



Common goals. Uncommon results.

Yankee Alliance Code of Conduct

I. PRINCIPLES

A. *Compliance with Applicable Laws*

Yankee Alliance shall comply with applicable laws. Yankee Alliance shall stay abreast of changes in the law and provide updates and training on those laws for directors, officers and employees.

B. *Conflict of Interest Policy*

1. Yankee Alliance Employees

- a. *Gifts to Yankee Alliance employees:* No Yankee Alliance employee shall accept gifts, entertainment, favors, honoraria or personal service payments other than of nominal value from any participating vendor.
- b. *Equity ownership by Yankee Alliance employees:* No Yankee Alliance employee shall, without appropriate disclosure, own an individual equity interest in any participating vendor where they would be in a position to influence a contracting decision.
- c. *Insider Trading:* Insider trading by an employee of Yankee Alliance based on any knowledge of vendors or their prospects gained through their employment is prohibited.

2. Yankee Alliance Non-Employee Officers, Directors or Advisors

- a. *No gifts to directors and officers who can influence contracting:* Any director or officer of Yankee Alliance who is in a position to influence Yankee Alliance contracting decisions and accepts any gifts, entertainment, favors, honoraria or personal service payments, other than those of nominal value, from any participating vendor will disclose such transactions to the President of Yankee Alliance and recuse themselves from any negotiations or decisions relating to such participating vendor.
- b. Any non-employee, officer or director will disclose any individual equity interests in any participating vendors to the Yankee Alliance President and will recuse themselves from any negotiations or decisions related to such participating vendor.

3. Yankee Alliance Corporate Equity Interest

- a. Yankee Alliance shall hold no corporate equity interest in any participating vendor, unless the acquisition of the equity interest demonstrably benefits the Yankee Alliance membership by creating a source for a product or service where there is no

other source or very limited sources. Board approval is required for any such investment.

- b. *Disclosure of Equity Investment:* Any corporate equity interest approved by the Yankee Alliance board will be disclosed to the members at the time the equity investment is made and annually as part of Yankee Alliance's annual disclosure statement to members.

C. *Member Relations, Product Evaluations and Vendor Grievances*

Yankee Alliance is committed to identifying and making available, to all 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, Technological and other innovations in the industry.

1. Member Communications and Relationships with Vendors

- a. Yankee Alliance will implement all contracts, programs and service offerings in such a way as not to hinder in any way a member's ability to communicate directly with vendors.
- b. Yankee Alliance will in no way hinder a member's ability to communicate directly with vendors who do not hold Yankee Alliance contracts.
- c. Yankee Alliance will in no way hinder a member from purchasing clinical preference products or services directly from a vendor Yankee Alliance does not have a contract with.

2. Vendor Participation in Yankee Alliance Meetings

- a. Upon approval of the Chief Operating Officer, vendors will be asked to participate at various member advisory committees. Vendor participation can come in the form of educational grants, modest meals and hospitality, faculty expenses and advertisements and demonstrations as outlined in the advanced medical technology association code of ethics. Each vendor participation activity will be documented in writing to the Chief Operating Officer prior to the meeting for approval.
3. Yankee Alliance will implement a contracting process that informs potential vendors of the process for seeking and obtaining contracts.
4. Yankee Alliance will implement a contracting process that provides any and all interested vendors with the opportunity to solicit contracts.

D. *Use of Contracting Tools*

The goal of Yankee Alliance's contracting process includes promoting quality of patient care and achieving price savings and cost reductions for its' members. To that end, Yankee Alliance utilizes contracting tools that include sole source contracting, committed usage requirements, contract length and multi product line discount arrangements. Yankee Alliance will use these tools either alone or in combination, only in contracting arrangements that achieve the foregoing goals.

E. *Compliance, Certification and Implementation*

1. The Yankee Alliance Vice President for Human Resources will be charged with the responsibility for overseeing compliance with the code of conduct and fulfill all reporting requirements.

2. Certification

a. Annually the Yankee Alliance Compliance Officer, (V.P. for H.R.) will make an annual report to the board regarding compliance to the Yankee Alliance code of conduct.

b. The Compliance Officer will insure procedures are in place to seek regular, periodic and timely disclosure of conflicts by directors, officers, employees and advisors.

F. *Disclosure of Vendor Payment*

1. Written agreement

a. Yankee Alliance will 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 and services.

2. Disclosure of payments related to purchases

a. Yankee Alliance shall report annually 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.

3. Disclosure of vendor payments

a. Yankee Alliance will make full disclosure to its members all vendor payments received whether allocated to a specific member or not.

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 health care services to patients.
- C. **“Code of Conduct”** Universal set of written standards for governance of behavior, designed to:
- Deter wrongdoing
 - Promote honest and ethical conduct, as well as accountability
 - Promote compliance with applicable government laws, rules and regulations
 - Promote accurate and timely reporting and disclosures
 - Promote prompt internal reporting of violations of the Code and/or the law (SEC Definition)
- D. **“Corporate Equity Interest”** shall mean securities, options, warrants, debt instruments (including loans), or rights to acquire any of the foregoing.
- 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 health care services to patients that has an agreement (directly or through an authorized agent) which authorizes Yankee Alliance 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 \$200 in any given calendar year. Any item, service or other thing of value that costs \$10 or less shall not be counted toward the \$200 annual limit.

- H. **“Participating Vendor”** shall mean a Vendor that has a contract or submits a formal bid or offer to contract with Yankee Alliance to provide goods or services to Yankee Alliance members.
- I. **“Payments”** shall mean all payments by a Vendor of goods or services to Yankee Alliance as a 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.