Staying Ahead of the Curve: Your Guide to the Evolving Supply Chain

October 16-18, 2006
Ritz-Carlton & JW Marriott
Orlando Grande Lakes
Orlando, Florida

Final Program
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We gratefully acknowledge their contributions to the enhancement of the educational programs and wish all to know that the opinions expressed by the assembled speakers do not necessarily represent the views of any of the sponsoring organizations, their employees or their management.
On behalf of the Health Industry Group Purchasing Association (HIGPA), we welcome you to the 2006 International EXPO.

Themed “Staying Ahead of the Curve: Your Guide to the Evolving Supply Chain,” this year’s event is designed to address the unique challenges facing healthcare GPOs, IDNs and suppliers. We have worked hard to make improvements and add many new or improved networking and information exchange opportunities for you to attend as well as an enhanced educational program to this year’s event. We have installed hard-walled offices in our reverse tradeshow so you can conduct your business discussions in privacy. Our educational program has been expanded and follows five focused tracks on the latest topics facing the supply chain.

Be sure to attend this year’s new small GPO/IDN networking breakfast with supplier partners, which will be held Tuesday, October 17 from 7:30am – 8:30am.

You can find more information on all of these other events at the EXPO by reviewing this final program. Should you need anything or have any questions while attending the conference, please see our helpful staff at the registration desk or find a member of the EXPO Steering Committee.

The HIGPA EXPO truly brings together the links of the supply chain, and we hope you enjoy the many educational and networking opportunities available to you. Thank you for joining us in Orlando!

Sincerely,

Alfred LoBiondo
HIGPA Chair

Laura Gronowski
EXPO Steering Committee Co-Chair

Bill Barr
EXPO Steering Committee Co-Chair
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Vice President of National Accounts, Tyco Healthcare
An official name badge is required for attendance at all EXPO Educational Sessions and Networking Events.

**NOTE to the Press:** The EXPO Educational Sessions are for the benefit of paid attendees. These sessions are not considered press conferences, and we respectfully request that members of the press refrain from asking questions from the floor until HIGPA members and guests have had an opportunity to do so.

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### Sunday, October 15

**2:30pm – 6:00pm**

**Registration Open**  
*Mediterranean Ballroom Foyer*

**4:30pm – 6:30pm**

**HIGPA Member Reception**  
*Valencia Terrace*

**Sponsored by:**

Kick off the 2006 International EXPO by attending this member reception, located on the venue’s beautiful outdoor patios. Enjoy cocktails and hors d’oeuvres as you mingle with fellow attendees.

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### Monday, October 16, 2006

**8:00am – 2:30pm**

**2006 EXPO Golf Classic**  
*Ritz-Carlton Golf Club*

The 2006 EXPO Golf Classic will be played in a scramble, shotgun start for all levels to enjoy the tournament. Enjoy 18 holes of golf, cart rental, breakfast, lunch, and the new 19th Hole Reception as you network with peers.

Proceeds from this event will be donated to the Health Careers Foundation (HCF). HCF provides scholarships and low-interest loans to healthcare students, especially “non-traditional” (adult) students whose financial aid options are limited.

**9:30am – 7:00pm**

**Registration Open**  
*Mediterranean Ballroom Foyer*

**2:30pm – 3:30pm**

**2006 EXPO Golf Classic 19th Hole Reception (registered golfers only)**  
*Fairways Lawn*

New for 2006, the EXPO Golf Classic 19th Hole Reception provides a unique networking opportunity for all vendor and GPO Golf Classic participants to enjoy after playing a round of golf.
Monday, October 16, 2006 continued

3:45pm – 4:30pm
Meeting of the Members
(Industry Members only)
*Mediterranean Ballrooms 1&2*

4:30pm – 5:15pm
State of the Organization Address
(Affiliates and Industry Members only)
*Mediterranean Ballrooms 1&2*

6:00pm – 7:00pm
Welcome Reception
*Valencia Lawn*
*Sponsored by:*

All EXPO attendees are invited to attend this cocktail reception before the Opening Dinner and Keynote Speaker.

7:00pm – 9:15pm
Opening Dinner & Keynote Speakers
*Mediterranean Ballrooms 4&5*
*Sponsored by: OLYMPUS®*

Attendees will enjoy dinner as they listen to the opening keynote speaker presentations.

**Building a New Healthcare Foundation: Transparency, Value and Patient-Centered Care**

Carol Kelly, Director, Office of Policy, Centers for Medicare and Medicaid Services

CMS' drive toward a more open, value-based healthcare environment puts the patients’ role front and center. To make effective healthcare decisions, patients need transparency; a clear view of the provider landscape coupled with insight into their own health status and its implications for their care. CMS is working in several areas to provide the foundations for patient centered care, in particular through quality measures that measure relative provider performance, publication of both price and performance information, and healthcare information technology that delivers knowledge to wherever a healthcare decision is made. Kelly will share with attendees how CMS is building this new healthcare foundation during this session.
Lou Holtz, Retired Notre Dame University Head Football Coach

Lou Holtz, one of the most successful college football coaches, has built a reputation as a motivator, demanding disciplinarian and someone who relishes challenges and hard work. Since his departure from Notre Dame University in 1996, Holtz currently serves as a college football studio analyst on ESPN, appearing on ESPNEWS’ ADT Coaches Spotlight, ESPN2’s College GameDay programs and SportsCenter. Holtz speaks on overcoming seemingly impossible challenges by setting your own goals and working to achieve them. He focuses on people and the values that make relationships (and organizations) excel. This motivational session will reveal why Holtz is considered a legendary team leader and speaker on achievement.

9:15pm – 11:00pm
EXPO Reception & Evening Lounge
Palazzo Ballrooms A-D
All EXPO attendees are invited to relax and mingle with fellow attendees during this evening lounge reception following the Opening Dinner and Keynote Speaker Presentations. Attendees will enjoy the sounds from Bobby Pickwood and Samba Soul. Also, a Cuban cigar roller will demonstrate his craft for attendees to partake.

Tuesday, October 17, 2006

7:30am – 4:00pm
Registration Open
Mediterranean Ballroom Foyer

7:30am – 8:30am
Continental Breakfast
Mediterranean Ballroom Foyer
Sponsored by:

7:30am – 8:30am
Small GPO/IDN & Supplier Networking Breakfast
Segura 1&2
Smaller, non-exhibiting GPOs and IDNs will be able to discuss their specific purchasing needs with suppliers during this networking breakfast.
Tuesday, October 17, 2006

8:30am – 9:45am

**General Session: GPO Performance and Competitive Advantage: Results from a National Survey of Hospital Executives**

*Mediterranean Ballrooms 4&5*

**Sponsored by:**

Lawton Burns, Professor of Health Care Systems and Management Director, Wharton Center for Health Management and Economics

During 2005-2006, the Wharton School surveyed U.S. hospital executives regarding their GPO’s performance. This session will review the results from the national study. The findings revealed during this session will cover controversial areas such as access to new technology, sole-source and bundled contracts, and GPO compliance with the HIGPA code of conduct principles. The session will also suggest ways to achieve competitive advantage.

10:00am – 12:30pm

**Reverse Tradeshow Open***

*Coquina Ballroom*

The Reverse Tradeshow will feature hard-walled, private offices for GPOs/IDNs to present their business models and areas of purchasing to the supplier community.

*All EXPO attendees will be given a ticket that designates their timeframe to attend the Reverse Tradeshow.*

12:30pm – 1:30pm

**Open Time for Lunch**

1:30pm – 2:45pm

**Concurrent Educational Breakout Sessions**

**The “Links” of the Supply Chain Track**

**Hurricane Katrina and its Aftermath: Contingency Plans at Ochsner Health System Keep the Hospital in Operation**

Grant Walker, Vice President, Support Services, Ochsner Clinic Foundation

*Mediterranean Ballrooms 1&2*

**Prepare – “Survive” – Recover.** Hurricane Katrina forever changed the City of New Orleans. Mr. Walker will outline the reasons why his hospital survived the storm as the only fully operational health system in the New Orleans Metropolitan area. Learn from this health system’s critical success factors, including how they hardened their facilities, set up stand-alone backup infrastructure, and survived day-to-day operations in a city with little public services and under Marshall Law for over two months. Gain an understanding of what you can do to prepare your organization for a similar disaster. This presentation is a must for all in healthcare leadership.
Future Trends Track

**Emerging Environmental Issues in Healthcare Purchasing**

**Mark Rossi**, PhD, Senior Research Associate, Health Care Without Harm

**Sarah O’Brien**, Champion Coordinator, Hospitals for a Healthy Environment (H2E)

*Mediterranean Ballroom 3*

One of the most significant recent trends in healthcare has been the increasing embrace of environmental issues by thousands of facilities, which are working to eliminate toxic materials, reduce waste and source green building and other environmentally preferable products and services. In response to their members' increasing demand for environmentally preferable products and services, GPOs are asking suppliers to disclose product content and provide verification of environmental benefits for these types of products and services. Suppliers need to know what environmental requirements are becoming mainstream and those aspects of product design that are likely to be targeted in the future. This presentation will describe current and emerging issues of materials selection and product design that GPOs are addressing as part of their value proposition and will discuss what suppliers can do to effectively address them.

Pharmacy Track

**A Look at the Industry from an Investment Community Perspective**

**Robert Carey**, CFA, Chief Investment Officer, First Trust Advisors LP

*Mediterranean Ballroom 6*

How does today’s dynamic and ever changing investment world view the healthcare industry? Is it different today than in the past? What are the prospects for the future? Are certain sectors more primed for growth opportunity than others? And, what are these? Is healthcare a good long-term investment opportunity? Are major investment shifts expected? Where should you have your money now? Who should you believe and listen to? Are there areas which might surprise you? Mr. Carey will discuss these and other topics in a lively and entertaining session.

Med-Surg Track

**Current Trends in Physician Preference Item (PPI) Purchasing and Pricing Transparency**

**Eileen McGinnity**, President, Aspen Healthcare Metrics

**Nicholas Sears, M.D.**, Senior Vice President, Aspen Healthcare Metrics

*Mediterranean Ballroom 7*

This session will explore the challenging dynamics of Physician Preference Item (PPI) procurement. Areas of discussion will include finding a balance of physician-vendor-hospital relationships that supports cost management efforts; an update on the legal landscape of pricing transparency; “best practices” in data ownership and confidentiality; and the role of vendor-access and conflicts-of-interest policies on control of the purchasing process.
Capital Equipment Track

The Ins and Outs of Medical Device Acquisition

Facilitator: Joe Busky, Corporate Vice President, Treasurer
Business Operations, Dade Behring, Inc.

Panelists: Kyle Engman, Director of Financial Reporting,
Catholic Health Initiatives
Robert Gildersleeve, Executive Vice President and
Chief Financial Officer, Cardinal Health Systems
Douglas Davenport, Senior Vice President of Finance
and Chief Financial Officer, Baptist Health System, Inc.

Mediterranean Ballrooms 4&5

Learn from hospital CFOs the rules their institutions use when acquiring major medical devices. Is equipment acquired through capital purchase, or is it financed over several years with the cost of the device amortized through operating expense? If financed as an operating lease, is the cost tied specifically to patient procedures, cost per reportable result, or on a flat monthly basis? What financial offerings do medical institutions expect from the device manufacturer: purchase only, capital lease, operating lease, or something else? What financing sources are used for major purchases: national financing sources, such as GE Capital, local banks, bonds, or use of manufacturers leasing company? The session will be moderated by a senior industry finance executive from Dade Behring, a company that manufactures and sells laboratory instruments and reagents.

2:45pm – 3:00pm
Coffee Break
Mediterranean Ballroom Foyer

3:00pm - 4:15pm
Concurrent Educational Breakout Sessions
The “Links” of the Supply Chain Track

Radio Frequency Identification (RFID) in Healthcare:
The Journey Continues

David Butler, President, Heartland Innovations, LLC

Mediterranean Ballrooms 1&2

Radio frequency identification (RFID) has received significant press in recent years with Federal and retail mandates as well as the potential for enabling revolutionary change in supply chain operations and hospital processes. This session will provide insights into the past, the present and the future of RFID technology and its role as an enabler for process improvements within the healthcare supply chain. What RFID is, the difference between passive and active RFID, current examples of implementations throughout healthcare, challenges to be addressed, and future opportunities will be discussed during this session.
Future Trends Track

**Reducing Supply Chain Costs: Putting Standards to Work**

*Facilitator:* Larry Dooley, Vice President, Contract and Program Services, Novation, LLC

*Panelists:* Dennis Byer, Senior Director, Information Technology, Consorta, Inc.
Kathleen Garvin, Program Manager, DoD Data Synchronization, U.S. Department of Defense
Joe Pleasant, Chief Information Officer, Premier, Inc.

*Mediterranean Ballroom 3*

The greatest challenge in healthcare’s electronic marketplace is the lack of industry-wide data standards. As a result, purchasing-related errors cost millions of dollars each year. Learn how Customer Identification (GLN), Product Identification (PDU) and Product Classification (UNSPSC) can help the healthcare supply chain ensure the right products arrive at the right place, at the right time and for the right price—ultimately reducing costs as well as improving quality of care and patient safety.

Pharmacy Track

**Pharmacy Legislative Update**

Michael McCaughan, Senior Editor, Editorial Director-Conferences, Windhover Information, Inc.

*Mediterranean Ballroom 6*

This session will provide attendees with an update on current federal and state legislative activity affecting the Pharmacy industry. Topics to be covered will include pedigree legislation; Medicare Part-D changes and their impact on hospitals and long-term-care facilities; ASP and its impact on reimbursement; 340B Program expansion; and other timely topics.

Med-Surg Track

**Contracting “Meat and Potatoes”**

*Facilitator:* Patrick Plummer, Founder & CEO, StratCenter

*Panelists:* Greg Knapp, Sr., Senior Director, Contract Management, Novation, LLC
Frank V. Oswalt, Sourcing Director, Premier, Inc.
John M. Julian, Jr., Executive Director, Materials Management, MedAssets Supply Chain Systems
Tom Emmerson, RT, Senior Contract Manager, Amerinet, Inc.
Nancy Walsh, Senior Director, Medical Supplies, Consorta, Inc.

*Mediterranean Ballroom 7*

Hear directly from Contracting Executives who are actually managing your agreements. The objective of this session is to provide Suppliers and IDNs the opportunity to learn the contracting philosophies of those who are handling the day-to-day contracting operations within their respective GPOs. This diverse panel of contracting leaders will discuss their needs in developing a successful relationship with suppliers as well as ways to enhance those contractual relationships. Providers and IDNs will learn firsthand how their GPOs can help their facilities with expense savings and revenue growth. After initial statements, the audience will be given ample time to ask or submit questions to this expert panel.
Capital Equipment Track

What Do You Mean My GPO Price is Not Good Enough to Get the Order? Pricing and Value Analytics

Facilitator: Irwin Baker, Vice President of Marketing, Olympus America, Inc.

Panelists: Robert Yokl, President, Strategic Value Analysis in Healthcare
Bob Yancy, Chief Executive Officer, MEMdata, LLC
Tony Montagnolo, Chief Operating Officer and Executive Vice President, ECRI

Mediterranean Ballrooms 4&5

This session will explore an occurrence that is seemingly becoming much more common. The vendor’s product is on GPO contract and has been selected by the department and technical users as best suited. Great news is that new business is on the way. All you have to do is get a PO from purchasing. Then, purchasing says, “Your pricing is too high and does not match what other institutions are paying.” This session will explore the role of firms that do pricing studies, comparisons and value analysis for healthcare institutions. How do these firms work, how are they paid, and where do they get their information? Also, the issue of price information confidentiality will be explored in detail. How are vendor, GPO and medical institutions confidentiality clauses maintained?

5:00pm – 5:30pm
Sponsor Reception
(sponsors, IDN & GPO attendees only)
Valencia Lawn

Spend time relaxing and saying thanks to the 2006 International EXPO sponsors for their support.

5:30pm – 7:00pm
Chairman’s Reception
Valencia Lawn
Sponsored by: MOORE WALLACE INCORPORATED

Attendees can unwind after the day’s educational programming during this networking reception and enjoy cocktails, hors d’oeuvres and entertainment by Guitar Excursion, a Latin-influenced jazz musicians trio.
Wednesday, October 18, 2006

7:30am – 9:15am
Continental Breakfast
Coquina Ballroom

7:30am – 9:15am
Reverse Tradeshow Open*
Coquina Ballroom
The Reverse Tradeshow will feature hard-walled, private offices for GPOs/IDNs to present their business models and areas of purchasing to the supplier community.
*All EXPO attendees will be given a ticket that designates their timeframe to attend the Reverse Tradeshow.

7:30am – 12:00pm
Registration Open
Mediterranean Ballroom Foyer

9:30am – 10:45am
General Session: Ten Winning Traits
Mediterranean Ballrooms 4&5

Kim Fellwock, President of Kim D. Fellwock & Associates
This is a highly motivational and inspirational presentation. The session will highlight the ten winning attributes of Olympians and examine how you can use these traits in your everyday business and personal life. You will leave with a renewed spirit of confidence and an increased energy to succeed in achieving your established goals.

11:00am – 12:15pm
Closing General Session: The Past, Present and Future of the GPO Industry
Mediterranean Ballrooms 4&5

Mark McKenna, Recently Retired CEO of Novation, and Robert “Bud” Bowen, Recently Retired CEO of Amerinet – St. Louis
Mark McKenna and Robert “Bud” Bowen will provide their GPO industry perspectives as two former CEOs in the industry. They will discuss the past, present and future of the GPO industry, touching on GPO contracting, future trends and supplier expectations, as well as IDN’s role in the industry.

12:15pm
Adjournment

*Schedule is tentative and subject to change.
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Reverse Tradeshow
The Reverse Tradeshow will feature hard-walled, private offices for GPOs/IDNs to present their business models and areas of purchasing to the supplier community.
All EXPO attendees will be given a ticket that designates their timeframe to attend the Reverse Tradeshow.

Reverse Tradeshow Hours
Tuesday, October 17 . . . . . . . . . . . . . . . . 10:00am – 12:30pm
Wednesday, October 18 . . . . . . . . . . . . . . . . 7:30am – 9:15am
### HIGPA Industry (GPO/IDN) Members

| Amerinet – Intermountain Health Care* |
| Amerinet – St. Louis* |
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| Child Health Corporation of America* |
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*These GPO/IDN companies are sending representatives to attend the 2006 EXPO, as of 10/3/06.

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*These affiliate companies are sending representatives to attend the 2006 EXPO, as of 10/3/06.
Speaker Bios

Irwin Baker
Irwin Baker is Vice President of Marketing, for Olympus America, Inc. Healthcare Services. In this role, Baker gives leadership to the marketing effort for Olympus America’s healthcare and consumer groups to the healthcare market. He is responsible for Olympus’ effort to effectively present the value of their products and services to the provider community. Managing the changing environment of GPOs and IDNs, he heads the effort to provide solutions to the multi-level provider customer base, in particular, Olympus America’s effort in IDN development and e-commerce.

During his tenure with Olympus, Baker has also held positions in sales, product marketing, strategic planning, business development, and strategic alliance management. In addition, he has chaired numerous international committees within the Olympus worldwide family and has been a member of the Surgical International Business Strategy Group. Prior to joining Olympus, he held sales, sales training, field marketing, and field business development positions with Johnson & Johnson (J & J). During his tenure with J&J, Baker developed sales and marketing expertise in pharmaceuticals, medical-surgical and capital equipment.

Robert “Bud” Bowen
Robert P. “Bud” Bowen, is the recently retired Chief Executive Officer of Amerinet Inc. Bowen is an innovative leader and expert in healthcare supply chain strategies. He played an integral role in forging Amerinet’s reputation for integrity, customer service, industry-leading pricing, and innovation. He led the company’s strategic initiatives and industry collaborations to address specific needs of Amerinet’s healthcare provider members.

Bowen joined Amerinet at its formation in 1986 as Senior Vice President, responsible for all contracting activities. Promoted to Executive Vice President in 1988, Bowen served as the company’s Chief Operations Officer until he was appointed President by the Amerinet Board of Directors in January 1998. The Board named Bowen Chief Executive Officer in July 2004, and Bowen retired as CEO in March 2006.

During the GPO Senate hearings in 2002, Bowen provided a positive voice for the group purchasing industry. His emphasis on open and inclusionary contracting policies and higher customer service standards are reasons Amerinet was heralded as a prime industry example of ethics and integrity during those hearings.

Firmly committed to the healthcare industry he serves, Bowen participates in several advisory boards and professional organizations. He is a fellow in the American Academy of Medical Administrators and a member of the Association for Healthcare Resource and Materials Management (AHRMM). He has served as a chairman of HIGPA and as the HIGPA board representative to the Health Industry Business Communication Council (HIBCC). His credentials also include terms as chairman and board member of the Health Care E-business Collaborative (HCeC).

As an expert in healthcare group purchasing and supply chain issues, Bowen is frequently called upon to speak at symposiums for industry organizations such as HIGPA and NCI. He is also considered a valuable resource for insight on contemporary purchasing issues by health industry trade publications.
Lawton Burns
Lawton Burns is Professor of Health Care Systems and the Management Director of the Wharton Center for Health Management and Economics. Burns was part of a 2005-2006 Wharton School survey of U.S. hospital executives regarding their GPO’s performance. Burns is active in the healthcare industry, participating in several research projects and as a consultant. His current research projects include analyzing the structure, process and outcomes of integrated delivery systems in the healthcare supply chain. Prior to joining the Wharton Center in 1994, Burns taught at the University of Arizona and the University of Chicago and was a visiting professor at the University of Wisconsin. He has received numerous professional and teaching awards and has served on the Editorial Board of Health Services Research since 1994.

Joe Busky
Joseph Busky was appointed Corporate Vice President, Treasurer Business Operations for Dade Behring Inc. in November 2005. Previously, Busky was Vice President, Corporate Controller, and Vice President, Corporate Planning. Prior to joining Dade Behring in 1997, he worked in the audit function of Price Waterhouse for nine years. Busky is a Certified Public Accountant.

David Butler
David Butler founded Heartland Innovations LLC in 2006 to focus on developing and marketing RFID and sensor-based applications in hospitals and healthcare facilities. Prior to starting Heartland Innovations, Butler served in a breadth of assignments with DuPont and Dade Behring over a 24-year career focused in three industries: Medical Diagnostics, Electronics and High Performance Fibers. His management responsibilities included sales, engineering, distribution and logistics as well as functional assignments in global account sales, R&D, product development, benchmarking, technical support, and project management. Butler volunteers as a judge for the Washington University student entrepreneurship competitions and is chairman of a local Boy Scout troop.

Dennis Byer
Dennis Byer is the Senior Director of Information Technology at Consorta, Inc. In this role, Byer directs all activities related to information technology assets, including strategy, system and application design, requirements gathering, and implementation. The systems he supports include Consorta’s Web site and WINGS™, the on-line contracting management tool that encompasses COSMOS™, Rebate Manager™ and Velocity™; the Contracting Audit and Cost Analysis System; data marts for pharmacy and sales reporting; the OPUS v2.0 proprietary database and participation accounting; the rollout of Business Objects, an enterprise-based on-line reporting system; and the development of Consorta’s e-commerce capabilities. As the board chairman of the Coalition for Healthcare eStandards (CHeS), Byer oversees the effort of the non-profit organization to promote and implement industry-wide adoption of healthcare supply chain standards. With more than 24 years in information technology, Byer was previously Vice President of Information Systems for Celtic Life Insurance Company of Chicago.
Robert Carey
Robert Carey is Chief Investment Officer at First Trust Advisors LP. Carey has over 20 years of experience as an Equity and Fixed-Income Analyst and is a recipient of the Chartered Financial Analyst (CFA) designation. He is a member of the CFA Society of Chicago and the CFA Institute. Carey has appeared as a guest on such programs as Bloomberg TV and CNBC and has been quoted by several publications, including The Wall Street Journal, The Wall Street Reporter, Bloomberg News Service, and Registered Rep.

Douglas Davenport
Douglas Davenport is the Senior Vice President of Finance and Chief Financial Officer of Baptist Health System, Inc. Baptist Health System, Inc. is one of the largest healthcare systems in the state of Alabama and one of the state’s largest employers. The system is a not-for-profit corporation that owns and manages hospitals and health-related facilities in Alabama. BHS, founded in 1922, is a ministry of the Birmingham Baptist Association. Prior to joining Baptist Health System in 2004, Davenport served as Senior Vice President and CFO of the hospital division of MedCath, Inc., a thirteen-hospital national company based in Charlotte, North Carolina. Previously, at Universal Health Services, he held CFO positions at the Valley Health System in Las Vegas; the George Washington University Hospital in Washington, D.C.; and Northwest Texas Healthcare System in Amarillo, Texas. Prior to joining Universal, he was CFO of Desert Springs Hospital in Las Vegas and held Associate Administrator, CFO and other leadership positions at HealthTrust, Inc. hospitals in Oregon, Texas and Idaho. Davenport is affiliated with the Healthcare Financial Management Association.

Larry Dooley
Larry Dooley is Vice President of Operations for Novation, LLC. In this capacity, Dooley manages medical/surgical acute care distribution, as well as the diagnostic imaging program and non-acute programs, both product contracts and distribution for all classes of trade. He is also responsible for industry relations for e-standards and is the current chairperson to the Coalition for Healthcare e-Standards (CHeS). Additionally, Dooley is leading the Logistics Initiative, on behalf of Novation and the Alliances, that focuses on delivering significant cost reductions and supply chain efficiencies for the VHA and UHC members served by Novation. During his tenure with VHA and Novation, he has been instrumental in leading the development of Novation’s Supplier Diversity program and revolutionizing the cost structure of medical/surgical distribution. Dooley is recognized as an industry expert on supply chain distribution and logistics.

Tom Emmerson
As Senior Contract Manager, Diagnostic Imaging for Amerinet, Inc., Tom Emmerson, RT, is responsible for negotiating, managing and supporting all contracts for diagnostic imaging products, services, equipment, and distribution. He interacts with other Amerinet product development units to coordinate contracts. Emmerson has 15 years of experience in the medical field, including 12 years in management. He joined Amerinet in 2003 as a contract manager after spending nearly a decade in operations and purchasing management for the nation’s largest chain of laser vision centers and as a Radiologic Technologist. Emmerson has won numerous leadership awards throughout his career including Mallinckrodt’s Radiologic Student of the State and was
named Amerinet Employee of the Month during 2004. He is a member of the American Society of Radiologic Technologists (ASRT) and American Healthcare Radiology Administrators (AHRA). He retains his registration with the American Registry of Radiologic Technicians (ARRT).

**Kyle Engman**
Kyle Engman is the National Director of Accounting and Reporting for Catholic Health Initiatives (CHI). In this role, he is responsible for providing technical accounting guidance, directing the annual audit, preparing consolidated financial statements, and coordinating the budgeting process for CHI’s 71 acute hospitals and numerous other entities, located in 19 states. CHI has annual revenues of over $7 billion and total assets of $9.5 billion. Prior to joining CHI in 2000, Engman was employed by Intermountain Health Care for eight years in both the internal audit and finance areas and by Ernst & Young, LLP for six years, where he worked primarily with healthcare clients. He is a past president of the Utah Chapter of HFMA.

**Kim Fellwock**
Kim Fellwock is President of Kim D. Fellwock & Associates, delivering more than 1,600 presentations throughout the United States, Canada and Mexico. Prior to starting his consulting company in 1995, Fellwock held successful positions as a sales representative, sales manager, national accounts manager, and vice president of training at a Fortune 100 company. He is also the author of the best-selling motivational book *The Magic of the Medals*.

**Kathleen Garvin**
Kathleen Garvin is the Program Manager for a Federal Government Data Synchronization Initiative at the U.S. Department of Defense. She has more than 20 years experience in Medical Logistic for DoD. Garvin actively participates in e-business initiatives with the Healthcare Industry’s Supply Chain through affiliation with the Coalition for Healthcare E-Standards (CHeS) and the Healthcare E-business Collaborative (HCCEC). Her primary focus is a DoD Pilot Product Data Utility (PDU) to standardize and synchronize medical surgical data for the Healthcare Industry. This pilot is intended as a “proof of principle” and precursor to an industry-sponsored PDU. Recently, Garvin’s responsibilities have expanded to include oversight of RFID (Radio Frequency Identification) and UID (Unique Identifier Program) for the DoD Medical Logistics Community.

**Robert Gildersleeve**
Robert Gildersleeve joined the management staff of Ball Memorial Hospital in April 1987. In 1997, he became the Executive Vice President and Chief Financial Officer of the Corporation. From December 1983 through March 1987, he was Assistant Administrator for Fiscal Services at Muskogee Regional Medical Center, Muskogee, Oklahoma. Prior to that time, he served as Director of Fiscal Services at Audrain Medical Center, Mexico, Missouri (1980-1983) and also as Controller of St. Francis Hospital, Marceline, Missouri (1977-1980).

During his tenure at Cardinal Health Systems, Mr. Gildersleeve has developed and facilitated a Master Facility Financial Plan that includes a current $120 million building program and has implemented a Revenue Cycle Management Department. He oversees the system’s accounting and data processing departments as well as patient account services.
Mr. Gildersleeve has served on the Muncie Mission Board, the Hospital Hospitality House Board, the Youth Opportunity Center Board, and also is a member of the Health Care Financial Management Association. Outside of the healthcare realm, he is an Economics Professor for Ivy Tech State College.

Lou Holtz

Lou Holtz has established himself as one of the most successful college football coaches of all time. He is the only coach in the history of college football to take six different teams to a bowl game, win five bowl games with different teams, and have four different college teams ranked in the final Top 20 poll.

Currently, Holtz serves as a college football studio analyst on ESPN. He appears on ESPNEWS, ESPN's College GameDay programs, SportsCenter as well as serves as an on-site analyst for college football games. Holtz also sits on the board of directors for K2, Inc. Since his departure from Notre Dame following the 1996 season, he joined CBS Sports’ College Football Today for two seasons as a sports analyst and works with United States Filter (a global provider of water treatment) as a customer relations spokesman. From there he went on to be head coach at the University of South Carolina for six seasons from 1999-2004, where he led the Gamecocks to back-to-back January 1st bowl games for the first time in the history of the school.

When Holtz took over as Notre Dame’s 27th head football coach back in November 1985, he brought with him a well-proven reputation as a fixer of football programs, following a series of spectacular repair jobs at William & Mary, North Carolina State, Arkansas, and Minnesota for a total of 16 seasons as a collegiate head coach. In only two years, Holtz put the Fighting Irish back into a major post-season bowl game for the first time in seven seasons. During his 11 seasons at Notre Dame, Holtz’s accomplishments have positioned him alongside Fighting Irish coaching legends and earned him a 243-127-7 career record that ranked him third in victories among active coaches and eighth in winning percentage. His 12-career postseason bowl victories ranked him fifth on the all-time list.

Holtz has built a reputation as a motivator, a demanding disciplinarian and someone who relishes challenges and hard work. He has been considered among the greatest speaking legends in America today, speaking on overcoming seemingly impossible challenges by setting your own goals and working to achieve them.


Additionally, he has produced three highly acclaimed motivational videos: Do Right, Do Right II; If Enough People Care; and his latest video, Do Right 20 Years Later. The Lou Holtz Hall of Fame opened in East Liverpool, Ohio in July 1998.

The Walter Camp Football Foundation, named Holtz Man of the Year in 1998, a second-time award recipient. He was named Coach of the Year in 1977 while coaching at Arkansas.
John M. Julian, Jr.
John Julian, Jr., has been in the role of Executive Director, Materials Management at MedAssets Supply Chain Systems for approximately two years. In this role, Julian leads MedAssets Supply Chain Systems’ (the supply chain/GPO subsidiary of MedAssets, Inc.) contracting initiatives in the areas of non-clinical medical surgical supplies, equipment and services, distribution and logistics, and food and nutrition. He has management responsibilities for the MedAssets logistics and distribution programs, non-clinical medical supply agreements, alternate care contracting efforts, and the food and nutrition program. The contracting POD is responsible for over $1B in annual throughput. Julian joined the MedAssets team with three years of group purchasing experience, encompassing nearly every area affiliated with Medical-Surgical contracting. Prior to joining MedAssets, he managed a 90 contract portfolio contributing approximately a half billion in sales revenue annually.

Carol Kelly
Carol Kelly is the Director for the Office of Policy at the Center for Medicare and Medicaid Services (CMS). In that capacity, she manages the office responsible for the agency’s crosscutting policy and strategic planning. She also serves as the Executive Director for the agency’s Policy Council, the entity charged with key strategic planning matters. Prior to her work at CMS, Kelly was the Executive Vice President for Federal Legislative Policy for the Advanced Medical Technology Association, the 1,300 member association representing the medical technology industry before Congress and regulatory agencies, including both CMS and the FDA.

She has also directed the government affairs work for Premier, Inc, a national hospital purchasing cooperative for one-third of community-based hospitals, and for United Health Care and Metrahealth. She began her health policy career as the Director of the Office of Legislation and Policy at the Department of Health and Human Services.

Greg Knapp, Sr.
Greg Knapp, Sr., is Senior Director of Contract Management and Program Services at Novation, LLC. In his current role, he is responsible for contract management within the food and nutrition, facilities and business products contract team, the laboratory contract team, anesthesia, respiratory, and furniture. After joining VHA Supply Company in 1989, Knapp had held multiple product management positions covering pharmaceutical products as well as most recently as the director of the IV Systems program. Prior to joining VHA Supply, Knapp worked at All Saints Episcopal Hospital as an inventory control buyer responsible for acquisition, delivery and contract management of pharmaceuticals, IV products, and contrast media.
Michael McCaughan
Michael McCaughan is Senior Editor of The RPM Report, a new monthly magazine for the pharmaceutical industry from the publishers of In Vivo. The RPM Report features in-depth reporting on events in Washington, D.C. that affect key commercial issues in the biotech and pharmaceutical sectors. McCaughan speaks frequently on regulatory and policy developments affecting the biopharmaceutical industry and especially on the impact of the Medicare Modernization Act. McCaughan previously spent 15 years on the staff of “The Pink Sheet,” including 10 years as Editor-In-Chief. McCaughan oversaw an editorial staff of 20 and helped launch affiliated publications and on-line services, including Pharmaceutical Approvals Monthly, FDAAdvisoryCommittee.com, “The Pink Sheet” On The Web, and “The Pink Sheet” DAILY. McCaughan joined “The Pink Sheet” in 1990 as a business reporter. He became Assistant Managing Editor in 1993, Managing Editor in 1995 and Editor-In-Chief in 1996.

Mark McKenna
Mark McKenna, recently retired President and CEO of Novation, LLC, led the nation’s largest group purchasing organization from 1999 through the summer of 2006. His distinguished career in supply chain management and supply cost control spanned 30 years with medical device manufacturers as well as provider-owned GPOs. He has served on the boards of directors of Novation and HealthCare Purchasing Partners International since 1999. In addition, McKenna served as Board member for Neoforma from 2000 to 2003; Chairman of HIGPA from 2003 – 2004; Board member for HIGPA from 2000 -2006; Board of Advisors of NCI, Inc. from 1993 – 1997; Board member for Arizona State University Supply Chain and Research Consortium from 2004 to 2006; and on the Board of Advisors for The Beryl Companies in 2006. McKenna enjoys working with both providers and suppliers to increase efficiencies in the supply chain through productive dialogue and networking.

Eileen McGinnity
Eileen McGinnity is President at Aspen Healthcare Metrics and has over 28 years of healthcare experience, including 19 years as a consultant specializing in hospital operating margin enhancement, marketing, and clinical program development. Prior to joining Aspen Healthcare Metrics in 1994, she held senior consulting positions at Ronning Management Group and LBA Healthcare Management. Aspen Healthcare Metrics provides consulting and benchmark data services to hospitals in clinical service line margin improvement for cardiac, orthopedic, neurosciences, general surgery, and other services, as well as supply chain transformation consulting. McGinnity speaks nationally and her contributions appear regularly in national healthcare financial and supply chain publications.
Tony Montagnolo

Tony Montagnolo has served as Chief Operating Officer and Executive Vice President of ECRI, an internationally recognized technology assessment and patient safety organization since 2001. With a staff of over 260, ECRI is a world leader in medical technology evaluation, healthcare quality research, and evidence-based clinical assessments. In recent years, Montagnolo has focused on expanding ECRI’s healthcare technology advisory services and consulting services. Today, over 2,000 hospitals, group purchasing, and governmental agencies subscribe to ECRI’s “technology intelligence” membership programs to gain access to independent, objective research on the value, safety and quality of healthcare technology. Montagnolo also works with ECRI customers and staff on client-specific consulting engagements typically focused on technology forecasting, planning and assessment. A frequent presenter at seminars and leadership retreats, he speaks on subjects such as the future of healthcare technology, strategic technology planning and patient safety. Prior to holding his current position, Montagnolo spent five years on ECRI’s executive team as Vice President for Technology Planning.

Sarah O’Brien

Sarah O’Brien is the Champion Coordinator for Hospitals for a Healthy Environment (H2E), a non-profit organization that works with healthcare facilities across the nation to assist them in the shared goal of improving environmental performance. O’Brien specializes in environmental purchasing assistance to H2E’s six GPO partners and works with GPOs, state environmental departments, service providers, and other large organizations to promote H2E’s programs. Prior to her arrival at H2E, O’Brien was a Senior Outreach Associate with the Chemical Hazards Prevention Program at INFORM, a national non-profit organization, providing contracting assistance to government agencies, institutions and businesses to reduce their purchase of products containing mercury, lead and other persistent toxic chemicals. O’Brien is a member of the National Pollution Prevention Roundtable’s Board of Directors, on the Board of Advisors of the new EPEAT procurement system for environmentally preferable electronics, and has many years’ professional experience developing, analyzing and negotiating public policies on environmental health issues since 1989.

Frank V. Oswalt

Frank V. Oswalt is a Sourcing Director for Premier, Inc. covering surgical services, imaging and facilities. With over 19 years of experience in supply chain management, he has been involved in a wide range of assignments covering strategic sourcing, healthcare materials management, supplier management, and all other procurement functions. Oswalt has significant experience in assisting healthcare organizations (large, small, children’s, academic, and GPOs) in cost reduction efforts related to the procurement of materials and services. Prior to joining Premier, he was a manager in the strategic sourcing team at BearingPoint for seven years; the logistic manager for Alexian Brothers Medical Center, a 350 bed facility; and served many roles in Materials Management at Loyola University Medical Center, a 550 bed facility. Oswalt is a Certified Purchasing Manager (C.P.M.), a member of the Institute of Supply Management, and a member of the Association for Healthcare Resource & Material Management.
Joe Pleasant

Joseph M. (Joe) Pleasant is CIO and Senior Vice President of Premier, Inc., one of the largest healthcare alliance in the United States, with an estimated annual purchasing volume in excess of $18 billion and more than 200 owner systems that own or operate some 850 institutions. Premier also has affiliations with another 900 hospitals. Pleasant is past Chairman of the Coalition for Healthcare eStandards (CHeS), a fellow member of HIMSS, and a founding member of CHIME. He also co-chairs the Bar Coding committee of the National Alliance for Healthcare Information Technology (NAHIT) and is a member of the Health Industry Distributors Association’s Supply Chain Advisory Council. Pleasant currently serves as President of the North Carolina Chapter of HIMSS and chairman of HIMSS’s 2006 Annual Conference Education Committee.

Patrick Plummer

Patrick Michael Plummer is the Founder & CEO of StratCenter.com, one of the largest news and information service specific to the Healthcare Supply Chain. Plummer is the author of a graduate-level healthcare administration textbook, entitled “Healthcare Strategy: In Pursuit of Competitive Advantage,” published by the American College of Health Administration (ACHE). His writing and news reporting is also viewed worldwide by thousands of visitors each day through StratCenter’s News Affiliates Network called StratWire. Plummer is a frequent guest speaker and moderator at national and regional meetings and has been quoted and/or published hundreds of times regarding healthcare business strategy, market analysis and group purchasing.

Mark Rossi

Mark Rossi, PhD, is a Senior Research Associate at Health Care Without Harm and is the Research Director at Clean Production Action. He is also a Research Fellow at the Lowell Center for Sustainable Production at the University of Massachusetts Lowell. For the past seven years, Rossi has been working with hospitals and GPOs in identifying and contracting for safer alternatives to products manufactured with and containing toxic chemicals. He is the author of Health Care Without Harm’s report, Neonatal Exposure to DEHP and Opportunities for Prevention.

Nicholas Sears

Nicholas Sears, MD, is Senior Vice President at Aspen Healthcare Metrics. Sears is a board certified cardiovascular surgeon with over 25 years of healthcare experience. Before joining Aspen, Dr. Sears worked as a Principal for Cap Gemini Ernst & Young. In this role, he was responsible for reducing supply chain expense for high-cost physician preference items, as well as clinical integration and transformation issues centered around leading practices, clinical pathways and LOS reduction, while maintaining high quality patient care. Dr. Sears worked closely with physicians and administrators to ensure smooth, effective management practices. Additionally, Dr. Sears has held several independent consulting positions with a variety of healthcare consulting firms throughout the nation. For 15 years, prior to his work as a consultant, Dr. Sears maintained a clinical practice of cardiothoracic surgery in both private and academic settings in Tampa, Florida. Dr. Sears also serves as the Chief Medical Officer for MedAssets.
Grant Walker

Grant Walker is Vice President, Support Services at the Ochsner Clinic Foundation, responsible for all hospital support services operations including maintenance, facilities, bio-medical engineering, construction, environmental services, patient transportation, dietary services, safety and security, transportation, supply, distribution, purchasing, capital equipment management, courier services, parking, laundry, mail room, copier services, and printing services.

Prior to joining the Ochsner Health System in 2000, Walker came to the health system with 25 years experience in both the military and healthcare settings, serving as Vice President Facilities/Support Service/Operations at Susquehanna Health System in Williamsport, Pennsylvania. He is an active member of the American College of Healthcare Executives, the Association for Healthcare Resource & Materials Management and the American Society for Healthcare Engineering.

Nancy Walsh

As Senior Director, Medical Supplies for Consorta, Inc., Nancy Walsh has leadership responsibilities for the contracting activities and strategic development of Consorta’s Group Purchasing Program for the med/surg, surgical, imaging, cardiovascular, laboratory, and distribution business units. She has over 20 years of clinical, purchasing, managerial, and educational experience. Walsh has successfully coordinated integrated teams of physicians, clinicians and purchasing executives in the development and implementation of clinical purchasing portfolios. She joined Consorta in January 1999 to lead the strategic planning, contract portfolio development and cost reduction initiatives for critical care and cardiovascular devices. Walsh has 12 years of GPO experience.

Bob Yancy

Bob Yancy is Chief Executive Officer of MEMdata, LLC. Established in 1999, MEMdata assists hospitals with decision support and best practices in capital equipment procurement. Having started as a small consultancy serving a handful of hospitals in Texas, MEMdata now serves hundreds of facilities nationwide. Prior to founding MEMdata, Yancy worked in business development and marketing for two national medical equipment service firms. He is a veteran of the United States Air Force.

Robert Yokl

Robert T. Yokl is President for Strategic Value Analysis in Healthcare. Yokl has over 27 years experience as a consultant and manager in the field of supply chain management and is a leading authority in supply value analysis and value engineering in healthcare. He is the developer and program leader of the award-winning Certified Value Analysis Practitioner™ and Certified Value Analysis Train-The-Train Programs. Yokl is also the creator of the healthcare industries foremost value analysis software called e-ValueAnalysis. Over the last two decades, he has saved 319 hospitals and 31 healthcare systems over $347 million with his “money-saving” Strategic Value Analysis® System. Yokl is the author more than 13 books, videos, CDs, teleseminars, audios, training programs, and white papers. He lectures frequently on Strategic Value Analysis® and material management topics at major healthcare conferences. His articles are regularly published in Hospital Purchasing News, Hospital Material Management, Value World, Material Management Magazine, Healthcare Supervisor, Hospital News, Aspen’s Materiel Management Quarterly, Healthcare Cost Reengineering, Contemporary Long-Term Care, Vitalines, Journal of Resource Management, and Mid-Atlantic Purchasing Magazine.
MISSION STATEMENT
The “Mission” states the association’s purpose for being in existence. It succinctly communicates what the association does (or should do), and for whom it does it. It is developed from the needs of the stakeholders and others who have a vested interest in the success and well being of the association.

It is the mission of the Health Industry Group Purchasing Association to:

Information: Enhance the awareness of members’ efforts to support the delivery of high quality, cost effective healthcare.

Liaison: Promote meaningful dialogue between health industry organizations engaged in group purchasing and other industry entities on issues of mutual interest.

Education: Provide educational opportunities designed to improve efficiencies in the purchase, sale and utilization of all goods and services within the health industry.

Advocacy: Work collaboratively with all legislative and regulatory authorities to insure fair and efficient procurement practices in an open and competitive market within the health industry.

VISION
The “Vision” is a brief and compelling description of what the association will be like when it accomplishes its mission. It expresses what the association wants to be, and as such, challenges the association to strive for excellence as it prepares for the future.

The Health Industry Group Purchasing Association envisions a world that is characterized by the following long-term impacts of its efforts as one of the nation’s leading healthcare trade associations:

• There is an open forum for the exchange and promotion of best practices in the non-labor cost side of healthcare and for the exploration of complex issues in healthcare cost control.
• Cost-efficient, high-quality healthcare is more widely available.
• Innovative approaches flourish, and standards of practice and excellence are maintained, in the healthcare products market.
• HIGPA is an acknowledged national leader in speaking for and shaping the field of healthcare purchasing.
• HIGPA is a leader in providing educational and networking opportunities to its members.
• Free market dynamics for healthcare products are maintained.
• Beneficial and legally allowable cooperation is not disrupted by the proprietary interests of industry competitors.

VALUES
“Values” are guiding principles that clarify ways in which the association’s members conduct their activities as they seek to accomplish the mission.

The Health Industry Group Purchasing Association believes in the following values:

• HIGPA’s activities focus ultimately on benefiting the patient.
• HIGPA’s responsiveness to its members.
• HIGPA’s provision of high-quality products and services to its members and other customers that represent a powerful return on their investment of membership dues and fees.
• HIGPA’s leadership in information collection, analysis, and dissemination and in education aimed at enhancing its members’ competitiveness.
• HIGPA’s provision of a neutral forum for the exploration of healthcare cost issues and of legally acceptable buyer-seller cooperation.
• HIGPA’s integrity, honesty and credibility.
• HIGPA’s leadership in shaping national policy on behalf of its members (Advocacy).
• HIGPA’s contribution to the maintenance of an open, competitive market.
• HIGPA’s innovativeness in product and service development and delivery.
• HIGPA’s courage in fashioning positions on sensitive and potentially controversial issues.
• HIGPA’s leadership role as a model of exemplary practice for other trade associations.
HIGPA ANTITRUST POLICY

The Health Industry Group Purchasing Association (HIGPA) has throughout its existence followed a rigorous program of compliance with the Sherman Act and other antitrust statutes. This Policy statement provides a reference for members of HIGPA and others who attend Association functions. All who attend HIGPA meetings should read and understand this statement.

Adherence to the guidelines below will avoid potential violations by individuals, member firms, and HIGPA itself. Violations of the antitrust laws are serious criminal violations, punishable by jail terms and substantial monetary fines, as well as treble damage civil penalties.

HIGPA is committed to full compliance with the antitrust laws. The guidelines set forth below have been established by the Board of Trustees to prevent any possibility of violation.

I. SUBJECTS WHICH MAY NOT BE DISCUSSED

Any agreement as to price among competitors is a violation of the Sherman Act, regardless of the reasonableness of the price set or whether the agreement is to raise, lower, peg, or stabilize price levels. It follows that any discussion of price or price levels at Association meetings is not permitted. An Association meeting is any meeting of the Board of Directors or any other group of members convened by the Association to conduct Association business. It does not include trade or vendor exhibits or shows that may be arranged in conjunction with an Association meeting. This includes any discussion of prices of products, supplies or service. Similarly, there must be no discussion of any elements of company operations, which might influence price, such as:

a) Company costs of operations, supplies or services;
b) Allowances or discounts;
c) Terms of sale;
d) Margins;
e) Plans of individual companies concerning production, distribution or marketing of particular products; and
f) Changes in industry production, capacity or inventories, except historical data.

Any agreement not to compete among business firms also violates the antitrust laws. Accordingly, no discussion of division of territories or customers, or limitation on nature of business, may be held at any HIGPA function. Joint refusals to deal (boycotts) are likewise unlawful, and no discussions related to this practice are permitted. Included within this prohibition are any discussions of black lists and any unfavorable reports involving particular suppliers.

II. MEETINGS

These standards apply to all Board, Executive Committee, committee, and all other meetings sponsored by HIGPA and all meetings attended by HIGPA members in that capacity. The agenda should be strictly followed; there must be no deviations, particularly in so far as subjects described in Item 1, above, might be discussed. During meetings, participants should conduct themselves as though the meeting were open to the public. Minutes of each meeting should be prepared by a designated secretary or staff member, and made available to all in attendance following the meeting.

In the case of HIGPA-sponsored meetings, HIGPA staff or a member of the Executive Committee will be in attendance at all times. HIGPA’s Chairman and/or President & CEO may direct that legal counsel shall attend certain meetings. Informal meetings between or among competitors can be dangerous from a legal standpoint. HIGPA urges its members to conduct any such meetings in strict adherence to these guidelines. If counsel announces that a particular question, statement or discussion at a meeting borders on an area of antitrust sensitivity, the discussion will end immediately. If anyone in attendance at a HIGPA meeting has a question about whether a discussion is proper or not, the question should be raised immediately and counsel will determine whether the discussion should be terminated. If counsel is not present, the attendee should request the HIGPA Chairman and/or President & CEO to end the discussion until legal advice can be obtained; if the discussion is not ended, the participant should leave the meeting.

While it is impossible to cover every contingency that might arise, it is essential that all HIGPA members and staff have at least a basic understanding of the Federal Antitrust Laws. These guidelines are offered as part of HIGPA’s commitment of maintaining healthy competition necessary to a strong business community.
Health Industry Group Purchasing Association

CODE OF CONDUCT PRINCIPLES

Adopted Unanimously by the HIGPA Board of Directors – July 24, 2002
Delivered to the United States Senate – July 29, 2002

INTRODUCTION

Hospitals and other healthcare providers have one principal objective: providing high quality care at an affordable price. Achieving this objective is always difficult, but it is particularly challenging now given a steady rise in the costs of healthcare items and services, and a sharp decline in payor reimbursement levels.

Group purchasing organizations (GPOs) – which enter into contracts with suppliers on behalf of their provider-members – help providers achieve their objectives of providing quality, affordable healthcare. GPOs do this in several ways. Most importantly, GPOs leverage purchasing power. That is, GPOs represent large numbers of providers and, as such, are able to negotiate lower prices with suppliers for a particular item than most individual providers, acting on their own, generally could.

GPOs also help their members avoid certain costs. For example, the process of procuring items and services – defining institutional needs, identifying quality products, preparing requests for proposal, analyzing responsive bids, and negotiating contract terms – requires specialized personnel, and is both time consuming and costly. GPOs, which are funded in large part by the fees that they receive from suppliers, are able to furnish those procurement services to their members at a minimal, or no, cost.

The services GPOs provide are of critical importance, especially during an era when providers are faced with a wide-range of challenges that put added constraints on the financial well-being of providers. The challenges include:

• More than 40 million Americans without health coverage;
• Severe hospital and health facility workforce shortages;
• Increasing administrative and regulatory burdens;
• Serious challenges in healthcare liability insurance;
• Skyrocketing costs for many critical new healthcare products and services;
• The increasing need for standardization of care and product use to improve patient safety, eliminate adverse events and reduce supply costs;
• Reimbursement systems that erect barriers to full deployment of new drugs and technologies;
• Rising costs and declining reimbursement; and
• A new emphasis on readiness in the wake of September 11.

In rising to these challenges, healthcare providers have pursued strategies to assure the highest level of uninterrupted care for their patients. At the same time, health systems have an obligation – imposed by public and private payers of care – to deliver such services in the most efficient, cost-effective manner possible. In recognition and appreciation of this obligation, now more than ever before, health systems need access to the cost-saving tools and resources of this group purchasing to manage growth in healthcare costs.

The Health Industry Group Purchasing Association (HIGPA) – in consultation with its member organizations – has prepared these Code of Conduct Principles to help ensure that providers have access to group purchasing organizations that offer necessary services at the lowest possible cost.* The principles cover several areas, including legal compliance, disclosure of vendor payments, conflicts of interest, product innovation, and a diverse manufacturer base with access to the GPO contracting process.

* These principles were developed through collaboration of HIGPA members and other trade association and industry members. The adoption of these principles affirms the best practices within the industry. Adoption of these principles reflects each GPO’s commitment to the highest standards and is not a reflection upon any individual company’s past actions or programs.

The HIGPA’s GPO Members are committed to observing these Principles, and to implementing company-specific compliance policies and procedures based upon each GPO’s unique business structure and relationships. The Principles set forth below underscore the group purchasing industry’s commitment to improving healthcare and advancing technological innovation at the most manageable cost to providers of care and their patients. These initiatives are designed to assure the operation of a thriving, innovative and competitive healthcare marketplace. Each GPO shall, at a minimum, incorporate these principles into its own Code of Conduct. Further, each GPO shall be committed to the full implementation of these Principles and shall not take any action that would be contrary to the intent and purpose of these Principles.
I. Principles

A. Compliance with Applicable Laws
Each GPO shall comply with applicable laws. Each GPO shall stay abreast of changes and new developments in the law and provide compliance training, guidance and education regarding applicable laws for directors, officers and employees.

B. Conflict of Interest Policies

1. GPO Employees
a. Each GPO shall implement internal policies to require that employees who are in a position to influence the GPO contracting decisions do not accept any gifts, entertainment, favors, honoraria, or personal services payments (other than those of Nominal Value) from any Participating Vendor.

b. Each GPO shall implement internal policies to require that none of its employees who are in a position to influence the GPO contracting decisions for Participating Vendors have an Individual Equity Interest in such Participating Vendors.

2. GPO Non-Employee Officers, Directors, or Advisors
a. Each GPO shall implement internal policies to require that any non-employee officer, director, or member of an advisory board of a GPO, in a position to influence the GPO contracting decisions, who accept any gifts, entertainment, favors, honoraria, or personal services payments (other than those of Nominal Value) from any Participating Vendor discloses such transactions to the appropriate governance body and is rescued from any negotiations or decisions relating to such Participating Vendor.

b. Each GPO shall implement internal policies that require that any non-employee officer, director or member of an advisory board or body of a GPO discloses Individual Equity Interests in any Participating Vendor to the appropriate governance body and is rescued from any negotiations or decisions relating to such Participating Vendor.

3. GPO Corporate Equity Interests
a. Each GPO shall implement internal policies ensuring that the GPO does not have any Corporate Equity Interest in any Participating Vendor of Clinical Products or Services, unless the acquisition of such Corporate Equity Interest demonstrably benefits the GPO’s Members by creating a source of a Clinical Product or Service where there is otherwise no other source, or very limited sources.

b. Each GPO that has a Corporate Equity Interest in a Participating Vendor shall disclose such equity interests to Members in writing. Each GPO in which a Participating Vendor has a Corporate Equity Interest shall disclose such equity interest to Members in writing. Such disclosure should be made (a) at the time the Corporate Equity Interest is obtained if the GPO already has a contract with the Vendor or (b) at the time the GPO enters into a contract with the Vendor if the GPO does not already have a contract with the Vendor, and in each case, at least annually thereafter. GPOs shall also publicly disclose such Corporate Equity Interests.

c. Each GPO that has a Corporate Equity Interest in a Participating Vendor will impose no obligation, commitment or other requirements or restrictions that in any way obligates any Member to purchase goods or services from such Participating Vendor.

C. Member Relations, Product Evaluation & Vendor Grievances
GPOs shall be committed to identifying and making available to Members innovative products and technologies in order to promote high quality and cost-effective healthcare, and to the free exchange of information relating to clinical, safety and contractual and business relationships with Vendors and Members:

1. Member Communications & Relationships with Vendors
a. Each GPO shall implement its policies and contracts in a manner that permits its Members to (a) communicate directly with Vendors, including Vendors that do not have current contracts with a Member’s GPO, (b) assess Products or Services provided by a Vendor that does not have a contract with the GPO, and (c) purchase Clinical Preference Products or Services directly from Vendors that do not contract with the GPO.

b. Each GPO shall implement a contracting process that (a) informs potential Vendors of the process for seeking and obtaining contracts with the GPO and (b) provides any and all interested Vendors with the opportunity to solicit contracts, including but not limited to posting such information on a GPO’s Web site and promptly responding to Vendor inquiries regarding contract opportunities.
2. Innovative Product Evaluations
Each GPO shall individually engage in or otherwise participate in processes and programs that routinely evaluate and provide opportunities to contract for innovative Clinical Products or Services.

3. Vendor Grievances
Each GPO shall adopt policies and procedures that endeavor to address Vendor grievances related to access for innovative Clinical Products or Services.

D. Use of Contracting Tools
The goals of the GPO contracting process include promoting quality of patient care and achieving price savings and cost reduction for Members. In order to better achieve those ends, GPOs seek to foster competition among Vendors. To that end, GPOs have contracting tools that include sole source contracting, commitment level requirements, contract length, and multi-product line discount arrangements. GPOs should use these tools either alone or in combination only in contracting arrangements that achieve the foregoing goals. These goals are most important in relation to Clinical Preference Products or Services. To the extent that multiple contracting tools are used in the contracting process, each GPO shall consider the following factors in each contractual arrangement to achieve the aforementioned goals: market share of the Participating Vendors, the size of the GPO, the number of Vendors available to provide the relevant product or service, ability of the Participating Vendor to meet the needs of the GPO’s Members, and the occurrence of innovation in the relevant product or service category.

E. Compliance, Certification & Implementation
1. Compliance Offer
Each GPO shall designate a compliance officer who will be responsible for overseeing compliance with the Code of Conduct adopted by the GPO and the fulfillment of the GPO’s reporting requirements.

2. Certification
The management of each GPO member of HIGPA shall certify annually to HIGPA that they are in compliance with the principles. HIGPA will publish an annual report identifying those HIGPA members that have certified their compliance. This certification shall constitute a requirement for membership in HIGPA.

3. Implementation, Transition & Updating
a. Each GPO shall adopt a transition plan supervised by its compliance officer in keeping with these principles in the event (a) an entity becomes a Participating Vendor to a particular GPO, (b) an employee (i) is in a position to influence the contracting decision for Participating Vendors and currently has an Individual Equity Interest in such Participating Vendors or (ii) is hired or transferred to a position in which the employee would influence the contracting decision for Participating Vendors and has an Individual Equity Interest in such Participating Vendors, or (c) other situations arise to which these principles apply. Each GPO shall seek regular, periodic and timely disclosure of information covered by these conflict of interest principles by directors, officers, employees, and advisors.

b. HIGPA shall assess and update the principles consistent with newly identified best practices and as business practices change to ensure that the goals of avoiding conflicts of interest and promoting competition continue to be achieved.

F. Reporting & Education
1. Industry-Wide Survey
To promote competition and to evaluate on an ongoing basis the benefits of group purchasing, HIGPA will evaluate and implement, consistent with the antitrust laws, periodic surveys and aggregate reporting of industry-wide information relating to value through cost savings and administrative efficiencies of GPO relationships.

2. Web-Based Vendor Directory
In order to foster innovation, HIGPA, with the support of its GPO members, shall make available a Web-based directory where Vendors can post product information, including information about products that the Vendors consider to be new and innovative.

3. Educational Programs
HIGPA shall coordinate the development and implementation of industry-wide educational programs focusing on new developments related to clinical innovations, contracting processes and programs, patient safety, public policy, statutory and regulatory requirements and best practices regarding compliance and Code of Conduct principles.
As part of this process, the industry will draw upon representatives of GPOs and any Vendors to promote processes and programs to assure availability of new and innovative products to Members through the GPO contracting process.

G. Disclosure of Vendor Payments

1. Written Agreement
Each GPO shall have a written agreement with each Member or Member's agent that authorizes the GPO to act as a purchasing agent to negotiate contracts with Vendors to furnish goods or services to each Member.

2. Disclosure of Acceptance of Payments
Each GPO shall disclose in writing to each Member or Member's agent that it receives Payments from Participating Vendors with respect to purchases made by or on behalf of such Member.

3. Disclosure of Payments Related to Purchases
Each GPO shall annually report, or cause to be reported, to each Member or Member's agent the amount of all Vendor Payments received with respect to purchases made by or on behalf of the Member.

4. Disclosure of Payments Not Allocable to Actual Purchases
Each GPO shall annually report, or cause to be reported, to each Member or Member's agent the amount of Payments received pursuant to a Vendor contract that was utilized by that Member, but is not allocable or otherwise reported with respect to the actual purchases of that or any other Member.

H. Safety, Cost-Reduction & Clinical Comparability
GPOs shall support programs and processes, such as displaying Universal Product Number ("UPN") or machine-readable bar codes at the unit-of-use level, or other programs and processes, that provide for clinical comparability and improve and promote patient safety and supply-chain cost reduction.

I. Diversity
GPOs shall offer or participate in programs that promote diversity among Vendors to include women and minority-owned Vendors.

II. Definitions
A. "Clinical Preference Products or Services" shall mean those Clinical Products or Services which require substantial training to learn to use and which have a demonstrable effect on patient care outcomes. Accordingly, they are products or services for which a provider has a particular preference based on factors such as the provider's training and experience, the performance or functionality of such products in a clinical setting, and patient clinical outcomes.

B. "Clinical Products or Services" shall mean products or services used by providers directly in the provision of healthcare services to patients.

C. "Corporate Equity Interest" shall mean securities, options, warrants, debt instruments (including loans), or rights to acquire any of the foregoing.

D. "GPO" shall mean any entity that as all or part of its business activities is authorized to act as the agent of a provider of healthcare services to enter into contracts with Vendors ("Vendor Contracts"), pursuant to which Vendors agree to sell or furnish goods or services consistent with the terms set forth in the Vendor Contracts. GPOs do not typically take title to products.

E. "Individual Equity Interest" shall mean securities, options, warrants, debt instruments (including loans), or rights to acquire any of the foregoing, provided, however that the term shall not include: (a) interests in mutual funds or (b) interests held in a blind trust in which all investment decisions are independently managed by a third party and the existence and trust terms are fully disclosed to the appropriate governing body to ensure that the neutrality of the GPO contracting decisions are protected.

F. "Members" shall mean any provider of healthcare services to patients that has an agreement (directly or through an authorized agent) which authorizes the GPO to act as the provider's purchasing agent to negotiate contracts with Vendors to furnish goods or services to the provider.

G. "Nominal Value" shall mean any item, service or other thing of value (not including cash or cash equivalents) that does not exceed $50 per instance or $100 in any given calendar year. Any item, service or other thing of value that costs $10 or less shall not be counted toward the $100 annual limit.

H. "Participating Vendor" shall mean, with respect to a particular GPO, a Vendor that has a contract or submits a formal bid or offer to contract with such GPO to provide goods or services to the GPO's members.

I. "Payments" shall mean all payments by a Vendor of goods or services to a GPO as part of any agreement to furnish goods or services to Members.

J. "Vendors" shall mean manufacturers, distributors, suppliers, or other entities that sell goods or services to Members.
Save the Date!
HIGPA Future Meetings

2007 Pharmacy Forum
February 12-14, 2007
Four Seasons Hotel
Austin, TX

2008 Pharmacy Forum
February 11-13, 2008
Ritz-Carlton Buckhead
Atlanta, GA

2007 International Expo
October 22-24, 2007
Marriott Desert Springs
Palm Desert, CA

2008 International Expo
October 20-22, 2008
Ritz-Carlton & JW Marriott
Orlando Grande Lakes
Orlando, FL