



# GROUP PURCHASING **CODE OF CONDUCT**

A supplement to the Bon Secours Mercy Health Code of Conduct



## Advantus Health Partners

Bon Secours Mercy Health (“BSMH”) created Advantus Health Partners (Advantus) to serve as a group purchasing organization (“GPO”), and as such, Advantus will negotiate contracts for the purchase of products and services by Advantus members which are BSMH affiliates (BSMH Participants) and will offer to certain Advantus members which are not BSMH affiliates (“Non-BSMH Participants”, and together with BSMH Participants, “Participants”) access to the contracts with suppliers of goods or services negotiated by Advantus. To accomplish the above, Advantus enters into written agreements with Participants (Participant Agreements) and Vendors (Vendor Agreements).

The purpose of Advantus’ group purchasing program is to provide superior value to Participants by developing and administering Vendor Agreements and providing support services targeted at reducing costs for Participants, and ultimately reducing health care costs for patients while upholding the mission and values of BSMH. Through the collaboration of Participants, Advantus seeks to advance the core mission of BSMH concerning the proper stewardship of limited financial and other resources. The superior value sought by Advantus for its Participants shall include price and quality (results or outcomes, satisfaction, and safety for patients and health care workers). A primary objective of Advantus is to help ensure that patients receive safe and efficient care consistent with BSMH’s mission. In return for ensuring value to Participants, Advantus offers Vendors the benefits of more predictable sales volumes, reduced business costs, and a larger, more stable market for their products.

Advantus will contract for high quality supplies and services with reputable vendors regardless of their size. Clinical supply quality and efficacy will, in part, be determined by clinical teams made up of Participants’ clinicians to inform Advantus’ work. Consideration of product quality and acceptability may also include, but not be limited to, cost effectiveness and clinical efficacy as reported by recognized authorities, utility and reliability of products/services, safety for patients and healthcare workers, and the ability of the vendor to provide an adequate stock of consistent quality to Participants. In developing any particular Vendor Agreement, Advantus will determine the most appropriate combination of contract features to achieve the best results for the specific product/service category involved.

The Office of Inspector General (“OIG”) has issued multiple advisory opinions, on March 15, 2012, May 9, 2016, and August 6, 2018 (the “Advisory Opinions”), each analyzing the regulatory risk of a GPO that, like Advantus, was technically ineligible for the GPO Safe Harbor because it was wholly-owned by a health system that also owned certain of the GPO’s participants. The OIG approved the GPO models proposed in the Advisory Opinions because certain features of the proposed GPO arrangements indicated they carried, in the OIG’s view, low risk of regulatory abuse. OIG advisory opinions can only be relied upon by the specific parties that request them, but they can nevertheless serve as useful guidance as to the OIG’s interpretation of applicable law and regulations.

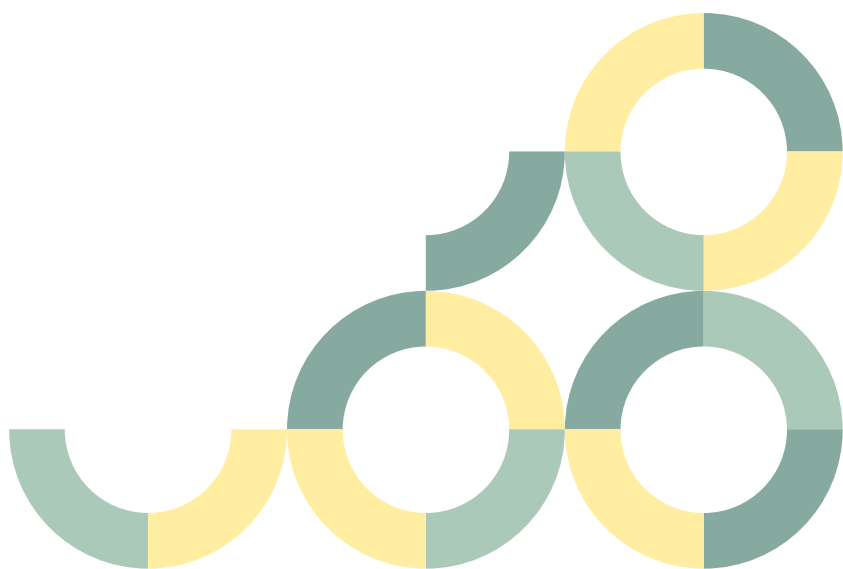
Advantus operates in a way that minimizes regulatory risk by following as closely as possible to the GPO Safe Harbor (despite its technical ineligibility) and adopting the applicable features of the GPOs proposed in the Advisory Opinions that the OIG cited with approval.

In providing group purchasing services, Advantus serves first the interests of Participant hospitals and health systems and, through them, the patients and communities they serve. Foremost among those interests shall be good clinical outcomes for patients and cost-effectiveness in care processes and utilization of resources such as products, services, pharmaceuticals, and equipment.

## Purpose

Every Advantus board director, board officer, and employee has an important role to play in supporting the Code by honoring the dignity of each person, acting with integrity, demonstrating compassion, promoting stewardship and being of service to others. The Code applies to all who have a relationship with Advantus, including but not limited to Advantus board officers, board directors, and employees, and Participants and Participating Vendors.

In the operation of its business, Advantus will always comply with BSMH’s Code of Conduct: Integrity in Action. This Advantus Code of Conduct will supplement the BSMH Code of Conduct. BSMH’s compliance program (CP) includes a number of elements designed to promote ethical conduct and adherence to the laws, including policies and procedures for detecting and preventing fraud, waste, and abuse — including false claims. Additionally, the CP includes a Chief Compliance Officer, compliance directors and compliance professionals; employee education; reporting systems; monitoring and auditing systems; and prompt investigations and corrections of identified problems. The CP was developed to demonstrate BSMH’s commitment to honest and ethical conduct, and to provide guidance to employees facing uncertain situations. The CP is hereby incorporated into this Code of Conduct by reference. In the event any provisions of this Code of Conduct are more restrictive than the provisions of the CP, this Code of Conduct shall govern.



Advantus acts first and foremost as a representative of its Participants, and pursues two primary goals, which are quality of medical care and cost control. Advantus and Advantus board directors, board officers, and employees will ensure that no actions are taken by Advantus which would inappropriately benefit BSMH Participants over Non-BSMH Participants.

Advantus shall comply with applicable laws. Advantus shall stay abreast of changes and new developments in the law and provide compliance training, guidance and education regarding applicable laws for board directors, board officers and employees of Advantus including BSMH employees acting on behalf of Advantus (Advantus directors, officers, and employees).

## Follow the Code

Advantus directors, officers, and employees and Participants are expected to:

- Be familiar with and **Follow the Code!**
- **Speak up! Ask for help** when you are not sure about something and **report concerns**.
  - If you have an HR related questions or concerns, please reach out to your designated **HR Partner**.
  - If you see or hear anything that seems inconsistent with the Code, applicable law, regulation or internal policy:
    - Speak to your supervisor or other member of management.
    - Speak to the Compliance Officer, Privacy Officer, or contact the BSMH Chief Compliance Officer by calling 1-513-952-4293.
    - Use the 24/7 BSMH Ethics Help Line by calling 1-888-302-9224 toll-free, or by emailing [www.bsmhethicshelpine.org](mailto:www.bsmhethicshelpine.org). You may remain anonymous.
- Cooperate with internal and government investigations. Respect requests for confidentiality within the limits of the law.



## Integrity in Vendor Relations

### CONFLICT OF INTEREST

Advantus is committed to exercising responsible stewardship of human and financial resources and avoiding conflicts of interest and/or the appearance of conflicts of interest. Advantus directors, officers, and employees, and Advantus advisors may not use their positions for personal gain or advantage, or to assist others, including family members, in profiting in any way at the expense of BSMH and/or Advantus. Advantus employees including BSMH employees working on behalf of Advantus (Advantus employees) may not serve as an expert witness in any case without the written permission of Advantus' General Counsel.

The BSMH Conflict of Interest Policies and Procedures as established in the Compliance Program provide additional guidance in this area and apply to board directors, board officers, senior managers and other key employees of BSMH and Advantus. To ensure compliance with these policies, these individuals are required to submit a Conflict of Interest Disclosure Statement annually. All other Advantus employees are required to disclose to their immediate supervisors, or to the BSMH Compliance Officer, any real or potential conflicts of interest prior to making any decision or taking any action that is or may be affected by the conflict. Supervisors may consult with the BSMH Compliance Officer for assistance in resolving such conflicts.

### GIFTS

No Advantus director, officer, or employee or Advantus advisor shall accept gifts, entertainment, favors, honoraria, or personal services payments, other than of nominal value, from any Participating Vendor. Nominal value means any item, service or other thing of value (not including cash or cash equivalents) such as pens, mugs, pads, etc.

### EQUITY OWNERSHIP

**Advantus Directors and Officers:** Board directors and board officers of Advantus including BSMH employees working on behalf of Advantus as a board director or board officer (Advantus directors and officers) who are in a position to influence Advantus contracting decisions are required to disclose any equity interests in any Participating Vendor and to recuse themselves from any negotiations or decisions related to that Participating Vendor.

**Other Advantus Employees:** No Advantus employee (excluding Advantus directors and officers addressed in prior paragraph) shall own equity in any vendor which has a group purchasing contract with Advantus or has submitted a formal bid for a group purchasing contract to provide products and/or services to Advantus Participants (Participating Vendors). This does not apply to mutual funds over which the Advantus employee does not exercise any control regarding investment decisions.

**Immediate Family Members of Advantus Employees:** These prohibitions apply to immediate family members (spouse and dependents) of Advantus employees (excluding Advantus directors and officers addressed above). In some cases, exceptions may be granted if spouses of such Advantus employees are employed by Participating Vendors and stock ownership is incidental to that employment. Any such exception must be approved by the Advantus employee's supervisor, the Advantus Board, and the BSMH Compliance Officer. If an exception is granted, the Advantus employee must disclose the spouse's equity interest and not participate in any negotiations or decisions relating to the Participating Vendor in which the spouse owns equity.

**Advantus Advisor:** Advisors of Advantus (Advantus advisors) who are in a position to influence Advantus contracting decisions are required to disclose any equity interests in any Participating Vendor and to recuse themselves from any negotiations or decisions related to that Participating Vendor. No Advantus advisor who is in a position to influence Advantus contracting decisions shall serve as an Advantus advisor in an area in which they hold extensive equity interests. "Extensive" means investments in three (3) or more Participating Vendors in the general product area they are advising in or investments in Participating Vendors in such product area that in the aggregate have a total value in excess of \$20,000.

**BSMH and Its Affiliates:** BSMH and its affiliates (excluding Advantus) shall not hold a joint venture or equity interest in or control any Participating Vendor (BSMH Participating Vendor Equity Interest), unless: (a) Advantus shall disclose such BSMH Participating Vendor Equity Interest to Advantus' Participants and publicly disclose on the Advantus website; (b) Advantus shall not permit such BSMH Participating Vendor Equity Interest to influence Advantus contracting decisions; (c) Advantus shall not impose an obligation, commitment, or other requirements that in any way obligates a Participant to purchase goods or services from such Participating Vendor in which BSMH has a BSMH Participating Vendor Equity Interest; and (d) Advantus prohibits providing financial incentives through Advantus to Participants for purchases of products or services through Participating Vendors in which BSMH has a BSMH Participating Vendor Equity Interest, including without limitation increased shareback for such purchases, or availability of additional supplemental services at no cost contingent upon required volumes for such purchases.

## INSIDER TRADING

Insider trading by Advantus directors, officers, or employees based on knowledge of Participating Vendors or their prospects gained through their employment is prohibited.

## OTHER BUSINESS RELATIONSHIPS WITH PARTICIPATING VENDORS

Advantus shall not have other business relationships with Participating Vendors unless those relationships are necessary to achieve core Advantus goals. This does not include the purchase of goods and services that are utilized by Advantus to carry out its general business operations so long as the terms of the arrangement reflect fair market value for the products and services being purchased. Such relationships must be disclosed to Participants,

fees will be reasonably related to the value received, and must not influence Advantus contracting decisions. Participating Vendors providing any additional services for which fees may be charged (such as trade shows, periodical advertising and data analytics) shall be entirely voluntary and shall have no bearing on Advantus contracting decisions.

BSMH and its affiliates (excluding Advantus) may have business relationships with Participating Vendors, but these relationships must be disclosed to Advantus Participants and must not influence Advantus contracting decisions. It is impossible to anticipate the many types of business relationships which may be developed in the future. The BSMH Compliance Officer and the Board of Directors will examine such business relationships on an ongoing basis to ensure that there is no influence on Advantus contracting decisions.

## VENDOR RIGHTS AND RESPONSIBILITIES

Advantus will provide to vendors an equitable and impartial bidding process which contains all information necessary to offer a competitive bid. Bids are kept confidential throughout the bidding process. Timely and accurate evaluation of bids will be completed, and all bidders will receive an extension if the date is extended. Prompt notification on contract decisions will be communicated to all vendors. Each vendor will be treated with honesty and good faith during the bidding process and during negotiations to reach an agreeable resolution.

Advantus shall inform all Participating Vendors and prospective vendors of the ethical standards and practices of Advantus as described in the Notice to Agents Vendors and Contractors (Standards of Conduct) and seek the vendors' adherence to the same Standards.

Participating Vendors will provide accurate and fair bids based on specifications and will strive to provide the maximum value for each dollar of expenditure. Participating Vendors will meet all deadlines for submission of bids and provide additional information as required by Advantus. Vendors will honor BSMH and Advantus Standards of Conduct, and conduct business honestly, in good faith and avoid intentional misrepresentation. Participating Vendors will present honest and accurate information in sales presentations written or oral. Participating Vendors will have the financial and personnel resources to provide the products or services promised.

## VENDOR GRIEVANCE PROCEDURES

Prospective and Participating Vendors can report suspected violations of the Standards of Conduct or this Advantus Code of Conduct. Participating Vendor may:

- Speak to a member of Advantus management.
- Speak to the Compliance Officer, Privacy Officer, or contact the BSMH Chief Compliance Officer by calling 1-513-952-4293.
- Use the 24/7 BSMH Ethics Help Line by calling 1-888-302-9224 toll-free, or by emailing [www.bsmhethicsshelpine.org](http://www.bsmhethicsshelpine.org) You may remain anonymous.

# Confidential and Proprietary Information

Information is a key corporate asset and each Advantus employee has a responsibility to safeguard Advantus, BSMH's, each Participant's, and each Participating Vendor's confidential information. Confidential and proprietary information may include financial data, clinical data, PHI, cost and pricing information, product features and functions, customer/client lists, and marketing and sales strategies to name just a few.

In recognition of the fact that many Advantus directors, officers, and employees may also provide services, or have close contact with those who provide services, to or for BSMH, each such individual must ensure that in every interaction with a Participating Vendor he or she clearly communicates with the Participating Vendor whether they are acting as a representative of BSMH or Advantus. Further, each such individual must ensure that they respect and comply with confidentiality obligations of both Advantus and BSMH to the Participating Vendor, and never use information to which they gain access as a representative of Advantus or BSMH, to further the business interests of one entity at the cost of violating the confidentiality obligations of the other. In all interactions with Participating Vendors, Advantus must ensure that it does not violate, or put BSMH at risk of breach of, BSMH's separate contractual obligations and responsibilities with Participating Vendors.

If a BSMH employee or Advantus employee has any doubts about whether information is confidential, you must treat it as confidential until informed otherwise, even in the context of a disclosure to BSMH or a BSMH affiliate. Advantus employees must not disclose any confidential information to anyone outside (including family members) or inside Advantus unless the disclosure meets any of the following requirements:

1. Properly authorized by the respective executives;
2. Required in the performance of business duties as outlined in a corresponding Vendor Agreement; or
3. Required by law with the concurrence of the General Counsel.

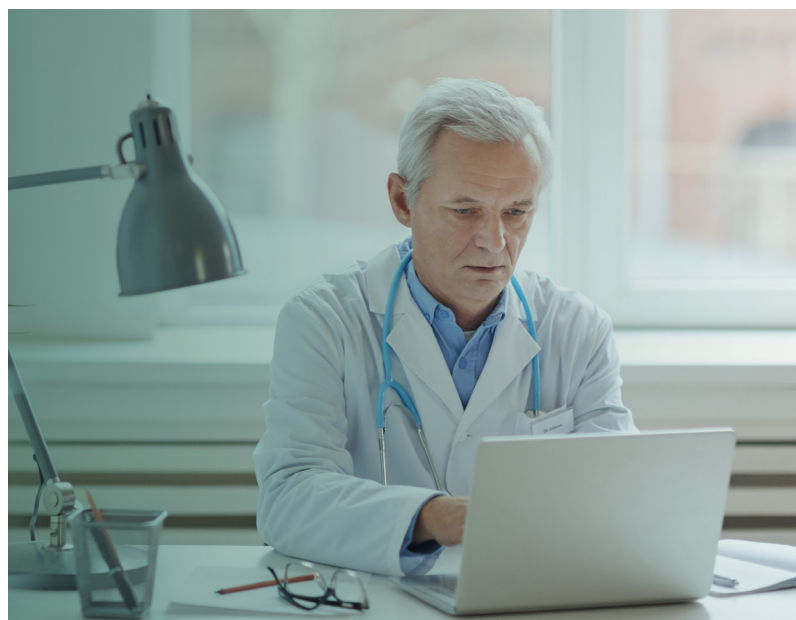
Advantus intellectual property is a vital tool that helps us service Participants and Participating Vendors and provides us with a competitive advantage. Proprietary and intellectual property includes strategies, knowledge, processes and other information that we have an obligation to protect. We protect this information by actively using copyrights, patents, trademarks and service marks.

Protect confidential or proprietary information by engaging in the following practices:

1. Store it in a secure location such as locked file cabinets or password-protected files;
2. Use caution when working with it to ensure that others without proper access cannot view or obtain it (e.g., implement firewalls, limit access to only team members assigned to services related to the data, audit access to the data, report to the Privacy Officer any unauthorized access to the data, etc.);

3. Use appropriate workplace tools, like email encryption or secure transfer when emailing the data or otherwise transmitting it to others;
4. Limit printing or photocopying confidential or proprietary information and always use secure shredding containers when disposing of the information;
5. Appropriately label confidential or proprietary information with the proper restrictive notice, such as "confidential" or "do not disclose;"
6. When discarding or destroying the information, ensure that an authorized manner by which the data is destroyed is used pursuant to the National Institute of Standards and Technology (NIST) standards and the current record retention schedule. Advantus employees must reach out to the Information Security Team for further instructions and guidance; and
7. Check with your manager about any special requirements for confidential or proprietary information in your area of operations.

An Advantus employee who becomes aware of any misuse of Advantus' or BSMH's confidential or proprietary information must immediately notify his or her supervisor and our legal department. Advantus employees are also expected to respect the intellectual property of others and refrain from infringing upon valid patents, trademarks, service marks, copyrights or other intellectual property not owned by or licensed to Advantus. If you have questions about whether using certain material violates the intellectual property of Advantus or others, you should contact our legal department for guidance.



# Integrity in Participant Relations

Advantus is committed to honest and ethical conduct in all aspects of its operations including in dealing with Participants:

- Advantus shall permit Participants to communicate directly with all vendors and to assess products or services provided by all vendors.
- Advantus shall permit Participants to purchase any items directly from vendors who do not contract with Advantus.
- Advantus shall conduct technology assessments in a fair, timely, confidential and unbiased manner, with an opportunity for review of decisions by vendors whose products or services are evaluated. Advantus shall provide an opportunity for all Participants to have input into the technology assessment process.
- Advantus shall have a written agreement with each Participant or Participant's agent that authorizes Advantus to act as a purchasing agent to negotiate contracts with Participating Vendors to furnish goods or services to each Participant.
- Advantus shall disclose in writing to each Participant or Participant's agent that it receives administrative fees from Participating Vendors with respect to purchases made by or on behalf of such Participant.
- Advantus shall annually report, or cause to be reported, to each Participant or Participant's agent the amount of all Participating Vendor payments received with respect to purchases made by or on behalf of the Participant.
- Advantus shall make full disclosure to Participants of all Participating Vendor payments to Advantus, whether allocable to a specific Participant or not.
- Detailed data on existing Vendor Agreements and on current contracting processes shall be readily available to Participants, including administrative fees paid for each Vendor Agreement.
- No Advantus contract shall permit administrative fees to be paid in the form of Participating Vendor equity.
- Advantus shall operate a breakthrough technology evaluation process in a fair, timely, confidential and unbiased manner, with an opportunity for review of decisions by vendors whose products or services are evaluated.
- No Advantus Vendor Agreements shall have bundling of physician preference products with unrelated products, or bundling of any unrelated products across different vendors.
- Advantus' policies and procedures will state and promote contracting arrangements that achieve both a high quality of medical care and competitive pricing. Advantus will use contracting tools either alone or in combination in contracting arrangements that achieve these goals.

