

**UNIVERSITY HEALTHSYSTEM
CONSORTIUM**

**2008
Annual Public Accountability
Questionnaire**

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 University HealthSystem Consortium (“UHC”) has a written business code of ethics for employees titled Employee Code of Conduct (Attachment A). UHC also has a code of ethics for board directors titled Code of Conduct: Directors of the UHC Governing Board and Board Standing Committees (Attachment B).
- 1.2 A summary of both the Employee Code of Conduct (Attachment C) and the Code of Conduct: Directors of the Governing Board and Board Standing Committees (Attachment D).
- 1.3 There have been no changes to either of the codes over the past year.

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?

- 2.1
- a) All employees are subject to UHC’s conflict of interest policy.
 - b) Executives and those directly supervising purchasing activity are also covered by UHC’s conflict of interest policies.
 - c) The UHC Board Code of Conduct (Attachment B) specifically addresses conflict of interest issues for the UHC Governing Board of Directors, as well as those Directors serving on Board Standing Committees.
 - d) All members of UHC’s advisory committees are bound by the Task Force Conflict of Interest Disclosure Form (Attachment E).
 - e) The UHC Task Force and UHC Members who are involved in UHC’s competitive bid process for group purchasing are bound by the Task Force Conflict of Interest Disclosure Form (Attachment E). Independent contractors are also covered under the conflict of interest policy.
- 2.2
- a) Employees, Directors, Advisory Committee Members, Task Force Members, and Independent Contractors are precluded from having equity investments in participating vendors and potential participating vendors. To the extent employees directly involved in purchasing have an equity investment in a participating vendor, these employees must divest the interest.
 - b) Employees, Directors, Advisory Committee Members, Task Force Members, and Independent Contractors are required to disclose to the Governing Board any financial interest in vendors or competitors and recuse themselves from any discussions or decisions, including any vote, regarding the specific vendor or competitor or other such remedy as prescribed by the Governing Board.
 - c) Employees, Directors, Advisory Committee Members, Task Force Members, and Independent Contractors are not permitted to accept gifts unless the gift meets the below criteria:

Pursuant to UHC’s Code of Conduct, a “gift” is defined as any thing of greater than \$50 value which provides present or future financial benefit and which is furnished at no cost or below fair market value. Any Gift from a person, company or organization which has or is seeking to obtain a business or financial relationship with Novation or UHC, including Participating Vendors, or who is seeking to reward or influence regarding Novation or UHC business is prohibited.

The only exceptions to receiving and accepting a gift are:

- Gifts that are perishable, as long as they are placed in a common area, such as the employee lunchroom, for all Employees to enjoy.
 - Gifts that have corporate logos on the item.
 - Gifts (not including cash or cash equivalents) that are nominal in value.
- d) Meals and entertainment are allowable, however, UHC’s policy restricts business entertainment to less than \$50 per event, so long as the aggregate value from a single source does not exceed \$100 in a calendar year and from all sources does not exceed \$300 for each employee in a calendar year.
- e) UHC’s Code of Conduct also covers honorariums. Honorariums may be paid directly to an employee only when the honorarium is for services performed unrelated to UHC and the employee used vacation time to prepare and deliver the services.

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 UHC’s group purchasing activities are one service line within UHC’s offerings to its membership. UHC’s other business lines of offerings include Operational, Clinical, and Financial Performance Solutions. A summary of UHC business lines is listed in its

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, Sec. 16, 15 USC 77p(f))

corporate brochure (Attachment F) attached hereto. The UHC Corporate Brochure is also available on the public web site:

http://public.uhc.edu/publicweb/About/2001_UHC_Corporate_Brochure.pdf

- 3.2 See Attachment F. In addition to the business lines listed in Attachment F, UHC has an interest in the GPO Novation and Provista, LLC and in GHX, a limited liability corporation that provides e-commerce services to Novation.
- 3.3 UHC does not sell any services to vendors.
- 3.4 UHC addresses potential conflicts through its Employee Code of Conduct, Code of Conduct: Directors of the Governing Board and Board Standing Committees and Task Force Conflict of Interest Disclosure Form.
 - a) UHC's Employee Code (Attachment A) and Code of Conduct: Directors of the UHC Governing Board and Board Standing Committees (Attachment B) preclude equity interests in any participating vendor.
 - b) UHC has a policy to guard against potential conflicts of interests that address vendor participation in industry trade shows. See Vendor Sponsorship Policy (Attachment G).
 - c) UHC has a policy to guard against any potential conflict of interest relating to vendor grants for educational programs. (See Attachment G.)

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 UHC issues to its members an annual purchases and fee disclosure report which lists all member purchases and related fees paid to UHC by contract by supplier.
- 4.2 UHC does not receive any payments other than administrative fees from vendors.
- 4.3 UHC does not accept marketing fees. However, administrative fees are sometimes referred to as “marketing fees” in older agreements.
- 4.4 UHC does not accept partnership incentives.
- 4.5 UHC does not accept equity.
- 4.6 UHC does not accept upfront fees.
- 4.7 UHC does not accept honoraria from vendors.
- 4.8 UHC returns administrative fees received from vendors for ineligible 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 Operating as a cooperative, UHC provides its members with quarterly patronage statements and final annual account reconciliation statement that list all activity related to their patronage account including cash payments, equity issued, and equity redeemed. Additionally, any supplier rebates paid directly to UHC are paid to the members and included with the rebate check is a report listing the contract, time frame covered, and the amount of purchases generating the rebate. The rebates are paid to the members within sixty days of being paid to UHC.

5.2 UHC does not pay fees to members upon the signing or re-signing of a participation agreement with UHC.

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?

- 6.1 UHC has a publicly available description of its bid and award process.
- 6.2 UHC's bid and award processes are available on UHC's public web site. The Link to the UHC bid and award processes is:

<http://www.uhc.edu/12326.htm>

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. UHC publishes to all vendors the decision criteria used to award potential contracts. These criteria are outlined in the Request for Proposal (RFP) and are available to all vendors interested in participating in UHC's bid process.

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?

6ii.1. UHC lists general and specific vendor requirements regarding qualifications for responsible bidders in each RFP.

6ii.2. See above answer.

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. UHC's RFPs are available to all interested vendors. All vendors who participate in the RFP are eligible to compete for a contract award. However, only vendors who meet the decision criteria award are eligible for a contract award.

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?

6iv.1. All award criteria are listed in the bid specification of each RFP. Each RFP also discloses all Award Criteria, including the Non-Financial and Financial Award Criteria that will be used for vendor selection.

6iv.2. UHC has a process in place whereby award criteria (both non-financial and financial) are determined, validated and scored by UHC's Task Force members.

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.

6v.1. UHC utilizes a rigorous, competitive bid process pursuant to its contracting manual which is modeled after the ABA Model Procurement Regulation and the Federal Acquisition Regulations.

6v.2. UHC evaluates products and services pursuant to its competitive bid process listed above and a contract is awarded to the vendor(s) that submits the overall low best bid based on the combined total of their financial and qualitative (non-financial) scores. UHC's Task Forces determine the qualitative scores that are used as part of the contract award process, based upon their evaluation of the quality of the vendors' service offerings. Additionally, Member Task Forces validate the overall low best bid and make recommendations to approve all contract awards.

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

Please include in your answer:

- 1. Describe your policies that support competitive procurement.

6vi.1. UHC's practice is competitive procurement. Negotiated awards are made only in the unique circumstances where they can be justified to enhance Member choice or flexibility and/or provide access to new technology.

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. UHC's practice is competitive procurement, without predetermination of single, dual or multi-source awards. UHC's process is member driven. Members who serve on the UHC task force make recommendations regarding whether UHC will make single, dual or multi-source awards.

6vii.2. Sole source procurement may be made under the following circumstances:

- (a) To innovative services which offer incremental benefits to patient care, patient safety or health care worker safety; or
- (b) To innovative proprietary services which have no alternatives.

If either of the above circumstances is employed, the decision must undergo justification and validation by the Task Force prior to the award.

Dual source procurement is generally made under the recommendation of the UHC Task Force.

UHC considers multi-source contracts when:

- (a) The capacity of one vendor cannot reasonably be expected to meet all member needs;
- (b) There is no loss of value to the GPO member;
- (c) The market is fragmented;
- (d) There are substantial costs associated with conversion to a new product or device; and
- (e) A historically underutilized business offers a product in the category.

6vii.3. UHC awards contracts to vendor(s) that submit the overall low best bid based on the combined total of their financial and qualitative (non-financial) scores. UHC does not have exclusivity provisions in our contracts.

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. Administrative fees are not a determinative factor in UHC contract awards. As described above, the Members who serve on UHC's Task Forces guide that contract award process. Proposed vendor fee arrangements are not used as a consideration by UHC nor are they used to determine vendor financial performance as part of the award criteria in the award evaluation.

6viii.2. UHC does not accept administrative fees above 3 percent.

6viii.3. The range of UHC administrative fee is 0% to 3%.

6viii.4. UHC does not accept any other kinds of fees from vendors.

6viii.5. UHC does not impose a minimum fee requirement for vendors.

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. UHC does not bundle services or products.

6ix.2. UHC does not permit bundling of unrelated products or services.

6ix.3. As stated above, UHC does not permit bundling.

6ix.4. UHC does not procure for clinical preference products and services.

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.1. UHC does not have a private label program for medical products.

6x.2. Not applicable.

6x.3. Not applicable.

6x.4. Not applicable.

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 it is available.

7.2. How does the GPO address vendor grievances?

7.3. Please describe in general the grievance process.

7.1. UHC has established a process to address prospective supplier grievances related to the evaluation of products or services, including new or innovative technologies, and to ensure that the appropriate member-driven public competitive bid process is followed. Vendors must submit a grievance via e-mail within 30 days of the relevant product or service category contract's effective date. UHC acknowledges receipt of any grievance and provides a detailed response within 90 calendar days. The primary UHC Member

Task Force involved in the award at issue reviews the grievance and decides on the appropriate response.

UHC's vendor grievance process is publicly available. The link to the UHC Vendor Grievance Process is available on the UHC website:

<http://www.uhc.edu/12359.htm>

7.2 See response #7.1.

7.3 See response #7.1.

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. UHC has a process for evaluating innovative technologies. Vendors may submit information concerning potentially innovative medical technology or services. UHC utilizes its Task Forces to evaluate these submissions to determine whether it offers incremental benefit to patient care, patient safety or health care worker safety to UHC's academic medical center Members. If it does offer such benefits, UHC will award the vendor who made the submission a sole source contract.

8.2 UHC contracts permit UHC to contract for innovative technology at any time.

8.3 See response to # 8.1; UHC contracts permit UHC to contract for innovative technology at any time.

8.4 UHC is a voluntary GPO and has no restrictions on its members' communication, interaction or evaluation of products with vendors regardless of whether such vendor has a contract with UHC.

8.5 See response # 8.4.

8.6 See response # 8.4.

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 UHC has a program to encourage contracting with small, veteran-owned, women-owned and/or minority businesses. UHC's website outlines UHC's Supplier Diversity Program, which is UHC/Novation's program to encourage such businesses to bid on UHC/Novation agreements.

The link to UHC's Supplier Diversity Program, is available on the UHC website:
<http://www.uhc.edu/12333.htm>

9.2 UHC has contracts with two Women-Owned Business Enterprises. These two service providers have combined sales of approximately \$1,000,000.

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 UHC's Department of Human Resources distributes the Employee Code of Conduct to all new employees during new employee orientation. UHC's General Counsel conducts legal compliance training for all new employees that includes instruction on the Employee Code of Conduct. Every employee signs a written acknowledgement that he or she received, reviewed and agrees to abide by the Employee Code of Conduct. On an annual basis thereafter, every employee receives a copy of the code and an Annual Conflict of Interest Disclosure Statement: UHC Employees - 2008(Attachment H) for review and signature.

- 10.2 An electronic copy of the UHC Policy Manual is located on UHC's intranet under the area titled Policy and Procedure.
- 10.3 All UHC employees on committees receive the Employee Code of Conduct as described above. To the extent a committee has non-UHC members/employees, these members sign a conflict of interest disclosure at the time the committee is convened.
- 10.4 UHC distributes the Code of Conduct: Directors of the UHC Governing Board and Board Standing Committees to all new board members at the time of their election to the board or committee. On an annual basis thereafter, each board member and committee member receives a copy of the code and signs an Annual Conflict of Interest Disclosure Statement: UHC Governing Board of Directors and Members of Board Standing Committees - 2008 (Attachment I). New members of the UHC Board of Directors also receive Code of Conduct and compliance training during their 1-day Board Orientation program prior to service on the UHC Board.
- 10.5 Upon retention, UHC provides every contractor with a copy of the Employee Code of Conduct and requires that each contractor agree to abide by UHC's Code of Conduct.
- 10.6 To the extent a Vendor seeks to sponsor a UHC event, UHC requires that a vendor agree to the terms of UHC's Vendor Sponsorship Policy which addresses conflicts of interest (Attachment G).

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 UHC employees that work in the GPO receive the same orientation as all other UHC employees including but not limited to instruction on the Employee Code of Conduct.
- 11.2 As mentioned above, all new employees at UHC, including those employees involved in group purchasing, undergo a mandatory 90-minute Legal & Compliance Orientation program by the General Counsel. This Legal & Compliance Orientation includes a didactic PowerPoint explanation of the culture of compliance at UHC in general, as well as the UHC Code of Conduct specifically. In addition, during this program, the attendees work through a series of interactive, practical group exercises that drive home the compliance and ethical issues more effectively.

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. As mentioned above, on an annual basis, all employees receive a copy of the code and a Conflict of Interest disclosure form. Each employee must sign the form and return it to UHC's Department of Human Resources.

12.2 See above answer.

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 UHC has a mechanism for employees to report possible violations of the code to someone other than the direct supervisor.

13.2 Employees can submit or report a violation of the code using the black-box reporting procedure. An employee can submit or report a violation of the code by placing a description of the alleged violation in a black box located in the Copy Print Room B located on each of the three floors occupied by UHC. The black box is checked monthly by the Corporate Compliance Officer or his designee. The submitted reports are reviewed, investigated and tracked by the General Counsel. To the extent the report is substantiated, the report is discussed with the President and CEO and the Governing Board. The Governing Board, in conjunction with the General Counsel and the appropriate department will develop the necessary plan of correction to address the violation and steps for implementation, including employee discipline where appropriate.

13.3 UHC has a policy of promoting the reporting of alleged violations that includes a statement prohibiting retaliation for reporting any violation. Furthermore, the black box procedure provides a mechanism for complete anonymity of reporting should an employee have any concern.

14. Please describe the mechanism the GPO utilizes 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 UHC’s General Counsel is required to investigate reports of suspected violations in order to determine whether a violation of any law, regulation, or UHC policies and procedures has occurred. The Compliance Officer may also, on his/her own initiative, investigate instances of suspected misconduct that have not been reported.

If the Compliance Officer determines that a material violation of any law, regulation or UHC policy and procedure occurred, UHC must take appropriate remedial actions, which may include programmatic corrective action and/or personnel disciplinary action. The Compliance Officer must report any such actions to the UHC Governing Board .

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 UHC’s Performance Management Process requires all employees to comply with a set of seven (7) “Competencies,” each of which defines behaviors that have been shown to predict successful employee performance at UHC. Four (4) of these Competencies are considered to be “Foundational Competencies” that include Integrity, Learning Orientation, Self-Confidence, and Achieving Results, and are mandatory to continued employment at UHC.

15.2 Compliance with the UHC Code of Conduct was specifically written into the Integrity Competency (Attachment J), such that compliance with the UHC Code of Conduct is a specific part of the UHC annual employee performance review process. This annual review process requires that all UHC staff, from the CEO on down, including all group purchasing staff, must be rated by their supervisor on each Foundational Competency.

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 UHC's General Counsel monitors applicable law on an ongoing basis as it relates to UHC's GPO. The General Counsel and the Department of Human Resources monitor UHC's compliance with the Code of Conduct. See responses to Questions #10, 11 and 12.

16.2 The General Counsel, with the assistance of UHC's Department of Human Resources, track and monitor UHC's compliance with the Code of Conduct.

16.3 The General Counsel provides a Legal Compliance Update Report to the UHC Governing Board on an annual basis or more frequently if required.

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. Three UHC leaders attended the Best Practices Forum in Washington, D.C.

17.2 The most senior UHC executive who attended the Forum was Cynthia A. White, Vice President.

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 GPOs board of directors or a committee of the board? If so, please state how often and in general, what information is reported?

18.1 The UHC General Counsel makes quarterly compliance reports to the UHC Governing Board of Directors.

18.2 See response to question 14.1.

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 Thomas J. Kiser, Vice President and General Counsel

19.2 University HealthSystem Consortium
2001 Spring Road, Suite 700
Oak Brook, Illinois 60523-1890
630.954.1790
E-mail:kiser@uhc.edu

19.3 Cynthia A. White, Vice President, Operations
University HealthSystem Consortium
2001 Spring Road, Suite 700
Oak Brook, Illinois 60523-1890
630-954-6684
Email: white@uhc.edu

**Submitted on Behalf of
University HealthSystem Consortium:**

By:

Irene M. Thompson

**Irene Thompson
President and Chief
Executive Officer**

Date: November 3, 2008

By:

Thomas J. Kiser

**Thomas J. Kiser
Vice President and General
Counsel**

Date: November 3, 2008

ATTACHMENT A

University HealthSystem Consortium

EMPLOYEE CODE OF CONDUCT

This Code of Conduct (“**Policy**”) applies to the employees of the University HealthSystem Consortium (“**UHC**”), collectively referred to herein as “**Employee,**” “**Employees,**” “**You**” or “**Your.**”

UHC is, at all times, fundamentally committed to ethical practices and principles in its business and other activities. Through this Policy, UHC seeks to ensure that Employees fully and completely understand that commitment and that such persons manifest a complete understanding and acceptance of, and commitment to, those practices and principles.

By this Policy, UHC establishes the role of Corporate Compliance Officer who shall report to the President and CEO of UHC and the Governing Board or its designee, on all compliance matters arising under this Policy.

Purposes

The primary purpose of the Policy is to protect UHC’s interests by avoiding actual conflicts of interest among and between UHC, UHC Employees, UHC’s member organizations (herein, the “Members”), and Novation.

A conflict of interest exists when Employees have the opportunity to influence, or make use of, Novation’s, UHC’s or a Member’s business, administrative, academic or other decisions in a way that could lead to personal gain or advantage. A conflict of interest may also exist where a duality of interest is present, whereby the Employee has a competing interest to UHC’s business, but with no expectation of personal financial gain, e.g. an employee is a volunteer director on the Board of a UHC competitor.

The Policy is intended to supplement but not replace any applicable state or federal laws governing conflicts of interest. Nothing in this Policy changes Your at-will employment status at UHC.

In this Policy, situations are identified which involve a significant potential for conflicts of interest, such as those involving outside employment or consulting relationships, financial interests, gifts and honorariums, business entertainment, family and friends, and nepotism. Appropriate behavior is prescribed.

The second purpose of this Policy is to avoid even the appearance of impropriety in transactions and activities involving UHC and its Employees. The appearance of a conflict of interest can be as damaging to UHC as an actual conflict of interest, so care must be taken to avoid both. This broad standard is designed to ensure that the culture of UHC is fundamentally based on concern with ethical behavior.

1. Outside Employment or Consulting Relationships

1.1 Prohibited Outside Employment or Consulting: You shall not engage in any business activity that is competitive with any business activity of Novation, UHC or its Members, that takes advantage of a corporate opportunity, or that could result in a conflict between the Employee's private interests and the interests of Novation, UHC or its Members.

You shall not serve as an officer, director, employee or consultant for any actual or potential competitor, supplier, vendor or Member of Novation or UHC (collectively referred to as a "**Participating Vendor**"). For purposes of this Policy, a potential supplier/vendor is one that has historically expressed an interest in a business relationship with Novation or UHC, but has no current contract, including but not limited to a supplier/vendor that submitted an unsuccessful formal bid or offer to contract. These are clear conflict of interest situations.

Specific examples of activities that are not permitted are:

- Working for a competitor of UHC, whether a voluntary or a compensated position; and
- Serving on the board of a member or an organization that is a Participating Vendor of UHC or Novation, whether or not a compensated Board position.

1.2 Permissible Outside Employment or Consulting: Many Employees own and operate small businesses, or on a part-time basis, in an area unrelated to their job and area of expertise at UHC and with organizations that are neither competitors or suppliers of UHC or its Members (*e.g.* working in a store or performing teaching or clinical duties at a member or non-member hospital or emergency room.) These situations are permissible.

It is, however, Your responsibility to ensure that an outside business or employment opportunity does not conflict with the interests of Novation, UHC or a Member. This means, for example, ensuring that the two activities are strictly separate. Thus:

- You may not engage in outside employment on UHC time.
- Customers and colleagues from Your outside employment may not contact You at UHC.
- You may not use UHC equipment, supplies or resources, including but not limited to the telephone or computer, nor the time of any UHC personnel nor UHC intellectual property for Your outside work.
- You may not promote products or services from Your outside work to UHC or its Members. (*e.g.* leaving an Avon or Mary Kay catalog in the UHC kitchen, or posting goods for sale on the UHC electronic Bulletin Board, does not "promote" those products, but actively selling to individual employees is not acceptable promotion of a product).

1.3 Process for Handling Outside Employment or Consulting:

1.3.1 Current Employees:

(a) New Employment and Consulting Opportunities: As of the effective date of this Policy, You must notify the President of UHC or his/her designee, prior to commencing any new consulting or employment opportunity. In accordance with the principles and criteria set forth in this Policy, the President or his/her designee must approve all such outside employment and consulting opportunities.

(b) Outside Employment of UHC President: As of the effective date of this Policy, the President of UHC must notify the Governing Board, or its designee, prior to the President commencing any outside employment or consulting opportunities. In accordance with the principles and criteria set forth in this Policy, the Governing Board or its designee must approve, by a simple majority, the president's employment or consulting opportunity.

1.3.2 New Employees:

As of the effective date of this Policy, UHC shall provide all prospective Employees with a copy of this Policy and specifically apprise those individuals of the Policy's restrictions on outside employment and consulting activities

Prior to accepting an offer of employment, prospective Employees shall disclose their outside employment and consulting relationships to the President of UHC or his/her respective designee. In the event any such relationship is deemed to be a prohibited relationship under this Policy, the prospective Employee shall agree, in writing, to terminate that relationship within thirty (30) days of his/her date of hire or to resign his/her position as an Employee of UHC.

2. *Financial Interests*

2.1 Definition: A "**Financial Interest**" is an interest, whether through business, investment vehicle or Your immediate family member, defined in this Policy as spouse or committed domestic partner ("**Family**"), and which can be described as:

- (i) An "**Individual Equity Interest**" which shall mean ownership or investment interest that exists through securities, options, warrants, debt instruments (including loans) or rights to acquire any of the foregoing; provided, however, that (a) interests in mutual funds or (b) interests held in a blind trust or other independently managed account shall not be included;
- (ii) "**Debt**," regardless of whether there is any expectation of gain; or
- (iii) A "**Compensation Arrangement**," which shall mean any agreement or understanding pursuant to which a Director may or shall receive, directly or indirectly, money or property from another person or organization, irrespective of whether such money or property is paid in consideration for the performance of services or the provision of other value.

Thus, for example, You have a Financial Interest in a corporation if You or Your spouse has an Individual Equity Interest because he/she owns stock in that corporation or, has loaned monies to that corporation. Likewise, You have a Financial Interest in a business entity if Your committed domestic partner has a Compensation Arrangement because he/she is employed by or has an independent contractor relationship with that business entity.

2.2 Prohibited Financial Interests: Financial Interests in a competitor of UHC create potential conflicts of interest. Except as otherwise provided below, any Employee in a position to influence contracting decisions for a Participating Vendor must not, directly or indirectly or through Family, have any Financial Interest in such Participating Vendor. (e.g. a Contract Solutions employee in a position to influence contracting decisions with a software manufacturer may not own stock in that manufacturer, but may own shares of a mutual fund which holds that stock—see Exception at section 2.3 below).

Except as otherwise provided below, You or your Family must also not have a Financial Interest in a Member or an organization that is a supplier or potential supplier of goods and/or services to UHC or Novation.

2.3 Exceptions: Stock, options and other equities which are held in a mutual fund or otherwise independently managed by a third party (such as a non-discretionary trust), do not give rise to a conflict of interest and are allowed.

2.4 Process for Handling Prohibited Financial Relationships:

2.4.1 Current Employees:

Within thirty (30) days of the effective date of this Policy, You shall disclose all prohibited Financial Interests which do not qualify for an Exception described above to the President of UHC, or his/her designee. In consultation with the President of UHC or his/her designee, You shall take appropriate remedial action, including but not limited to divestiture, as determined in the sole discretion of UHC.

2.4.2 New Employees:

As of the effective date of this Policy, UHC shall provide all prospective Employees with a copy of this Policy and specifically apprise those individuals of the Policy's restrictions on outside Financial Interests. Prior to accepting an offer of employment, prospective Employees shall disclose all prohibited Financial Interests that do not qualify for an Exception, to the President of UHC, or his/her designee. Before beginning employment, the prospective Employee shall agree, in writing, to the remedial action prescribed by UHC, including but not limited to divestiture, in the sole discretion of UHC.

3. *Gifts*

3.1 Definition: For purposes of this section, a “**Gift**” is defined as any thing of value which provides present or future financial benefit and which is furnished at no cost or below fair market value. Specific examples include, but are not limited to, money, stock, stock options, services,

real property, merchandise, favors, loans or familiarization (FAM) trips paid for by travel or meeting vendors for Employees to preview a hotel, resort or conference center as an inducement to book a meeting at the facility or to show appreciation for a meeting that was already held at the facility.

3.2 Prohibited Gifts: Neither You nor Your Family should solicit or accept, directly or indirectly, any Gift from a person, company or organization which has or is seeking to obtain a business or financial relationship with Novation or UHC, including Participating Vendors, or who is seeking to reward or influence You or any other Employee regarding Novation's or UHC's business.

3.3 Process for Handling Prohibited Gifts: If a business representative mails or delivers a personal Gift to You or Your Family, any Gifts that do not meet the exceptions guidelines listed below, must be returned with a written explanation. The Corporate Compliance Officer must be notified and provided with copies of the written explanation and any writing from the sender. Copies of this documentation shall be kept for five (5) years, after which it shall be destroyed per UHC's Records Management Policy.

3.4 Gift Exceptions: Notwithstanding the foregoing, You may receive and accept the following Gifts:

- Gifts that are perishable, as long as they are placed in a common area, such as the employee lunchroom, for all Employees to enjoy.
- Gifts that have corporate logos on the item.
- Gifts (not including cash or cash equivalents) that are nominal in value. For purposes of this Policy, "**nominal**" shall mean valued at less than \$50 per Gift item, so long as the aggregate value of nominal Gifts received by each Employee from a single source does not exceed \$100 in a calendar year, and from all sources does not exceed \$300 for each Employee in any calendar year. Any Gift that is valued at \$10 or less shall not be counted toward the annual limits.

You should use good judgment when accepting all Gifts, even those for which an Exception would apply. When in doubt, You should discuss the situation with the Corporate Compliance Officer.

If not returned or refused, all Gifts received by You which exceed \$50 in value, and which are not perishable or bear corporate logos, must be disclosed, in writing, to the Corporate Compliance Officer. The Corporate Compliance Officer has the discretion to grant permission to accept such Gifts if, in his/her judgment, acceptance of such Gift will not give rise to an actual conflict of interest or the appearance of impropriety. The Corporate Compliance Officer has the responsibility to document such approval, including the reasons why the Gift was approved.

There are some cases where refusal of an inappropriate Gift would cause embarrassment and hurt to the person offering it. This is particularly true when the Gift is something that is offered as part of a public occasion. In these cases, the best practice is usually to accept the Gift on behalf of UHC, report it to the Corporate Compliance Officer, and turn the Gift over to UHC.

4. *Honorariums*

UHC recognizes that Employees may, at times, be asked to perform services as a personal activity using their professional skills and expertise. While UHC supports the contributions respected professionals can make in their fields by teaching or consulting, such consulting or teaching fees, speaker fees, honoraria, stock or options, or remuneration of any kind shall be paid over to UHC, unless an Exception applies (see section 4.3 below).

4.1 Definition of Honorarium: “**Honorarium**” is defined as payment for services for which custom prohibits setting a price. For example, honorariums are often given for presenting a paper or giving a speech.

4.2 Process for Handling Honorariums: Honorariums granted for services related to Company activities shall be made payable to UHC and sent to the Vice President of Finance to support the general operating fund. Written correspondence explaining the purpose of the payment also shall be included for audit purposes.

4.3 Honorarium Exceptions: Honorariums may be paid directly to You only if both of the following two (2) conditions are satisfied:

- The services are performed based on activities unrelated to Company activities; and
- You used vacation or other personal time to prepare for and deliver the services.

5. *Business Entertainment*

Business entertainment is a courtesy designed to build understanding and goodwill among business partners. In some cultures they play an important role in business relationships. The problem arises when they begin to compromise -- or even appear to compromise -- the ability of UHC and Novation to make fair and objective business decisions.

5.1 Prohibited Business Entertainment: Participating in business entertainment that might be perceived to unfairly influence a business relationship is a conflict of interest situation (*e.g.* an example of prohibited business entertainment would be a sightseeing, cruise, fishing, or other recreational-type trip that follows a half-day business meeting, but has a retail value of more than \$100 per person; a further example of prohibited business entertainment is a recreational-type trip following a one-hour business meeting that was used as a mere pretext for participation in the entertainment).

5.2 Process for Handling Business Entertainment: In general, neither You nor any member of Your immediate family should entertain or be entertained by vendors or prospective vendors.

Business entertainment is limited to what is reasonable and necessary to facilitate business discussions or a business meeting.

As this Policy cannot cover every eventuality, the burden is on You to use good judgment. “Everyone else does it” is not sufficient justification. If You are having difficulty determining whether a specific business entertainment invitation is within the bounds of acceptable business practice, ask Yourself these guiding questions:

- Is it clearly related to the conduct of business?
- Is it moderate, reasonable, and in good taste?
- Is it nominal in value? For purposes of this Policy, “**nominal**” shall mean entertainment valued at less than \$50 per event, so long as the aggregate value of nominal events received by each Employee from a single source does not exceed \$100 in a calendar year, and from all sources does not exceed \$300 for each Employee in any calendar year. Any Gift that is valued at \$10 or less shall not be counted toward the annual limits.
- Would You feel comfortable admitting to the giving or receipt of this invitation in front of other suppliers or Members? Other Employees? Your manager? Your family? The media?
- Do You feel any pressure to reciprocate or grant special favors as a result of this invitation? Conversely, are You trying to put pressure on someone else to reciprocate or grant favors?
- Are You certain receipt of the invitation does not violate any law or Policy?

5.3 Business Entertainment Exceptions: These kinds of business entertainment activities and invitations are allowed:

- Entertainment of Members or potential members, although the focus should be on the membership or potential membership in UHC and UHC’s products and services, including Novation.
- Entertainment of UHC staff by Novation staff, and vice-versa.
- Restaurant meal with a retail value of less than \$50 per person after completion of a business meeting.

6. *Family and Friends*

While this Policy is not intended to unduly interfere with Your personal life or that of Your family and friends, there are situations where the actions of Your family members, committed domestic partners, adult children and close personal friends could cause a conflict of interest.

If one of Your relatives (such as adult children), who are not already covered by this Policy as a member of Your Family (hereinafter “**Relatives**”), or if one of Your close personal friends (hereinafter “**Friend**”), works for or has a substantial interest in a company seeking to provide goods or services to Novation/UHC, You must ensure that neither your relationship with that Relative or Friend, nor Your position at UHC, influences a bidding process or business negotiation involving that company in any way.

If You have a Relative or a Friend who works for a competitor, You must disclose the situation to the Corporate Compliance Officer and adopt a remedy for the potential problems/conflicts.

7. *Nepotism Policy*

UHC strives to hire the most qualified individuals for all positions.

7.1 Process for Handling Nepotism Situations: Hiring a member of Your immediate family for full-time or part-time positions will be considered as long as such employment meets these three (3) criteria:

- Does not create either a direct or indirect reporting relationship;
- Does not create either the appearance of or an actual conflict of interest, such as recruiting Your relative from a Member; and
- Does not compromise the integrity of a function or department. In particular, relatives of Employees in the Administration, Finance, or Human Resources Departments may not be hired into those departments. For example, no member of the comptroller's family can be employed in the Finance Department, although they could work in any other department of UHC.

These criteria also will be considered when assigning, transferring, or promoting an Employee.

Should any one of the above criteria not be met, UHC will attempt to find a suitable position within the organization (*i.e.* that meets all three criteria) to which one of the Employees may transfer. If accommodations of this nature are not feasible within a reasonable length of time, the Employees, department manager(s), and human resources manager will mutually agree upon which of the two (2) Employees will resign.

Employees who marry, or become members of the same household, may continue employment as long as the above criteria are satisfied after the marriage or change in household structure.

8. *Political Contributions and Unethical Payments*

Federal law prohibits UHC or Novation from making direct or indirect political contributions of any kind, including providing transportation or other services at company expense. UHC encourages the lawful participation, during non-business hours or using personal/vacation time, of all Employees as private citizens in the electoral process or in making contributions to political action committees of their choice.

Employees are prohibited from giving, offering, or accepting anything that could be construed as a bribe, kickback, or illegal or unethical payment in connection with UHC, Novation and its businesses. Employees who receive such offers of/or solicitations for bribes, kickbacks, or illegal or unethical payments must immediately report such offers or solicitations to the Corporate Compliance Officer and to UHC's Legal Department.

9. Whistleblower Protection

UHC will not take any retaliatory action against You if You disclose, in good faith, any information regarding a violation of applicable law or a violation of this or any other Company policy to the Corporate Compliance Officer. This Policy in no way affects the employment-at-will status of Employees.

10. Integrity of Financial Reporting and Procedures

Each UHC employee having responsibility for accounting or finance matters, including but not limited to the Chief Executive Officer, the Chief Financial Officer and the Controller, shall adhere to the following principles, and shall work to assure the compliance with such principles, within the scope of such Employee's duties:

a. Full, Fair, Accurate and Timely Financial Records and Reports. UHC's financial books and records, internal reports, periodic financial statements and other internal and external reports or summaries of UHC financial information shall be accurate and complete, and present an accurate and comprehensible record or picture of the results of UHC's operation or other financial issue addressed by such books, records, reports, statements or summaries; and

b. Compliance with Accounting Standards and Principles. UHC's financial books and records, and all financial reports, statements and summaries (whether prepared for internal or external use) shall be prepared in compliance with applicable accounting standards and principles, and with all governmental rules and regulations, in such manner as to achieve full, fair, accurate and timely financial records and reports, as set forth above.

11. Accountability

All UHC employees must read and understand the specifics of this Policy. In addition, You must ensure that Your immediate family members understand and comply with this Policy, insofar as it applies to them. Violations of the Policy may lead to disciplinary action, including but not limited to termination.

All Employees shall review and sign an Annual Conflict of Interest Disclosure Statement certifying continuing compliance with this Policy, and which must be kept updated throughout the year. Violations of this Policy may be grounds for disciplinary actions, up to and including termination by UHC, in addition to appropriate legal action.

Should there be any questions or concerns relating to this Policy, feel free to contact UHC's Corporate Compliance Officer or UHC Legal.

12. Reporting Violations or Concerns

Any Employee who wishes to report compliance violations or concerns may contact the UHC Corporate Compliance Officer in person, via email or in writing, and may also do so

anonymously using the black lock boxes located in Copy Print Room B on each of UHC's three floors.

Compliance concerns may also be brought to the attention of any member of UHC's senior management, including the CEO, any Senior Vice President or Vice President, and the General Counsel.

Revisions approved by the UHC Governing Board this 21st day of September 2005.

ATTACHMENT B

University HealthSystem Consortium

CODE OF CONDUCT: **DIRECTORS on the UHC GOVERNING BOARD** **and BOARD STANDING COMMITTEES**

Application and Overview

This Code of Conduct Policy (“**Policy**”) applies to the Directors on the University HealthSystem Consortium (“**UHC**”) Governing Board, and to any and all Directors on its Standing Committees and to the immediate family members of those Directors (collectively referred to as “**Director(s)**,” “**You**,” “**Your**,” or “**Yourself**”). For purposes of this Policy, an “immediate family member” means spouses, committed domestic partner or minor children of a Director (“**Family**”).

Purposes

To enable Directors to conduct UHC business effectively and to promote confidence in the integrity of members of the Governing Board, the highest standards of loyalty and ethical principles must be maintained. A Director assumes an obligation, when joining the Governing Board, to respect the interests of UHC, including UHC’s interests in Novation.

The guiding principle of this Policy is that all Directors must avoid situations in which their personal or professional interests may conflict, or appear to conflict, with the interests of UHC. At the same time, UHC does not wish to infringe on the personal lives or affairs of its Directors. Responsibility for conduct within the letter and the spirit of this Policy rests with individual Directors.

The Governing Board will establish procedures to implement and monitor adherence to this Policy, consider exceptions, if any, and assure that any apparent or actual conflict of interest is avoided. This Policy is intended to supplement, not replace, applicable state laws governing conflicts of interest and fiduciary duties of the Directors on the Governing Board.

Prohibitions

1. *Financial Interests*

1.1 Prohibited Financial Interests: Except as otherwise provided below, You and your Family may not have a Financial Interest in a competitor of UHC or Novation, or in any company in which UHC owns securities, warrants, options, debt instruments (including loans) or rights to acquire any of the foregoing. As a Director on the UHC Governing Board, or one of its Standing Committees, if You consider Yourself to be in a position to influence UHC/Novation contracting decisions for a Participating Vendor, then You must not, directly or indirectly or through your Family, have any Financial Interest in such Participating Vendor.

1.2 Exceptions: Individual Equity Interests which are held in a mutual fund or otherwise independently managed by a third party (such as a non-discretionary trust), do not give rise to a conflict of interest and are allowed.

1.3 Definitions:

“**Financial Interest**” shall mean an interest, whether through business, investment vehicle or your Family, and which can be described as a Compensation Arrangement; a debt, regardless of whether there is any expectation of gain; or an Individual Equity Interest.

“**Compensation Arrangement**” shall mean any agreement or understanding pursuant to which You or your Family may receive, directly or indirectly, money or property from another person or organization, irrespective of whether such money or property is paid in consideration for the performance of services or the provision of other value.

“**Individual Equity Interest**” shall mean securities, options, warrants, debt instruments (including loans) or rights to acquire any of the foregoing; provided, however, that (a) interests in mutual funds or (b) interests held in a blind trust or other independently managed account shall not be included.

“**Participating Vendor**” shall mean any actual or potential Supplier/Vendor or distributor of UHC or Novation. For purposes of this Policy, a potential Supplier/Vendor is one that has historically expressed an interest in a business relationship with Novation or UHC, but has no current contract, including but not limited to a Supplier/Vendor that submitted an unsuccessful formal bid or offer to contract. For purposes of this Policy, a “**Vendor or Supplier**” includes those providing both goods and services, including consultants, financial institutions and equipment lessors.

1.4 Disclosure and Recusal: You are required to disclose to the Governing Board any prohibited Financial Interest in Participating Vendors or competitors and recuse Yourself from any discussions or decisions, including any vote, regarding those Participating Vendors or competitors, or other such remedy as prescribed by the Governing Board.

2. ***Confidential Information***

2.1 Handling UHC Confidential Information: In the performance of Governing Board or Standing Committee responsibilities, Directors may obtain confidential information about UHC members, providers at UHC members, and other strategically and/or financially sensitive or proprietary information in various formats, including written, verbal and electronic (“**Confidential Information**”). It shall be against UHC’s Code of Conduct Policy to give or discuss such Confidential Information with anyone not employed by UHC, or with UHC employees who do not need to know the Information, or to use such Information to the personal advantage of You, your Family or to another organization with which You or your Family is associated or in which You or your Family has a Financial Interest.

2.2 Exception: This prohibition shall not preclude You from sharing such Confidential Information, on a need to know basis only, with employees or Board members at Your own UHC member institution, as long as: a) it is reasonably necessary to share such Confidential Information in the furtherance of UHC business; and b) as long as the recipient of that Confidential Information acknowledges the restrictions on further use of that Information.

3. *Conflicts of Interest*

3.1 Conflicts of Interest: As a result of the fiduciary obligation You owe UHC as a Director on the UHC Governing Board or member of one of the UHC Standing Committees, an actual or apparent conflict of interest, or the appearance of impropriety, may arise under a variety of circumstances. Conflicts may be difficult to detect; sometimes it is only a matter of degree between an acceptable and unacceptable activity. It is not practical to describe every situation that might be considered to be in conflict with the business interests of UHC, but in general, the following activities are prohibited as conflicts of interest:

- (a) Any outside business activity which is competitive with any of UHC's business interests, including but not limited to consulting or employment relationships, and which takes advantage of a corporate opportunity of UHC or which could result in a conflict between Your private interests and the business interests of UHC;
- (b) The service on any board of directors of any UHC or Novation competitor;
- (c) Conducting any business on behalf of UHC with any UHC or Novation-contracted Supplier or distributor, if You are, or have Family who is, a principal, officer, or representative of that Supplier or distributor;
- (d) Soliciting or accepting Gifts from a person or company which has, or is seeking to obtain, a business or financial relationship with UHC/Novation, including Participating Vendors, or which is seeking to reward or influence You regarding UHC/Novation's business decisions; and
- (e) Participating in Business Entertainment that might be perceived to unfairly influence Your judgment as to UHC's business or which is outside what is reasonable and necessary to facilitate business discussions or a business meeting regarding UHC.
- (f) A conflict of interest may also exist where a duality of interest is present, whereby the Director has a competing interest to UHC's business, but with no expectation of personal financial gain, e.g. as a volunteer director on the Board of a UHC competitor.

3.2 Definitions:

“**Gifts**” shall mean any thing of greater than \$50 value which You or your Family accepts and which provides present or future financial benefit or which is furnished at no cost, or below

fair market value, to You or your Family. Specific examples include, but are not limited to, money, stock, stock options, services, real property, merchandise, favors, loans or trips.

“Business Entertainment” shall mean recreational activities, meals and invitations of greater than \$50 value which You or your Family accept, including but not limited to cruises, fishing trips and tickets to Chicago Bulls games.

3.3 Disclosure: You shall be required to disclose to the Governing Board any actual or potential conflict of interest, including any situation where there may be an appearance of impropriety. You may be required to recuse Yourself from any related discussion and/or decisions, including any vote, or other such remedy as prescribed by the Governing Board.

4. *Documentation of Disclosures by Directors*

Minutes of meetings of the Governing Board shall include copies of all written disclosures submitted by Directors and a summary of all verbal disclosures. Such minutes shall also reflect the determination of the Governing Board as to whether there is any conflict of interest or Policy violation, and shall describe in detail the compliance procedures prescribed by the Governing Board to resolve that conflict or Policy violation, including recusal.

At the time that an individual becomes a Director on the Governing Board or Standing Committee and at the beginning of each calendar year, each Director shall sign the Annual Conflict of Interest Disclosure Statement attached to this Policy.

Revisions approved by the UHC Governing Board this 21st day of September 2005.

ATTACHMENT C

Summary of Employee Code of Conduct (the “Code”)

The purpose of the Code is to protect University HealthSystem Consortium’s (“UHC”) legitimate business interests by avoiding actual conflicts between UHC, UHC employees UHC member organizations and Novation as well as the appearance of impropriety in transactions and activities involving UHC and its employees.

The Code outlines 12 broad areas that may give rise to a conflict or an appearance of impropriety:

1. Outside Employment or Consulting Relationships
Employees shall not engage in any business activity that is competitive with any business activity of Novation, UHC or its Members, that takes advantage of a corporate opportunity or that could result in a conflict.
2. Financial Interests
Financial interests in a competitor of UHC create potential conflicts of interest. Employees or their family must also not have a Financial Interest in a Member or an organization that is a supplier or potential supplier.
3. Gifts
Employees and their families should not solicit or accept, directly or indirectly, any gift from a person, company or organization which has or is seeking to obtain a business or financial relationship with Novation or UHC.
4. Honorariums
Unless the honorarium is for services performed unrelated to UHC and the employee used vacation time to prepare and deliver the services, consulting or teaching fees, speaker fees, honoraria, stock or options, or remuneration of any kind shall be paid over to UHC.
5. Business Entertainment
In general, employees and their families should not entertain or be entertained by vendors or prospective vendors. Business entertainment is limited to what is reasonable and necessary to facilitate business discussions or a business meeting. The entertainment guidelines are as follows:
 - The entertainment must be clearly related to the conduct of business
 - The entertainment must be moderate, reasonable and in good taste
 - The business entertainment must be moderate (less that \$50 per event, so long as the aggregate value of nominal events received by each employee from a single source does not exceed \$100 in a calendar year, and from all sources does not exceed \$300 for each employee in any calendar year)
 - The employee must feel comfortable admitting to the giving of or receipt of the entertainment
 - The entertainment must not cause an employee to feel any pressure to reciprocate

- The entertainment must not violate any law or policy
6. Family and Friends

If an employee's relative or close friends works for or has a substantial interest in a company seeking to provide goods or services to Novation or UHC, the employee must ensure that neither the relationship with that relative or friend, nor the employee's position at UHC, influences a bidding process or business negotiation involving that company in any way.
 7. Nepotism

UHC allows hiring a member of an immediate family for full-time or part-time positions as long as such employment meets these criteria:

 - The employment does not create either a direct or indirect reporting relationship;
 - The employment does not create either the appearance of or an actual conflict of interest; and
 - The employment does not compromise the integrity of a function or department.
 8. Political Contributions and Unethical Payments

Federal law prohibits UHC or Novation from making direct or indirect political contributions of any kind, including providing transportation or other services at company expense. In line with federal law, employees are prohibited from giving, offering, or accepting anything that could be construed as a bribe, kickback, or illegal or unethical payment in connection with UHC or Novation and their respective businesses.
 9. Whistle Blower Protection

UHC will not take any retaliatory action against an employee in an employee discloses, in good faith, any information regarding a violation of applicable law or a violation of the Code or any other UHC policy.
 10. Financial Reporting

Each UHC employee having responsibility for accounting or finance matters shall draft fair, accurate and timely financial records and reports and comply with accounting standards and principles.
 11. Accountability

Employees must read and understand the specifics of the Code and ensure that immediate family members also understand and comply with the Code insofar as it applies to them. Furthermore, employees shall review and sign an Annual Conflict of Interest Disclosure Statement certifying continuing compliance with the Code.
 12. Reporting Violations or Concerns

Employees who wish to report compliance violations or concerns may contact the Corporate Compliance Officer in person, via email or in writing. Employees can also report compliance violations anonymously by using the black lock boxes located in the Copy Print-Room B on each floor.

ATTACHMENT D

Summary of Board Directors Code of Conduct (the “Code”)

The Code applies to the Directors on the University HealthSystem Consortium (“UHC”) Governing Board, and to any and all Directors on its Standing Committees and to the immediate family members of these Directors. A Director assumes an obligation, when joining the Governing Board, to respect the interests of UHC, including UHC’s interests in Novation.

The guiding principle of the Code is that all Directors must avoid situations in which their personal or professional interests may conflict, or appear to conflict, with the interests of UHC.

The Code outlines 4 broad areas that may give rise to a conflict or appearance of impropriety:

1. Financial Interests

Directors and their family may not have a financial interest in a competitor of UHC or Novation or in any company in which UHC owns securities, warrants, options, debt instruments (including loans) or rights to acquire any of the foregoing.

2. Confidential Information

Directors and their family shall not give or discuss confidential information (as defined in the Code) with anyone not employed by UHC, or with UHC employees who do not need to know the information, or to use such information for personal advantage of the Director or their family or to another organization with which the Director or their family is associated or has a financial interest.

3. Conflicts of Interest

The Code prohibits Directors and their families from engaging in activities that are an actual or apparent conflict of interest or that give the appearance of impropriety. Such actions include but are not limited to:

- i. Any outside business activity which is competitive with any of UHC’s business interests;
- ii. The service on any board of directors of any UHC or Novation competitor;
- iii. Conducting any business on behalf of UHC with any UHC or Novation-contracted Supplier or distributor, if the Director or his or her family is a principal, officer or representative of that supplier or distributor;
- iv. Soliciting or accepting Gifts from a person or company which has, or is seeking to obtain, a business or financial relationship with UHC/Novation, including Participating Vendors;
- v. Participating in business entertainment that might be perceived to unfairly influence;
- vi. Where a duality of interest is present whereby the Director has a competing interest to UHC’s business, but with no expectation of personal financial gain.

4. Documentation of Disclosures by Directors

At the time that an individual becomes a Director and at the beginning of each calendar year, each Director shall sign the Annual Conflict of Interest Disclosure Statement. The minutes of the Governing Board Meeting shall include copies of all written disclosures submitted by Directors and a summary of all verbal disclosures. The minutes shall also document whether there is a conflict of interest or violation of the Policy and the compliance procedure prescribed by the Governing Board to resolve the conflict or policy violation.

ATTACHMENT E

To: UHC _____ Task Force Participants

From: UHC Contract Solutions

Re: Conflict of Interest Disclosure Form

It is UHC policy that any person who serves on a UHC Contract Solutions Task Force shall have no actual or potential conflicts of interest that may compromise the integrity of the UHC competitive bid process, or raise the appearance of impropriety. A Task Force member with an actual or potential conflict of interest, or whose service on the Task Force represents an appearance of impropriety, will not be permitted to participate in any Task Force activity.

The following is a **partial** list of companies which may be the subject of Task Force deliberations. Carefully consider this list, as well as, any companies that offer XXX Services, as you disclose your actual or potential conflicts of interest, or where there may be an appearance of impropriety.

I understand that this disclosure applies to my committed domestic partner, spouse, and minor children (“**Family**”). I understand that if I have any questions or concerns about this disclosure, I should contact UHC.

I hereby make the following conflict of interest disclosure:

1. My “Family” and I are involved or have been involved in the following activities within the last three (3) years:

A. Research/Grants/Funding

<u>Company</u>	<u>Involvement</u>
_____	_____
_____	_____
_____	_____

B. Stocks or other financial interests individually held by my “Family” and/or me (not held in a mutual fund or other independently managed entity)

<u>Company</u>	<u>Involvement</u>
_____	_____
_____	_____
_____	_____

C. Publications/Books/Manuscripts

Periodical

Topic or Name of Article

2. Please list all the consulting relationships and employment of you (outside of your institution), and your Family, including service on the Board of any organization within the past three (3) years.

If none, check here _____

3. Have you or a member of your Family sought or received, from any company/person that may be considered by this Task Force, any Business Entertainment, Gifts, Honorariums or anything of value within the past three (3) years? If yes, please detail below.

Yes _____ **No** _____

4. Have you or a member of your Family ever been debarred or excluded from participation in any state or federal health care program, such as Medicare or Medicaid? If the answer is "No," then has such adverse action ever been pending against you or a member of your Family?

Yes _____ **No** _____

5. Please list any other activities you feel might place yourself in a conflict of interest with deliberations of the Task Force.

I understand that disclosure is a continuing obligation and that if there is a material change in my activities during my term of service on this Task Force, or if I later become aware of any conflict as to any specific matter, I will make an additional disclosure to UHC.

SO AGREED.

By (sign): _____

Name (print): _____

Date: _____

Institution: _____

Title: _____

Phone Number: _____

Fax Number: _____

Please return to UHC via fax, mail, or e-mail:

**Attn:
UHC Contract Solutions
2001 Spring Road, Suite 700
Oak Brook, IL 60523**

**Fax: 630/954-XXXX
E-mail scanned copies to XXX**

ATTACHMENT F



The University HealthSystem Consortium (UHC), formed in 1984, is an alliance of more than 100 academic medical centers and nearly 200 of their affiliate hospitals, representing more than 90% of the nation's nonprofit academic medical centers (AMCs). Its products and services help members measure and improve clinical, operational, and financial performance. UHC's president and CEO is Irene M. Thompson.

SUPPLY CHAIN OPTIMIZATION

Focusing on the unique needs of AMCs, UHC provides a comprehensive and industry-leading suite of supply chain services to help members reduce total supply cost and improve their overall supply chain performance while remaining focused on quality. UHC's Supply Chain Optimization solutions include contracting, informatics, supply chain performance improvement, and networking.

PERFORMANCE IMPROVEMENT

With the goal of helping members move to a higher level of clinical and operational performance, UHC provides programs and services that spark and sustain long-term improvement. Some of these products and services include:

- **Performance Accelerator Suite:** Comparative databases, custom "at-a-glance" management reports, and premium executive analytic services that identify areas of greatest opportunity
 - Clinical Performance
 - Operational Performance
 - Financial Performance
- **Clinical and Operational Benchmarking & Improvement Services:** Designed to evaluate compliance with evidence-based practice standards, illustrate variation in the processes of care, and identify opportunities for improvement
- **Value Analysis Program:** On-site assistance to reduce nonlabor expense and improve performance while maintaining or improving the quality of patient care
- **UHC Patient Safety Net®:** Online data collection tool for reporting, tracking, and trending of adverse medical events
- **UHC/AACN Nurse Residency Program™:** Supports new graduate nurses' development as professionals and members of the health care team
- **Faculty Practice Solutions Center®:** offers Web-based resources and benchmarking tools to support faculty physician practice management efforts through automated electronic transmission of line-item, physician level data on a monthly, quarterly, or semi-annual basis.

STRATEGY

UHC provides new knowledge and actionable information that help members establish priorities, from an enterprise-wide perspective, on competitive issues. Research studies have included:

- UHC Quality and Accountability Study
- Supporting the Academic Mission in Difficult Times
- Transforming the Clinical Enterprise

NETWORKING

Year after year, members rate networking as one of the most valuable benefits of UHC membership. Through councils, listservers, Web conferences, and 2 major annual forums as well as numerous smaller meetings throughout the year, UHC offers members frequent opportunities for meaningful collaboration with their peers at other AMCs throughout the country.

For more information, call 630/954-1700 or visit www.uhc.edu

ATTACHMENT G

University HealthSystem Consortium

VENDOR SPONSORSHIP POLICY

I. Statement of Policy:

It is the policy of the University HealthSystem Consortium (“UHC”) to invite or welcome Vendor educational support of UHC educational meetings, activities or events (“Meetings”). However, Vendor Sponsorship of a UHC Meeting shall not be a condition of contracting with or re-contracting with UHC or Novation, nor must a Vendor that was invited to attend a UHC Meeting sponsor that Meeting in order to attend that Meeting, outside of a nominal registration fee to cover costs of Sponsor’s attendance (i.e. this is not a “pay-to-play” Policy). Further, it is the express intention of UHC that all interactions among and between UHC, its members and Vendors, shall comply with all state and federal laws and regulations, including but not limited to applicable privacy, security and industry ethics policies.

II. Purposes of Policy:

The following are the expressly intended purposes for this Vendor Sponsorship Policy:

- To establish guidelines for Vendors who sponsor UHC Meetings;
- To establish guidelines for UHC’s staff in interacting with Vendors in regards to sponsoring UHC Meetings;
- To implement a fair and consistent policy regarding treatment of Vendors who sponsor UHC Meetings (“Vendor Sponsors”);
- To ensure that Vendor Sponsorship and attendance at UHC Meetings does not violate any state or federal laws and regulations, including but not limited to HIPAA;
- To confirm that the UHC Code of Conduct applies to the conduct of UHC staff at UHC Meetings;
- To sensitize Vendor Sponsors to the ethical and compliance issues governing both UHC and UHC members;
- To ensure that all Vendor Sponsorship is consistent with the UHC mission statement, which is as follows:

The mission of the University HealthSystem Consortium is to advance knowledge, foster collaboration, and promote change to help members succeed in their respective markets.

- To protect the interests of UHC and its members by avoiding actual conflicts of interest, as well as any appearance of impropriety among and between UHC, its members and Vendor Sponsors; and
- To specify a mechanism to enforce this Vendor Sponsorship Policy.

III. Definitions:

- A. **Giveaways:** Anything a Vendor gives away or allows Meeting attendees or UHC staff to take away from the Meeting, including but not limited to pens, mugs, stress toys, sample products, luggage tags, T-shirts, golf balls, etc.
- B. **Vendor:** any **actual** or **potential** supplier, vendor or distributor of Novation and UHC. For purposes of this policy, a “potential” supplier/vendor/distributor is one that may have an interest in establishing a business relationship, or that has historically expressed interest in a business relationship, with Novation, UHC, or UHC members, but has no current contract, including but not limited to a supplier/vendor/distributor that submitted an unsuccessful formal bid or offer to contract, or that has not yet submitted a bid.
- C. **Vendor Sponsor:** A Vendor that: 1) provides an educational grant in financial support of a UHC Meeting; or 2) sends one of more representatives to a UHC Meeting and conducts a raffle or other activity at that UHC Meeting, which may include providing Giveaways to UHC and/or its members.

IV. Sponsorship Guidelines:

- A. **Vendor Behavior:** The following guidelines are applicable to Vendor Sponsors and the representatives that they may choose to send to a UHC Meeting.
1. UHC shall not allow Vendor sponsorship that might be perceived to unfairly influence a business relationship, or create a conflict of interest situation, including even the appearance of impropriety, or otherwise compromise the business judgment of attendees to the Meeting.
 2. The following examples shall illustrate what UHC considers to be **acceptable** Vendor sponsorship activities:
 - An unrestricted educational grant of funds for a UHC Meeting (i.e. the Vendor may put no conditions on use of its sponsorship funding, other than it must be for an educational purpose);
 - Vendors may sponsor a maximum of one (1) hole per golf outing;
 - Vendor Giveaways (e.g. coffee mugs, pens), as long as the total value per individual does not exceed \$25 (i.e. Vendor may give out a gift worth \$25 to each attendee, or one attendee may take several gifts from a supplier’s table/exhibit, as long as the total value is less than \$25);
 - Raffle prizes, as long as the total value of a prize furnished by a Vendor does not exceed \$50;
 - Vendor Giveaways, as long as they do not take the form of cash or a cash equivalent (e.g. check or gift certificate); and
 - Neither Vendor Giveaways nor raffle prizes nor Vendor Sponsorship of a UHC Meeting may be provided in exchange for an agreement or promise to purchase supplier products, or to award a contract to a Vendor.

3. UHC will not allow any Vendor or Meeting sponsorship activity which may damage or compromise UHC's brand or reputation. Similarly, no illegal, unethical or immoral sponsorship activities will be allowed, e.g. no casino activity or other gambling will be permitted.
4. Vendor Sponsors are prohibited from sponsoring and attending any UHC Meeting, or individual breakout session at a UHC Meeting, in which Protected Health Information ("PHI," as defined by HIPAA), or quality/performance indicators (e.g. member mortality data), or other sensitive, confidential or proprietary information pertaining to UHC, its members or their patients and/or providers, may be shared at that Meeting or that breakout session. It is not UHC's intent to bar Vendors from an entire UHC Meeting, if only a small number of that Meeting's individual breakout sessions include sensitive information; in that case, Vendors will only be barred from those selected sessions, but may otherwise attend and Sponsor the UHC Meeting.
5. Vendor Sponsors shall be sensitive to the fact that UHC and UHC members are all governed by strict codes of conduct, compliance policies, and ethical and governance rules through their employers, which may restrict certain Meeting attendees' interaction with Vendors even further than is called for in this Policy.
6. Before UHC shall accept any Vendor as a Sponsor, all Vendor Sponsors shall make a written acknowledgment that they have read and understand, and agree to comply with this Policy.
7. All Vendors with questions about this Policy should contact the UHC General Counsel, Tom Kiser, at 630.954.1700 and kiser@uhc.edu.

B. **UHC Behavior:** The following guidelines are applicable to UHC staff that attend and/or provide support to a UHC Meeting.

1. Pre-Approval Required: Any UHC Meeting Planner must have prior approval for Vendor Sponsorship at their Meeting from the UHC Vice President of Supply Chain, before inviting or accepting any Vendor Sponsors.
2. UHC shall accommodate prospective Vendor Sponsors on a first come/first served basis.
3. It is the intention of UHC to accept only enough financial sponsorship from Vendors for a given Meeting to cover UHC's costs for that Meeting; therefore, although there is no set limit to the number of Vendor Sponsors that may be allowed per Meeting, at the discretion of UHC, the cost of that Meeting to UHC and the generosity of Vendor Sponsors may determine the number of Vendors participating as sponsors.
4. UHC Meeting Planners must closely track UHC's costs and, post-Meeting, must reconcile sponsorship contributions and costs to ensure no more than a break-even Meeting.

5. UHC staff shall be sensitive to the ethical and compliance rules that govern UHC members' interaction with Vendor Sponsors, and shall comply with the UHC Code of Conduct in all their interactions with UHC members and Vendors.
6. UHC Meeting Planners will document the perceived value of sponsorship for each Vendor Sponsor by specifically listing the benefits such Sponsor can expect to receive at the UHC Meeting it sponsors.
7. On an individual Meeting basis, UHC shall treat each Vendor Sponsor of that Meeting in a manner that is fair, consistent and essentially equivalent to those other Vendor Sponsors that are at a similar level of financial sponsorship at that Meeting, i.e. all vendors who provide a \$10,000 educational grant for a particular Meeting shall get the same level of benefits from UHC as other \$10,000 sponsors...but at another Meeting, the \$10,000 sponsors may all get more or less benefits, depending on UHC's discretion and the nature of the Meeting.
8. The UHC Travel & Meetings Policy still applies to sponsored Meetings, so the member experience is the same at a sponsored Meeting, as at a non-sponsored Meeting, i.e. lobster and caviar will not be served at a sponsored Meeting, while less expensive food is served at a non-sponsored Meeting.
9. UHC staff shall evaluate all proposed sponsorship activities to ensure that they are in compliance with UHC policies and the UHC mission.
10. UHC shall disclose to members in attendance at any sponsored UHC Meeting the identity of all Vendors sponsoring that Meeting, and make available the amount of sponsorship funds provided by each Vendor Sponsor, including anything of value (e.g. donating golf balls as prizes for a tournament) provided by all Vendor Sponsors in support of that UHC Meeting.
11. Should the UHC Meeting Planner or other UHC staff have questions or concerns regarding a Vendor Sponsor's compliance or non-compliance with this Sponsorship Policy, contact the UHC Corporate Compliance Officer immediately.

V. Policy Enforcement Mechanism:

The UHC Corporate Compliance Officer, and outside legal counsel as necessary, shall investigate any alleged violation of these Vendor Sponsorship Guidelines.

In the event of breach of this Policy, UHC retains the right, **at its sole discretion**, to:

- 1) If more that 30 days prior to a sponsored UHC Meeting, cancel a Vendor Sponsor's participation in the Meeting, and refund all Sponsorship funding;
- 2) If within 30 days of, or during, a sponsored UHC Meeting, immediately cancel a Vendor Sponsor's participation in that UHC Meeting, and request the Sponsor's removal from the premises of that Meeting, without refund of any Sponsorship funding; and

3) Bar a Vendor Sponsor from future UHC Meetings where there is a reasonable likelihood that such Vendor Sponsor will conduct itself out of compliance with this Policy.

For any questions regarding this Vendor Sponsorship Policy, see the UHC Corporate Compliance Officer.

Rev'd January 2005

ATTACHMENT H

UNIVERSITY HEALTHSYSTEM CONSORTIUM

ANNUAL CONFLICT OF INTEREST DISCLOSURE STATEMENT: UHC EMPLOYEES – 2008

[SIGN & RETURN TO Jean Grish](#)

Name: _____

Position: _____

If you answer “yes” to any of the following questions, please provide a written explanation on the reverse side of this page.

Note: References to “**You**” or “**Your**” refers to you individually, and “**Family**” refers to your spouse or committed domestic partner, and minor children. All other capitalized terms are defined in the UHC Employee Code of Conduct.

1. Please list all Your current consulting relationships and outside employment, including service on the Board of any organization. If none, check here _____.

2. Do You or a member of your Family have any outside investment or Financial Interest which, in Your opinion, might be construed as representing a conflict of interest with respect to Your position and responsibilities at UHC, or to the best of Your knowledge, the activities of UHC or Novation? Please review the attached list of Participating Vendors to determine whether You may be in a position to influence contracting/business decisions for such a Vendor.

Yes _____ No _____

3. Within the past one (1) year, have You or a member of your Family sought or received from any company/person seeking to do business with, or currently doing business with UHC/Novation, any Business Entertainment, Gifts, Honorariums or anything of value, which You have not already disclosed to UHC?

Yes _____ No _____

4. Have You or a member of your Family used or revealed to a third party, without proper authorization, any confidential information on UHC decisions, business plans, services or other proprietary information, including individual or aggregate patient medical data, Protected Health Information (“PHI”) or provider and member confidential data?

Yes _____ No _____

5. Have You or a member of your Family ever been debarred or excluded from participation in any state or federal health care program, such as Medicare or Medicaid? If the answer is “No,” has such adverse action ever been pending against You or a member of your Family?

Yes _____ No _____

6. Are You aware of any UHC or Novation employee, or member of either company’s Board of Directors, who has given, offered or accepted anything that could be considered a bribe, kickback, breach of confidentiality, misuse of PHI, or illegal or unethical payment in connection with UHC, Novation and their businesses?

Yes _____ No _____

BY SIGNING THIS DISCLOSURE STATEMENT, I HEREBY ACKNOWLEDGE AND CERTIFY THAT I HAVE READ, UNDERSTOOD AND COMPLY WITH UHC’S CODE OF CONDUCT POLICY, AND THAT ALL MY QUESTIONS ABOUT THAT POLICY HAVE BEEN ANSWERED.

I FURTHER AGREE TO PROMPTLY DISCLOSE TO THE UHC CORPORATE COMPLIANCE OFFICER, IN WRITING, ANY CHANGES TO MY RESPONSES THAT MAY OCCUR PRIOR TO COMPLETION OF MY NEXT ANNUAL DISCLOSURE STATEMENT.

Signature: _____

Date: _____

Rev’d 02/08

Attachment: Current List of Participating Vendors for UHC and Novation/Provista
Current UHC Employee Code of Conduct

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ATTACHMENT I

UNIVERSITY HEALTHSYSTEM CONSORTIUM

ANNUAL CONFLICT OF INTEREST DISCLOSURE STATEMENT:

UHC GOVERNING BOARD of DIRECTORS and MEMBERS of BOARD STANDING COMMITTEES - 2008

Name: _____

Institution/Title: _____

If you answer “yes” to any of the following questions, please provide a written explanation on the reverse side of this page.

Note: References to “**You**” or “**Your**” refers to you individually, and “**Family**” refers to your spouse or committed domestic partner, and minor children. All other capitalized terms are defined in the UHC Governing Board/Standing Committee Code of Conduct.

1. Do You have any Compensation Arrangement, including outside employment, consulting relationships or service as a Board member, with any competitor or Participating Vendor of Novation or UHC? See attached list of Participating Vendors for reference.

Yes _____ No _____

2. Do You have any Individual Equity Interest, including stock ownership, in any company which is a Participating Vendor of UHC or Novation? See attached list of Participating Vendors. Do not include Equity Interests that are independently managed, such as in a mutual fund.

Yes _____ No _____

3. Are You or any members of your Family a principal, officer or employee of any Participating Vendor?

Yes _____ No _____

4. Within the past one (1) year, have You or a member of your Family sought or received from any company/person seeking to do business with, or currently doing business with UHC or Novation, any Business Entertainment, Gifts, or anything of value, which You have not already disclosed to UHC?

Yes _____ No _____

5. Have You used to Your personal advantage, or revealed to a third party without proper authorization or need to know, any Confidential Information on UHC decisions, plans, products, services or other proprietary UHC or member information, including patient medical data or member institution confidential data?

Yes _____ No _____

6. Are You engaged in any activities which could constitute an actual or apparent conflict of interest, or suggest the appearance of impropriety, with Your position on the UHC Governing Board or Standing Committee?

Yes _____ No _____

7. Have You or a member of your Family ever been debarred or excluded from participation in any state or federal health care program, such as Medicare or Medicaid? If the answer is “No,” then has such adverse action ever been pending against You or a member of your Family?

Yes _____ No _____

BY SIGNING THIS DISCLOSURE STATEMENT, I HEREBY ACKNOWLEDGE THAT I HAVE READ, UNDERSTOOD AND COMPLY WITH UHC’S BOARD CODE OF CONDUCT POLICY, AND THAT ALL MY QUESTIONS ABOUT THAT POLICY HAVE BEEN ANSWERED.

I FURTHER AGREE TO PROMPTLY DISCLOSE TO THE UHC CORPORATE COMPLIANCE OFFICER, IN WRITING, ANY CHANGES TO MY RESPONSES THAT MAY OCCUR PRIOR TO COMPLETION OF MY NEXT ANNUAL DISCLOSURE STATEMENT.

Signature: _____

Date: _____

Rev’d 02/08

Attachment: Current List of Participating Vendors of UHC and Novation/Provista
Current UHC Board Code of Conduct

ATTACHMENT J

Definition of Key Terms in UHC's Performance Management Process

Performance Management Process (PMP) is the year-long process that supports UHC employees in defining and executing performance in a manner that aligns with UHC's Strategic Initiatives and Values.

Strategic Focus Areas are the business-focused areas of the organization. They define what we are to do to remain market-driven. These change as UHC strategic direction changes. The Strategic Focus Areas are provided in a separate document.

UHC Values are the cultural focus of the organization. They drive how we do things at UHC. UHC values are: Service, Excellence, Knowledge, and Leadership. They are more fully defined in a separate document.

Competencies are a list of skills and behaviors that direct how to live UHC values. They are measured on the Yearly Evaluation and may be part of Individual Goals and Yearly Performance Plan. The competencies for all UHC staff are:

1. Integrity
2. Learning Orientation
3. Self Confidence
4. Achieving Results
5. Collaborative Leadership
6. Holding to Performance Standards
7. Interpersonal Understanding

The six additional competencies (for developmental purpose only) for directors, senior directors, and vice presidents are:

8. Analytical Thinking
9. Conceptual Thinking
10. Developing Others
11. Impact and Influence
12. Organizational Savvy
13. Role/Academic Health Care Acumen

Foundational competencies are considered building blocks for all other competencies. They are Integrity, Learning Orientation, and Self Confidence. Because of their critical nature, success or failure in these foundational competencies will affect performance in one or more other competencies.

Department Goals are goals set for the new year by each department. Some department goals become part of an Individual's Goals. They link specifically to UHC's Strategic Focus Areas.

Individual Goals are goals set by each employee and approved by his or her manager. These goals flow from two areas: Strategic Focus Areas and UHC Values.

The “Goals” section of the evaluation form is the place to record Individual Goals and when they will be accomplished. Goals should be completed and approved by the employee’s manager by the end of January.

UHC Employee Yearly Evaluation summarizes the employee’s performance for one full year and is used as a guide for his or her merit increase.

Competency Definitions and Target Levels

1) Integrity is a **foundational** characteristic that drives a person’s ability to act in a trustworthy manner and be trusted by others. It means that a person is consistent in how they express beliefs /values and in how they behave. They “walk the talk.” They are honest in their words and actions in all circumstances and fully comply with the UHC Code of Conduct.

TARGET LEVEL <i>(must also meet all levels up to target)</i>	THIS PERSON TYPICALLY:
	1. Makes Own Behavior Consistent with Values: Protects confidentiality; incorporates honesty, respect, and fairness in daily actions. Is trustworthy. Complies with all aspects of the UHC Code of Conduct.
	2. Is Genuine to Others: Is candid and up front when there is a problem, when there will be a disappointment and in providing recognition and feedback. Openly alerts others to painful realities, admits failures, and recognizes accomplishments. Demonstrates courage and objectivity.
	3. Follows through on Commitments: Implements actions promised. Notifies others of obstacles to meeting commitments, and negotiates changes to commitments as appropriate.
All Positions	4. Demands Trustworthiness from Others: Holds others accountable to be straightforward and honest even under stress (ex. admitting a mistake to a member).