Supplemental Supply Chain Policy

**Purpose**

*To establish BJC HealthCare’s minimum guidelines, policies, requirements and expectations (“policies”) for suppliers, their employees, representatives or agents (“suppliers”) to comply with while contacting or visiting BJC HealthCare employees, representatives or facilities (“BJC”).*

- In addition to these policies, suppliers must comply with any BJC facility specific or Washington University policies related to interactions with suppliers as well as any laws, regulations or location specific policies which may be more restrictive than those in this document.
- Failure to meet these policies may result in loss of payment for supplier’s products or services as well as corrective action ranging from a verbal warning to a supplier to a request from BJC to discontinue business engagements with the supplier.
- For the purposes of this Policy, the term “supplies” and “supplier representatives” shall mean any individuals who represent a company that has a business relationship BJC, including individuals functioning in a clinical, non-clinical, sales, managerial and technical advisory capacity.

**Policy Process**

- **Supplier Access to BJC**
  - All suppliers engaging or wishing to engage in business or product promotion or evaluation with BJC must be approved by BJC’s Sourcing department (“Sourcing”) via a contract or otherwise in writing. Unless otherwise communicated with the supplier in advance, all suppliers wishing to visit or conduct business at BJC must: (1) have an appointment with BJC prior to entering their visit; (2) be registered through BJC’s RepTrax system; and (3) sign in and out of Reptrax and display their badge prominently while at BJC.
  - Suppliers must be escorted by a BJC staff member to enter any patient care and inventory or document area or gain access to patient or BJC’s confidential information including patient files and contractual documents.
  - Suppliers should not visit BJC if they have experienced any symptoms of discomfort, diseases or otherwise health risks, whether or not diagnosed.

- **Supplier Approval Process**
  - Prior to becoming an approved BJC supplier, Sourcing must be engaged. If approved by Sourcing, suppliers or requestors of suppliers must complete and submit any documentation required by Sourcing or BJC Accounts Payable (“AP”), including:
SUPPLY CHAIN POLICY

- W-9 form
- Supplier add form
- ACH/Banking information form
- A sample invoice from the supplier
  - Suppliers must submit any information changes to AP and Sourcing (i.e., name, address, acquisitions, etc.) to ensure payment of invoices by notifying BJC Sourcing, AP or purchasing.

- Supplier Reptrax Compliance
  - Supplier representatives must register online with Reptrax at www.Reptrax.com and maintain an updated profile.
  - Supplier representatives must provide or acknowledge credentials and policy requirements as defined by BJC and reported by Reptrax.
    - These include but are not limited to immunization requirements, confidentiality agreements and BJC or site-specific policies.
  - Supplier representatives must sign in to Reptrax upon entering and out of Reptrax upon exiting BJC facilities. Reptrax kiosks are located in designated areas (refer to Reptrax kiosks location in this policy or as updated by facilities)
  - Supplier representatives must print and display current Reptrax badge during entire BJC visit.
  - Each individual BJC facility is considered a separate visit and requires the following documentation in the “Meeting Note” area
    - Name and department of individual to be visited
    - Specific product to be discussed or supported
    - Estimated time to be spent in the facility
  - When visiting a physician, follow individual hospital credentialing requirements.
  - Visiting hours are 8 a.m. – 4 p.m., Monday – Friday. If visits are required during off-hours, approval is required from the BJC department supervisor on duty. Unauthorized visitors will be asked to leave the premises by staff or security. The incident will be documented in Reptrax and result in a negative Reptrax score.
  - Sourcing utilizes Reptrax scores to evaluate a supplier’s compliance and adherence to BJC policies which may impact the business engagement between the supplier and BJC.

- Supplier Product, Equipment and Service Promotions
  - Supplier’s product or service representatives must demonstrate sufficient product or service knowledge and expertise or BJC may ask for the supplier representative to be replaced.
  - Promotion of unapproved products or services or those in conflict with established policies, standards, utilization protocols, or restrictions as determined by BJC is prohibited. Displays of products or services is prohibited at BJC except for educational displays preapproved in writing by Sourcing.

- Supplier Product, Equipment and Service Evaluations
  - New products, equipment or services (or new features thereto) may only be introduced at BJC following BJC’s New Product Introduction Process managed by Supply Chain Management and
after a BJC evaluation agreement has been fully executed. Corresponding equipment supplies will be provided by the supplier at no charge to BJC after the evaluation period has started.

- New products, equipment or services must be accompanied by a no charge BJC PO that includes model number(s) of the product or equipment to be evaluated and the length of time the product or equipment will be on-site. BJC will not be liable for theft, damage, freight, storage or any other charges if this requirement is not met.
- Drug samples, including those requested by physicians, must be delivered to the pharmacy for proper distribution and documentation. All other samples must be left with Sourcing who will arrange for evaluation. If a supplier wishes to demonstrate the product within the expected area of use, arrangements will be made at the discretion of Sourcing.
- If the equipment has electrical requirements, either hardwired or plugged into an outlet, BJC’s clinical engineering department must be contacted to inspect the equipment prior to operation.
- Shipping materials and crates must be removed from the BJC premises during the trial period. The supplier is responsible for removing equipment at the end of the evaluation period or earlier if so advised by Sourcing.
- BJC will not be financially responsible for unused, nonreturnable products provided by a supplier during patient procedures. The supplier shall bear the full cost of such products.

- **Supplier Clinical Requirements**
  - Operation of any equipment or devices used on a patient is prohibited without explicit written authorization from authorized BJC personnel.
  - Suppliers must provide documentation of training or competency, upon request, as it applies to specific equipment, medical devices, and supplies.
  - Supplier involvement in clinical activities or medical decision making is not allowed.
  - Supplier representatives may not open product packages. Products are to be given to the appropriate BJC staff member to open for use.
  - Supplier representatives should only be present during a procedure for the amount of time needed to support the product. The time and location of procedures shall be determined in advance through Supplier coordination with the appropriate BJC personnel.
  - Management or responsible clinician may limit the number of vendor representatives present during a procedure.
  - If scrubs are issued to enter sterile areas, they must be returned before leaving BJC premises.

- **Purchase Orders, Invoices and Deliveries**
  - Unless a supplier has been authorized by Sourcing as an Authorized Direct Purchase or approved for Corporate Purchasing Card (“P-Card”) purchases, it may not ship to or leave tangible products, including equipment on evaluation or loan at a BJC location without a BJC purchase order (“PO”) number. All purchase agreements and POs must be coordinated through BJC
purchasing and Sourcing and be validated with a PO number. Other BJC departments do not have the authority to enter into contracts with or otherwise commit BJC to any kind of purchase. Any commitment or agreement made by a department without prior knowledge and approval from BJC purchasing or Sourcing is invalid and thus ineligible for payment.

- Supplier’s invoices or supporting paperwork for all components, implanted or inserted items used in a surgical procedure must be submitted to BJC operating room business office within 1 business day after the surgical procedure. This paperwork is limited to one submission per patient. Submission exceeding 30 days from date of procedure will be ineligible for payment. The supplier products invoice or supporting paperwork mentioned above must state the: (1) Physician’s name; (2) Patient’s name; (3) Item’s catalog number; (4) Item’s description; (5) Quantities used; (6) Pricing, when applicable; (7) Procedure date; and (8) Capitation code (CAP CODE) when applicable such as hip, knee, or shoulder replacement. Supplier invoices must match the BJC PO price and quantity and must be submitted to the BJC accounts payable department with the BJC PO number documented.

- No tangible product may be shipped, nor any service performed without an authorized BJC PO number. In all instances, a valid BJC PO number must appear on the exterior packing slips of all shipments, delivery slips, and invoices. BJC contract terms for freight will apply. An employee’s name and/or phone number is not an acceptable substitute for a BJC PO.

- Tangible products and equipment must be promptly delivered according to the established delivery terms and date. All shipments are FOB Destination. All deliveries must be made through our receiving departments unless otherwise stipulated in the terms of the BJC purchase order. Deliveries will be accepted in the receiving department during normal hours of operation.

- BJC reserves the right to return products that does not conform to BJC specifications or delivered outside normal hours of operation without specific arrangements made in advance. Such products shall be returned at the supplier’s expense. Returning merchandise must be processed by a BJC receiving department prior to return. The carrier for returned product is the BJC preferred supplier – Optifreight/FedEX contract.

- **Privacy, Confidentiality and Information Security**
  - Wireless technologies, including cell phones, computers, PDAs, tablets, pagers and other devices that may emit electromagnetic interference are prohibited in patient care areas. Computer use is restricted to official business and must be related to the reason for the visit in permitted areas.
  - All suppliers with access to BJC files, whether physical or electronic, must first obtain the appropriate approvals by Sourcing and if applicable by BJC Information Technology.
  - Suppliers with access or exposure to any proprietary or confidential BJC information including patient information, product information, pricing, costs and business plans must execute an appropriate confidentiality agreement. Any violation of privacy or confidentiality by suppliers will be considered a severe breach of conduct and contract.
o Confidential or patient information will not be discussed at any time within or outside BJC facilities.

- Official business matters including pricing and contracts are considered confidential information.

- Supplies must report any violations of privacy, confidentiality or information security to BJC Sourcing.

- **Conflicts of Interest and Gifts**
  - BJC employees, representatives and agents must act in the best interests of BJC and must have no relationships, financial or otherwise, with any supplier that might conflict or appear to conflict with the employees’ duty to act in BJC’s best interest. If a supplier’s employee, representative or agent has a personal or business relationship with a BJC employee, representative or agent, the supplier must promptly disclose this fact to Sourcing.
  - It is contrary to BJC corporate policy for any employee, contractor or representative of BJC to accept monetary gifts. Non-Monetary gifts of nominal value (<$50 USD) may be accepted as long as they are infrequent and in the ordinary course of business.
  - Suppliers are required to at all times comply with the Sunshine Act and report to BJC Sourcing any financial relationships, gifts or transfers of value between the Supplier and any BJC employee, representatives, agents or independent contractors.

- **Legal and Policy Compliance**
  - Suppliers are required to conduct their business activities in compliance with all applicable laws and regulations, including laws that are applicable to individuals and entities receiving Medicare, Medicaid and other federal funds, Deficit Reduction Act of 2005 and Federal False Claims Act.
  - To assure compliance, coordination of pricing, distribution and consistency with best practice exchange team decisions, suppliers are prohibited from negotiating pricing or terms and conditions for any supplies, services or equipment with departments other than Sourcing. Only those quotations or bids sent or copied to Sourcing will be assured of consideration.

- **Supplier Corrective Actions**
  - Suppliers who violate laws or regulations or these and any other location specific policies may be subject to corrective actions by BJC or Washington University. Any member of BJC management can issue a warning or written notice to a supplier for violations. Common Violations include: (1) Failure to comply with BJC policies such as delivery, invoicing, and payment policies; (2) Failure to check in or out of RepTrax; (3) Product/Service promotion without an appointment, in unapproved areas, or of non-formulary products; (4) Inappropriate behavior; (5) Introduction of products and pricing without Sourcing approval. Serious Violations include: (1) Unpermitted disclosure of patient, BJC or otherwise confidential information; (2)
Inappropriate behavior of egregious nature; (2) Criminal offense incidents; (3) Failure to follow federal or laws or regulations; (4) Failure to disclose conflicts of interest.

- Supplier corrective actions include: First Violation: a verbal or written warning to the offending supplier. Second Violation: A one month suspension of all privileges to the offending supplier. Third violation: An indefinite suspension of all privileges to the offending supplier.
- Depending on the conditions and BJC’s assessment of the violation, a second or third violation notice may be immediately issued without prior corrective action. Conditions leading to an immediate second or third violation include: (1) Chronic violations, regardless of time frame; (2) First-time occurrences of serious violations.
- All supplier violations and related matters are to be reported to supplierdiscipline@bjc.org with information including: Date of occurrence; location; supplier name; rep name and Violation.

**Governance**

- **General**: The Supplier Guide Policy is managed by Sourcing.
- **Compliance Requirement**: Failure to comply with these policies is cause for disciplinary action including termination.

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<th>Tom Harvieux, Chief Supply Chain Executive</th>
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<tbody>
<tr>
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