

SIoux FALLS SPECIALTY HOSPITAL, L.L.P. VENDOR COMPLIANCE PROGRAM

External Policies

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CODE OF CONDUCT

PURPOSE

The purpose of this policy is to outline the standards that the Sioux Falls Hospital, L.L.P. (the "Hospital") utilizes in evaluating which vendors to contract with, the standards for contracting, and the code of conduct required from all vendors and vendor representatives at the Hospital. The Hospital operates according to the highest ethical standards and compliance with the law. The Hospital has instituted the Vendor Compliance Program (the "Program") outlined in this document which is designed to streamline the collection and management of key information regarding the regulatory and compliance status as well as business operations of our vendors.

The Hospital is committed to providing the highest quality of care to its patients and conducting the Hospital's business with integrity and in compliance with federal and state laws and regulations. The Program's policies describe the Hospital's Program and its role in ensuring compliance and top quality care for its patients. This Program is adopted voluntarily and is setting the standard for compliance and quality standards for vendors.

The Program also provides information about how to raise a compliance concern and the Hospital's policy prohibits retaliation against people for raising concerns in good faith.

SCOPE OF COVERAGE

This Program shall only apply to vendors, defined as companies which sell products either directly implanted into the human body or products which are directly used in and necessary to surgery or medical procedures on the human body. Vendors can be either the manufacturers or distributors of these products: it is any company that seeks to contract with the Hospital for the sale of these products.

The scope of this Program is limited for vendors with whom the Hospital does at least \$10,000 of business in a year. Vendors with annual sales to the Hospital of less than Ten Thousand Dollars (\$10,000) may not be subject to the Vendor Credentialing Policy, at the discretion of the Vendor Oversight Committee.

VENDOR CREDENTIALING

Purpose

Vendor credentialing ensures that those Vendors of the Sioux Falls Specialty Hospital (the "Hospital") serve the best interests of the Hospital and its patients. The purpose of the credentialing process is to screen and monitor all Vendors and vendor products for legal compliance and for quality assurance. The Hospital is committed to advancing its patients interests and seeks to conduct business with only those companies which advance these interests.

Policy and Procedure

All Vendors with whom the Hospital conducts business must be credentialed. A Vendor becomes credentialed through the credentialing process. The credentialing process involves a screening of both the physician members of the Medical Staff/physicians applying to become members of the Medical Staff and the Vendor. The purpose of the screening is to identify relationships for compliance purposes between a Vendor and employees, Medical Staff members, or physicians applying to become members of the Medical Staff.

- A. Credentialing Standards. The Hospital shall screen Vendors and Medical Staff members/physicians applying to become Medical Staff members as follows:
1. The Specialty Hospital shall send its Vendor Conflict of Interest Form to all Vendors for completion, and each Vendor shall register with IntelliCentrics at <https://www.reprax.com>, including Vendors with no on-site presence.
 2. All Vendors must pass the excluded provider screening conducted by the Hospital and IntelliCentrics. It is the policy of the Hospital to make reasonable inquiry into the background of prospective third parties and/or contractors whose job function or activities may materially impact the Medicare/Medicaid claim development and submission process (i.e. impact on any revenue producing department), the Hospital's relationship with physicians, or referral patterns between providers.
 - a. The Hospital will not knowingly contract with or retain on its behalf any person or entity which has been:
 - i. convicted of a criminal offense related to healthcare (unless such person or entity has implemented a compliance program as part of an agreement with the federal government); or
 - ii. listed by a federal agency as debarred, excluded or otherwise ineligible for federal program participation.
 - b. In attempting to ascertain whether an individual or entity is ineligible, the Hospital, through IntelliCentrics shall review the following sources:
 - i. DHHS/OIG Cumulative Sanction Report, accessed utilizing the Office of Inspector General's web site at <http://exclusions.oig.hhs.gov>. Questions may be directed to: Office of the Inspector General, Office of Enforcement and Compliance, 7500 Security Boulevard, Room N2-01-26, Baltimore, Maryland, 21244 (410)786-9603.
 - ii. SAM/System for Award Management monthly list of debarred

individuals and contractors, accessed by utilizing the SAM web site at <https://sam.gov/content/exclusions>.

3. Physicians applying to become members of the Medical Staff must complete the **Vendor Affiliation Form and Certificate of Receipt of Compliance Policies** for Initial Credentialing. Members of the Medical Staff must complete the **Vendor Affiliation Form** for Recredentialing. Physicians seeking to become members of the Medical Staff and Medical Staff members also will be screened pursuant to the Physician Payments Sunshine Act federal database, <https://openpaymentsdata.cms.gov/search>.
- B. Screening Process. Vendors will be screened as frequently as required by the Vendor Oversight Committee. Physicians seeking to become members of the Medical Staff will be screened upon initial application and members of the Medical Staff will be screened as part of the recredentialing process.
- C. Vendor Approval. The Vendor Oversight Committee shall review the results of all screenings at each regularly scheduled meeting of the Committee. The Oversight Committee may refer such matters to the Management Committee for further review. Vendors who are determined to have a financial relationship with any owner or team member of the Hospital will need to complete additional steps to become credentialed. The Oversight Committee reserves the right not to authorize a transaction with such Vendor or to ask the Vendor to provide further information.
- D. Products/Quality Review. As part of the Vendor credentialing process, all medical products, devices, and equipment to be sold by the Vendor to the Hospital must be reviewed and approved of by the Vendor Oversight Committee, which is authorized to act through the Purchasing Director (or designee). All Vendors must have their products approved. If a Vendor has a financial relationship with an employed team member of the Hospital or a member of the Medical Staff, that Vendor must provide proof regarding the quality of the product as follows:
 1. Published data / white papers on trials, data from studies in regards to surgical outcomes, infection rates, breakdown of product over time with usage;
 2. Supporting FDA / 510k approval of product;
 3. Listing of current users within the region; and
 4. Supporting documentation on the benefits of the product and cost savings/time savings/patient benefits such as recovery time or accelerated healing.

Vendors may also be required to complete a further description of why this particular product is important to them.

- E. New Products. All new medical products, devices, or equipment must be approved of by the Vendor Oversight Committee authorized to act through the Purchasing Director (or designee). This includes all items that introduce either new technology or significant change to existing technology at the Hospital. If a Vendor is already credentialed and intends to use a new product, device or piece of equipment that previously has not received approval, the Vendor must present such item to the Purchasing Director (or designee) for review and approval.
 1. This policy applies to all medical devices, disposable products and clinical equipment (approved by the Food and Drug Administration (FDA) or not), including any items that have been approved for use by the Institutional Review Board (IRB).
 2. Vendors should contact the Materials Manager to schedule an appointment

- to discuss new products, devices and equipment.
3. The Purchasing Director (or designee) shall report the approval of any new products to the Vendor Oversight Committee at its next regularly scheduled meeting.
- F. Authority of the Medical Director. The Medical Director is granted the authority to provide temporary or emergency credentialing for either a Vendor or a new product. A decision to grant temporary privileges shall be noted for the Oversight Committee, and the Vendor shall be asked to complete the credentialing process as soon as reasonably possible.
 - G. Credentialing Specialist. As of the enactment of the Vendor Compliance Program, the Credentialing Specialist at the Specialty Hospital shall be the Compliance Officer. The Management Committee shall appoint a new successor Credentialing Specialist in the event the Compliance Officer vacates the position.
 - H. Business Relationship. All Vendors will be monitored and supervised by IntelliCentrics. Any and all complaints regarding a Vendor/Vendor representative will be logged with IntelliCentrics.
 - I. Confidentiality of Patient and Institutional Information. All patient information is confidential, regardless of whether it is spoken in a conversation, written on a piece of paper, contained in an e-mail or stored electronically in a Hospital computer or on a portable storage device. Vendors and their employees or agents must protect and keep patient information confidential and comply with all laws and policies related to the Health Insurance Portability and Accountability Act. If a Vendor is classified as a business associate, the Vendor must sign a Business Associate Agreement and comply with all its terms.

DETERMINATION REGARDING PRICE

Purpose

The Sioux Falls Specialty Hospital (the "Hospital") seeks to ensure the best value for all its contracts, including those contracts with vendors. Ensuring that all vendor contracts are for fair market value also ensures the Hospital's compliance with federal and state health care fraud and abuse laws and regulations. The Hospital is committed to maintaining its compliance with such laws and regulations and will seek to negotiate, at arm's length, all vendor contracts that provide the best value for its patients.

Policy and Procedure

Even if a vendor is credentialed, the Hospital will negotiate the best possible price for the products. As such, the Hospital shall negotiate the best possible price and report the price review at each monthly meeting of the Vendor Oversight Committee. Price negotiations shall be documented by the Hospital. The Purchasing Director (or designee) shall direct competition of a value analysis periodically which will include a quote containing all line items' individual discounts indicating list price, percentage discount, dollar discount, and final cost.

At all times negotiations shall be arm's length, and the volume and value of any referrals or financial relationship shall never be considered.

CONTRACTS WITH VENDORS

Purpose

The Sioux Falls Specialty Hospital (the “Hospital”) seeks to establish and maintain a standard contract form for all vendor contracts. This standard contracting form will help maintain consistent contracting standards and ensure consistent expectations for all vendors—both new vendors which hope to establish a business relationship with the Hospital and those vendors with an existing relationship with the Hospital.

Policy and Procedure

The Hospital will only purchase products from credentialed vendors. Once the credentialing process and price review is complete, all products must be purchased through a written agreement or purchase order. All vendor contracts must be approved by the CEO or CFO and reported to the Vendor Oversight Committee at its next quarterly meeting.

Corporate officers of the selected vendor will be required to sign all legal documents. The CEO and CFO (or designee) are authorized on behalf of the Hospital to sign purchase orders.

A. Purchase Order Terms and Conditions.

The standard purchase order for vendors without an independent financial relationship as outlined above shall generally be in this standard form:

1. Complete Agreement. This Purchase Order, which includes any supplementary sheets, schedules, exhibits, riders, and attachments annexed hereto or any document or writing incorporated by reference by Buyer, contains the complete and entire agreement between the parties and supersedes any other communications, representations, or agreements, whether verbal or written, with respect to the subject matter hereof.
2. Risk of Loss and Title. Risk of loss of the goods shall pass to Buyer at the time the goods are actually delivered. Title to the goods shall remain with Seller until Buyer receives the goods.
3. Non-Assignment. Assignment of the order or any interest therein or any payment due or to become due thereunder, without the written consent of Buyer, shall be void.
4. Prices. The price(s) shall not be higher than that appearing on the face of this Purchase Order or Agreement, or if no price appears thereon, then no higher than the last quoted by Seller for the same or substantially similar articles in similar quantities.
5. Packing, Shipment, and Transportation. All packing, shipment and transport shall be pursuant to the reasonable standards of the industry.
6. Disclosure Guarantee. The Seller warrants that it has accurately completed the Vendor Disclosure Form in the screening process and that all information on such form is correct. The Seller assumes liability for any harm resulting from a false disclosure form.
7. Termination for Default. If Seller breaches any of the terms hereof including warranties of Seller or if Seller becomes insolvent or commits an act of

- bankruptcy, Buyer shall have the right to terminate by written notice to Seller, without liability, all or any part of the undelivered portion of this order. In case of such termination, Seller shall continue performance of any non-terminated portion of the order and Buyer may obtain elsewhere the portions of the supplies or services affected by the termination of supplies or services similar thereto, and charge the Seller with any cost increase caused thereby. Buyer's rights under this clause are in addition to, and not in lieu of, any other remedies available under this order or provided by law.
8. Termination for Convenience. Buyer reserves the right to terminate this order in whole or from time to time in part, even though Seller is not in default hereunder. In such event there will be made an equitable adjustment of the terms of this order mutually satisfactory to Buyer and Seller. Upon receipt of written notice of such termination, Seller shall, unless such notice otherwise directs, immediately discontinue all work on the order.
 9. Remedies. The remedies herein reserved shall be cumulative and in addition to any other or further remedies provided in law or in equity. No waiver of a breach of any provision of this order shall constitute a waiver of any other right, remedy, or provision.
 10. Changes. Buyer shall have the right by written order to make changes as to destination, specifications, designs, and delivery schedules. Seller shall not make any changes unless agreed to in writing signed by buyer.
 11. Inspection and Review. All purchases will be subject to Buyer's final inspection. Buyer, at its' option, may reject any non-conforming equipment or material and return it to Seller at Seller's risk and expense at the full invoice price plus all transportation and other related costs.
 12. Insurance, Indemnity, etc. If the order involves operations by Seller on the premises of Buyer or the performance of labor for Buyer, Seller shall take all necessary precautions to prevent the occurrence of any injury to person or property during the progress of such work and shall indemnify and protect Buyer against all liabilities, loss, and expenses, including reasonable attorneys' fees, claims, or demands for injuries or damages to any person or property resulting from the performance of this contract or from any act or omission of Seller, its agents, employees, or subcontractors. Seller further agrees to maintain Workers' Compensation, Employer's Liability, and Comprehensive General Liability insurance coverages as will satisfy Buyer that it is protected from said risks.
 13. Intellectual Property. By accepting this order, Seller guarantees that the material hereby ordered and the sale, lease, or use of it will not infringe any United States or foreign patents, copyrights, trademarks, or other intellectual property rights, and the Seller agrees to defend, protect, and save harmless the Buyer, its successors, assigns, customers, and users of its products, against all suits and from all damages for actual or alleged infringements of any patent, copyright, trademark, or other intellectual property right by reason of the sale, lease, or use of the material hereby ordered.
 14. Warranties. Seller warrants the merchantable quality of the goods sold hereunder and that such goods will conform to any specifications, drawings,

samples, or other descriptions furnished or specified by Buyer, will be of good material and workmanship and free from defect. Seller expressly warrants that the material covered by this order, which is the product of Seller or is in accordance with Seller's specifications, will be fit and sufficient for the purpose intended.

15. Warranty Price. Seller warrants that the prices charged Buyer, as indicated on this Purchase Order, are no higher than prices charged on orders placed by others for similar quantities on similar conditions subsequent to the latest general announced or published price change. In the event Seller breaches this warranty, the prices of the Articles shall be reduced accordingly retroactively to date of such breach.
16. Compliance With Laws. In filing this order, Seller shall comply with all applicable federal, state, and local laws and government regulations and orders and Seller warrants that the articles meet all applicable Government specifications and requirements.
 - a. While this agreement remains in effect and for a period of four years after the termination of this agreement, Seller shall maintain, and shall make available upon proper request from proper government authorities, this agreement and any subcontract under this agreement valued at \$10,000 or more in any twelve-month period, and all books, documents, and records related thereto that are necessary to verify the nature and costs of services provided hereunder by Seller or any organization related to Seller, in accordance with applicable government regulations in effect from time to time.
 - b. Seller further represents and warrants that neither Seller, nor its officers or directors have been debarred, suspended, or excluded from providing services under federal or state government programs. Seller further represents that its business is guided by a compliance program to ensure organizational compliance with laws and regulations.
17. South Dakota Law. This Purchase Order is governed by the laws of the State of South Dakota as respects contracts made, accepted, and performed in South Dakota.
18. Amendment and Waiver. This Purchase Order may be amended only in writing signed by Buyer. No provision of this Purchase Order can be waived except in writing signed by Buyer and no failure to object to any breach of a provision of this Purchase Order by Buyer shall waive Buyer's right to object to a subsequent breach of the same or any other provision.
19. Marketing Approvals. In purchasing a drug or device in interstate commerce Buyer relies upon the distributor and manufacturer to obtain all necessary marketing approvals. Absent contrary advice from you, Buyer regards your sale of a drug or device as warranting that FDA premarket approval has been obtained.
20. HIPAA Compliance. By fulfilling this Purchase Order, Supplier hereby confirms that all products and services are compliant with all aspects of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), including the provisions related to Privacy, Security, and Code Sets.

MATERIALS MANAGEMENT VENDOR VISITATION AND SALES POLICY

WELCOME

Welcome to Sioux Falls Specialty Hospital (the “Hospital”). We look forward to working with you. During your association with us, we hope you help provide us the ability to provide our patients the highest quality of products with the best price possible. By striving to drive the best value for our patients, we can continue to offer the highest quality of care to our patients.

SIOUX FALLS SPECIALTY HOSPITAL MATERIALS MANAGEMENT

The Hospital is located at 910 E. 20th St. The Purchasing Department is located in the Northeast corner of the main level. Please sign into the SEC3URE Kiosk located in the **Men’s and Women’s Locker Rooms** upon arrival. Vendor representatives **MUST** wear their SEC3URE badges, or present mobile device showing check-in status, while on site. Infractions of this policy could result in suspension of vendor privileges for a period of 30 days.

The Purchasing Department is open Monday – Friday from the hours of 7:00 am to 4:00 pm. *Please schedule appointments prior to visiting.*

Parking is located in the **Pain Clinic/Open Upright parking lot at 716 E 19th St.**

GPO AFFILIATION

The Hospital is a member of Vizient and Vanderbilt University’s Purchasing Collaborative.

QUOTES AND BIDS

All vendor quotations will be fielded as confidential bids. A written quote shall be evaluated based on quality, price, and service. Request for bids will outline any other requirements needed. All quotes must be submitted to the Director of Business Development and Clinic Operations, Materials Management Supervisor, or Great Plains Surgical Orthopedic Service Line Director.

PURCHASE ORDERS

All orders are required to have a Purchase Order number issued by an authorized team member of the Materials Management department, such as the Supervisor or Buyers. The purchase order number should appear on all packing lists, invoices, and any other material related to the purchase order. Invoices for services, equipment, or supplies will not be authorized for payment unless a purchase order and purchase order number have been given. Surgical supplies and products provided by vendors for surgeries must be documented on Hospital supplied yellow forms or vendors’ inventory/billing forms.

Each form must display:

1. Vendor Name
2. Date of Surgery
3. Patient Identifier (name or initials)
4. Attending Physician
5. Items being billed to SFSH
6. Quantities of items used
7. Correct Hospital price *OR* Construct Number
8. Billable order total
9. Name and email address of the rep completing the form

A PO number may be requested by emailing the Materials Management Supervisor. Representatives must obtain a PO number prior to submitting Bill-Only orders to Vendors.

An electronic version of these forms or Vendor inventory/billing forms must be emailed to the Supervisor; a scanner is located in the Purchasing Department if electronic forms or digital pictures are not available for submittal. Failure to email a digital submittal to the Supervisor will substantially delay payment for goods and services provided.

Vendor representatives must be present for cases their products are used in and to complete Bill Only forms. If representatives cannot be present to complete the required forms and a Hospital team member completes the forms on the representative's behalf, a **30% price reduction** will automatically be applied.

NEW PRODUCTS

- A. All equipment or products for trial must have approval of Materials Management and the OR Management staff prior to surgeon consent.
- B. Vendor representatives are expected to provide product in-service, FDA approval if needed, coding/billing information, and any other pertinent information for use of the new product.
- C. Any product trailed is expected to be furnished at no charge during the evaluation.
- D. Capital equipment for trial must be reviewed by the Environmental Services department for an electrical check before demonstrations.
- E. Vendors must work with the departments to verify and provide written documentation of trial dates. Any vendor that does not receive approval of new product will have privileges suspended for 30 days. Any vendor providing equipment or products used without Materials Management and OR Management approval, even upon physician request, will not be paid more than 70% of the invoiced price of goods or services.

CONDITIONS OF PURCHASE FOR SUPPLIES (INCLUDING IMPLANTS AND SURGICAL SUPPLIES), SERVICES, AND EQUIPMENT

- A. The following are the conditions of purchase:

1. All Shipments are F.O.B. facility unless otherwise specified at the time of order.
2. Payment terms are net 30 days unless otherwise specified.
3. Shipment is subject to cancellation if not delivered in the time specified.
4. Substitution is not permitted without approval of the MM Department.
5. Price increases are not acceptable without prior notice and acceptance by the Materials Management Purchasing Team (Supervisor, Analyst, Buyer(s)).
6. Back order notification is required within one working day after the order.
7. The purchase order number must appear on packing lists, invoices, and shipping containers.
8. Total payment will be made following acceptance of the order.
9. Any amendments to the original purchase order, including price variances and discrepancies, must be approved by the MM department.

RETURN GOODS

In the case of surplus, shipment error, ordering error, or obsolete product, we will request return of goods. Returned goods will be accompanied by a return purchase order for the ability to ensure proper credit to our facility. We will ask for a return authorization number and once received, we will return to the designated facility. Vendors will be notified of all over-shipments and will be given ten working days from notification to claim goods. Products resulting from vendor shipping error will be disposed of if the vendor does not take possession within the prescribed timeline.

DELIVERIES

Deliveries of all supplies and equipment must be to the Hospital receiving department. All shipments are to be F.O.B. facility unless otherwise specified. Deliveries will be accepted Monday – Friday between the hours of 7:00 am and 2:00 pm. Emergency deliveries must be arranged through the Purchasing Department at 605- 334-6730. Ask for Purchasing or Materials Management.

LOAN OF EQUIPMENT

Vendors who would like to borrow our equipment must get approval from the OR Manager or the Materials Management Supervisor. If equipment is taken without approval, suspension and/or penalties may be incurred.

NOTE TO VENDOR REPRESENTATIVES

- A. There will be no loitering in the Dr.'s Lounge or introduction of new products/equipment without the pre-arranged consent of both the Physician and Materials Management.
- B. Any instruments/supplies lost after leaving the sterile corridor are the responsibility of the instrument/supply Representative.
- C. New surgical scrubs, hats and shoe covers are required upon entering the surgical corridor.
- D. Scrubs may not be worn back and forth between our Hospital and any other hospitals. The Hospital's scrubs may not be taken out of the facility.

- E. Representatives are not to be in the OR room until after the patient is prepped and draped.
- F. No personal cell phone use in sterile corridor, OR's, or patient care areas.
- G. Parking is not allowed in the lot directly north of the Center Inn. Parking is available adjacent to Midwest Imaging and Midwest Pain Specialist Clinic at 716 E 19th St.
- H. Sterile supplies are not to be opened by any Surgical Representative.

BUSINESS RELATIONSHIPS WITH VENDORS

Purpose

The Sioux Falls Specialty Hospital (the "Hospital") guides its interactions with vendors of supplies, pharmaceuticals, equipment and service to the highest ethical standards and seeks to avoid even the mere appearance of impropriety. The Hospital is committed to transparent business dealings with its vendors, and strives to develop mutually advantageous business relationships. The relationship between the Hospital and/or its team members with a vendor and/or its representatives is an arm's length business relationship with decisions whether or not to purchase certain products from a vendor or its representatives being determined solely by quality, price, and services offered, and without regard to any attempts to influence such decision-making by the vendor representative, including without limitation gifts, entertainment, and travel provided by such vendor.

Policy and Procedure

Business transactions with vendors shall be transacted free from offers or solicitations of gifts and favors or other improper inducements in exchange for influence or assistance in a transaction.

- A. Business Relationship Between Vendor and Employee. It is the Hospital's desire at all times to preserve and protect its reputation and to avoid the appearance of impropriety.
 1. Gifts Influencing Decision-making. The Hospital or its team members shall not accept gifts from proprietary, health-related industries such as pharmaceutical companies, equipment vendors or other similar companies or such company representatives ("Vendors") that create a conflict of interest for the Hospital. The Hospital considers it a conflict of interest if a gift compromises the best interests of its patients. Gifts received which are unacceptable according to this policy should be returned to the donors.
 2. Vendor Sponsored Entertainment. At a Vendor's invitation and for a valid business purpose, an employee may accept reasonable meals or refreshments at the vendor's expense. Entertainment with Vendors must be for valid business purposes and must benefit the Hospital. The business meal or entertainment functions should be unsolicited and proportional to the business activity. In most circumstances, a regular business representative of the Vendor should be in attendance with employee.
 3. Workshops, Seminars and Training Sessions. Attendance at local, Vendor-sponsored workshops, seminars and training sessions is permitted. Attendance, at Vendor expense, at out-of-town seminars, workshops and training sessions is permitted only with the approval of the Vendor Compliance Officer. The Vendor Compliance Officer shall keep a record of all such workshops, seminars and training sessions.
 4. Samples of Goods and Services. Samples of goods and services may be accepted only for purposes of evaluation and must be procured in accordance with Hospital policy. Free samples for patient use may be dispensed only when

permitted by Hospital policy and only with a disclaimer regarding the Hospital's endorsement.

5. Consulting and Research Activities. Participation in consulting and research activities with Vendors shall be in accordance with Hospital policy.
6. Confidentiality. Official business matters such as price negotiations and contractual arrangements are considered to be confidential. Team members shall exercise discretion when discussing price negotiations and contractual arrangements.

B. Vendor Representatives. All Vendor representatives who come into the Hospital must meet the following criteria:

1. Represent a credentialed Vendor;
2. Pass an approved background check;
3. Be up-to-date with standard immunizations;
4. Consent to be governed by and comply with the policies and procedures of the Hospital regarding Vendor representatives, including behavior and contact with patients; and
5. Be in good standing as to compliance with all of these requirements.
6. Vendor representatives in the Hospital are monitored and supervised by IntelliCentrics or a similar monitoring program. The Hospital is registered with IntelliCentrics, a national program. Vendor representatives must register with the program which requires the Vendor representative to pass an approved background check and provide proof of up-to-date immunizations to be registered and authorized to enter the Hospital with an ID number. Vendor representatives must also be in compliance with all of the above policies and procedures before entering into the Hospital for the first time and review the Hospital's Code of Conduct and sign the release of liability form. Each time a Vendor representative enters the Hospital, the Vendor representative must log into IntelliCentrics for a specific case. IntelliCentrics provides the Vendor representative with a badge and a picture. The badge is time sensitive and will become black after 24 hours. The Vendor representative is required to log out. Any and all complaints regarding the Vendor representative will be logged to IntelliCentrics. A Vendor representative must remain in good standing to be authorized to enter the Hospital.

C. Confidentiality of Patient and Institutional Information. All patient information is confidential, regardless of whether it is spoken in a conversation, written on a piece of paper, contained in an e-mail or stored electronically in a Hospital computer or on a portable storage device. Vendors and their employees or agents must protect and keep patient information confidential and comply with all laws and policies related to the Health Insurance Portability and Accountability Act. If a Vendor is classified as a business associate, the Vendor must sign a Business Associate Agreement and comply with all its terms.

VENDOR COMPLIANCE HOTLINE REPORTING ACTION

Purpose

The primary purpose of Vendor Compliance Hotline Reporting Action (the "Hotline") is to provide a means for team members and agents of the Sioux Falls Specialty Hospital (the "Hospital") to report any activity and/or conduct which they suspect is not in adherence to the Hospital's Program. The goal of the Hotline is to give the Hospital the opportunity to identify, investigate, correct and prevent inappropriate conduct. The compliance reporting mechanism will allow the Hospital to disclose appropriate information to the proper outside agency, if necessary.

Policy and Procedure

Information received through the Hotline will be used to investigate and verify whether or not improper activity has occurred. Concerns might not be addressed unless sufficient information is provided about the facts of the situation.

All reports are taken seriously and will be properly and fully investigated. Depending on the facts, additional action will be recommended. Disciplinary action will result as appropriate. Legal counsel will be consulted at any time the Vendor Oversight Committee or the Vendor Compliance Officer feels it necessary to do so.

Confidentiality regarding the issue raised will be protected to the extent possible. No concealed efforts will be made to determine the number or location from which a call is made.

A. Hotline Procedure for Incoming Calls.

1. Reports can be made to any of the following:
 - a. Vendor Compliance Officer:
 - i. 605-444-8243 or ext. 8243,
 - ii. compliance voicemail at 605-444-8199 or ext. 8199, or
 - iii. email at cberry@sfsh.com
 - b. Department Director/Supervisor:
 - i. See appropriate department in directory for specific numbers.
2. Calls During Regular Business Hours. In most cases, persons making a call through the Hotline during regular business hours (8:30 AM to 5:00 PM) will speak with the Vendor Compliance Officer.
3. Calls Outside Regular Business Hours and on Weekends and Holidays. A person calling the Hotline outside of regular business hours and on weekends and holidays will be able to leave detailed information on the Vendor Compliance Officer's voice messaging system. Information on the voice messaging system will be retrieved and addressed in a timely manner.
4. Written Reporting. A person wishing to complete a written report may do so by completing the "Compliance Hotline Reporting Information Sheet", inserting it in the Hospital's addressed and stamped envelope and mailing it to the attention of the Vendor Compliance Officer.

5. During Non-business Hours. Calls to the Hotline will be handled through the voice-messaging system. The caller will be given three options:
 - a. The caller can call back during business hours if he/she does not want to leave the information on the voice-messaging system;
 - b. The caller can leave a phone number where he/she can be contacted the next business day; and
 - c. The caller can make up a four digit number and leave a detailed message regarding the question, concern or the nature of any improper or illegal activity.

VENDOR OWNED INSTRUMENTATION AND EQUIPMENT POLICY

Purpose

The purpose of this policy is to outline the expectations for delivery of vendor owned (“loaned/loaner”) instrumentation and equipment being brought to the Sioux Falls Specialty Hospital (the “Hospital”). The Hospital seeks to ensure the best and most efficient use of its resources and team members, promoting the highest level of quality and safe patient care. To accomplish this goal, the Hospital works collaboratively with contracted vendors to utilize loaner instrumentation and equipment. This Program is adopted voluntarily and is setting the expectation of compliance for vendors.

Procedure

- A. All vendor owned instrumentation and equipment brought in for sterile use will be sterilized at the Hospital prior to use. Exceptions may be authorized by OR Management depending on need for emergency use. This shall be an infrequent occurrence.
 - 1. All items brought into the Hospital from other healthcare facilities will be reprocessed by the Hospital. Exceptions may be authorized by OR Management depending on need for emergency use.
 - 2. IUSS (Immediate Use Steam Sterilization) is only to be used in emergency situations and not for routine processing of vendor instrumentation. Reference SFSH Immediate Use Steam Sterilization policy.
- B. All vendor owned instrumentation and equipment to be sterilized for use in a surgical procedure must be delivered to the Hospital Central Sterilization Room (CSR) by vendors.
 - 1. Hospital Central Sterilization team members must be notified of deliveries by calling the CSR cell phone at 605-212-7322.
- C. With the exception of extenuating circumstances, all vendor owned instrumentation must be delivered to the hospital by 11 a.m. the day prior to the procedure, unless approved by hospital CSR Supervisor or the Director/Assistant Director of Operative Services in the absence of the CSR Supervisor.
 - 1. Extenuating circumstances must include a good faith effort to deliver instrumentation to the Hospital in a timely manner by vendors.
 - 2. The Hospital shall have final authority to levy fines against vendors found to have conducted business in a manner not consistent with the spirit of these policies.
- D. Implantable items that arrive in sterile packaging from the manufacturer may be brought to surgical suites by vendors.
- E. It is the responsibility of vendors to ensure all loaner instrument sets are removed from the Central Processing Department the day that they are cleaned or immediately the following day.
- F. Loaner Instrument sets that are not routinely used must be removed from the Hospital and will not be permitted to be stored on the Hospital premises. For the purpose of this policy, routinely is defined as every 3 months (quarterly).

G. Sioux Falls Specialty Hospital will not be responsible for items damaged during use or routine cleaning.

H. Storage of vendor equipment and supplies:

1. Vendor equipment and/or supplies will be stored in the designated vendor storage area at all times except when in use or sterilization.
2. Equipment and/or supplies shall not be stored in a path of egress at any time.
3. If equipment and/or supplies are found to be improperly stored or in a path of egress at any time they will be removed and securely stored.
4. A fine of \$2500 will be imposed daily, due within 10 calendar days of receipt of invoice by certified mail, for any vendor found to be out of compliance. Failure to remit payment will result in denied entry to any Sioux Falls Specialty Hospital Facility.