

2010 PUBLIC ACCOUNTABILITY QUESTIONNAIRE

PLEASE NOTE: On November 16, 2010, MedAssets, Inc., the parent company of MedAssets Supply Chain Systems, LLC, acquired The Broadlane Group, Inc. For purposes of this 2010 Public Accountability Questionnaire, MedAssets and Broadlane will file separate responses as, for all practical purposes, the two companies continued to operate as separate entities through the end of 2010. Until Broadlane's GPO business is legally merged into MedAssets' GPO business, each GPO will continue to receive administrative fees attributable to qualifying purchases by its respective member organizations and will continue to report these administrative fees to its member organizations in accordance with all applicable reporting requirements. Accordingly, responses listed below reflect the ownership, leadership, operations, practices, and policies of the MedAssets GPO business only.

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.

MedAssets:

- 1.1. MedAssets, Inc., the parent company of MedAssets Supply Chain Systems, LLC, has one written code of business ethics and conduct, the MedAssets, Inc. Standards of Business Conduct, which is applicable to MedAssets, Inc. and all of its subsidiaries.

Supporting Document:

Please refer to MedAssets' Standards of Business Conduct attached below.



MedAssets
Standards of Business

- 1.2. The MedAssets, Inc. Standards of Business Conduct includes the following key components:
 - A Message from the Chairman, CEO and President
 - Our Personal Responsibility
 - Reporting Misconduct
 - Customer and Vendor Relations

- Conflicts of Interest
- Handling of Sensitive Information
- Safeguarding Assets
- Employment Practices
- Safe & Healthy Work Environment
- Our Core Values

1.3. The MedAssets Inc. Standards of Business Conduct has not gone through any significant changes over the past 12 months.

1(a). Please describe the ownership structure of your organization, including details regarding the following:

- (i) What person(s) or entit(ies) control the majority of voting interests in your GPO?
- (ii) Please categorize the types of equity holders of your GPO (e.g., healthcare providers, private citizens, for-profit entities, not-for-profit entities)
- (iii) Is your GPO or any of its equity holders a publicly held company?
- (iv) What is the corporate form of your organization (e.g., corporation, partnership, limited liability company, co-op, etc.)
- (v) Is your GPO organized as a for-profit or not-for-profit organization, and in what state is it organized?

MedAssets:

1(a)(i) MedAssets Supply Chain Systems, LLC is a wholly-owned subsidiary of MedAssets, Inc., which is a publicly-traded company.

(ii) MedAssets, Inc. is the only entity that holds any interest in MedAssets Supply Chain Systems, LLC. MedAssets, Inc. is a for-profit, publicly-traded company.

(iii) MedAssets, Inc., the parent company of MedAssets Supply Chain Systems, LLC, is a publicly-traded company.

(iv) MedAssets Supply Chain Systems, LLC is a Delaware limited liability company. Its parent company, MedAssets, Inc., is a publicly-traded, for-profit, Delaware corporation.

(v) MedAssets Supply Chain Systems, LLC is a for-profit limited liability company organized in Delaware. It is a pass-through entity for income tax purposes and all profits, if any, are recognized by its parent company, MedAssets, Inc.

1(b). Please describe the composition of your Board of Directors or other governing body (“Board”).

- (i) Please state how many individuals serve on your Board.
- (ii) Please state what percentage of the directors on your Board represent entities that participate in (i.e., are customers of) your GPO.
- (iii) Please state what percentage of the directors on your governing board are employees of your GPO.

(iv) Please state whether any members of your Board also serve as employees, officers, or directors of any Participating GPO Vendor.

(v) If your Board has members that serve as employees, officers, or directors of a Participating GPO Vendor, please state how many and what percentage of the total Board, and explain what policies you have in place to address potential conflicts of interest that may arise. For the purposes of this Questionnaire, "Participating GPO Vendor" means a manufacturer, distributor, supplier or other vendor of health care services and/or products that has a contract or submits a formal bid or offer to contract with the GPO to provide goods or services to the GPO's participants.

MedAssets:

1(b)(i) The Board of Directors of MedAssets, Inc., the parent company of MedAssets Supply Chain Systems, LLC, has 11 members. Please refer to MedAssets, Inc.'s most recent Definitive Proxy Statement, filed April 26, 2010, which may be accessed at <http://ir.medassets.com/sec.cfm?DocType=Proxy&Year=>, and MedAssets' Investor Relations tab on its website, which may be accessed at <http://ir.medassets.com/directors.cfm>, for additional information regarding the individuals who serve as Board members.

(ii) None. Please refer to MedAssets, Inc.'s most recent Definitive Proxy Statement, filed April 26, 2010, which may be accessed at <http://ir.medassets.com/sec.cfm?DocType=Proxy&Year=>, and MedAssets' Investor Relations tab on its website, which may be accessed at <http://ir.medassets.com/directors.cfm>, for additional information regarding the individuals who serve as Board members.

(iii) Prior to the acquisition by MedAssets, Inc. of The Broadlane Group, Inc., two MedAssets Board members were employees of MedAssets, Inc. – John Bardis (President and CEO) and Rand Ballard (Senior Executive Vice President, Chief Operating Officer, and Chief Customer Officer). Simultaneous with the acquisition, Patrick T. Ryan was elected to the MedAssets Board of Directors. He is also an employee of MedAssets (President, Spend Management Segment). Please refer to MedAssets, Inc.'s most recent Definitive Proxy Statement, filed April 26, 2010, which may be accessed at <http://ir.medassets.com/sec.cfm?DocType=Proxy&Year=>, for additional information regarding the individuals who serve as Board members.

(iv) Yes. Please refer to MedAssets, Inc.'s most recent Definitive Proxy Statement, filed April 26, 2010, which may be accessed at <http://ir.medassets.com/sec.cfm?DocType=Proxy&Year=>, and MedAssets' Investor Relations tab on its website, which may be accessed at <http://ir.medassets.com/directors.cfm>, for additional information regarding the individuals who serve as Board members.

(v) One member of the Board of MedAssets, Inc. (9% of the Board) also serves on the board of directors of a Participating GPO Vendor. As stated in Section 5.6 of the MedAssets Standards of Business Conduct (a copy of which is embedded in response to Question 1.1), all Board members are required to disclose any conflict of interest, including any relationship with any vendor, and are required to recuse themselves from all discussions involving such vendor.

1(c). Please indicate whether any equity holder of your GPO (i.e., any ownership or investment interest other than an ownership or investment interest in a publicly traded security and mutual

fund) is a physician (or an immediate family member of a physician). An “immediate family member” means a husband or wife, birth or adoptive parent, child, or sibling, stepparent, stepchild, stepbrother, or stepsister; father-in-law, mother-in-law, daughter-in-law; grandparent or grandchild; and spouse of a grandparent or grandchild. An “equity holder” means the named holder of any stock, membership, unit, or other ownership interest.

MedAssets:

1(c). MedAssets, Inc., a publicly-traded corporation, is the sole equity owner of MedAssets Supply Chain Systems, LLC. As such, this question is not applicable.

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?

MedAssets:

The MedAssets, Inc. Standards of Business Conduct has the following policy concerning conflicts of interest:

We have a duty of loyalty to the Company. We will not engage in any activity that may conflict, or appear to conflict, with the interests of the Company. We will avoid business relationships and actions that could interfere with or be perceived to interfere with our business decisions. As the Standards do not cover all potential situations where our loyalty may be, or may appear to be, divided, we are responsible for using good judgment.

Performance Responsibilities:

- We will not take part in any conduct that is disloyal or damaging to the Company.
- We will not work for a competitor or any company that is currently doing business or seeking to do business with the Company, or that would reasonably be expected to do business with the Company.
- We will not serve on the Board of Directors (or comparable body) of any company that is currently doing business or seeking to do business with the Company, or that would reasonably be expected to do business with the Company.
- We will immediately disclose to senior management and the Compliance Officer, if we become aware of a business relationship that makes it difficult, or appears to make it difficult, for us to perform our work objectively and effectively.
- We will devote all of our work time and our abilities to our assigned job responsibilities.

Ownership Interests:

- No executive officer or employee in a position to influence any contracting process may own any interest in any company that is currently doing business, seeking to do business, or that would reasonably be expected to do business with the Company.
- Any executive officer or any employee in a position to influence any contracting process shall disclose to the Compliance Office any ownership interest held by an immediate family member involving any company that is currently doing business, seeking to do business, or that would reasonably be expected to do business with the Company.
- Any newly hired or existing employee who becomes an executive officer or begins serving in a position of influence over any contracting process shall divest themselves of any ownership interest in any company that is currently doing business, seeking to do business, or that would reasonably be expected to do business with the Company, within six months following their hire date or change in job description, as applicable.
- We will not involve ourselves in any business venture that competes with the Company.
- Note: Any interest held in non-directed investments such as most mutual funds, managed accounts, etc., are exempt from the above restrictions.

Related Party Transactions:

- We will properly disclose and obtain approval for related party transactions involving our board, customers, officers, and employees in connection with the purchase, sale, or leasing of property, facilities or equipment from or to the Company, our customers, or our competitors.
- We will not extend a loan or letter of credit to any director or officer.

Gifts & Improper Payments:

- We will not request any gifts or accept any gifts of more than a nominal value from any vendor, supplier, or their agent, that is currently doing business or seeking to do business with the Company, or that would reasonably be expected to do business with the Company, as this might influence our ability to be objective. If we have questions about whether a gift is appropriate, we will seek guidance from our manager, Human Resources, the Compliance Officer or the Helpline.
- We will reimburse vendors for any expenses (e.g. travel, meals, lodging) paid on behalf of any Company officer or employee.

- We will not accept any bribes, kickbacks, or improper payments from our vendors, suppliers, customers, or any other business partner.
- We will not knowingly make gifts that violate another company's policy.

Board & Senior Advisory Board Members:

- We, as Directors and Senior Advisory Board members, will disclose any conflict of interest which we may have regarding any matter to be considered by either board, including any relationship with any vendor as described above, and we will recuse ourselves from all discussions or decisions involving such vendor.

2.1.

- a. The MedAssets, Inc. Standards of Business Conduct and the specific conflict of interest policies therein apply to all employees including those directly involved in group purchasing.
- b. The MedAssets, Inc. Standards of Business Conduct and the specific conflict of interest policies therein apply to all executives including those directly supervising the group purchasing activity.
- c. The MedAssets, Inc. Standards of Business Conduct and the specific conflict of interest policies therein apply to all members of the MedAssets, Inc. Board of Directors.
- d. MedAssets Supply Chain Systems, LLC requires that all advisory committee members sign a conflict of interest disclosure document prior to beginning their committee service.
- e. The MedAssets, Inc. Standards of Business Conduct and the specific conflict of interest policies therein apply to our affiliates and those others who work at or are associated with MedAssets, Inc. or any of its subsidiaries.

2.2.

- a. The MedAssets, Inc. Standards of Business Conduct contains the following policies concerning ownership interests:

Ownership Interests:

- No executive officer or employee in a position to influence any contracting process may own any interest in any company that is currently doing business, seeking to do business, or that would reasonably be expected to do business with the Company.
- Any executive officer or any employee in a position to influence any contracting process shall disclose to the Compliance Office any ownership interest held by an immediate family member involving any company that is currently doing business, seeking to do business, or that would reasonably be expected to do business with the Company.
- Any newly hired or existing employee who becomes an executive officer or begins serving in a position of influence over any contracting process shall divest themselves of any ownership interest in any company that is currently doing business, seeking to do business, or that would reasonably be expected to do business

with the Company, within six months following their hire date or change in job description, as applicable.

- We will not involve ourselves in any business venture that competes with the Company.

Note: Any interest held in non-directed investments such as most mutual funds, managed accounts, etc., are exempt from the above restrictions.

- b. The MedAssets, Inc. Standards of Business Conduct contains the following policies concerning vendor relationships:

Performance Responsibilities:

- We will not serve on the Board of Directors (or comparable body) of any company that is currently doing business or seeking to do business with the Company, or that would reasonably be expected to do business with the Company.

Board & Senior Advisory Board Members:

- We, as Directors and Senior Advisory Board Members, will disclose any conflict of interest which we may have regarding any matter to be considered by either board, including any relationship with any vendor as described above, and we will recuse ourselves from all discussions or decisions involving such vendor.

- c. No. The MedAssets, Inc. Standards of Business Conduct contains the following policies concerning gifts:

Gifts & Improper Payments:

- We will not request any gifts or accept any gifts of more than a nominal value from any vendor, supplier, or their agent, that is currently doing business or seeking to do business with the Company, or that would reasonably be expected to do business with the Company, as this might influence our ability to be objective. If we have questions about whether a gift is appropriate, we will seek guidance from our manager, Human Resources, the Compliance Officer or the Helpline.
- We will reimburse vendors for any expenses (e.g. travel, meals, lodging) paid on behalf of any Company officer or employee.
- We will not accept any bribes, kickbacks, or improper payments from our vendors, suppliers, customers, or any other business partner.
- We will not knowingly make gifts that violate another company's policy.

- d. The MedAssets, Inc. Standards of Business Conduct contains the following policies concerning meals or entertainment:

Gifts & Improper Payments: We will reimburse vendors for any expenses (e.g. travel, meals, lodging) paid on behalf of any Company officer or employee.

- e. The MedAssets, Inc. Standards of Business Conduct contains the following policies concerning other constraints:

Performance Responsibilities:

- We will not take part in any conduct that is disloyal or damaging to the Company.
- We will not work for a competitor or any company that is currently doing business or seeking to do business with the Company, or that would reasonably be expected to do business with the Company.
- We will not serve on the Board of Directors (or comparable body) of any company that is currently doing business or seeking to do business with the Company, or that would reasonably be expected to do business with the Company.
- We will immediately disclose to senior management and the Compliance Officer, if we become aware of a business relationship that makes it difficult, or appears to make it difficult, for us to perform our work objectively and effectively.
- We will devote all of our work time and our abilities to our assigned job responsibilities.

Related Party Transactions:

- We will properly disclose and obtain approval for related party transactions involving our board, customers, officers, and employees in connection with the purchase, sale, or leasing of property, facilities or equipment from or to the Company, our customers, or our competitors.
- We will not extend a loan or letter of credit to any director or officer.

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

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))

- 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?

MedAssets:

- 3.1. MedAssets Supply Chain Systems is the GPO subsidiary of MedAssets, Inc. MedAssets Supply Chain Systems does not have other lines of business or investments. Dominic & Irvine, LLC, a wholly-owned subsidiary of MedAssets Supply Chain Systems, LLC, provides research for vendors.
- 3.2. The following companies are wholly owned subsidiaries of MedAssets, Inc.: Aspen Healthcare Metrics, LLC; MedAssets Analytical Systems, LLC; MedAssets Net Revenue Systems, LLC; MedAssets Supply Chain Systems, LLC; and MedAssets Services LLC.
- 3.3. MedAssets Analytical Systems, LLC and Dominic & Irvine, LLC sell technological support and research to Vendors.
- 3.4. The MedAssets Standards of Business Conduct document provides guidelines that are required by all MedAssets companies. All MedAssets employees are required to review the document annually and sign-off on acknowledgement that they have read and understand the policies in place.
 - a. The MedAssets, Inc. Standards of Business Conduct contains the following policies concerning ownership interests:

Ownership Interests:

- No executive officer or employee in a position to influence any contracting process may own any interest in any company that is currently doing business, seeking to do business, or that would reasonably be expected to do business with the Company.
- Any executive officer or any employee in a position to influence any contracting process shall disclose to the Compliance Office any ownership interest held by an immediate family member involving any company that is currently doing business, seeking to do business, or that would reasonably be expected to do business with the Company.
- Any newly hired or existing employee who becomes an executive officer or begins serving in a position of influence over any contracting process shall divest themselves of any ownership interest in any company that is currently doing business, seeking to do business, or that would reasonably be expected to do business with the Company, within six months following their hire date or change in job description, as applicable.

- We will not involve ourselves in any business venture that competes with the Company.
 - Note: Any interest held in non-directed investments such as most mutual funds, managed accounts, etc., are exempt from the above restrictions.
- b.** MedAssets Supply Chain Systems does offer exhibit and sponsorship opportunities at its annual customer meetings. Vendor exhibit participation and sponsorship opportunities are offered at various levels so that all contract vendors have the opportunity to be part of the event.
- c.** Yes, MedAssets does accept grants from Vendors for educational programs and takes steps to guard against potential conflicts of interest. All money received is designated for the specific program sponsored, and MedAssets returns any unused funds back Vendors. As a condition of acceptance of grant money from a supplier, MedAssets and the supplier sign an agreement stating the supplier agrees not to influence the content of the program, engage in scripting or targeting of points for emphasis, or otherwise engage in activities that are designed to influence the content of the educational activity. MedAssets agrees not to discuss the content of the educational activity with any representative of the supplier that is providing the grant.

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).
- 4.9. Please describe the GPO's policy with respect to the receipt of sponsorship funds, grants, and other non-administrative fee revenue from vendors.
 - i. If the GPO allows the receipt of educational grants, please describe in detail the types of programs for which it receives such grants.
 - ii. If the GPO receives or is permitted to receive sponsorship funding, please describe the circumstances under which it may receive such funding?
 - iii. If such funding is received by the GPO, is it disclosed to the GPO's participating members and how?

MedAssets:

- 4.1. Yes, MedAssets Supply Chain Systems fully discloses all financial information as it relates to the customer as part of participation in the MedAssets program and, specifically, makes annual disclosures of administrative fees. In addition, a report is distributed with administrative fee shareback checks to the customer.

Supporting Documents:

Please refer to sample shareback report attached below.



Shareback Disclosure
Letter.pdf

- 4.2. MedAssets makes annual disclosures to each customer regarding administrative fees received from vendors. In addition to administrative fees, MedAssets accepts payments from vendors for exhibit and sponsorship fees at its two annual customer meetings – the

Healthcare Business Summit and the Business and Technology Forum. These exhibit and sponsorship fees are not disclosed to customers and are used to provide education and support for MedAssets customers. *See also* response to 6.viii.4 for a more detailed discussion of these additional payments.

- 4.3. No. MedAssets Supply Chain Systems does not accept marketing fees in the course of its group purchasing activities.
- 4.4. No. MedAssets Supply Chain Systems does not accept partnership incentives.
- 4.5. No. MedAssets Supply Chain Systems does not accept equity.
- 4.6. No. MedAssets Supply Chain Systems does not accept upfront fees.
- 4.7. No. MedAssets Supply Chain Systems does not accept honoraria.
- 4.8. MedAssets Supply Chain Systems' revenue recovery department works with Vendors on all material reporting discrepancies.

4.9(i-iii) In addition to administrative fees, MedAssets Supply Chain Systems accepts exhibit and sponsorship fees at its two annual customer meetings – the Healthcare Business Summit (HBS) and the Business and Technology Forum (Forum). Exhibit fees for the 2010 HBS (held in April) ranged from \$7,450 to \$50,000, depending on the type of exhibit and placement sought by the supplier. Exhibit fees for the 2010 Forum ranged from \$750 to \$950. Sponsorship fees for the 2010 HBS ranged from \$500 to \$35,000 depending on the type and level of sponsorship. Sponsorship fees for the 2010 Forum ranged from \$1,000 to \$7,500. MedAssets notes that despite accepting these additional fees from suppliers, MedAssets does not make a profit on either HBS or the Forum and, in fact, loses money on both events. Nevertheless, because both events are important for MedAssets suppliers and customers, MedAssets continues to sponsor both events.

MedAssets also accepts grants from suppliers for educational programs at HBS, which range from \$2,500 to \$5,000 depending on the type of educational meeting sponsorship. Topics for educational programs sponsored by grants are solicited through a survey of MedAssets' customers prior to the grant application. Subsequent program development, including speaker selection and program content, is controlled by the MedAssets Director of Clinical Pharmacy Resources. As a condition of acceptance of grant money from a supplier, MedAssets and the supplier sign an agreement stating the supplier agrees not to influence the content of the program, engage in scripting or targeting of points for emphasis, or otherwise engage in activities that are designed to influence the content of the educational activity. MedAssets agrees not to discuss the content of the educational activity with any representative of the supplier that is providing the grant.

At HBS and the Forum, MedAssets acknowledges receipt of funds from its suppliers dedicated to sponsorship or educational programs (via signage, inclusion in meeting

materials, and on the registration site). MedAssets also includes an online exhibit site that is available approximately two months before each meeting and approximately one month after each meeting which also acknowledges supplier sponsorships and grants. MedAssets does not disclose to its Members the dollar amount of sponsorship or educational funds received from suppliers.

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?

MedAssets:

MedAssets Supply Chain Systems fully discloses all financial information as it relates to the customer as part of participation in the MedAssets program and, specifically, makes annual disclosures of administrative fees. In addition, a report is distributed with administrative fee shareback checks to the customer.

Supporting Documents:

Please refer to sample shareback report attached below.



Shareback Disclosure
Letter.pdf

Please include in your answer:

- 5.1. Please refer to above response.
- 5.2. MedAssets Supply Chain Systems does not pay any upfront incentives to customers joining its organization.

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?

MedAssets:

MedAssets processes address the guiding principles in the Federal Competition in Contracting Act. MedAssets' publishes our contracting award process in an internally used procedural manual and externally at www.medassets.com.

Before entering into a contract with any supplier for any product or service, the MedAssets contracting team adheres to the following nine-step contracting process, which can be accessed at <http://www.medassets.com/vendor/Pages/ContractingProcess.aspx>:

1. Needs Assessment: MedAssets' focus is on the needs of its customers and having a complete contract portfolio to meet the needs of each customer. To meet the customers' needs and to provide best-value broad-based contracts, we use a team approach in researching and determining the needs of MedAssets' customers. Advisory committees representing the various services areas of healthcare facilities provide guidance to the MedAssets contracting team regarding programs and services we offer today and in the future, with the ultimate goal of offering the highest quality, most cost-effective solutions for the needs of all MedAssets customers.

In addition to advisory committee recommendations, MedAssets also considers feedback from its support staff who interface on a daily basis with customers, feedback from suppliers, literature research, buying trends, and a variety of other sources – including databases, flow charts listing facility service areas and supplies utilized in those areas – to determine the needs of MedAssets' customers. MedAssets' goal is to offer as wide an array as possible of services and FDA-approved products that customers might use.

2. Request for Information: A Request for Information (RFI) is used to determine what products and services are available in the marketplace so that a more informed decision can be made in determining bid requirements. A bid calendar is posted on the MedAssets web site (<http://www.medassets.com/vendor/pages/bidcalendar.aspx>) so that suppliers can submit their information within the window required to proceed to the next step. Potential suppliers must complete the MedAssets Vendor Certification Form as part of a response to a MedAssets-issued RFI. Suppliers interested in providing information to MedAssets may also fill out the Vendor Certification Form at any time (not just in response to a MedAssets-issued RFI), which is available on the MedAssets website.
3. Analysis of RFI Submissions: Analysis begins with the contracting team that compares the RFIs to criteria developed in conjunction with the advisory committees. To be considered

during this process, prospective suppliers must have satisfactorily completed the Vendor Certification Form. A supplier which has satisfactorily completed this Form is then deemed a MedAssets certified supplier.

4. Request for Proposal/Contract Template Submission: Next, the MedAssets negotiator working with a particular product or service category will gather the information collected in the Needs Assessment and RFI steps and construct a final Request for Proposal (RFP) document, which then will be sent to the list of certified suppliers for proposal (bid) response.
5. Analysis of Bids/Proposals: MedAssets relies on advisory committee members, negotiating and clinical staff, as well as databases that contain competitive and marketplace pricing information to analyze bid proposals. MedAssets solicits customer input on bid/proposal analysis as well. For example, pharmacy and specialized program bids are analyzed based on award criteria that are pre-established by MedAssets customers.
6. Negotiations by Contracting Staff: MedAssets does not accept all bids as submitted. MedAssets normally will permit resubmissions when suppliers have not submitted terms and conditions that will meet the needs of MedAssets customers. Prior to award, MedAssets normally negotiates with the suppliers with the top one or two leading bids for additional enhancements that the negotiator feels are obtainable. The negotiation stage ensures that MedAssets has pricing that meets the goals and criteria of MedAssets customers, along with terms that are acceptable, and adequate support from the suppliers.
7. Contract Award: The suppliers that provide best value and meet the needs and requirements of MedAssets customers are awarded a contract.

The matrix below demonstrates an example list of criteria and corresponding weights for awarding an RFP:

Criteria	Scale (1 - 5) 5 = highest	Weight (% of decision)
Non-financial criteria		
Quality (Product/Service)		
Service Capabilities (order fulfillment/turnaround)		10
Depth/Breadth of product/service line		10
Quality / Clinical / End user Acceptability (ease of use, reliability, safety, documented outcomes)		5
New product / service development (innovation/technology)		5
Standardization and other value added programs		5
Availability of consumables, parts, service		5
Capacity to supply / service		5
Brand/Reputation		5
Manufacturer/Supplier Support		
Ability to convert business		5
Field support (# of and structure of clinical support and selling organization)		5
Defined contract implementation plan		2
Marketing Support Programs		2
Nationwide coverage		5
Ability to cross entire competitors offering		2
Availability of qualified in-servicing		1
Guaranteed savings offering or risk share component		1
Ability to document savings by customer base and GPO roll-up		1
Education / Training (CEU availability)		2
Customer Service Support		5
Operational Support		5
Market Share		1
Pricing to customers		10
Relationship		2
Financial Criteria		
Current sales to MedAssets customers		
Revenues		

8. Implementation: MedAssets utilizes several tools to assist with contract implementation, such as program monthly newsletters, direct mailings to customers, and customer websites. The MedAssets sales force also works directly with customers to identify savings opportunities, resolve issues, and promote account penetration.

9. Evaluation: Evaluation is an ongoing step during the life of a contract. MedAssets verifies contract utilization and compares results to estimates. In addition, MedAssets verifies that the supplier delivers what the contract specifies. Periodically, we will modify the contract if it does not meet expected needs. Sometimes, when a contract does not meet customer needs and modifications will not fix the contract, we will exercise the right to cancel the contract.

Links:

<http://www.medassets.com/vendor/Pages/ContractingProcess.aspx>

6.1 Yes, the description can be found at www.medassets.com/vendor/Pages/ContractingProcess.aspx

6.2 Yes, the description can be found at www.medassets.com/vendor/Pages/ContractingProcess.aspx. In addition, our contracting process is reviewed in full with prospective vendors during initial discussions.

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?

MedAssets:

See step 7 of the nine-step process listed in response to 6.1. MedAssets has developed general criteria for awards that are considered for every contracting opportunity. Additionally, MedAssets creates specific award criteria for each product category, which are made available to vendors in the course of the evaluation process.

6i.1. Yes. This is made publicly available at <http://www.medassets.com/vendor/Pages/VendorCertificationProcess.aspx>

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?

MedAssets:

See step 2 of the nine-step process listed in response to 6.1. Prospective vendors must be certified through the vendor certification process. The manufacturers are required to register their desire to participate in an open bidding process by completing a formal on-line request. The formal on-line request acts as both a request for information and certification process. Upon review of the information submitted the contracting negotiators follow specific guidelines and assess the supplier and capabilities against established guidelines. The outcome of that assessment is certification for participation in the bidding process for the product category in question. The pharmaceutical manufacturer criteria are linked hereto as an example and are made available via the web. We are utilizing a similar set of certification criteria for med/surg, lab, and food at this time.

Supporting Documents:

Please refer to MedAssets pharmaceutical manufacturer criteria, available at <http://www.medassets.com/vendor/Pages/PharmaceuticalManufacturer.aspx>.

6ii.1. Yes. This is made publicly available at <http://www.medassets.com/vendor/Pages/VendorCertificationApplication.aspx>

6ii.2. Yes. This is made publicly available at <http://www.medassets.com/vendor/Pages/VendorCertificationApplication.aspx>

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?

MedAssets:

See steps 2, 3 and 4 of the nine-step process listed in response to 6.1. All certified vendors are invited to participate in the bidding process for the categories which they become certified. By suppliers becoming certified for a product category they are eligible to receive the formal request for proposal. All responses are thoroughly evaluated against standard and product specific award criteria. In addition, evaluations are conducted with guidance and support of advisory committees. The contract awards are based upon evaluation and input from advisory committees securing the best value for the overall MedAssets customer base.

Link:

<http://www.medassets.com/vendor/Pages/ContractingProcess.aspx>

6.iii.1. All Vendors which are certified by bid category are eligible to compete for awards in the categories for which they are certified.

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?

MedAssets:

See, generally, response to 6.1. The criteria for selection and award of a vendor are made known to the Vendor via the web and strictly followed. Criteria are modified based on award type and customer need. MedAssets utilizes a contracting process which has been developed in conjunction with its customer advisory committees. This time-tested process allows us to meet the requirements of its flexible business model. MedAssets does publicize our standard award criteria associated with every contracting opportunity. Additionally, as product category specific award criteria are developed they are included with the formal RFP documents. Award criteria associated with the bidding process is weighted and manufacturer responses are scored during evaluation. The scorecard performance matrices are used to compare the respondents' proposals and selections for award are based upon the overall criteria and weights established for those criteria.

Supporting Documents:

Please refer to award criteria for our pharmacy program, as an example, at the following link www.medassets.com/vendor/Pages/Pharmaceuticals.aspx

- 6iv.1.** Yes, MedAssets includes general award criteria in its RFPs as applicable so that bidders will know how decisions will be made.
- 6iv.2.** We review proposed awards at an internal contract review meeting with the contracting team which includes the responsible negotiations team, executive directors, and president of MedAssets Supply Chain Systems. As appropriate, recommendations are also re-reviewed with our advisory committees.

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.

MedAssets:

The MedAssets vendor certification process and nine-step contracting process (discussed in Section 6 above) describe MedAssets' practices for a fair and unbiased system for evaluating products and services considered for procurement.

MedAssets uses a team-based research approach to determine customer needs and to offer the best value, broad-based contracts. Advisory committees, comprised of various service areas of customer healthcare facilities, provide formal input into the needs determination. In addition to advisory committees, MedAssets solicits feedback from MedAssets staff who interface on a daily basis with MedAssets customers, along with input from MedAssets suppliers.

MedAssets also publishes a formal Bid Calendar on the MedAssets website, which is utilized to maintain a schedule by which contract product categories will be competitively bid and ensures that the MedAssets portfolio offering is periodically reevaluated. The Bid Calendar is also utilized to collect information on the market and potential participating suppliers. MedAssets requires that all suppliers interested in participating in any of the product categories listed on the Bid Calendar submit their interest electronically via the website by completing an online Vendor Certification Application. The MedAssets contracting team evaluates the information included on the Vendor Certification Application, along with any applicable Request for Information material, to determine whether the applicant meets the criteria to become a certified MedAssets supplier. Certified vendors then receive formal Request for Proposal (RFP) documents in accordance with the Bid Calendar schedule. Ultimately, contract awards are made to the suppliers providing the greatest value to MedAssets customers.

6v.1. Yes. Our advisory committees assure a fair and unbiased approach.

6v.2. Please refer to response above with regard to the utilization of our advisory committees.

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.

MedAssets:

MedAssets' nine-step contracting process results in competitive procurement. Please *see* additional answers in this Section 6 which describe this process.

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

Please include in your answer:

6vii.1. Does the GPO have a policy for sole, dual and multi-source procurement?

6vii.2. When will sole and dual source procurement be used?

6vii.3. Describe the GPO's process for awarding contracts including contracts awarded to a single vendor where there is no exclusivity provision in the contract.

Sole and dual source contracts are contracts that contain exclusivity language that prevents the GPO from entering into a contract with more than one or two vendors.

MedAssets:

MedAssets' focus is on the needs of its customers. Typically, MedAssets customers demand choice in contracting and flexibility in cost and, therefore, require that we negotiate with multiple suppliers for the same product or service offering. Occasionally, however, depending on a particular product segment or product market, customers will demand that MedAssets enter into a sole-source contract when the customer committee deems a sole-source contract to be in the best interests of the customer base as a whole. Upon receiving such direction from customers, MedAssets has selectively engaged in sole-source contracts. Less than 5% of the MedAssets contract portfolio is comprised of sole-source contracts.

- 6vii.1.** MedAssets awards contracts based on input from our customers. We offer MedAssets certified vendors the opportunity to bid based on multiple award types. (*See response to Question 6.*)
- 6vii.2.** Based on customers' feedback, MedAssets generally strives for dual/multi-source contracting awards wherever possible. Sole source contracts are limited to those situations where there are limited market competitors and therefore a sole award is the only way we can bring our customers a contract for the product line. MedAssets includes a new technology clause within its agreements to insure we have a means to evaluate any changes in particular markets over the life cycle of our agreements.
- 6vii.3.** All certified vendors are invited to participate in the bidding process for the categories which they become certified. By suppliers becoming certified for a product category they are eligible to receive the formal request for proposal. All responses are thoroughly evaluated against standard and product specific award criteria. As previously stated, evaluations are conducted with guidance and support of advisory committees. The contract awards are based upon evaluation and input from advisory committees securing the best value for the overall MedAssets customer base.

Link:

<http://www.medassets.com/vendor/Pages/ContractingProcess.aspx>

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?

MedAssets:

MedAssets does not accept administrative fees from vendors over 3% and offers a flexible contracting approach driven by the customer's needs.

6viii.1. MedAssets does not accept administrative fees from vendors over 3%.

6viii.2. MedAssets does not accept administrative fees from vendors over 3%.

6viii.3. The range of administrative fees paid to MedAssets is equal to or less than 3%.

6viii.4. MedAssets does not accept marketing fees, equity, signing bonuses and/or upfront fees.

In addition to administrative fees, MedAssets does accept exhibit and sponsorship fees at its two annual customer meetings – the Healthcare Business Summit and the Business and Technology Forum. Exhibit fees for the 2008 HBS ranged from \$3,000 to \$50,000, and for the 2009 HBS (held in April) ranged from \$4,000 to \$50,000, depending on the type of exhibit and placement sought by the supplier. Exhibit fees for the 2008 Forum* ranged from \$750 to \$3,750, and for the 2009 Forum range from \$750 to \$950. Sponsorship fees for the 2008 and 2009 HBS ranged from \$200 to \$20,000 depending on the type and level of sponsorship. Sponsorship fees for the 2008 Forum ranged from \$1,500 to \$6,000, and for the 2009 Forum range from \$1,000 to \$5,000. MedAssets notes that despite accepting these additional fees from suppliers, MedAssets does not make a profit on either HBS or the Forum and, in fact, loses money on both events. Nevertheless, because both events are important for MedAssets suppliers and customers, MedAssets continues to sponsor both events.

*Note: The 2008 Forum was a combination of two meetings with additional exhibit opportunities, hence the slightly higher prices; the 2009 Forum (to be held in October) will be a single meeting, hence the slightly lower prices.

MedAssets also accepts grants from suppliers for educational programs at HBS, which range from \$3,750 to \$7,500 depending on the type of educational meeting sponsorship. Topics for educational programs sponsored by grants are solicited through a survey of MedAssets' customers prior to the grant application. Subsequent program development, including speaker selection and program content, is controlled by the MedAssets Director of Clinical Pharmacy Resources. As a condition of acceptance of grant money from a supplier, MedAssets and the supplier sign an agreement stating the supplier agrees not to influence the content of the program, engage in scripting or targeting of points for emphasis, or otherwise engage in activities that are designed to influence the content of the educational activity. MedAssets agrees not to discuss the content of the educational activity with any representative of the supplier that is providing the grant.

6viii.5. No, MedAssets negotiates the appropriate fee to be paid during contract negotiations.

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.

MedAssets:

MedAssets does not bundle specific products in order to achieve a “corporate” agreement. Nor does MedAssets agree to “bundle” or “tie” clinical preference items with any other unrelated product. MedAssets does offer optional programs to its customers, wherein customers may improve their pricing on a particular product or service by purchasing an increased volume or by purchasing together certain other related products or services. However, all products or services offered in the MedAssets portfolio are separately offered and no customer is required to purchase one product or service in order to have access to another product or service. Any purchase of additional products or related products to increase pricing flexibility is solely at the customer’s discretion.

From the MedAssets Inc. Standards of Business Conduct:

“We do not agree to contracts which “bundle” or “tie” a clinical preference item with any other unrelated product.”

Supporting Documents:

Please refer to page 6 of the MedAssets Standards of Business Conduct attached under Question 1.

6ix.1. See above response.

6ix.2. See above response.

6ix.3. See above response.

6ix.4. MedAssets utilizes a localized approach for contracts in this category and the appropriate length of contracts is based on the individual customer’s needs.

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.

MedAssets:

MedAssets does NOT provide private label products. We believe that private label products only create duplicate product codes for manufacturers, distributors and providers to handle, therefore increasing overall cost of supply chain.

- 6x.1. MedAssets does NOT provide private label products.
- 6x.2. MedAssets does NOT provide private label products.
- 6x.3. MedAssets does NOT provide private label products.
- 6x.4. MedAssets does NOT provide private label products.

6xi. Please describe the GPO's supplier grievance process?

Please include in your answer:

- 6xi.1 Please describe the GPO's policy and process with respect to responding to a supplier's grievance regarding the bid/award process?
- 6xi.2 Does the GPO participate in HGPII's Independent Evaluation Process?
- 6xi.3 Is the description of the GPO's supplier grievance process on a public website or sent to those who inquire, or provided in some other way?
- 6xi.4 Did any supplier, since submission of the last GPO's Public Accountability Questionnaire, request evaluation pursuant to the HGPII Independent Evaluation Process? If so, please provide information regarding the outcome of such evaluation.

MedAssets:

6xi.1. The MedAssets supplier grievance process can be found at: <http://www.medassets.com/vendor/Pages/GrievanceProcess.aspx>. Within 30 days of the completion of the RFP process, suppliers may send an email to the MedAssets grievance email box requesting a review of the RFP award. MedAssets will respond to the email immediately to acknowledge receipt and then will review the claim and respond within 90 days of the email with a substantive response, including a summary of our findings and any actions to be taken by MedAssets to correct or improve future processes based upon the findings.

2. Yes, MedAssets participates in HGPII’s Independent Evaluation Process.

3. The MedAssets supplier grievance process can be found at: <http://www.medassets.com/vendor/Pages/GrievanceProcess.aspx>.

4. No.

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

Please include in your answer:

- 7.1. Please describe the GPO’s policy and procedure related to vendor rights and where is it available.
- 7.2. How does the GPO address vendor grievances?
- 7.3. Please describe in general the grievance process.
- 7.4. Has the new HGPII independent vendor grievance review process been displayed on the GPO’s public Website?

MedAssets:

It is MedAssets’ goal to administer a competitive yet fair contract bidding process as outlined above. Gathering and analyzing vendor feedback concerning perceived issues with our process assists us in evaluating overall process effectiveness and is a key driver of process improvement. To this end, MedAssets Supply Chain Systems has developed a formal vendor grievance submission process.

Vendors who believe they were unfairly excluded from participation or otherwise feel that the company inappropriately deviated from its published guidelines culminating in the awarding of a MedAssets contract, may contact the company directly via email (grievances@medassets.com) within thirty days following the completion of the bidding process.

- 1. MedAssets will respond back immediately via email to acknowledge receipt.
- 2. MedAssets will review the claim and respond within 90 days.
- 3. The response will include:
 - a summary of the conduct of the review and its findings which may include specific award decision rationale as well as any non-proprietary information which can be shared; and

- information regarding actions to be taken by MedAssets to correct or improve future process execution based upon these findings.

Additionally, if there are any questions or concerns relative to our published Standards of Business Conduct, our company policies, or if in dealings with MedAssets, unethical or improper conduct is suspected, please help us by reporting these issues. We realize that certain topics may be sensitive and open communication may be difficult. For these reasons, we have created a Helpline for our directors, officers, employees, customers, vendors, shareholders and other interested parties. The Helpline is an avenue for interested parties to report concerns or raise questions in an anonymous and confidential manner. Interested parties may reach the toll-free independent external Helpline at (800) 826-6762 or via the internet at National Hotline Services (Company ID: MED). Our Standards of Business Conduct as well as detailed information pertaining to the Helpline may be located in the Corporate Governance area of the company website.

- 7.1. Policy description can be found in the response above and it is posted on the MedAssets public web site at <http://www.medassets.com/vendor/pages/grievanceprocess.aspx>
- 7.2. Policy description can be found in the response above and it is posted on the MedAssets public web site at <http://www.medassets.com/vendor/pages/grievanceprocess.aspx>
- 7.3. Policy description can be found in the response above and it is posted on the MedAssets public web site at <http://www.medassets.com/vendor/pages/grievanceprocess.aspx>
- 7.4 Yes. The MedAssets supplier grievance process can be found at: <http://www.medassets.com/vendor/Pages/GrievanceProcess.aspx>. This page indicates that MedAssets participates in the HGPII Independent Grievance Process and includes a link to that Process.

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?

MedAssets:

Each fall MedAssets hosts its annual Technology and Innovation Forum. This event brings together MedAssets contracting directors, the customers of the MedAssets product selection committees (who are materials managers and clinicians from hospitals using the MedAssets group purchasing services) and suppliers of new and emerging products, technologies and services. This approach provides a unique opportunity for MedAssets customers to review, evaluate and suggest products, technologies and services.

The first Forum hosted by MedAssets, in 2002, was co-sponsored by the Medical Device Manufacturers Association (MDMA). The MDMA was concerned that the contracting process of some GPOs prevented small device manufacturers from being awarded contracts. In an effort to ensure this did not happen, MedAssets offered to host the Forum at its expense if the MDMA would make its customer base aware of the event. The next year, because of the success of the first Forum, MedAssets extended invitations to suppliers that were not MDMA members and, as a result, the MDMA declined to continue to partner with MedAssets on this event. Nevertheless, MedAssets continues to host this Forum each fall.

The Forum now features approximately sixty (60) selected suppliers offering new and innovative solutions, which are then reviewed by MedAssets' advisory committee members. The MedAssets contracting team selects suppliers to receive invitations based on quality and caliber of products and services, customer suggestions, and other selection criteria, such as reference to industry trade magazines, trade shows, the FDA 501(k) database, and other online resources.

8.1. Yes. See response above.

8.2. Yes. MedAssets does include specific language within our purchasing agreement terms and conditions allowing opportunity to add sources in the event innovative technology is identified during the term of a purchasing agreement for a specific product category. This is

based on guidance from our customer contract advisory committees and the contract terms in existing contracts in the specific category.

8.3. From the MedAssets Vendor Agreement template:

Obsolescence-New Technology; Lack of Competitive Terms:

In the event that a product offered by Vendor hereunder becomes obsolete or non-competitive in either price, performance, or technological advancement, in the reasonable opinion of MedAssets, then MedAssets shall have the right to contract with other vendors to replace such obsolete or non-competitive products. In the event Vendor sells new or upgraded technology and associated products to MedAssets' customers prior to inclusion under this Agreement, MedAssets' customers shall be charged no more than the contracted price already in existence for the currently contracted products, until such time that a mutually negotiated pricing structure is agreed upon for the new or upgraded technology and associated products.

8.4. Yes. One of MedAssets' strengths is our flexibility when it comes to our customers contracting approach. MedAssets offers our customers national GPO agreements, but we also assist our customers in identifying local contract opportunities. Most customers are only required to maintain a minimum purchase volume, which allows the customer the opportunity to negotiate individual contracts.

8.5. Yes. See the response to 8.4.

8.6. Yes. See the response to 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.

MedAssets:

MedAssets values diversity in its customers, the communities in which they live, the supplier base, and the contract portfolio. One way in which MedAssets support these values is through the Supplier Diversity Program, which was developed to assist healthcare organizations in meeting their purchasing goals, and to support customers’ initiatives to build strong and diverse communities through increased utilization of local and Historically Underutilized Businesses (HUB). It is MedAssets’ policy to solicit bids from certified diversity suppliers in an effort to award contracts to minority, small disadvantaged, and women-owned businesses, as well as service-disabled or veteran-owned small businesses.

MedAssets accepts certifications from the Small Business Administration, U.S. Department of Transportation, the National Minority Supplier Development Council, Women’s Business Enterprise National Council, HUBZone certification, State/Municipality certifications and other certifications as deemed acceptable by MedAssets.

MedAssets’ contract portfolio currently includes more than forty certified minority, woman, or small disadvantaged-owned businesses, including service-disabled veteran or veteran-owned small businesses. Since the inception of this program, the certified diversity companies have consistently reported increased sales to MedAssets customers.

Link:

<http://www.medassets.com/vendor/Pages/VendorDiversity.aspx>

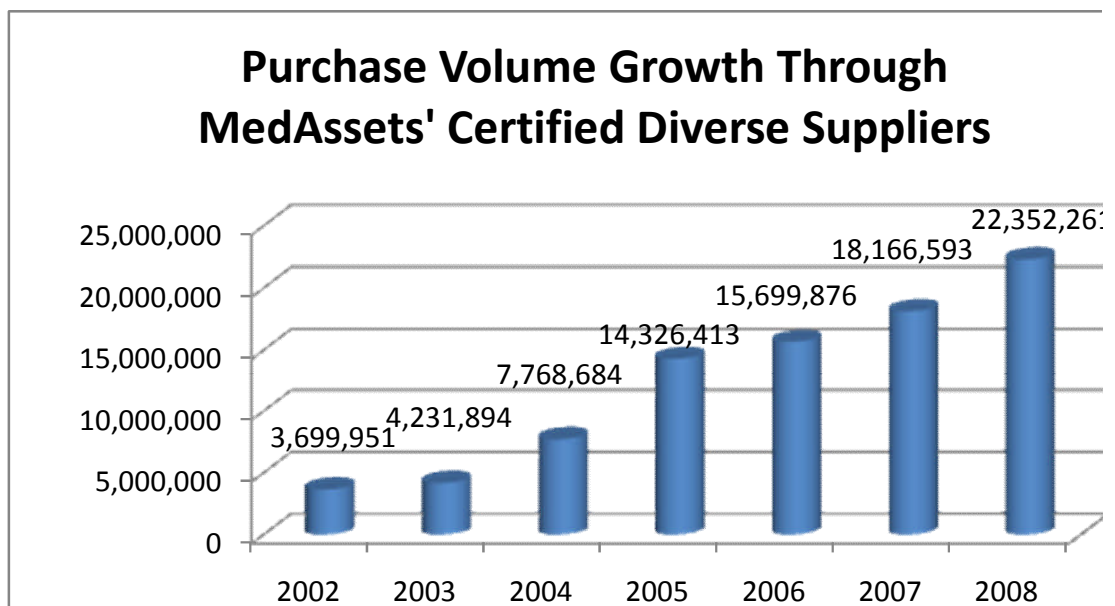
- 9.1. The Supplier Diversity Program was formally launched in 2003 initially only recognizing minority and woman-owned firms and has expanded to include veteran-owned and small disadvantaged businesses. The program currently offers customers, on a national basis, contracts with manufacturers, distributors and service providers that have been certified as minority, women, veteran-owned and small disadvantaged companies. We have focused predominately on delivering qualified 1st tier contracts and opportunities to our customers.

There are countless suppliers that will meet our individual customers and/or their individual counties’ definitions of small business enterprises, typically based on specific local requirements. MedAssets Supply Chain Systems believes that the diversity benefits to our customers are best demonstrated on regional or community basis. Our focus on support at the customer level is a fundamental building block to impacting the diverse cultures in the communities surrounding our customers. This approach is demonstrated by developing

customized diversity programs that assist customers in meeting their individual requirements and/or goals.

9.2. The program currently offers customers, on a national basis, 48 contracts with manufacturers, distributors and service providers that have been certified as minority, women, or small disadvantaged companies or are a veteran-owned or service-disabled veteran owned small business. The MedAssets supplier diversity portfolio currently contains 38 manufacturer, 6 distributor and 4 service provider contracts. We have focused predominantly on delivering qualified 1st tier contracts and opportunities to our customers. Our tracking of diversity spend is based upon actual purchases directly through certified diversity companies, thus maintaining a high level of integrity in documenting our customer base's diversity purchases. Flexibility in report formats allows for both routine and custom tracking for customers.

Since the inception of our program, our certified diversity companies have consistently reported increased sales to MedAssets customers. The program is growing at a very healthy pace with new supplier opportunities and increased customer uptake.



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?

MedAssets:

10.1. MedAssets sends such documentation to all new employees at the time of hire and all employees annually. In addition, we share the document with customers and other business partners. Employees annually certify receipt of the Standards of Business Conduct and pledge to abide by its provisions. MedAssets does distribute and require that this Standards of Business Conduct and disclosure of conflicts of interest documents be signed by anyone influencing contracting decisions on an annual basis.

Supporting Documents:

Please refer to the Employee Certification Document attached below.



SOBC

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10.2. The MedAssets, Inc. Standards of Business Conduct can be viewed and downloaded by anyone with internet access from the MedAssets, Inc. corporate web site and is also available to employees on the company's human resources intranet web site.

10.3. Yes. We do this annually.

10.4. The Compensation, Governance and Nominating Committee of the MedAssets, Inc. Board of Directors is responsible for reviewing and assessing the adequacy of the MedAssets, Inc. Standards of Business Conduct periodically and at least annually. The committee has access to the current version of the standards.

10.5. Yes. We do this periodically as well as at the start date for said agents and contractors.

10.6. Yes. The MedAssets Standards of Business Conduct is available electronically via the MedAssets web site.

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.

MedAssets:

All new employees are given an introduction to the MedAssets, Inc. Standards of Business Conduct as part of their orientation program. New employees receive the orientation on his/her first day of employment. In addition, every applicant for employment certifies, in writing, that he/she will abide by the provisions of the MedAssets, Inc. Standard of Business Conduct as a condition of employment. The MedAssets, Inc. Standards of Business Conduct are reviewed and updated periodically throughout the year. Every year all employees receive the updated employee handbook and are required to sign off certifying their understanding of and willingness to abide by all provisions.

Supporting Documents:

Please refer to Employee Certification Document and Application for Employment attached below.



SOBC
Acknowledgement-20



Employment
Application.pdf

11.1. Yes.

11.2. Yes. In addition, MedAssets provides training on our formalized document annually as part of our human resources benefits enrollment process. In addition, we offer special training sessions for all managers of the company on their role in supporting MedAssets business conduct policies and procedures.

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.

MedAssets:

All employees certify receipt of the MedAssets, Inc. Standards of Business Conduct and pledge to abide by its provisions. We offer a refresher course as part of our annual human resources benefits enrollment process.

MedAssets does periodic reviews of the Standards of Business Conduct as well as conducts an annual employee survey where employees are able to submit their opinions of the company's overall adherence to all internal control policies.

MedAssets has made available a hotline for all employees, agents, customers, and suppliers to anonymously report any perceived non-adherence to policies and procedures, Standards of Business Conduct, laws, regulations, and in general moral and ethical dilemmas.

12.1. All employees.

12.2. Please refer to the above response concerning our video training process.

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?

MedAssets:

The Company has established a Helpline for use by its employees, officers, board, customers, vendors and shareholders and is operated by an independent firm twenty-four hours a day, seven days a week. Individuals calling the Helpline or submitting an online report are not required to disclose their identity. Anonymity is assured. Calls are not recorded and no attempt is made to determine the number or location from which an individual is calling. The operator may request the location about which an individual is calling (i.e. office location, department) so that his/her concerns may be properly investigated. If reporting online, the report cannot be traced back to a specific computer by the Company. Should an individual choose to disclose his/her identity either via phone or online, it will be held in confidence to the fullest extent practical or allowed by law. However, Helpline operators and individuals receiving online reports are legally required to report certain types of potential crimes and infractions to external agencies.

The Company has a non-retaliation policy included in its Standards of Business Conduct and will not permit retaliation against an employee or other individual who, in good faith, reports a concern, issue, problem, violation of law, regulation, or other matter or participates in an investigation of such act. Any individual who believes that he or she has suffered retaliation for making a report or participating in an investigation are encouraged to contact their manager, Human Resources, the Compliance Officer, or the Helpline.

Link:

<http://ir.medassets.com/governance.cfm>

(See MedAssets Helpline Information link)

- 13.1.** Yes. The MedAssets, Inc. Standards of Business Conduct encourages employees to communicate directly and honestly about compliance issues or any other concerns. Employees may bring forward their concerns to their manager, the Human Resources Department, the Compliance Office or through use of the company's Helpline.

Global Compliance is an independent third party contracted to monitor the MedAssets Helpline twenty-four hours a day, seven days a week. Issues can be reported through the Helpline in two ways:

By calling the toll-free Helpline number at **1-800-826-6762** to speak to a live operator;

or

By submitting a report to the Helpline online by going to <http://www.alertline.com> (enter Organization Name: **MedAssets**)

Link:

<http://ir.medassets.com/governance.cfm>

(See MedAssets Helpline Information link)

- 13.2.** Global Compliance has experienced staff to answer Helpline calls and to document the complaint, issue or concern in an objective, consistent manner. Global Compliance allows callers of the Helpline to speak to a live operator without fear of retaliation since the operators do not directly work for MedAssets. In addition, the Global Compliance operators relay information between the caller and MedAssets, such as follow-up questions or issue resolution, so the caller can remain anonymous. Global Compliance also provides access to the Helpline in an online reporting tool that allows the same anonymity and confidentiality as the telephone-based Helpline.

Calls are not recorded and no attempt is made to determine the number or location from which an individual is calling. The operator may request the location about which an individual is calling (i.e. office location, department) so that the individual's concerns may be properly investigated. If reporting online, the report cannot be traced back to a specific computer by MedAssets. Should an individual choose to disclose his or her identity either via phone or online, it will be held in confidence to the fullest extent practical or allowed by

law. However, Helpline operators and individuals receiving online reports are legally required to report certain types of potential crimes and infractions to external agencies.

The Compliance Office will research reported matters while preserving confidentiality to the extent permitted by law.

- 13.3.** MedAssets has a non-retaliation policy included in the MedAssets, Inc. Standards of Business Conduct and will not permit retaliation against an employee or other individual who, in good faith, reports a concern, issue, problem, violation of law, regulation, or other matter or participates in an investigation of such act. Any individual who believes that he or she has suffered retaliation for making a report or participating in an investigation should contact their manager, the Human Resources Department, the Compliance Office, or the Helpline. MedAssets requires that those who file reports have reasonable and objective cause for doing so. If MedAssets, Inc. determines that an employee has knowingly made a false accusation, that employee will be in violation of company policy and will be subject to disciplinary action, up to and including termination.

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.

MedAssets:

- 14.1.** The General Counsel (Chief Legal and Administrative Officer), Assistant General Counsel and VP, Corporate Governance & Compliance of MedAssets, Inc. receive notification by Global Compliance of all incidents reported through the Helpline either by phone or on-line, unless implicated in the incident report. Incidents are reviewed and classified, and the proper individuals are assigned to coordinate initial inquiries and any detailed investigations that may be necessary. Follow-up and resolution details are documented and communicated back to Global Compliance as necessary. The Chief Legal and Administrative Officer will in turn provide a status of relevant incidents to senior management and the Compensation, Governance and Nominating Committee of the MedAssets, Inc. Board of Directors on a regular basis. Additionally, the chairpersons of the Compensation, Governance and Nominating Committee and the Audit Committee of the MedAssets, Inc. Board of Directors have direct access to the Global Compliance incident database and are able to review incident reporting.

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.

MedAssets:

15.1. MedAssets has included specific requirements to comply with the provisions of the Standards of Business Conduct and report any violations of the Standards of Business Conduct within each employee's job description.

15.2. Please refer to response above.

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)?

MedAssets:

16.1. The MedAssets, Inc. Board of Directors, various members of senior management and specific departments all play a role in the on-going evaluation and monitoring of adherence to the law and standards of business conduct. Relevant incidents reported through the Helpline or communicated internally are investigated and reviewed with the Compensation, Governance and Nominating Committee. Internal Audit participates in on-going investigations as necessary, performs internal controls testing and conducts focus groups to better gauge employee understanding and adherence to the code. Similarly, the Human Resources Department conducts employee surveys and reviews the results of employee performance reviews to isolate compliance issues.

16.2. Please refer to the answer provided in 16.1.

16.3. The MedAssets, Inc. Compensation, Governance and Nominating Committee of the Board of Directors.

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 Washington, DC in March, 2010.
- 17.2. Please name the most senior executive who attended.

MedAssets:

17.1. Three

17.2. Rand Ballard, Chief Operating Officer & Chief Customer Officer, MedAssets, Inc.

Jonathan Glenn, Executive Vice President, Chief Legal and Administrative Officer, MedAssets, Inc.

Mark Miriani, President, MedAssets Supply Chain Systems, LLC

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

Please include in your answer:

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

MedAssets:

18.1. The MedAssets, Inc. Compensation, Governance and Nominating Committee of the Board of Directors is responsible for oversight over the company's corporate governance and compliance program. The company's Chief Legal and Administrative Officer communicates regularly (typically on a quarterly basis) with the committee regarding corporate governance and compliance matters.

18.2. MedAssets Supply Chain Systems, LLC does not have a board of directors. Its Chief Legal Officer informs the Board of MedAssets, Inc. regarding the Initiative on an as needed basis no less frequently than annually. The Board is informed about the Annual Questionnaire and about MedAssets Supply Chain Systems' participation in the HGPII Annual Best Practices Forum. In addition, the Board is provided with an update on any Helpline calls that may have been received. (See response to Questions 7, 13 and 16.1 for more detailed

information regarding the Helpline.) The Helpline is an avenue for interested parties to report concerns or raise questions in an anonymous and confidential manner regarding any alleged violations of the HGPII Principles or MedAssets Code of Conduct. The Helpline is monitored by MedAssets' Compliance Office and Chief Legal Officer. In addition, two Vice Chairmen of the MedAssets Board of Directors have direct access to the Helpline.

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.

MedAssets:

- 19.1.** Jonathan H. Glenn
MedAssets, Inc.
Executive Vice President, Chief Legal and Administrative Officer
- 19.2.** MedAssets, Inc.
100 North Point Center East, Suite 200
Alpharetta, GA 30022
- 19.3.** Same as above.