with any Vendors.
 - 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.
- Product Safety
 - SCM must be provided with a written letter with regard to any recalled product, product package changes, product design changes, product use changes, and product education issues.
 - This includes products used for training.
 - Notification may be provided to SCM via email at jluca1@hfhs.org .
 - Vendors must assist in completing all Recall paperwork including payment for returned goods.
 - Vendors must assist SCM with all potential product failure events including the return and investigation of devices, signing an HFHS Inspection Agreement as needed, providing packaging and mailing supplies for all product to be returned.
- Non-Compliance
 - If a Vendor does not adhere to all applicable HFHS policies, Security or a designee may assume control of the HFHS photo identification badge and revoke access for that

Vendor to all HFHS locations for a period not less than one month or as otherwise provided for in the associated contractual agreement.

- The Vendor and their supervisor may be requested to participate in a meeting with SCM.
- Depending on the violation of policy and the related circumstances, consequences will be determined at that time.
- 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.

Please refer to page 8 for the “**Supply Chain Management Progressive Disciplinary Actions for Vendor Infractions**”

Specific Guidance Vendors and Representatives

- Registration Process
 - A Vendor desiring to be allowed on-site access must initiate the registration process by going online to the HFHS current designated web based vendor management system.,
 - Once this process has been completed and in a passed status in the system, each representative will need to email Vendor Compliance to receive an approval to obtain a HFHS green vendor badge.
 - Instructions will then be emailed out to representative explaining the process of appointment requests to all HFHS team members and locations.
- Patient Care Procedure Area Requirements
 - 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)
 - Vendors shall have no direct (physical or verbal) contact with patients unless specifically stipulated in a contracted agreement.
 - Vendors are to be accompanied by a HFHS employee at all times unless stipulated in a contracted agreement.
 - Vendors must check in as required by the individual department's procedures prior to entering into procedure rooms or patient rooms.
 - Vendors must provide 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.
 - Vendors must provide a background check on all Vendor representatives that will be observing or performing procedures with patients.
 - Vendors must provide documentation of TB testing within the last 12 months, which complies with JCAHO standards. All costs shall be the responsibility of the Vendor.
 - Vendors must provide documentation of Flu Vaccine (Seasonal) or a copy of declination statement (procedural areas only).
 - Vendors must follow the Surgical Services Attire policy. Refer to Policy #EHR075 Surgical Attire.
 - 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.
 - We all understand that cell phones provide a valuable service, but when it is being misused for non-patient related activities in patient care areas it becomes a risky

distraction. Safety is a team effort. Non-patient care related activities are not allowed within the OR. Our focus must always be on the patient to ensure safety.

Compliance Monitors and Audits:

- The area of Vendor Compliance & Management within SCM will investigate any reported violations of this policy.
- Vendors who violate policies are subject to loss of visitation privileges at HFHS locations.
- Disciplinary actions for violations of this policy are detailed in the Supply Chain Management Policy.
- Team members 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.
- Continuous trended monitoring will take place through this new process.

Payments Against Purchase Orders

Purchase Orders may only be paid by submission of a valid invoice. See invoice processing procedures. HFHS will assume Standard Terms as below:

- unless otherwise negotiated – Net 45 days from invoice date
- 2% discount Net 10 days if a discount is offered, subject to review by the System CFO.

Only the HFHS System CFO has the authority to designate other terms for specific suppliers, goods, equipment, or services based on financial criteria such as cash flow, interest rates, etc.

SCM Sourcing will have the authority to negotiate alternate terms for suppliers and/or contracts based on the system CFO's guidance. Such terms may include payment period, discounts, or rebates. However, final approval of any terms other than net 45 can only be provided by the Vice President of Supply Chain Management, the HFHS System CFO, or the HFHS System COO.

Policy violations will be reported to the Operating Unit Executive and/or the Chief Financial Officer for appropriate disciplinary action up to and including termination.

Emergency Purchase Orders

Emergency POs are Purchase Orders where a PO number (though not a dollar amount or item) has been specifically reserved for a situation where a supplier providing a good or service requires a PO number before delivery and there is insufficient time within the System to perform the usual set of approvals and sourcing.

Procurement will issue such POs upon request based on the assumption that the requestor is in a position to correctly assess the need for the emergency PO. **All such requests will generate alerts to the Operating Unit leader.**

Invoice Procedures

All HFHS employees or authorized agents will require these terms from suppliers unless noted below:

- All invoices from a PO must be submitted to AP with a valid PO number for payment processing within one week of receipt.
- All paper invoices should be sent by suppliers to: Accounts Payable

One Ford Place
Suite 5E
Detroit, MI 48202

Invoices sent via ANSI X.12 810 messages should be routed via the HFHS GHX – Global Health Exchange partner.

Invoices sent via email should be routed to: AccountsPayable@hfhs.org

- Invoices not physically received and matched against a Blanket Type PO must be approved by the requisitioner (or the person at the same \$\$\$ approval level?) using the PeopleSoft voucher approval workflow. No exceptions to this approval process will be permitted. The requisitioner may add any other HFHS manager to the approval workflow.
 - Rejected invoices must have a reason for rejection provided. In the case of re-work or disputes the invoice will be held for 30 days at which point the person rejecting the invoice may approve it. After 30 days the invoice will be returned to the supplier as unpaid and the supplier may submit a new invoice if agreed by the requisitioner.
- AP is responsible for processing payments in accordance with the purchase order terms and contracts if applicable.
- The Supplier's invoice must match the PO and system acknowledgement of the physical receipt (for a standard receipt-required PO).
- All invoice discrepancies will be resolved utilizing defined P2P processes before payment can be made.
- Credits/credit memos can be applied to any payment at the discretion of AP.

Definitions:

- Vendor/Vendor Representatives 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.
- Supply Chain Management (SCM) is HFHS's Purchasing Department.
- Approved Vendor is a vendor who has been determined to meet all of the criteria to do business with HFHS as determined by SCM.

References/Sources:

- Please refer to the following additional Supply Chain Management policies: 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
- Please refer to the following additional HFHS Policies: HR Policy 5.06 System Wide Personal Appearance Standards Surgical Services Attire Policy
HFHS Policy on Sample Medication 450.85
- Council on Ethical and Judicial Affairs of the AMA, Gifts to Physicians from Industry. JAMA 1991; 265:501.
- Council on Ethical and Judicial Affairs of the AMA, Gifts to Physicians from Industry. (Report G, 1-90), Chicago, IL: AMA 1990.
- Council on Ethical and judicial Affairs of the AMA, Annotated Guidelines on Gifts to Physicians from Industry, Chicago, IL: AMA, 1991
- Gifts to physicians from industry: Opinion 8.061, Chicago, IL: AMA, 1998
- Clarification of gifts to physicians from industry, Addendum II, Opinion 8.061, Chicago, IL : AMA 1998

- 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.
- PhRMA Code on interactions with healthcare professionals. www.phRMA.org
- Standard for Commercial Support, Accreditation Council for Continuing Medical Education, 2004

Supply Chain Management Progressive Disciplinary Actions for Vendor Infractions

a. Minor infractions

- i. Visiting Henry Ford Health System personnel who have no expressed interest in their products, services, or capital equipment or distribution of unsolicited material.
- ii. Accessing HFHS facilities to conduct business without a scheduled appointment or prior authorization from the respective department or Supply Chain Management.
- iii. Directly supplying food or promotional items for employees at HF locations.
- iv. Failure to obtain a Purchase Order number before shipping products, services, and/or capital equipment into Henry Ford Health System, this includes items for trial and evaluation purposes.
- v. Failure to attend the Vendor Representative Certification & Orientation training class.
- vi. Inadequate education training on product use or procedures.
- vii. Communication lines not maintained.
- viii. Vendor representatives non-responsive to hospital needs.
- ix. Failure to honor price(s) quoted.
- x. Failure to provide resources and necessary documentation to maintain account in good standing.
- xi. Failure to provide invoices, copies of invoices, or Proof of Delivery, upon request.
- xii. Unauthorized use of credits to offset open invoices.

a. Major infractions

- i. Failure to go through Supply Chain Management i.e. back-door selling tactics.
- ii. Failure to provide adequate safeguarding of protected health information.
- iii. Offering unethical inducements to Henry Ford Health System personnel.
- iv. Failure to notify Supply Chain Management of product recalls.
- v. Harassment of Henry Ford Health System personnel, i.e. inappropriate language and/or physical actions.
- vi. Failure to adhere to HFHS "Supply Chain Management & Vendor Visitation Policies".
- vii. Failure to respond to major or minor disciplinary actions.
- viii. Failure to comply with the Health Insurance Portability & Accountability Act (HIPAA) which prohibits the use or disclosure of protected health information of its patients without a valid authorization, or unless that use or disclosure is otherwise permissible.

Disciplinary Actions

Supply Chain Management will review the performance of all vendors and initiate the following disciplinary actions if applicable:

Minor Infractions

- a. For first occurrence, a documented oral consultation of vendor representative by Vendor Compliance & Management Coordinators.
- For second occurrence, call to vendor representative's immediate manager from Director of Vendor Compliance & Management.
- For third occurrence, letter to vendor district/regional manager from Vice President of Supply Chain Management to arrange a meeting to discuss the issues.

Major Infractions

- a. For first occurrence, a documented oral consultation of vendor representative by Vice President of Supply Chain Management, and a letter to vendor district / regional manager from Vice President of Supply Chain Management, to arrange a meeting to discuss the issues.

- b. For second occurrence, letter to president of Vendor Company from COO and/or CEO of Henry Ford Health System, detailing the issues and requesting immediate resolution.
- c. Termination of relationship if the issues remain unsolved.