

**THE CHILDREN'S MERCY HOSPITAL
FINANCE MANUAL
SUPPLY CHAIN SERVICES POLICY**

TITLE: Supplier Management and Relationship Policy

EFFECTIVE: 12/2022

REVISION DATE:

REVIEWED WITH NO CHANGES:

RETIRED:

PURPOSE:

This policy is intended to:

- Provide guidance on [Suppliers](#) doing business or intending to do business with The Children's Mercy Hospital (the "Hospital").
- Engage the use of the vendor credentialing system to ensure safety and compliance by Suppliers interfacing with the Hospital. This system will control Supplier access to the Hospital's facilities and ensure that Supplier onsite visits are pre-authorized and identified.
- Establish consistent expectations and standards for Suppliers and the Hospital, to interact effectively and appropriately with an equitable foundation of mutual understanding and respect, in accordance with the Hospital's policies and requirements.

Note: This document replaces the *Vendor Management Policy* and the *Vendor Relationship Policy*. The content contained herein also replaces the following previously published documents: *Vendor Access Management Policy* and *Facility Access: Medical Vendor Representatives, Non-Medical Vendor Representatives, Construction Personnel and Consultants Policy*.

LOCATION/SCOPE:

This policy applies to all employees of The Children's Mercy Hospital. For avoidance of doubt, employees of corporate affiliates of the Hospital, such as Children's Mercy Affiliated Practices, are not covered by this policy.

DEPARTMENT(S) RESPONSIBLE FOR POLICY MANAGEMENT AND EXECUTION:

Supply Chain Services, Occupational Health, Security

POLICY STATEMENT:

As vital business partners, Suppliers should be treated with courtesy, respect and consistent expectations regarding their interaction with the Hospital. Suppliers doing business with the Hospital should reciprocate with similar courtesy and respect, especially as it relates to onsite interaction, the procurement process, business decisions and strategies.

I. Policy Compliance

Failure by the Supplier to comply with this policy must be reported to Procurement and Contracting and Security for appropriate action, which may include restricting access to Hospital facilities and loss of future consideration and/or permanent disqualification on current business with the Hospital. Any exceptions to the requirements of this policy must be approved in writing by the EDL-responsible VP/SVP/EVP and the VP of Procurement and Contracting.

II. General Principles

A. Product and Supplier Selection

The Hospital seeks to employ the highest ethical standards of business practice in source selection, negotiation, determination of contract awards, and the administration of all purchasing activities. The selection of contractors and Suppliers is based on objective criteria including national contract affiliation, quality, technical excellence, financial state, price, delivery, and service. Purchasing decisions are based primarily on the Supplier's ability to meet the needs of the Hospital, not on personal relationships or friendships.

The following are the key elements of the Hospital's product and Supplier selection:

- As a member of the Vizient group purchasing organization (GPO), the Hospital gives priority to Vizient's national agreements for supplies, equipment and services.
- The Hospital's [Value Analysis Council \(VAC\)](#) will evaluate purchasing options among the GPO contracts and other available alternatives to determine which supplies will be provided to the Hospital, with the intent to standardize in support of patient safety, quality and cost effectiveness.
- Only Food and Drug Administration (FDA) approved products will be selected unless the Institutional Review Board (IRB) approves use of the product under a research protocol.
- Use of emergency/urgent items and trialing of products require review, approval and authorization through the appropriate value analysis subcommittee and in accordance with contracting policies.
- The Supplier selection process is managed by the Hospital's Procurement and Contracting team, which serves as the primary point of contact for Supplier inquiries and responses to requests for proposals or pricing.
- The Hospital will strive to include Diverse Suppliers in the procurement process, with evaluation and selection based upon the Supplier's ability to meet the quality, cost, delivery and service requirements as established through a competitive bid process.

1. Product Introductions, Changes and Upgrades

- a. Suppliers will introduce all new, changed or upgraded products to Procurement and Contracting prior to introducing any product to any other department at the Hospital. Clinical product Suppliers, in conjunction with Hospital leaders, must complete the [New Product Request Form](#) located in the Value Analysis Management System (VAMS) to initiate review by the value analysis subcommittees.

- b. Suppliers may be asked for product samples for inspection. The Hospital expects the Suppliers to provide the product samples at no cost to the Hospital.
- c. If an unapproved product is needed in an emergent situation, the department director and Procurement and Contracting must be notified and the urgent request justification portion of the [New Product Request Form](#) must be completed. Products must have approval by the FDA or IRB before being used in any procedure. The notification must include the rationale for the emergent use, FDA or IRB approval documentation, and any other supporting documents needed to complete the [New Product Request Form](#). Approval must be given by the authorized vice president prior to product use.

2. Product Decisions

The VAC reviews product requests submitted and makes the final decision to accept or reject a product based on the overall process described in the [Value Analysis Program Policy](#).

3. Product Trials and Samples

A product trial may be requested by the sub-committee reviewing the product, prior to submission to the VAC. Product trials will be conducted by Value Analysis leadership and Hospital employees chosen to evaluate the product or service. Suppliers will work with the Hospital to conduct the trial in accordance with the trialing requirements described in the [Value Analysis Program Policy](#).

Suppliers whose product competes with products covered by a sole source or committed contract are prohibited from visiting any location unless the Hospital is in the process of renegotiating those items and has requested representation of additional manufacturers.

Suppliers who are awarded national contracts with the Hospital's affiliated group purchasing organization (GPO) may only meet with relevant departments whose products are covered under the GPO agreement. These discussions will take place only after Procurement and Contracting or Pharmacy, as applicable, has completed the initial review of the products and the Supplier has received authorization to proceed.

No samples or trial products will be sent to or left at the Hospital without pre-approval from Procurement and Contracting. Should a Supplier leave a product without permission, the Supplier accepts full liability for any incident involving such product.

- Drug samples are not permitted.
- Non-drug and formula samples are for patient use only and shall be limited to a few days' supply and only in accordance with the Hospital policies, including the [Patient Inducement Policy](#).
- Product samples are limited to patient use or for Hospital evaluation only. Requests for product samples must receive approval through the VAC.
- Samples shipped or delivered to a receiving party no longer with the Hospital or needing the samples should be processed accordingly:

- a. Attempt to return the samples.
- b. If unable to return and applicable (for example, soap), provide to another department or to a community non-profit such as Ronald McDonald House in accordance with Hospital policies.
- c. If the above is not feasible, the samples will be trashed. Personal use by staff is prohibited.

4. Equipment

- Any equipment requested for evaluation must be coordinated with Procurement and Contracting and Biomedical Engineering.
- A purchase order is required before delivery of equipment or supplies to the Hospital for items to be used for patient care.
- All medical equipment must be inspected by Biomedical Engineering prior to use or demonstration. Complete a [work request](#) to begin this process.
- Known or suspected defective devices or hardware removed from a patient during a procedure cannot be removed from Hospital property by the Supplier without a completed, written authorization and approval from the Office of the General Counsel/Risk Management.

B. Supplier Facility Access and Visits

1. In general, Suppliers of products/equipment/services approved by the VAC and contracted by the Hospital will be granted facility access to support approved products/equipment/services in accordance with the Hospital's procedures and guidelines, including:
 - Registering in the vendor credentialing system to ensure compliance with access policies and requirements.
 - Scheduling appointments prior to visiting any facility departments. Drop-ins and cold calls are not permitted. The Supplier representative will be granted access only to individuals with whom they have an appointment. Violators will be escorted from the premises with non-compliance to Hospital policy noted in the Supplier's record.
 - Reporting and checking in through the designated security entry points upon arrival at the Hospital. At Hospital locations with security check-in stations, Supplier representatives will be required to obtain a visitor badge.
2. Hospital employees will follow Procurement and Contracting's procedures for engaging and interacting with Suppliers, including providing advance notification to Procurement and Contracting of Supplier onsite visits.
3. Procedure Room Supplier Requirements
 - Procedure Room Suppliers must wear their own scrubs or street clothes into the Hospital facility, change into Hospital-provided scrubs, and then change back into their own street clothes or scrubs upon leaving the Hospital facility. No Hospital-provided scrubs will be worn into, or out of, any Hospital facility.
 - Suppliers must wear their day badge, as well as their company ID/name badges, on top of their Hospital-provided scrubs, in plain view for easy identification.

- Suppliers must follow the procedural area's attire policy.
- Upon arrival, Suppliers must check in at the department-designated location.
- Suppliers requiring after-hours access to Hospital procedural areas must contact the Charge Nurse Supervisor or Trauma Nurse Supervisor/Hospital Shift Supervisor on duty and meet all criteria prior to entering the procedural area.
- Suppliers must wait in the department-designated area until called to a procedure room.

4. Non-Procedure Room Supplier Requirements

- Non-Procedure Room Suppliers must wear their day badges in plain view on their street clothes.
- Non-Procedure Room Suppliers must provide advance notice to the value analysis manager (VAM) and/or department director of their visit.

C. Vendor Credentialing System

1. Required Registration in the Vendor Credentialing System

The Hospital uses a web-based vendor credentialing system ([Symplr](#)), which can be found at <https://vcsdatabase.com/login>. This system allows the Hospital to track Supplier activities including Supplier compliance to health care sanctions, management of appointments, validation of education and training, background checks and health screenings. Failure of the Supplier to register the required information within the system will prevent the Supplier from gaining access to the Hospital.

2. Credentialing Suppliers

Upon completion of the online registration by the Supplier, the Supplier's data is verified and validated against the standards set by the Hospital.

D. Purchase Orders

Procurement and Contracting personnel are the only authorized representatives of the Hospital allowed to commit Hospital funds and place purchase orders.

A purchase order, issued by Procurement and Contracting, is required before delivery of equipment or supplies to the Hospital for use in patient care and for payment to the Supplier for products or services.

If a purchase order cannot be obtained in advance for items or services not for patient care, Procurement and Contracting will be notified by the Supplier as soon as possible after product is used or service performed for a purchase order to be issued.

E. Business Gratuities

Hospital employees cannot accept gifts, entertainment or anything of value from current or potential Suppliers unless specifically permitted by the [Gifts and Gratuities Policy](#).

Business meals paid for by Suppliers may be accepted only when specifically permitted by the [Gifts and Gratuities Policy](#).

At all times, any item provided must not be intended to evoke any form of reciprocation.

F. Supplier Code of Conduct

Suppliers will receive a copy of and must adhere to the [Children's Mercy Code of Conduct Policy](#). If there are questions or concerns, the Supplier should contact Supply Chain Services. Suppliers are expected to:

- Complete all necessary paperwork to be fully credentialed through the Hospital's vendor credentialing system ([Symplr](#)) before entering a Hospital facility. A day badge will only be issued if a Supplier is providing an in-service that day to Hospital staff, and the in-service is on an already approved product purchased by the Hospital.
- Follow-up accordingly to ensure all documents are current in the Symplr credentialing system.
- Honor and support Hospital decisions regarding product selection or non-selection.
- Be on time for all scheduled appointments.
- Assist the Hospital in all aspects of conversion of the Hospital-approved Supplier's product for trial or ongoing use. This includes providing guidance, instruction, in-service, technical advice and expertise, as the Hospital deems necessary.
- Ensure that no new, changed or upgraded products are introduced into any department of the Hospital by the Supplier without first gaining approval from the VAC.
- Ensure that an appointment has been made with an authorized Hospital staff member prior to arriving at the Hospital facility. Suppliers will not be allowed in any Hospital facility area without a pre-scheduled appointment.
- Report to the department or procedure room on time when their presence is requested by a Hospital staff member. The Supplier must be fully prepared to support the clinical staff or procedure room staff as requested, or if an in-service is to be performed in any area of the Hospital.
- Ensure that [Bill Only](#) documentation is properly listed and priced on an official invoice from the Supplier. Bill Only invoices should be submitted to the Operating Room Department Materials Management within 24 hours of completion of the case.
- Ensure that all equipment brought into the Hospital for trial, installation or temporary use is inspected by Biomedical Engineering prior to issue and use. All preventive maintenance (PM) inspection forms must be maintained and current on loaner generators/equipment owned by the Supplier and made available to Biomedical Engineering for reference.
- Obtain authorization from Procurement and Contracting or the VAC prior to providing product samples directly to Hospital employees, clinical staff, admitting physicians or directors.
- Obtain authorization from the appropriate department director and the Vice President of Procurement and Contracting prior to removal of any supply items from the Hospital, including supplies they have previously delivered.
- Not engage in any "cold call" sales efforts.

- Execute a Business Associate Agreement if deemed necessary by Hospital personnel.

DEFINITIONS:

Bill Only means a supply item (typically an implant) delivered directly by a Supplier before a purchase order has been issued.

Suppliers are entities and individuals that have or are seeking to enter a business relationship with the Hospital to provide, sell, support or service the Supplier's products or services.

Symplr is a Supplier contracted by the Hospital to provide Supplier management and vendor credentialing services. The services include kiosks located at Hospital entrances where Suppliers can interface with the software-enabled system to provide credentials and to check in and out when onsite for an appointment.

Value Analysis Council (VAC) is a multi-disciplinary body established to provide product and clinical service selection within a framework of excellent patient care.

REQUESTS FOR GUIDANCE REGARDING THIS POLICY:

Requests for guidance regarding this policy will be directed to the Executive Leadership Team sponsor.

BUSINESS CONTINUITY AND DISASTER (BCD) PLAN:

Unless otherwise indicated, requirements in this document remain applicable during a business continuity and disaster (BCD) situation.

MEASUREMENTS/METRICS:

RECOURSE FOR NON-COMPLIANCE:

Non-compliance will be addressed in accordance with the [Conduct and Corrective Action Policy](#).

RELATED POLICIES:

[Children's Mercy Code of Conduct Policy](#)

[Contract Review and Agreement Policy](#)

[Cyber Third-Party Risk Management Standard](#)

[Diverse Supplier Policy](#)

[Gifts and Gratuities Policy](#)

[Hospital Formulary Policy](#)

[Information Security Policy](#)

[Patient Inducement Policy](#)

[Procurement Policy](#)

[Reporting and Mitigation of Conflicts of Interest and Conflicts of Commitment Policy](#)

[Value Analysis Program Policy](#)

RELATED FORMS:

[Medical Equipment Repair Request](#) (Clinical Engineering Work Request)

[New Product Request Form](#) (VAMS)

REFERENCES:

[Value Analysis Program](#) page on the Scope

REGULATIONS:

Health Information Technology for Economic and Clinical Health Act (HITECH Act)

KEYWORD SEARCH:

representatives, samples, credentialing, background check, confidentiality, health care sanction, outside vendors, pharma, pharmaceutical representatives, drug reps, vendor, vendor relationship, samples, cold calls, vendor passes, Symplr, business gratuities, vendor code of conduct, vendor behavior, product trials, GPO, Vizient, VAC, PHI

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REVIEW PERIOD:

Three (3) years

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