



## 2014 PUBLIC ACCOUNTABILITY QUESTIONNAIRE

This Questionnaire Covers Calendar Year 2014.

Please return your response to [amy.demske@arentfox.com](mailto:amy.demske@arentfox.com) no later than May 15, 2015.

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### OWNERSHIP AND ORGANIZATIONAL STRUCTURE

1. Describe the ownership structure of your GPO and/or its parent or affiliated companies, including details regarding the following:
  - Person(s) or entit(ies) that control the majority of voting interests in your GPO;
  - The types of equity holders of your GPO (e.g., publicly-held company, healthcare providers, individuals, for-profit and/or not-for-profit entities);
  - The corporate form of your GPO and/or its parent or affiliated companies – such as corporation, partnership, limited liability company, co-op;
  - Whether the GPO is organized as a for-profit or not-for-profit organization; and
  - Location of corporate headquarters.

**MedAssets Performance Management Solutions, Inc. (“MPMS”), our GPO entity, is a wholly-owned subsidiary of MedAssets, Inc. MedAssets, Inc. is a publicly-traded corporation organized in Delaware and headquartered in Alpharetta, Georgia. MPMS is a for-profit corporation organized in Delaware and headquartered in Plano, Texas.**

2. Describe the composition of your Board of Directors or other governing body and reflect any changes from the previous HGPII reporting year. Include the following in your response:
  - Number of individuals serving on your Board;
  - Percentage of Board representing GPO customers;
  - Percentage of Board that are employees of the GPO; and
  - Percentage of Board members also serving as employees, officers, or directors of a participating vendor.

**In 2014, the Board of Directors of MedAssets, Inc., the parent company of MPMS, had 10 members. Former Board member John Rutherford’s term of office expired in June 2014. Mike Nolte, President and Chief Operating Officer of MedAssets, Inc., was appointed to the Board in December 2014.**

**None of the Board members represent GPO customers.**

Three MedAssets Board members are employees of MedAssets, Inc. – John Bardis (President and Chief Executive Officer), Rand Ballard (Senior Executive Vice President and Chief Customer Officer), and Mike Nolte (President and Chief Operating Officer).

MedAssets, Inc.’s most recent Definitive Proxy Statement, filed April 30, 2014, which may be accessed at <http://ir.medassets.com/sec.cfm?DocType=Proxy&Year>, provides information about any other board affiliations of the MedAssets Board members. According to that Statement, three members of the MedAssets, Inc. Board also serve on the board of directors of a participating GPO supplier. As stated in the “Conflicts of Interest” section of the SOBC, all Board members are required to disclose any conflict of interest, including any relationship with any supplier, and are required to recuse themselves from all discussions involving that supplier. The Board of Directors of MedAssets, Inc., the parent company of MPMS, is several layers removed from the GPO contracting process. Any actual or perceived conflict would be brought to the attention of the board of the GPO (John Bardis and Rand Ballard), along with the General Counsel (Jon Glenn), and addressed appropriately. Also note that, as a publicly-traded company, MedAssets, Inc. (and all of its pass-through subsidiaries) is bound to comply with a legal and regulatory universe (including Sarbanes-Oxley, Dodd-Frank, and the FCPA) that other privately-held GPOs are not.

Please refer to MedAssets, Inc.’s most recent Definitive Proxy Statement and MedAssets’ Investor Relations tab on its website, which may be accessed at <http://ir.medassets.com/index.cfm>, for additional information regarding the individuals who serve as Board members (<http://www.medassets.com/about-us/leadership/board-of-directors/>).

3. Indicate whether any equity holder of your GPO and/or its parent or affiliated companies is a physician (or an immediate family member of a physician).

MedAssets, Inc., a publicly-traded corporation, is the sole equity owner of MPMS. As such, this question is not applicable.

#### **CONFLICT OF INTEREST**

4. Describe the GPO’s policies and procedures that address conflicts of interest for:
  - Employees in a position of influence with regard to contracting decisions;
  - Clinical Advisory Members; and
  - Members of the GPO’s Board of Directors or other governing body.

As part of your response, provide details about reporting requirements for conflicts and provide a copy of written policies.

The MedAssets, Inc. Standards of Business Conduct (“SOBC”) includes the following policy concerning conflicts of interest:

#### **General Policy**

- We have a duty of loyalty to the Company. We do not engage in any activity that may conflict (or appear to conflict) with the interests of the Company. We avoid business relationships and actions that could interfere with (or be perceived to interfere with)

our business decisions or be damaging to the Company. As the Standards do not cover all potential situations where our loyalty may be (or may appear to be) divided, we are responsible for always using good judgment.

### **Performance Responsibilities**

- **Unless disclosed to and authorized by the Board or a committee of the Board:**
  - we do not work directly for a competitor or any company that is currently doing business, seeking to do business, or that would reasonably be expected to do business (a “Current or Prospective Business Partner”) with the Company.
  - we do not consult, engage or otherwise share our knowledge and expertise with outside entities whereby associated beneficiaries of that information (including competitors, potential competitors or those seeking to explore new business ventures) may use it in conflict with the interests of the Company.
  - we do not serve on the board of directors (or comparable body) of any competitor or Current or Prospective Business Partner.
- We will immediately contact the Board, senior management or the Compliance Office, as appropriate, 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 our work time and our abilities to our assigned job responsibilities.

### **Ownership Interests**

- **Unless disclosed to and authorized by the Board or a committee of the Board:**
  - no director, executive officer or employee in a position to influence any contracting process may own any interest in a Current or Prospective Business Partner.
  - any newly hired director, current employee who becomes an executive officer or any employee who begins serving in a position of influence over any contracting process shall divest him/herself (within six months following the hire date or change in job description) of any ownership interest and recuse him/herself from all discussions or decisions for any Current or Prospective Business Partner.
- Any director, executive officer or employee in a position to influence any contracting process shall disclose to the Board, senior management or the Compliance Office (as appropriate) any known ownership interest held by an immediate family member and recuse him/herself from any discussion or decision involving any Current or Prospective Business Partner.

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

### **Gifts & Improper Payments**

- We do not request (nor do we accept) any gift, entertainment, favor, honoraria or personal service payment from any vendor or supplier (or a respective agent) that is a Current or Prospective Business Partner, where the associated value exceeds what is generally deemed reasonable in the regular course and conduct of fostering our business relationships, as this might influence our ability to be objective. We consider whether the frequency and timing of even nominal gifts may create the appearance of impropriety. If we have questions about the appropriateness of gifts or other items of value, we seek guidance from our manager or the Compliance Office prior to acceptance.

- We reimburse others for any unreasonable or excessive expense (e.g. travel, lodging, meals, etc.) paid on behalf of any employee.
- We do not accept any bribe, kickback, or other improper payment from our vendors, suppliers, customers, or any other business partner.
- We do not knowingly provide any gift or anything of value that violates another company's policy.

**Related Party Transactions**

- We seek authorization from the Compliance Office regarding any known proposed business relationship between ourselves or our family members and the Company.
- We seek authorization from the Compliance Office regarding any known proposed hiring by the Company of any family member.
- We seek authorization from the Compliance Office regarding any known proposed charitable contribution to be made by the Company to an organization in which we have an association.
- The Company seeks authorization for relevant proposed related-party transactions from the Board or a committee of the Board and properly discloses any related-party transaction as required by SEC rules.
- We do not extend loans or letters of credit to any director or executive officer.

**Applicability of the Standards**

**Employees.** Employees of the Company at every level (including our executive officers) must comply with the Standards and any associated Company policy or guideline.

**Board of Directors and Senior Advisory Board.** Members of the Company's Board of Directors (the "Board") and our Senior Advisory Board must comply with the Standards as well as any additional policy or guideline relating to their unique responsibilities.

**Business Partners.** The Company requires that its business partners, including our marketing affiliates, consultants and contractors working on behalf of the Company, conduct their business in a legal and ethical manner and comply with the Standards where applicable.

The SOBC and the specific conflict of interest policies therein apply to all employees and executives including those directly involved in group purchasing or supervising the group purchasing activity. Likewise, the SOBC and the specific conflict of interest policies therein apply to all members of the MedAssets, Inc. Board of Directors and to all members of any advisory committee to the GPO. In addition, the GPO requires that all members of any advisory committee sign a conflict of interest disclosure document and non-disclosure agreement prior to beginning their committee service. Copies of both documents are pasted below.



MedAssets 2014  
Committee Member



MedAssets 2014  
Committee Member



Attachment 1.pdf

Lastly, the SOBC and the specific conflict of interest policies therein apply to our affiliates and anyone who works for or is associated with MedAssets, Inc. or any of its subsidiaries.

The SOBC may be accessed at:

<http://ir.medassets.com/documentdisplay.cfm?DocumentID=2870>

5. Describe actions the GPO takes to avoid conflict of interest issues for members of the Board of Directors (e.g. disclosure and/or prevention of equity investments in participating vendor relationships and acceptance of gifts/meals/travel/entertainment paid for by vendors.)

The SOBC contains the language listed in response to Question 4 above concerning ownership interests, acceptance of gifts, and improper payments.

The SOBC also contains the following additional policies concerning supplier relationships:

#### **General Policy**

- We are committed to the principle of fair competition. We compete for the business of each customer and we provide exceptional service and value to keep it. We require fair and honest competition in the selection of our group purchasing organization (GPO) suppliers, and we require that our GPO suppliers provide exceptional service and value to our customers in order to remain part of our portfolio. We pledge to compete and negotiate fairly, ethically, and honorably, and to comply with all applicable laws fully and consistently. We are committed to open, honest dealing with all companies with whom we do business. We seek guidance from the Compliance Office as necessary.

#### **Anti-trust and Competition**

- We do not participate with competitors or others in any activities that may illegally limit competition.

#### **Sales and Marketing Practices**

- We do not make false or misleading statements about our products or services, or those of competitors, in marketing or sales activities.

#### **GPO Practices**

- We promote transparency, accountability and good stewardship within our GPO and from our GPO suppliers.
- We regularly and fully disclose to our healthcare members the fees that we have earned on their purchases. We do not agree to contracts that “bundle” or “tie” a clinical preference item with any other unrelated product.
- Our commitment to the principle of fair competition extends to the GPO supplier community. We maintain an open, transparent, and impartial contracting process, and we adhere to the guiding principles in the Federal Competition in Contracting Act. We publish a formal Bid Calendar that lists upcoming product and service categories for which the Company expects to issue group purchasing Requests for Proposal. All known Company GPO suppliers, and all prospective GPO suppliers that register through the Company’s website are eligible to compete for a contract award. We encourage the participation of small, minority-, veteran- and women-owned businesses. We require fair and honest competition among our existing and prospective GPO

suppliers when submitting RFP responses, and we require a fair and reasoned review of all GPO supplier responses when selecting GPO suppliers for a contract award.

The SOBC also contains the following language regarding additional constraints:

#### **Spirit and Limitations of the Standards**

- **The Standards are not the exclusive source of guidance and information involving the expectations of the Company regarding standards of business conduct, but they serve as the foundation for all other forms of related guidance. Employees may locate additional guidance within our Company policies and procedures library located on the Company’s intranet or may solicit feedback directly from their managers, the Human Resources Department, the Compliance Office or the Helpline to assist with any specific questions or concerns. The Company encourages and expects each of us to use common sense and be honest with ourselves in the spirit of the Standards as we conduct our business affairs.**

**In the event an employee reports an ethical violation, the GPO’s process for addressing that issue is the same as the process for MedAssets, Inc. and all of its subsidiaries. Employees may contact their manager, Human Resources, the Compliance Officer, or the Helpline. MedAssets has a non-retaliation policy included in its SOBC 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. Please see the response to Question 38 for additional information on the Helpline.**

6. Describe the GPO’s policies and procedures that address activities, including other lines of business of the GPO and/or its affiliates (including non GPO services and strategic investments) that might constitute conflicts of interest to the independence of its purchasing activity.<sup>1</sup>

**Neither MedAssets, Inc., nor any of its subsidiaries (including MPMS), are engaged in any line of business that might constitute a conflict of interest to the independence of the GPO’s purchasing activity. The following companies are wholly owned subsidiaries of MedAssets, Inc.: MPMS; MedAssets Net Revenue Systems, LLC (“NRS”); SG-2, LLC (“Sg2”); and MedAssets Services LLC. MedAssets is a healthcare performance improvement company focused on helping providers realize financial and operational gains so that they can sustainably serve the needs of their community. MedAssets provides solutions to healthcare providers that reduce the total cost of care, enhance operational efficiency, align clinical delivery, and improve revenue performance. MedAssets Services LLC is the employment-related subsidiary. NRS provides revenue cycle technology and services to healthcare providers. MedAssets, Inc. acquired SG-2, LLC (“Sg2”), a healthcare analytics and consulting company, in September 2014.**

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<sup>1</sup> 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)).

## **OTHER LINES OF BUSINESS**

7. Describe other lines of business or investments of the GPO and its affiliates. We are interested in hearing about new as well as nontraditional GPO services that your company and its affiliates are involved with.

**MedAssets delivers its solutions through two business segments: Spend and Clinical Resource Management (“SCM”) and Revenue Cycle Management (“RCM”). Following is a brief description of the solutions offered by these segments:**

### **Spend and Clinical Resource Management**

**The MedAssets SCM segment provides a comprehensive suite of technology-enabled services that help MedAssets’ clients manage their expense categories. MedAssets’ solutions lower supply and medical device pricing and utilization by managing the procurement process through our GPO portfolio of contracts, consulting services and business intelligence tools.**

### **Revenue Cycle Management**

**The MedAssets RCM segment provides a comprehensive suite of software and services spanning the hospital, health system and other ancillary healthcare provider revenue cycle workflow — from patient admission and financial responsibility, patient financial liability estimation, charge capture, case management, contract management and health information management through claims processing and accounts receivable management. The MedAssets workflow solutions, together with the MedAssets data management and business intelligence tools, increase revenue capture and cash collections, reduce accounts receivable balances and increase regulatory compliance.**

8. What policies or guidelines does the GPO have to address potential conflicts of interest with regard to other lines of business engaged in by the GPO and/or its parent or affiliated companies?

**The SOBC provides guidelines that are required to be followed by all MedAssets companies. All MedAssets employees are required to review the document annually and acknowledge they have read and understand the policies in place. Please see the response to Question 4 for additional information about these policies. A copy of the employee acknowledgement is pasted below.**



Employee  
Acknowledgement.r

## MONIES FROM VENDORS

9. Describe the GPO’s policy with respect to the receipt of sponsorship funds, grants for research or other educational programs, or any other source of non-administrative fee revenue from vendors. What policies does the GPO have to guard against any potential conflict of interest relating to such payments?

**The GPO does not accept grant money from suppliers. Please see the response to Question 10 below for additional information regarding sponsorship and exhibit fees.**

10. Does the GPO and/or its parent or affiliated companies accept vendor fees relating to conference sponsorship or exhibit booth space? What policies does the GPO have to guard against a potential conflict of interest relating to vendor participation in industry trade shows, and donations in general?

**The GPO does offer exhibit and sponsorship opportunities to suppliers at the annual Healthcare Business Summit (“HBS”) and annual Business and Technology Expo (“Expo”). Supplier exhibit participation and sponsorship opportunities are offered at various levels so that all contracted suppliers have the opportunity to be part of the event.**

**The GPO takes steps to guard against potential conflicts of interest. During the Performance Expo at HBS, presenters with industry-leading backgrounds in healthcare, leadership development, and financial management lead sessions for peer-to-peer interaction. Topics for educational programs are solicited through a “call for proposals” process. Subsequent program development, including speaker selection and program content, is controlled by the Performance Expo Steering Committee. Each selected speaker must complete the GPO’s questionnaire relating to the proposal content, which states: “In order to maintain the Performance Expo’s reputation known across the industry as well as to comply with CPE regulations, all sessions must be educational in nature and must not attempt to sell or promote a company’s product or services.” The 2014 Speaker Questionnaire is attached:**



2014-Education-Sessions-Abstract-Form

**In addition, for nursing accredited or pharmacy-related Expo sessions, MedAssets requires speakers to complete a more detailed disclosure form. MedAssets enforces and complies with these requirements and ensures all speakers for the respective accredited sessions complete the disclosure form accordingly. The Nursing Disclosure and Pharmacy Disclosure Forms are attached:**



Pharmacy Speaker  
Disclsoure Form.doc



MONA  
Combination Bio &



**Note: the Nursing Disclosure Form contains the header for the “Missouri Nurses Association.” This is an accrediting body on behalf of the American Nurses Credentialing Center.**

11. Describe any services or products the GPO or its affiliates provide to vendors on a fee-for-service basis (e.g. data, claims processing, etc.).

**MPMS provides technological support and market research to suppliers. Sg2 provides subscription-based market research and analytics to suppliers.**

12. 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 (e.g. safe harbor reports)? If this document is publicly available, provide an electronic link to this information.

**Yes, in accordance with the group purchasing organization safe harbor to the federal anti-kickback statute, the GPO fully discloses in writing to each customer (at least annually) the administrative fees received from each supplier for the purchases made by or on behalf of that customer.**

**Please refer to sample 2014 shareback disclosure letter and Disclosure Q&A attached below.**



2014 Disclosure QA 2014 Freestanding document - LEGAL A Disclosure Letter - LI

13. Does the GPO disclose to members all payments other than administrative fees the GPO receives from any vendor in the course of the GPO’s group purchasing activities (e.g. booth space, educational grants, marketing fees, honoraria, etc.) whether from the purchasing activity of those members or not? Describe your disclosure practices.

**The GPO does not disclose to its customers the dollar amount of sponsorship or educational funds received from suppliers, which are used to provide education and support for GPO customers. At HBS and the Expo, the GPO acknowledges receipt of exhibit and sponsorship funds from its suppliers (via signage, inclusion in meeting materials, and on the registration site). HBS and Expo attendees are provided with a meeting program for each event which contains the names of the event exhibitors and sponsors. The GPO 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.**

14. 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).

**The GPO revenue recovery department works with suppliers on all reporting discrepancies.**

## **MEMBER FEES**

15. Does the GPO pay fees or offer equity 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?

**The GPO does not pay any upfront incentives or offer equity to customers joining or renewing membership in its organization.**

**The GPO fully discloses all financial information as it relates to the customer as part of participation in the GPO and, specifically, makes annual disclosures of administrative fees. In addition, a report is distributed with administrative fee shareback checks to the customer. A copy of the administrative fee disclosure letter is attached in the response to Question 12.**

## **BID AND AWARD/CONTRACTING ISSUES**

16. Does the GPO have a publicly-available description of its bid and award process? If so, provide a link and written description of your bid and award process. If not, describe how it may be obtained.

**The GPO has a publicly-available description of its bid and award process that includes principles similar to those embodied in the Federal Competition in Contracting Act. This process can be accessed at:**

**<http://www.medassets.com/suppliers/Pages/Supplier-Registration.aspx>.**

**The GPO also posts a link on its website to a bid calendar of upcoming product and service categories for which the GPO expects to issue group purchasing RFPs. Information about the GPO's supplier diversity program is also available on the website.**

**<http://www.medassets.com/suppliers/Pages/Supplier-Resources.aspx>**

**The website provides a mechanism for an interested supplier to register itself in the GPO's sourcing system and to indicate the products and services it offers. In addition, the GPO has a process for members of its customer advisory committees and Spend Management Board ("SMB") members (composed exclusively of GPO customers) to identify additional suppliers to ensure they are included in each category of the RFP process.**

**GPO customers drive the GPO's contracting process. In 2014, the GPO's customer advisory committees and "Spend Management Board" ("SMB") set contract award criteria and awarded contracts based upon a supplier's ability to meet those criteria.**

17. Describe the GPO's requirements for how products or services are published so they are accessible to potential vendors. If a bidder is not awarded a contract, is that bidder able to review the decision criteria used to evaluate the bid? Include in your response a general description of the GPO's criteria for vendor selection.

The GPO's customer committees scrutinize summaries of each bidding supplier's response to the criteria set forth in the RFP in connection with making contract award decisions and recommendations. The general decision criteria (posted on the GPO's website, <http://www.medassets.com/suppliers/Pages/Supplier-Registration.aspx>) include:

- Potential to decrease purchase costs for the category
- Ability to provide excellent customer service and field support for MedAssets' customers
- Capability to provide products that meet the specifications of the customer advisory committee—for example, size, durability and a full line of replacement parts
- Ability to produce a safe product
- Capability to provide an environmentally-friendly product
- Sound financial condition—for example, recent financial reporting and favorable financial rating from an independent third party.

In addition to the general criteria, each RFP issued to interested suppliers also contains the list of key requirements that the GPO's customer advisory committee and leadership specified for the specific category. During negotiation of supplier proposals, GPO staff is available to all bidding suppliers to clarify any questions about the stated requirements. While contract award decisions are made by the SMB or relevant committee, notification of award status is done by MedAssets contracting staff. All suppliers are notified verbally whether they were accepted for an award. Further follow-up, if requested by a non-awarded supplier, is conducted on an individual basis.

If a non-awarded supplier requests information on the reason for the non-award decision, the sourcing negotiator responsible for the bid category will discuss with the supplier on an individual basis. All non-awarded suppliers are made aware that the SMB made the award (or non-award) decision. If there are specific reason(s) for the non-award (for example, economic value, failure to accept a key term, etc.), the sourcing negotiator will make those reason(s) known to the supplier during the individual follow-up.

18. Describe the GPO's policy with regard to the use of single, sole, dual, and multi-source procurement and provide an example or two to support use of these contracting tools.

The GPO's focus is on the needs of its customers. Typically, GPO 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. In 2014, all of the GPO's contracting strategies were determined by its SMB or Advisory Committees, comprised entirely of its healthcare provider customers (or in the case of custom contracting, by an authorized customer representative). The SMB, Advisory Committee, or the applicable customer (in connection with a custom contract), as applicable, determines whether to award a category as sole, dual, or a multi-source procurement contract. With the explicit direction of the SMB, Advisory Committee, or relevant customer, the GPO may negotiate a contract with the intent that it will be the exclusive award in a defined category. There were also situations in which the GPO negotiated more than one contract within a defined category, yet the SMB or Advisory Committee ultimately made only one award, thereby resulting in a "sole-source" contract. When available, the GPO provides a report obtained from an independent, third-party financial institution whenever a relevant customer committee considers a sole- or dual-source award. This report provides insight into the financial health of the applicable

suppliers so that the GPO may ensure that its customers enjoy an uninterrupted level of service from the awarded supplier. GPO customers are not prohibited from purchasing non-contracted products directly from the applicable suppliers in connection with any sole-, dual-, or multi-source agreement.

19. Does the GPO permit bundling of unrelated products or services from the same vendor or from different vendors? If so, under what circumstances would the GPO consider bundling to be appropriate?

As stated in the SOBC, “We do not agree to contracts that “bundle” or “tie” a clinical preference item with any other unrelated product.” In addition, the GPO does not (a) group unrelated products for increased discounts, or (b) bundle unrelated products from different suppliers. The GPO does offer optional programs and tiered pricing 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 GPO 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.

The GPO negotiates bundled discounts for customers only under limited circumstances. The GPO may group related products and services for increased discounts from the same supplier, but only to the extent that it will (a) not interfere with RFP competition, and (b) not interfere with the participation of specialized suppliers but generally prohibits the GPO from bundling unrelated products and services from the same supplier. For example, the GPO reviews product categories (as defined by our customer committees and leadership) as they are re-bid to ensure that GPO contracts do not bundle equipment, products and services, or services in such a way as to exclude small suppliers from contract awards. Related products are generally grouped by procedure or process. The GPO’s group purchasing categories are not defined by what the largest suppliers offer in their “product line.” Generally, contracts are bid and awarded by category (not by supplier) even though this may result in the GPO entering into several separate contracts with large, diversified suppliers. Pharmaceutical contracts are bid and awarded by broad therapeutic category (e.g., branded pharmaceuticals, generics, and fractionated blood products).

20. Describe the process for contracting for clinical preference items. Describe the GPO’s policy guiding the appropriate length/term of contracts for clinical preference products.

The GPO contracting process for clinical preference items is identical to the GPO contracting process for all other products and services, as described in the responses to Questions 16-18 above. No contract for a clinical preference item may have a term longer than three years unless the relevant clinical committee determines that (a) a longer term will provide incremental benefits to customers, and (b) the longer term will not adversely affect safety or patient care.

## **ADMINISTRATIVE FEES**

21. What is the GPO's practice regarding the amount of administrative fees accepted? If there is a written policy, please provide an electronic link or copy of the GPO's policy regarding these fees.

**The GPO does not accept administrative fees from suppliers over 3%. If a bidder responds with a higher administrative fee, then the GPO contract negotiators do not accept this response and require that the applicable bidder lower its administrative fee to the standardized administrative fee in order for consideration by the SMB. Customers are not required to purchase off any GPO contract and, if purchasing off a GPO contract, may purchase from any supplier the customer selects. Commitment requirements, if any, are measured on a contract-by-contract basis, at the sole discretion of the customer. In addition, in 2014, GPO customers (through advisory committees) made all group purchasing award decisions, which ensures that the GPO's interests do not encroach upon the best interests of its customers.**

22. Describe the conditions in which the GPO accepts administrative fees beyond 3 percent, requiring specific (not blanket) disclosure under the Federal Regulatory Safe Harbor provisions?

**The GPO does not accept administrative fees from suppliers over 3%.**

23. Describe the range of administrative fees accepted and examples of the types of contracts (without specifying specific proprietary information) that have administrative fees greater than 3 percent.

**The range of administrative fees paid to the GPO is equal to or less than 3%.**

## **PRIVATE LABEL PROGRAMS**

24. Describe whether the GPO has a private label program and if so, describe the products the private label program covers.

**The GPO 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.**

25. Describe the GPO's practice regarding administrative fees derived from a private label program.

**The GPO 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.**

## **VENDOR GRIEVANCE PROCESS**

26. Describe the GPO's policy and process with respect to responding to a vendor's grievance regarding the bid/award process.

**It is the goal of the GPO to administer a competitive yet fair contract bidding process as outlined above. Gathering and analyzing supplier 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, the GPO has developed a formal supplier grievance submission process.**

**The GPO supplier grievance process can be found at:  
<http://www.medassets.com/suppliers/grievance-process>.**

**Suppliers 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 GPO contract, may contact the company directly via email ([grievances@medassets.com](mailto:grievances@medassets.com)) within thirty days following the completion of the bidding process.**

- 1. The GPO will respond back immediately via email to acknowledge receipt.**
- 2. The GPO 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 the GPO to correct or improve future process execution based upon these findings.**

**Additionally, if there are any questions or concerns relative to our SOBC, our company policies, or if in dealings with the GPO, unethical or improper conduct is suspected, we request that our suppliers 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, suppliers, 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 SOBC as well as detailed information pertaining to the Helpline may be located in the [Corporate Governance](#) area of the company website.**

27. Did any supplier, since submission of the last GPO's Public Accountability Questionnaire, request an evaluation pursuant to the HGPII Independent Evaluation Process? If so, please provide information regarding the outcome of such evaluation.

**Since MedAssets' last Questionnaire was submitted in 2014, no supplier has requested evaluation pursuant to either the GPO's grievance policy or the HGPII IEP.**

28. Does the GPO participate in HGPII's Independent Evaluation Process?

**The GPO does participate in HGPII's Independent Evaluation Process.**

29. Is the HGPII Independent Evaluation Process displayed on the GPO's public website? If so, please provide an electronic link to this information.

**Yes. A link to the HGPII IEP is included on the GPO's supplier grievance process page, which is linked above.**

## **INNOVATION**

30. Describe the GPO's policy and process to evaluate and provide opportunities to contract for innovative products and services.

**At scheduled calls or meetings, the SMB and customer advisory committees discuss opportunities to contract for innovative products and services.**

**The applicable customer advisory committee may determine that a field evaluation of the product is necessary. The purpose of a product evaluation is to qualify suppliers for a potential contract award. This qualification process creates a highly competitive environment through which GPO customers can obtain cutting edge technology at the best prices.**

**In addition, each fall the GPO hosts its annual Technology and Innovation Expo (the "Expo"). This event brings together GPO contracting directors, the customers of the GPO product selection committees (materials managers and clinicians from member hospitals) and suppliers of new and emerging products, technologies and services. This approach provides a unique opportunity for GPO customers to review, evaluate and suggest products, technologies and services.**

**The subsequent sections of this response will review the supplier identification, evaluation and supplier follow-up processes at the GPO as well as the GPO's strategy to contract with suppliers of new technology throughout the year. Additional information will be provided about the enhancements to this event since its evolution, such as through the use of handheld scoring technology at the event to capture and automate committee member responses during supplier evaluations and new mechanisms employed to receive product submissions from perspective suppliers. The participation summary will provide additional detail about the growth of this program and its impact on the GPO contract portfolio.**

## **Supplier Identification**

The process of identifying and selecting suppliers for the Technology & Innovation Expo begins six months prior to the event with a review of the previous year's event, customer feedback, and the criteria and processes involved in the selection process. The target number for attendees each year is approximately 70 to 75, requiring a minimum of 200 applications submitted by suppliers. The GPO sourcing team selects suppliers and invites them to participate in the event based on the quality and caliber of products and services, customer experience and knowledge, and suggestions from the GPO sourcing team with in-depth industry knowledge. The GPO sourcing negotiators are responsible for researching each invited supplier to ensure they qualify and meet the participation criteria.

Potential invitees are screened and identified by the GPO sourcing staff through various sources. The GPO reviews completed [Supplier Registrations](#) and also references industry trade magazines, trade shows and other prominent healthcare journals. The Supplier Registration is an electronic web-based form located on the supplier resource section of the MedAssets website. This form collects key information about a supplier from basic demographic data to sales and service capabilities. It also requires suppliers to provide key information such as: basic demographic data, company history, sales and service capabilities and financial data. The supplier registration process ensures equal review of all interested suppliers and ensures that the GPO takes into account the following considerations: best overall value, product quality meets GPO customer needs, ability to meet customer service levels, breadth of product line, meets GPO reporting and e-commerce requirements, implementation assistance to customers, availability of value add services and products.

Other resources for innovative suppliers include the U.S. FDA's 510(k) database for premarket notification, the ECRI Institute and other online resources. In 2009, SCS further expanded the efforts to identify suppliers for this event by posting a press announcement in the Dail-e News, an electronic news resource for the healthcare industry, as an open solicitation for supplier submissions and recommendations to GPO contracting staff. The GPO has since continued to promote this event through the healthcare newswire. In 2011, the GPO began utilizing social media outlets such as LinkedIn to encourage healthcare entrepreneurs to apply for the event.

In 2010, the GPO implemented an [online application form for Innovative Technology Suppliers](#). This form is completed by prospective suppliers and is then reviewed by the GPO sourcing team. The sourcing director responsible for the product/service category submitted reviews each submission and determines whether or not an invitation to attend the Technology and Innovation Expo should be extended. The Innovative Technology application form includes elements such as the product/service category, the healthcare program(s) which best describe the target purchases of the product/service, if the product is FDA approved, if the supplier has an existing contract with the GPO, questions about the product's impact on safety and the environment, the diversity status of the supplier and most importantly it requests a description as to what makes this product/service new to the healthcare market.

For the 2014 Expo, the GPO received 225 applications via the online form. Applications which were not approved to receive an invitation were due to one or a combination of the following: product, technology or service does not represent our requirements for breakthrough or new technology in the healthcare market, product, technology or service will



only apply to a select group of customers and does not offer enough general appeal to all groups of attendees, product, technology or service does not fulfill an unmet need in the GPO's current customer base, product, technology or service offers similar benefits and advantages as a product, contract or service already offered in the GPO contract portfolio. In addition, an application may not have been approved if it was submitted after the published date and/or the event had already reached capacity.

In addition to the online application, the GPO also conducted a formal survey of approximately 20 advisory committees to solicit feedback and suggestions for prospective Expo suppliers. Committees represented include: Capital Equipment, Laboratory, Food and Nutrition, Value Analysis, Pharmacy, Materials Management and more. Collectively, these committees are comprised of more than 400 members. Committee member attendees include key decision makers who serve as directors, including assistant, administrative and corporate directors, and vice presidents of operations, finance, supply chain, materials management, facility resources, laboratory services, imaging, radiology and more. Committee members may also serve as CEOs, as well purchasing managers, contract portfolio managers and other supply chain professionals. The GPO received 12 customer referrals for the 2014 Expo. The GPO approved 112 invitations to prospective suppliers for the 2014 Expo, 72 of which attended and exhibited at the event.

The role of the Advisory Committee is very important to the GPO as part of our customer-led sourcing process. Advisory committees are responsible for providing guidance to the GPO sourcing team regarding the programs and services we offer today and in the future. They are of significant help in the contract decision making process, are influential in developing our portfolio and serve as the voice of the customer. This event provides a unique platform for a supplier wishing to introduce a new product or service to the healthcare market to be exposed to a core group of decision makers from leading hospitals across the nation as well as contracting decision makers from the GPO.

For the purposes of the Expo, the GPO defines New Medical Technology as any new or innovative supply, equipment or service, which offers significant technological advancements and/or significant improvement in clinical outcomes and/or an innovative approach that significantly improves the delivery of patient care and/or demonstrates a significant reduction in supply chain cost by streamlining work processes as compared to an existing product or service currently available in the healthcare marketplace.

### **On-site Evaluation Process**

Through the Expo, GPO customers provide evaluations regarding the value of the new technology, products and services and can recommend further evaluation by the Committees as a next step towards GPO contract recommendation.

Prior to the event, all registered exhibitors are required to provide detailed information about the product or service they will be exhibiting, along with information about what makes it innovative in comparison to what is currently available in the healthcare marketplace. Suppliers are also required to provide information about the impact their product or service has on creating a healthier environment, patient and/or employee safety and how it may improve the financial performance of customers in terms of cost savings or cost avoidance, such as by eliminating the occurrence of a hospital acquired infection. Importantly, suppliers

also provide references and indicate if they are a certified diverse-supplier. The GPO also requests suppliers to provide additional information about how their product or service supports customers in their efforts to reduce to cost of care or enhance revenue, results in more efficient inventory practices and how it positively impacts patient care.

This information is given to each committee member prior to the event for review and discussion and assists them to facilitate productive sessions with exhibitors they interact with at the event. It is also used by GPO committee leaders in individual committee meetings to brief committee members about suppliers specific to their focus area.

During the Expo, each Committee member is provided a mobile phone application that utilizes barcode scanning technology and allows each committee member to instantaneously evaluate each supplier and product. Back up manual surveys are also provided to members without smartphones. Suppliers and their products are evaluated based on the following criteria:

- This product represents an innovative technology, product or service.
- This product or service will improve the quality of care provided to patients at my facility.
- This product or service will improve efficiency at my facility.
- This product or service fulfills an industry need in healthcare.
- My facility would purchase this product or service.
- This product or service supports the environmental initiatives of my facility.

After the Expo, the data is compiled and reports are provided back to GPO staff. The completed report indicates each supplier’s overall average score and rank. This summarizes how the supplier scored in comparison to all exhibiting suppliers based on responses to each question. Additional detail provides a breakdown of how each supplier scored on each question. Results are also broken down to show how each committee voted. This is of particular interest to committees and GPO staff to further identify the needs in a given area of expertise.

### Participation Summary

For the past 13 years, the Expo has grown at a steady pace, both in the number of suppliers participating and in the contracts added to the GPO portfolio as a result.

Between the years of 2002 and 2014, 123 out of the 636 attending suppliers have received a contract or had their product added to an existing contract as a result of the Expo. Additional contracts are pursued by the contracting team, not all of which have come to fruition. The 2014 Expo was held on September 27 – 29 in Dallas, TX.

The table below provides information about the growth of the event and contracts initiated as a result.

Year	# of Suppliers Attending	# of Resulting Contracts
2002	11	4
2003	35	10

2004	46	12
2005	47	9
2006	48	9
2007	58	10
2008	63	12
2009	62	12
2010	62	8
2011	63	13
2012	71	13
2013	68	11
2014	72	
<b>Total Contracts</b>		<b>123</b>

### **Supplier Follow-Up**

Each participating supplier receives a follow-up letter from the GPO which provides them with the company’s overall average score, the maximum score possible and where this placed them compared to the other companies who exhibited. In addition, suppliers are provided information about which quartile their company finished in for each of the questions listed in the evaluation process described above as a result of their average for each questions.

High-ranking suppliers that meet the GPO’s eligibility guidelines will continue through the sourcing process. The GPO also continues to use the committee governance process to prioritize opportunities based on the feedback received from Expo attendees about the innovative products and solutions displayed at the Expo. Any supplier interested in a contract with the GPO will be asked to complete the [Supplier Registration Process](#) and meet the GPO eligibility requirements.

### **Contracting with New Technology Suppliers Throughout the Year**

In addition to the Expo, the GPO maximizes opportunities for emerging and new technology suppliers through an open and inclusive bidding and contracting process and through the customer-led sourcing process, as well as by generally including contractual terms in all of our supplier agreements that permit the GPO to contract for new technology at any time.

These processes offer opportunities for these suppliers to compete in the healthcare marketplace and contribute to a more diversified portfolio of innovative, quality products and competitiveness in the supply chain. Expo suppliers are also referred to the Supplier Resources page available on our public website.

31. Does the GPO have the right to enter into a GPO contract for innovative technology at any time during its bid and award cycle? Describe the process the GPO has for fostering the development of GPO contracts for innovative products.

Yes. The GPO 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.**

32. Are GPO members allowed to evaluate products and/or communicate with vendors, regardless of whether a vendor has a contract with the GPO?

**Yes. One of the strengths of our GPO is our flexibility when it comes to our customers' contracting approach. Our GPO offers our customers national GPO agreements, but we also assist our customers in identifying local contract opportunities, including any opportunity for new technology. Customers are not required to purchase from any GPO contract and, if purchasing from a GPO contract, may purchase from any supplier the customer selects.**

33. Are GPO members allowed to purchase non-contracted products or services directly from non-participating vendors?

**Yes. Customers are not required to purchase from any GPO contract and, if purchasing from a GPO contract, may purchase from any supplier the customer selects.**

#### **VENDOR DIVERSITY PROGRAMS**

34. Describe the GPO's program or activities that encourage contracting with small, women-owned and minority-owned and veteran-owned businesses.

**MedAssets ensures the inclusion of certified minority, women, veteran and small-disadvantaged businesses is an integral part of our strategic sourcing process. We maximize participation of diverse businesses through all business contracting opportunities and foster business relationships with diverse businesses to support and reflect the needs of our members.**

**It is MedAssets policy to maintain an open and inclusive sourcing process which proactively ensures access to contracting opportunities for certified minority, women, veteran and small-disadvantaged businesses. It is our commitment to develop policies, procedures and initiatives that will drive opportunity and sustainable business relationships with minority, women, veteran and small-disadvantaged owned businesses.**

**MedAssets will make every effort to offer a diverse supplier portfolio to meet the needs of our members' supplier diversity goals, encourage community economic development sustainable business relationships with certified diverse businesses. In the event that MedAssets supplier diversity portfolio does not meet particular members' needs, MedAssets policy will be to recommend to the Strategic Sourcing group that it grant compliance requests from affected members as necessary to enable such members to comply with applicable federal, state, local or self-imposed supplier diversity goals. Any such request is subject to the Strategic Sourcing group's normal approval process.**

**In 2014, MedAssets included language into each contract in support of supplier diversity. Contracted suppliers must provide due diligence to spend a minimum of 3% of its annual production and raw material costs with minority-owned businesses and a minimum of 2% of such costs with women-owned businesses. Such spend with diverse businesses will be**

monitored. In connection with such monitoring, supplier will be required to report diverse supplier spend to MedAssets monthly in a manner deemed acceptable by MedAssets. Failure to demonstrate the due diligence prescribed by MedAssets, shall be a material breach of any controlling contract between MedAssets and supplier.

Additional information can be found at: <http://www.medassets.com/suppliers/Pages/Supplier-Diversity.aspx>

35. Has the GPO increased contracting with small, women-owned, minority-owned and veteran-owned businesses over the prior year? If so, quantify these increases in terms of the number of contracted vendors and volume of sales through such vendors in each category.

The program currently offers customers 186 contracts in our national GPO portfolio 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. This is up from the 152 contracts last year. We have focused predominantly on delivering qualified first 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 GPO customers. The program is currently growing at a very healthy pace with new supplier opportunities and increased customer uptake. The volume of sales through diverse vendors has increased by 19.5% over the previous year. . It is also important to note that, even in sourcing situations where the number of suppliers are contractually limited (e.g., sole- or dual-source award), MedAssets' agreements allow for contracting with diverse suppliers, to suit the needs of our customers.

In 2014, the GPO continued to integrate diversity and had approximately 44 contracted diversity suppliers exhibiting at our annual HBS event (up from 40 diverse exhibitors at HBS in 2013). During this event we also recognized suppliers and customers for excellence in supplier diversity through our customer and diverse supplier excellence award.

#### **CODE OF CONDUCT**

36. Provide a copy of (as well as an electronic link to) your GPO's written code of business ethics and conduct and describe any changes from the previous HGPII reporting year.

The Standards of Business Conduct can be viewed and downloaded by anyone with internet access from the MedAssets, Inc. corporate web site

<http://ir.medassets.com/documentdisplay.cfm?DocumentID=2870>) and is also available to employees on the company's human resources intranet web site.

The SOBC includes the following key components:

- A Message from the Chairman, CEO and President
- Our Core Values
- Introduction
- Our Personal Responsibility
- Reporting Misconduct
- Employment Practices
- Safe & Healthy Work Environment
- Community Matters
- Customer and Supplier<sup>2</sup> Relations
- Conflicts of Interest
- Handling of Sensitive Information
- Safeguarding Assets

The SOBC reflects MedAssets' commitment to the highest ethical standards and to strict compliance with the law. The Governance and Nominating Committee and the Audit Committee of MedAssets, Inc.'s Board of Directors adopted the SOBC to provide MedAssets' employees, directors, and customer committee members with the resources necessary to responsibly conduct MedAssets' business. The SOBC sets forth policies to ensure MedAssets complies with all applicable laws and conducts business with the highest degree of integrity.

As stated in the "Our Personal Responsibility" section:

The Company [MedAssets] is committed to maintaining a high standard of business conduct. This means conducting business in accordance with the letter and spirit of applicable laws, rules and regulations and Company policies through the utilization of ethical business practices. Our managers are expected to lead by example, serve as a resource to employees when ethical questions arise, and be aware of emerging business trends that might impact business ethics and conduct. Any violation of the Standards is taken very seriously by the Company and can result in disciplinary action up to and including unpaid suspension and termination.

The Standards do not, by themselves, ensure ethical conduct. Each one of us has a personal responsibility to embody and model ethical behavior and is accountable for our own decisions and actions. We have a duty to be vigilant for circumstances that may indicate the existence of illegal or unethical behavior and act appropriately in a timely manner to prevent improper conduct. We must conduct ourselves in a way that preserves and enhances the Company's reputation in the business community. The Company relies on the good judgment and values of our Board and Senior Advisory Board members, officers and employees, and business partners to help make the right decisions for the right reasons.

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<sup>2</sup> MedAssets' current practice is to refer to "vendors" as "suppliers", as is reflected in the SOBC and in this document.

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

**The SOBC has not gone through any significant changes over the past 12 months.**



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37. 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. How often is the code of conduct provided to employees? Do employees receive annual refresher training on the GPO's ethics and the code of conduct? Describe the content of the training and the method of delivery.

**MedAssets provides its SOBC to all new employees at the time of hire and distributes a copy to all employees annually. With that annual distribution, each employee is required to certify receipt of the SOBC and to pledge to abide by its provisions (the Employee Acknowledgement is pasted in**

**In addition, we distribute the SOBC to GPO committee members, customers, and other business partners.**

**The GPO also includes a link to its SOBC in each Supplier Agreement:**

**MedAssets' Ethics Policies. [The GPO's] ethics policy is posted on MedAssets' website (<http://ir.medassets.com/documentdisplay.cfm?DocumentID=2870>). Supplier is encouraged to report violations of the policy to MedAssets' hotline (1.800.826.6762).**

**MedAssets distributes its SOBC to all members of clinical advisory committees annually and provides a copy of the SOBC to all GPO agents and contractors as part of any contract negotiation.**

**All new employees are given an introduction to the SOBC as part of their orientation program. New employees receive the orientation on the first day of employment. In addition, every applicant for employment certifies, in writing, that he/she will abide by the provisions of the SOBC as a condition of employment. The SOBC are reviewed and updated periodically throughout the year. Every year all employees receive the updated employee handbook and are required to electronically acknowledge receipt of, understanding of, and willingness to abide by all provisions of the SOBC.**

**Each year, all MedAssets employees certify receipt of the SOBC and pledge to abide by its provisions (a copy of the annual Employee Acknowledgment is attached above in response to Question 8). MedAssets does not offer an official "refresher" training course, but managers**

are available at any time to answer specific employee questions related to the SOBC. Each quarter, MedAssets offers special training sessions for all managers related to the SOBC. In addition, MedAssets has made available a hotline for all employees, agents, customers, and suppliers to anonymously report any perceived non-adherence to policies and procedures, SOBC, laws, regulations, and in general moral and ethical dilemmas.

38. 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.

MedAssets has established a Helpline for use by its employees, officers, board, customers, suppliers and shareholders that is operated by an independent firm (Global Compliance) twenty-four hours a day, seven days a week. 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 SOBC. All matters reported through the Helpline are kept in written report format by the Global Compliance, which is available online to limited MedAssets personnel (including the MedAssets Compliance Officer, General Counsel, and other members of the legal and HR teams). The Helpline is monitored by MedAssets' Compliance Office and Chief Legal Officer and a report is given at least twice a year to the Governance and Compliance Committee. In addition, two Vice Chairmen of the MedAssets Board of Directors (who are the respective chairs of the Audit and Compliance, Governance and Nominating Committees) have direct access to the Helpline reports.

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.

MedAssets has a non-retaliation policy included in its SOBC 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 Office, or the Helpline.

The individual making a report to the Helpline is kept informed of MedAssets' investigation process through Global Compliance. MedAssets communicates status and information through Global Compliance, who then communicates the information to the individual.

The SOBC 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.** If an employee does not feel reporting a violation to his/her direct supervisor, the employee can bring forward his/her concern through one of the other available mechanisms.

**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)**

## **REPORTING POTENTIAL ETHICAL VIOLATIONS**

39. What process is used to protect the confidentiality of the reporting employee's identity and what safeguards are in place to mitigate the opportunities for retaliation?

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

**MedAssets has a non-retaliation policy included in the SOBC 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 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.**

40. Describe how the GPO follows up on reports of suspected violations of the code of business ethics and conduct to determine if a violation has occurred and if so, who was responsible. Describe corrective and other actions taken in such circumstances.

**The Chief Legal Officer, Deputy General Counsel, Associate General Counsel, and the SVP for Corporate Governance & Compliance of MedAssets, Inc. each receive notification from 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. Additionally, the chairpersons of the Audit and the Governance and Nominating Committees of the MedAssets, Inc. Board of Directors have direct access to the Global Compliance incident database and are able to review incident reporting.**

41. Describe the processes the GPO follows up on, to monitor on a continuing basis, adherence to the written code of business ethics and conduct, and compliance with applicable federal laws.

**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 the SOBC. The SOBC provide various mechanisms for reporting potential compliance violations, as noted in this Response. Relevant incidents reported through the Helpline or communicated internally are investigated and reviewed with the Audit Committee and the Governance and Nominating Committee no less frequently than quarterly. In addition, any significant matters that may involve compliance issues are reported immediately to the Audit Committee. Internal auditors participate in on-going investigations as necessary, perform internal controls testing and conduct 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. In addition, the Associate General Counsel who specializes in HR and employment-related law and relevant issues conducts regular (usually quarterly) training of all new MedAssets managers, which includes training on the SOBC and all HR and employment-related laws.**

42. Are periodic reports on the GPO'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? Are periodic reports on the company's participation in HGPII made to the GPOs Board of Directors or to a committee of the Board? If so, please state how often and in general, what information is reported.

**The MedAssets, Inc. Audit Committee and Governance and Nominating Committee of the Board of Directors are responsible for oversight over the company's corporate governance and compliance program. The company's Chief Legal Officer communicates at least quarterly with these Committees regarding corporate governance and compliance matters.**

**During 2014, the board of directors for MPMS was comprised of two members, who are both members of the MedAssets, Inc. Board of Directors (John Bardis and Rand Ballard). The MedAssets, Inc. 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 the GPO's 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 responses to previous Questions for more detailed information regarding the Helpline.)**

43. How many of your GPO employees attended the Best Practices Forum in 2014? Include the name of the most senior executive who attended.

**Four employees attended.**

**Rand Ballard – Senior Executive VP, Chief Customer Officer**  
**Erin Terrell – Senior Corporate Counsel**  
**Justin Thompson – VP, Senior Corporate Counsel**  
**Mark Miriani – Senior VP, Supplier Relations**

44. List the name, title and contact information of the senior manager assigned responsibility to oversee the business ethics and conduct program. Provide the name, title and contact information for the individual(s) responsible for responding to this report.

**Contact information for senior manager assigned responsibility to oversee the business ethics and conduct program:**

**Jonathan H. Glenn**  
**MedAssets, Inc.**  
**Executive Vice President, Chief Legal Officer, and Corporate Secretary**

**MedAssets, Inc.**  
**100 North Point Center East, Suite 200**  
**Alpharetta, GA 30022**  
**678.248.8395 (direct line for Senior Legal Administrator, Jen DeYoung)**  
**[jglenn@medassets.com](mailto:jglenn@medassets.com)**

**Contact information for individuals responsible for responding to this report:**

**Jonathan Glenn, Executive Vice President, Chief Legal Officer, and Corporate Secretary ([jglenn@medassets.com](mailto:jglenn@medassets.com));**

**Justin Thompson, Vice President and Senior Corporate Counsel ([Justin.Thompson@medassets.com](mailto:Justin.Thompson@medassets.com)); and**

**Merritt Quigley, Corporate Counsel ([mquigley@medassets.com](mailto:mquigley@medassets.com))**