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# UHHS P&P

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University Hospitals Health System  
Policy & Procedure Manual

## Physicians Access to Vendor Agreements

### SCOPE

This Policy applies to University Hospitals Health System, Inc. and all of its wholly-owned entities and University Hospitals Faculty Services, Ltd. (collectively “UHHS”), including all UHHS employees, medical staff members and, wherever appropriate, others who provide services to UHHS.

### PURPOSE


To establish guidelines under which a non-employed physician or physician group may purchase products or services directly or indirectly under UHHS vendor contracts.

### DEFINITIONS

- I. **UHHS MSO** means a UHHS entity or business unit that provides management services, business office services, and other contract services to or on behalf of Physicians.
- II. **UHHS Vendor Contract** means a contract between UHHS and a vendor for products or services.

### POLICY

- I. UHHS discourages the sale of items from UHHS inventories and the re-sale of items and services under UHHS vendor contracts to non-affiliated physicians and physician groups. The Senior Vice President, System Services must approve sales of items from UHHS to a physician or physician group and such sales must be made pursuant to this Policy.
- II. Non-affiliated physicians or physician groups may purchase UHHS Vendor Contract items and services from UHHS, but may not purchase directly from vendors pursuant to a UHHS Vendor Contract.


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- III. Affiliated physicians and physician groups receiving management services through a UHHS MSO are eligible to purchase items and services under UHHS Vendor Contracts, subject to this Policy.
- IV. UHHS may only sell drugs or pharmaceuticals from a UHHS pharmacy to a non-employed physician or physician group to the same extent and on the same terms as such drugs or pharmaceuticals are sold to the general public and only to the extent permitted by applicable law.
- V. This Policy does not apply to arrangements involving physicians employed by UHHS.
- VI. Nothing in this Policy prohibits non-employed physicians or physician groups from purchasing directly from vendors using prices and terms mutually negotiated by the physicians or physician groups and vendors.

## PROCEDURES

- I. Indirect Re-Sales. The Senior Vice President, System Services approves sales of items from UHHS to a physician or physician group. Such re-sales of UHHS Vendor Contract items or services to a physician or physician group may be made only so long as such re-sale:
  - A. Is pursuant with the UHHS policy on Physician Purchasing Items or Services (PT-9),
  - B. Is not prohibited by the UHHS Vendor Contract under which UHHS purchases the items or services, and
  - C. Would have no potential adverse tax, antitrust or other legal consequences for UHHS.

The Senior Vice President, System Services must consult with the UHHS Law Department, Finance Department and Organizational Integrity Department as to whether such re-sale arrangement might have potential adverse tax, antitrust or other legal consequences for UHHS.
- II. Direct Access. Affiliated physicians and physician groups managed by a UHHS MSO and UHHS MSOs may purchase items and services directly under UHHS Vendor Contracts subject to the following requirements:
  - A. The managed physician, the managed physician group or the UHHS MSO (depending on the individual or entity accessing the UHHS Vendor Contract) must be listed as an eligible party under the relevant UHHS Vendor Contract.
  - B. The managed physician or managed physician group receiving the item or service must be under an arrangement pursuant to the UHHS policy on Management Services Agreements Involving Physicians (PT-8).

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- C. The ability to purchase under each UHHS Vendor Contract will be subject to any contractual terms therein or other applicable legal requirements prohibiting or limiting the purchases thereunder by the managed physician, managed physician group or the UHHS MSO, including any separate pricing tiers applicable to such purchasers.
- D. The terms and conditions of any participation arrangement with a managed physician, managed physician group or UHHS MSO shall be based upon fair market terms and fair market value pricing. Any purchase must be made in accordance with UHHS purchasing procedures.
- E. No managed physician practice, managed physician group or UHHS MSO purchasing services under a UHHS Vendor Contracts may, or may represent to any third party to such contract that they can, modify, amend or waive in any manner, the terms of such contract on behalf of the UHHS party to such contract.

**SEE ALSO**

In the UHHS P&P:

- PT-8, Management Services Agreements Involving Physicians
- PT-9, Physician Purchasing Items or Services

<b>APPROVALS</b>	
 _____ CHIEF EXECUTIVE OFFICER	<u>7/18/05</u> Date
 _____ SENIOR VICE PRESIDENT	<u>7/18/05</u> Date