



HPS
Code of Conduct
For
Business, Ethics, and Contracting



A Message from the President/CEO

To all Members, Participants, Vendors, Trustees, and Employees of HPS

HPS has had an excellent reputation in the industry as an ethical operating organization for well over 50 years. The enclosed Code of Conduct for Business, Ethics, and Contracting (“Code”) have been ratified by our Board of Trustees to perpetuate this long standing tradition of ethical operations. The following Code embodies our commitment to ethical, professional, and legal standards and assists us make the correct choices when confronted with difficult decisions. While the Code may not address every situation, we strive to uphold the foundation of this Code and choose business partners whose values and standards are compatible with our own.

It is each individual’s responsibility to act in an ethical, professional, and legal manner. Consequently, our adherence to the fundamentals of the Code are as important as the specific issues covered by the Code. If anyone has any questions or concerns about the Codes, HPS policies, or if in your dealings or employment with HPS you suspect unethical or improper conduct, we invite you to help us by reporting such concerns. Reporting should go through our Compliance Officer, who has direct reporting to the HPS president/CEO or the HPS Board of Trustees, through whom the reporting should go. The Compliance Officer has full authority to involve senior management or take the issue directly to the Board of Trustees. While we promote honesty and open communications, we realize there may be times that a subject may be sensitive in nature and require an anonymous and confidential reporting method. We have established an e-mail hotline that goes directly to our Compliance Officer, without any return address or sender identification. If you wish to voice your corporate compliance concern, please click the link: <http://www.hpsnet.com/hotline.php> to fill out the form to submit your anonymous complaint. If an individual wishes to be identified via the e-mail system, there is a method for doing so.

On behalf of the HPS Board of Trustees and HPS staff, I personally pledge no retaliation will be taken against an individual for reporting a compliance/ethics concern in good faith. We all have a personal obligation to identify concerns and maintain the professional, ethical, and legal standards described in our Code.

Thank you all for your continued commitment to maintain the strong ethical position HPS has enjoyed for the past 58 plus years.

Sincerely,

Jerry L. Welsh
President/CEO
HPS



I. Mission Statement

HPS is a member-owned group purchasing association whose ultimate goal is to assist health care organizations, educational institutions, and instrumentalities of government by providing savings on quality supplies, services and equipment purchased at the lowest possible cost to improve the communities we serve.

II. Vision Statements

- A.** Maintain and increase the number of HPS members.
- B.** Increase each member's purchases and utilization of the furniture, finishes, and equipment program and the HPS Design center.
- C.** Increase and strengthen each member's utilization of and compliance to HPS and MedAssets agreements.
- D.** Heighten and reinforce each member's understanding of the value of HPS, its relationship with MedAssets, and group purchasing.
- E.** Enhance and evaluate current communication methods between the organization, members and the vendor community.
- F.** Remain proactive during times of change by being knowledgeable of market trends.
- G.** Maintain, enhance and develop a technological infrastructure that addresses the needs of the association.
- H.** Maintain HPS as a financially self-sustaining group purchasing association.

III. Our Standards and Responsibilities

- A.** Every HPS employee:
 - 1. Contributes through personal accountability by being available and willing to serve
 - 2. Communicates and presents themselves with a positive attitude through respect and dignity to our members, business partners and each other
 - 3. Fosters teamwork by relying on and communicating with each other to accomplish a common goal
 - 4. Acquires knowledge of our technology in order to assist our members, business partners, and each other
 - 5. Understands our membership and their participation and the value of all our program offerings
 - 6. Seeks opportunities for growth with our members, business partners, and each other
 - 7. And strives to meet corporate, departmental, and individual goals and standards



B. HPS relies on the good judgment and values of our Board of Trustees, Leadership Team, committees, employees, and business partners to make the right decisions. When faced with a difficult situation, we should all ask ourselves:

1. Are my actions legal?
2. Am I being fair and honest?
3. Will my actions stand the test of time?
4. How will I feel about the decision afterwards?
5. How would it look in the newspaper or on the evening news?
6. Is it the right thing for the member?

IV. The HPS Commitment to Ethics and Compliance

A. HPS has a Code which is administered by the Compliance Officer, Leadership Team, and all employees. The Code reflects HPS' commitment to ethics and compliance. The purpose of the Code is to promote the ethical, honest and legal practices of daily activities. We promote:

1. Honest and ethical conduct, including ethical handling of actual or apparent conflicts of interest with personal and professional relationships.
2. All reporting and documents filed with appropriate agencies will be full, fair, accurate, timely, and understandable.
3. HPS will remain compliant with all applicable laws, rules and regulations.
4. Violations of the Code will be promptly reported and accountability for adherence to the Code will be maintained.

V. Reporting and Questioning Misconduct

A. HPS encourages all who deal with HPS to communicate directly and honestly about compliance issues or questions. HPS believes that honest communication is the responsibility of all involved in dealing with the HPS business process. Questions concerning legal, compliance, or ethical matters need to be brought forward.

B. The manager is the first line of communication – If an employee or business partner suspects a violation of the Code has taken place, ideally, the first communications should be with the immediate manager of the department in question, or:

C. The President/CEO – If the employee or business partner does not feel comfortable reporting this to the manager it may be brought directly to the president/CEO of HPS, or:



- D. The Compliance Officer** – If the employee or business partner does not feel comfortable in bringing the issue to the HPS president/CEO, then the reporting should go to the Compliance Officer. The Compliance Officer has full authority to take the matter directly to the HPS Board of Trustees, or:
- E. The HPS Hotline e-mail** – If the employee or business partner desires anonymity, they may utilize the HPS Hotline form available, (<http://www.hpsnet.com/hotline.php>). The complaint or concern then comes directly to the Compliance Officer with complete confidentiality.
- F. Investigating the Reports of Code Misconduct** - HPS will promptly and completely investigate all reported or suspected violations and good faith reports. HPS will follow-up and provide appropriate response to a quick, but complete resolution. When an investigation is being conducted, it is the responsibility of all parties to cooperate completely. Confidentiality will be maintained during the investigation process, following established guidelines.

VI. Non-Retaliation

- A.** HPS shall not permit the retaliation against an individual or business partner for reporting a perceived or potential violation of the Code, or participation in the investigation process.
- B.** HPS will not terminate, demote, suspend, threaten, harass or in any other way discriminate against anyone for reporting, in good faith, or assisting in an investigation in good faith.
- C.** HPS will not take disciplinary action or another type of retaliation against anyone who has, in good faith, reported a suspected Code violation or law/regulation infraction.
- D.** HPS encourages anyone who believes they have suffered retaliation to report this immediately to: the manager, HPS president/CEO, or the Compliance Officer.
- E.** Reports must be made in good faith and without improper motive. This means that if a report is filled, there must be reasonable and objective cause for doing so. If a false report is filed knowingly, this is a serious action, and the reporting individual will be subject to disciplinary action, up to and including termination of employment or cancellation of an agreement or loss of future bidding privileges.



VII. Conflicts of Interest

A. Personal Performance Responsibilities:

1. We will not take part in action or conduct that may be disloyal or damaging to HPS.
1. We will not work for a competitive company or any company currently doing business or seeking to do business with, or would be reasonably expected to do business with HPS.
2. We will not employ the service of any Board of Directors (or similar body) of any company that is doing business or seeking to do business with or would be reasonably expected to do business with HPS.
3. We will immediately disclose to our supervisor, senior management, or the Compliance Officer if a personal business relationship makes it difficult, or appears to make it difficult for us to perform our work in the best interest of the members and HPS.
4. We will devote all of our work time and our abilities to our assigned job responsibilities, understanding we perform our duties on behalf of the membership.

B. Equity Interests:

1. HPS shall not have Corporate Equity Interest in any business partner currently doing business with, seeking to business with or would be reasonably expected to do business with HPS.
2. HPS employees shall not have Individual Equity Interest in any business partner currently doing business with, seeking to do business with or would be reasonably expected to do business with HPS.
3. Each member of the HPS Board of Trustees and Advisory Committees will be required to sign a conflict of interest statement, and disclose any positions of Individual Equity Interest to HPS for further action, if required.
4. All HPS, including members of the Board of Trustees, Advisory Committees, and employees shall not enter into personal business ventures that compete directly with HPS, or have any influence on decisions which would adversely affect the membership or the HPS organization.



C. Transactions with related parties:

1. HPS will disclose and/or discontinue purchasing, leasing, or the sale of property, facilities or equipment from or to HPS, our members or our competitors by any related party involving our Board of Trustees, Advisory Committees, or employees.
2. HPS will not offer or extend a loan or letter of credit to any Board member, Advisory Committee member, or employee.

VII. Honoraria, gifts, entertainment & other payments for services

- A.** HPS in total shall not request any gifts or accept any gifts of more than a nominal value from any vendor, supplier, or their agent. These vendors would include ones with which HPS is currently doing business with ones seeking to do business with HPS, or ones that would be reasonably expected to do business with HPS. HPS wishes not to influence the decision making process in any manner, or provide a perception that the decision making process has been influenced. Any questions about gifts or other services offered by vendors should be directed to: department manager, president/CEO, or the Compliance Officer.
- B.** HPS shall reimburse vendors for any expenses (i.e. travel, meals, and lodging) paid on behalf of **any HPS officer or employee, except those of a nominal value.**
- C.** HPS shall not accept or request any improper payments or bribes from our vendors, **suppliers, customers, or any other business partner.**
- D.** HPS shall not knowingly make gifts that violate another member's or company's policy.
- E.** **Every Board member, Advisory Committee member, and employee will be required to sign a conflict of interest statement every year. Any conflicts of interest that arise during the year will be brought to the attention of management or the Compliance Officer for appropriate action.**

IX. Use of Marketing Tools and Vendor Relations

- A.** HPS does not participate with competitors or others in any activities that may illegally limit competition.
- B.** HPS members are not required to meet volume participation criteria to maintain membership. Participation in HPS programs is entirely voluntary.
- C.** HPS does not utilize contracting methods that "bundle" or "tie" clinical preference items with any other unrelated products.



- D. HPS utilizes certain marketing material to promote the program offerings to the membership, and utilizes accuracy in the creation of these tools.

X. Business and Accounting Record Accuracy

- A. HPS utilizes U.S. generally accepted accounting principles and obtains appropriate authorization for all business transactions.
- B. Financial reports are prepared monthly and reported to the Board of Trustees quarterly. HPS prepares and presents these reports in a manner that reflects the transactions and financial performance of HPS.
- C. HPS maintains and requires the submission of accurate timesheets, expense reports, and other relevant material in accordance with HPS policies.
- D. HPS complies with regulatory requirements governing the creation, management, retention, and destruction of records.

XI. HPS Proprietary and Confidential Information

- A. HPS takes every precaution necessary to respect the privacy of members and business partners. HPS realizes there is access to confidential information from other parties and we access that information based upon our assigned responsibilities.
- B. HPS maintains the confidentiality of salary, benefit, payroll, personnel and information on disciplinary matters.
- C. HPS does not provide confidential or commercially sensitive information to competitors, suppliers, contractors, anyone outside of HPS, or to other employees who do not need information for specific job related duties.
- D. HPS makes every attempt to secure information stored on paper, electronically, or transmitted via our computer systems.
- E. HPS maintains a system to report confidentiality breaches to the department manager, president/CEO, or the Compliance Officer, for proper resolution to the breach.



XII. Fraud and Compliance with Laws and Regulations

- A. HPS attempts to remain up-to-date on laws, regulations and guidelines by attending trade specific activities and monitoring appropriate trade publications.
- B. HPS maintains a system of internal controls to prevent, detect, and deter fraudulent behavior.
- C. **HPS does not tolerate fraudulent behavior which includes the act or intent to cheat, trick, steal, deceive, or lie, and intentional acts of fraud are subject to disciplinary action, up to and including termination.**