

DEPARTMENT: Legal	POLICY DESCRIPTION: Relationships with Physician-Connected Vendors
PAGE: 1 of 11	REPLACES POLICY DATED: 3/15/08, 6/1/08, 8/1/08, 11/1/08, 6/15/09, 8/1/10; 11/1/12, 7/1/2014
EFFECTIVE DATE: May 1, 2016	REFERENCE NUMBER: LL.027
APPROVED BY: Ethics and Compliance Policy Committee	

SCOPE: This Policy applies to HCA Holdings, Inc. (the “**Company**”) and all of its Affiliates operating in the United States (“**HCA Affiliates**”).

Other capitalized terms used in this Policy and not otherwise defined have the meaning given to them below in the Definitions section.

PURPOSE: The Office of Inspector General (OIG) and the Centers for Medicare and Medicaid Services (CMS) closely scrutinize purchases of items and services from Vendors that are owned in whole or in part by Physicians or that have compensation arrangements with Physicians. Prohibition against self-referrals under the Stark Law (see “**References**” below) may apply to arrangements with such Vendors. This Policy is intended to govern the establishment and maintenance of arrangements with such Vendors in compliance with applicable laws.

POLICY:

This Policy requires the proper classification of each Vendor into one of four categories. The Company and HCA Affiliates will not purchase items or services from Category B Physician-Connected Vendors except as permitted by this Policy.

More specifically, this Policy categorizes each Vendor as either: (i) an Exempt Vendor, (ii) a Non-Physician-Connected Vendor, (iii) a Category A Physician-Connected Vendor, or (iv) a Category B Physician-Connected Vendor.

As described more fully below and on **Schedule X**, an Exempt Vendor is deemed to be a Non-Physician-Connected Vendor. Exempt Vendors are not subject to the certification or the Fair Market Value Contract procedure and requirements of this Policy, though Exempt Vendors may be subject to Policy LL.001 and other applicable Company policies.

The category into which other Vendors fall is determined based on the Vendor’s certification in a Certification Form, Purchase Agreement or Fair Market Value Contract, as applicable.

Non-Physician Connected Vendors and Category A Physician-Connected Vendors are not subject to the Fair Market Value Contract procedure and requirements of this Policy, though all such Vendors may be subject to Policy LL.001 and other applicable Company policies.

For more orientation as to proper categorization, please see “LL.027 Summary Guidance” set forth on **Exhibit A** to this Policy: “Categorizing Physician-Connected Vendors.”

Note: A Physician-Connected Entity that has or proposes to enter into agreements with an HCA Affiliate in compliance with Policies LL.002 (Professional Services Agreements); LL.003 (Physician Recruiting Agreements); LL.004 (Physician Real Estate Transactions; Physician Space Leases); LL.006 (Physician Employment); LL.007 (Medical Practice Asset Acquisition); LL.022 (Reimbursement of Expenses and Extending Tokens related to Voluntary Leadership Service by

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Potential Referral Sources), shall not be considered a Physician-Connected Vendor subject to this Policy by reason of such agreements.

A. **General.**

1. Exempt Vendors

Exempt Vendors are described on **Schedule X**. Such Vendors do not need to submit a Vendor certification and are not subject to the specific Fair Market Value Contract procedure and the other requirements of this Policy.

2. Non-Physician Connected Vendors

Non-Physician-Connected Vendors are Vendors who have certified that they: (i) are *not* a Physician-Owned Vendor; and (ii) have no Physician Compensation Arrangements. Such Vendors are not subject to the Fair Market Value Contract procedure and the other requirements of this Policy. Note that Qualified Publicly Traded Companies are not considered to be Physician-Owned Vendors.

3. Category A Physician-Connected Vendors

Category A Physician-Connected Vendors include only Physician-Connected Vendors that: (i) are not a Physician-Owned Vendor; and (ii) have made certain representations with respect to their Physician Compensation Arrangements, if any, that indicate they maintain only Certified Physician Compensation Arrangements. Category A Physician Connected Vendors are not subject to the specific Fair Market Value Contract procedure and the other requirements of this Policy.

4. Category B Physician-Connected Vendors

Category B Physician-Connected Vendors include Physician-Connected Vendors that are Physician-Owned Vendors and/or Vendors that have Uncertified Physician Compensation Arrangements (i.e., Vendors have failed to make certain representations with respect to all of their Physician Compensation Arrangements).

a. **Physician-Owned Vendors.** The Company and HCA Affiliates may purchase items and/or services from a Physician-Owned Vendor only if all of the following requirements are satisfied:

- i. To the extent the Physician-Owned Vendor has Physician Compensation Arrangements, all such arrangements must be Certified Physician Compensation Arrangements;
- ii. The purchasing arrangement must be memorialized by a Fair Market Value Contract. (A Fair Market Value Contract is required regardless of whether the Physician(s) with which the Vendor is connected might refer to an HCA Affiliate purchasing the item or service or any other HCA Affiliate); and

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iii. The purchasing arrangement complies with this Policy, Policy LL.001, Policy LL.029, Policy EC.028, other applicable policies and applicable law.

b. **Vendors with Uncertified Physician Compensation Arrangement(s).** The Company and HCA Affiliates shall not purchase items and/or services from a Vendor subject to this Policy with Uncertified Physician Compensation Arrangement(s), regardless of whether the Vendor is a Physician-Owned Vendor.

B. **Policy LL.029.** Policy LL.029 prohibits the Company and HCA Affiliates from purchasing certain covered products from certain Physician-Owned Vendors. This Policy does not limit or alter the application of Policy LL.029. If Policy LL.029 prohibits the purchase of a particular product from a particular Vendor by a Purchasing Entity (as defined in Policy LL.029), then the Purchasing Entity must not purchase that product from that Vendor, even if the purchase would otherwise be permitted by this Policy. Those responsible for purchasing products from Physician-Owned Vendors should also be familiar with Policy LL.029.

C. **Under Arrangements Agreements With Physician-Owned Vendors.**

Under Arrangements Agreements with Physician-Owned Vendors may be prohibited by the Stark Law. Accordingly, any Under Arrangements Agreement with a Physician-Owned Vendor should be reviewed and evaluated on a case-by-case basis with applicable Operations Counsel before the Company or any HCA Affiliate may agree to, or enter into, such arrangement.

D. **Exceptions.** Any exceptions to this Policy must be approved in writing by the applicable Approving Authority and the Company's Senior Vice President & Chief Ethics and Compliance Officer.

PROCEDURE:

A. **Determining Whether a Vendor is a Physician-Connected Vendor.**

1. **Vendor Physician Ownership & Compensation Certification Form.**

- a. Before entering into any new business relationship, or renewing any existing business arrangement, with a Vendor (other than an Exempt Vendor), the Company or HCA Affiliate shall send the Certification Form to the Vendor for completion and execution
- b. In lieu of sending the Certification Form to the Vendor, the Company or HCA Affiliate may enter into a Fair Market Value Contract or Purchase Agreement.
- c. Supply Chain shall save a copy of all returned Certification Forms in a database accessible by Division Contract Managers and facility management, such as "OnBase."

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- d. If a Vendor returns a fully completed and signed Certification Form with Box 1 of Section I marked, and--
 - (1) Section III marked “No,” the Vendor is a Non-Physician-Connected Vendor and the further requirements of Policy LL.027 are not applicable--the Company or HCA Affiliates may conduct business with the Vendor in compliance with other applicable policies.
 - (2) Section III marked “Yes” and the Vendor provides the Compensation Certification, the Vendor is a Category A Physician-Connected Vendor and the further requirements of Policy LL.027 are not applicable--the Company or HCA Affiliates may conduct business with the Vendor in compliance with Policy LL.001 and other applicable policies.
 - (3) Section III is marked “Yes” and the Vendor does not provide the Compensation Certification, the Vendor is a Category B Physician-Connected Vendor--the Company or HCA Affiliates may not purchase from the Vendor, or pay the Vendor for, items or services.
- e. If a Vendor returns a fully completed and signed Certification Form with Box 2 of Section I marked, the Vendor is considered a Category B Physician-Connected Vendor and the further requirements of Policy LL.027 must be satisfied.
 - (1) If Section II is also marked “Yes,” refer to Policy LL.029 to determine whether Policy LL.029 prohibits the purchase of Covered Product from the Vendor.
 - (2) If Section III is also marked “Yes” and the Vendor provides the Compensation Certification, the Company or HCA Affiliates may purchase items or services from the Vendor pursuant to a Fair Market Value Contract.
 - (3) If Section III is also marked “Yes” and the Vendor does not provide the Compensation Certification, the Company or HCA Affiliates may not purchase from the Vendor, or pay the Vendor for, items or services.

Application of Policy LL.027 Based on Vendor Certification Form Responses				
Section I Box Checked	Section III	Section III Compensation Certification	Vendor’s Status	Action (All Subject to LL.029)
<i>Box 1</i>	<i>No</i>	--	<i>Non-Physician Connected</i>	<i>Contract per General Policies</i>
<i>Box 1</i>	<i>Yes</i>	<i>Yes</i>	<i>Category A</i>	<i>Contract per General Policies</i>
Box 1	Yes	No	Category B	No Contracting, Purchasing or Payments

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<i>Box 2</i>	<i>No</i>	<i>--</i>	<i>Category B</i>	<i>FMV Contract per LL.027</i>
<i>Box 2</i>	<i>Yes</i>	<i>Yes</i>	<i>Category B</i>	<i>FMV Contract per LL.027</i>
Box 2	Yes	No	Category B	No Contracting, Purchasing or Payments

2. **Vendor’s Failure or Refusal to Return a Fully Completed and Signed Certification Form.** Neither the Company nor HCA Affiliates shall purchase items or services from a Vendor that has not returned a fully completed and signed Certification Form, unless such action otherwise complies with this Policy (e.g., it is determined that the Vendor is an Exempt Vendor or a Compensation Certification is included in a Fair Market Value Contract or Purchase Agreement).

3. **Updated Certification Forms.**

- a. Generally. Upon notice from Vendor of the need to update its Certification Form, or upon the Vendor’s submission of a revised Certification Form indicating that the Vendor has become a Category B Vendor or current arrangements with the Vendor may not comply fully with this Policy, Supply Chain and HCA Affiliate purchases from the Vendor and payments to the Vendor shall be suspended until the Vendor’s revised Certification Form as been evaluated under this Policy.
- b. Annual Certification Update for Vendors subject to LL.029. A Vendor that has submitted a Certification Form with Section II marked “Yes,” from which LL.029 does not prohibit the purchase of Covered Product shall update, complete and re-execute a Certification Form at least every year and within thirty (30) days of any change to the information provided on such Form.

4. **Records of Physician-Connected Status of Vendors.** The Company will maintain records of the Physician-Connected status of Vendors in a centralized database.

B. Determining Fair Market Value.

- 1. **Methodologies for Determining Fair Market Value.** Fair Market Value may be determined in any of the following manners:
 - a. *Independent Valuation.* The HCA Affiliate(s) purchasing the item or service may obtain confirmation of Fair Market Value through an Independent Valuation.
 - b. *Equivalent to HPG Economic Terms.* If the item or service is offered by a Vendor through a contract with HPG, and such Vendor is neither an exclusive provider to HPG nor exclusively providing services to HCA Affiliates (i.e., not an HPG Company only contract), the price, compensation and other economic terms agreed to with any other Vendor should be, in the aggregate for all the economic terms, consistent with and

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comparable to the Fair Market Value terms agreed to by HPG. Any economic terms under consideration that are in the aggregate higher than HPG pricing must be reviewed by HPG and the Legal Department.

- c. *Competitive Bid.* An HCA Affiliate desiring to purchase an item or service from a Vendor may establish Fair Market Value through a Competitive Bid.
- d. *Products Available Exclusively from Physician-Connected Vendors.* If the item or service is not offered by a Vendor through a contract with HPG as set forth in paragraph (b) above AND the applicable Approving Authority certifies in writing that no item or service of similar quantity, quality, type and availability is offered by a non-Physician-Connected Vendor, the purchasing entity shall obtain from the Physician-Connected Vendor copies of at least five (5) invoices of equivalent sales having occurred within the prior two (2) years to multiple and independent similarly situated, non-HCA Affiliate entities or facilities, to which the Physicians connected with such Vendor do not directly or indirectly refer. If the price of the item or service offered by the Physician-Connected Vendor to Company or an HCA Affiliate is higher than the average per unit price for the item or service listed in the certified invoices, reason(s)--e.g., superior quality, type, availability, *etc.*--must be documented.

2. **Mandatory Periodic Update of Fair Market Value Determinations.** A Fair Market Value determination of an arrangement with a Category B Physician-Connected Vendor, in accordance with this Policy, shall be valid for two (2) years, unless an Independent Valuation or Competitive Bid, pursuant to which Fair Market Value was determined, specifically specified a longer duration. After two (2) years (or the specified longer duration per an Independent Valuation or Competitive Bid), the Fair Market Value for the items or services must be re-determined in a manner consistent with this Policy prior to continuing to purchase items or services under the applicable existing contract or renewing or entering into a new contract for such items or services.

3. **Document Retention.** Documentation supporting a Fair Market Value determination performed in a manner consistent with this Policy must be maintained by the entity for the duration of the relationship with the Vendor plus five (5) years. Such documentation includes, but is not limited to, Independent Valuations reports, alternate bids, certified copies of invoices, "most-favored-nation" agreements, and any other supporting information.

C. Deemed FMV for Non-Health Care Items or Services Commonly Available in the Market.

If a non-healthcare item or service (e.g., food, gasoline, retail goods) is offered by a Physician-Connected Vendor to the general public (e.g., through an e-commerce website or a brick-and-mortar storefront) on the same terms and conditions for all purchasers, and any discount, rebate, or reduction in price is offered by the Vendor to all purchasers, the price of the item or service shall be deemed to be Fair Market Value.

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D. Verifying, Before Making Purchases or Payment, that a Fair Market Value Contract has been Executed.

Before making purchases from or payment to a Category B Physician-Connected Vendor, if the item or service is not offered by the Vendor through a Fair Market Value Contract with HPG, Supply Chain will determine the HCA Affiliate(s) with which the Vendor does business and will contact the CFO of the HCA Affiliate(s) with a request for a copy of the Fair Market Value Contract. If no such Fair Market Value Contract exists under which the proposed purchase is to occur, Supply Chain will notify the HCA Affiliate(s) that a Fair Market Value Contract is necessary and no purchases or payments are to be made until one is obtained for each such facility.

E. HPG Exclusive Agreements.

Where the item or service supplied by the Physician-Connected Vendor is or could be supplied through an existing contract between HPG and another Vendor, HPG must be contacted prior to entering into any contract with the Vendor. HPG will review its contract and advise whether the HPG agreement prohibits entities or facilities from executing contracts with any other Vendor for the same or similar items. If HPG determines that such an exclusive statement is included in the HPG contract, the HCA Affiliate will not purchase items or services from the Vendor.

F. Vendor Discovered to be Category B Physician-Connected Vendor After Agreement to Purchase Items and Services.

In unusual cases, the Company or HCA Affiliates may learn that a Vendor is a Category B Physician-Connected Vendor only after agreeing to purchase an item or service from the Vendor. The Company or HCA Affiliates must then enter into a Fair Market Value Contract with the Vendor that complies with this Policy before any further items or services are ordered or provided or payments are made. Until such a contract is executed by the parties, neither the Company nor HCA Affiliates shall make payment to the Vendor for previously provided items or services.

G. Under Arrangements Agreements With Physician-Owned Vendors.

Any Under Arrangements Agreement with a Physician-Owned Vendor should be reviewed and evaluated on a case-by-case basis with the applicable Operations Counsel before it is entered into to determine if it is legally permissible.

H. Approvals.

The purchase of items or services from a Category B Physician-Connected Vendor must be approved by the Approving Authority. In addition, the CEO/Administrator of the Purchasing Entity (as defined in Policy LL.029) and the Approving Authority will be required to certify at the time the Fair Market Value Contract is entered into that:

1. if a Covered Product (as defined in Policy LL.029) is involved, the Physician-Connected Vendor is not a Physician-Owned Business (as defined in Policy LL.029) or with respect to

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the Purchasing Entity (as defined in Policy LL.029) the Vendor qualifies as an Exempt Physician-Owned Business (as defined in Policy LL.029) under Policy LL.029;

2. the items and/or services covered by the agreement are priced at Fair Market Value and such Fair Market Value has been determined consistent with Procedure Section B of this Policy LL.027;
3. there are no agreements or understandings, whether written or oral, that condition the decision to purchase or the consideration paid on the volume or value of any referrals or other business generated among the parties, their owners or investors, or any other HCA Affiliate; and
4. the items and/or services to be purchased do not exceed those that are reasonable and necessary for the arrangement's business purposes.

A form of such certificate is attached to this Policy as **Exhibit C**. A copy of this completed certificate is to be maintained with the agreement by the HCA Affiliate(s), with the original certificate to be forwarded to the Legal Department.

I. Compliance Reporting.

The Company and HCA Affiliates shall follow appropriate procedures, outlined in Policy EC.025, for reporting any potential compliance issues and occurrences.

DEFINITIONS:

Certain defined terms used in this Policy are as follows:

Affiliate means any person or entity Controlling, Controlled by or under common Control with another person or entity.

Approving Authority means, with respect to an HCA Affiliate purchasing facility or entity, the applicable Division President or Division CFO, or, with respect to purchasing by a Company corporate department, the applicable corporate Vice President.

Category A Physician-Connected Vendor means a Physician-Connected Vendor (other than an Exempt Vendor) that: (a) is not a Physician-Owned Vendor; and (b) has only Certified Physician Compensation Arrangements.

Category B Physician-Connected Vendor means: (a) a Physician-Owned Vendor; and/or (b) a Vendor that has failed to deliver to the Company an executed a Compensation Certification with respect to all of its Physician Compensation Arrangements.

Control means the direct or indirect power to govern the management and policies of an entity; or the power or authority through a management agreement or otherwise to approve an entity's transactions (includes **Controlled, Controlling**).

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Certification Form means the applicable, then-current, Vendor Physician Ownership and Compensation Certification Form attached to this Policy.

Certified Physician Compensation Arrangement means Physician Compensation Arrangement(s) with respect to which the Vendor has made a Compensation Certification.

Compensation Certification means a Vendor’s representation, in a writing signed by the Vendor, that all of its Physician Compensation Arrangement(s) are: (i) fair market value; and (ii) do NOT vary with, or take into account, the volume or value of referrals or other business generated by the physician(s) for any hospital, healthcare facility, clinic or other healthcare provider.

Competitive Bid means pricing and economic terms of purchase obtained through the solicitation and comparison of multiple *bona fide* competitive offers of items or services for sale. If the selected pricing and economic terms are higher than the average of such competitive offers, the reason(s)--e.g., superior quality, type, availability, *etc.*--must be appropriately documented. No HCA Affiliate may structure a Competitive Bid solicitation in a way that would effectively limit the Vendors able to participate in the process to preferred, local or Physician-Connected Vendors.

Designated Health Services means those services that are subject to the general prohibition against self-referrals contained in the Stark Law, including clinical laboratory services, physical therapy, occupational therapy, speech-language pathology services, radiology and certain other imaging services, radiation therapy, durable medical equipment, parenteral and enteral nutrients, prosthetics, orthotics, and prosthetic devices, home health services, outpatient prescription drugs and inpatient and outpatient hospital services.

Exempt Vendors are not subject to this Policy. An Exempt Vendor is a Vendor satisfying one of the categories set forth in the Exempt Vendor List (**Schedule X** to this Policy).

Fair Market Value means the value in arm’s-length transactions consistent with the price that an item or service would bring as the result of *bona fide* bargaining between well-informed buyers and sellers who are not otherwise in a position to generate business for the other party, or the compensation that would be included in a service agreement as the result of *bona fide* bargaining between well-informed parties to the agreement who are not otherwise in a position to generate business for the other party, on the date of acquisition of the asset or at the time of the service agreement. Usually, the fair market value price is the price at which *bona fide* sales have been consummated for items of like type, quality and quantity in a particular market or the compensation that has been included in *bona fide* service agreements with comparable terms at the time of the agreement, where the price or compensation has not been determined in any manner that takes into account the volume or value of anticipated or actual referrals.

Fair Market Value Contract means a written agreement, executed by the parties before items or services are provided or paid for, which: (a) specifies a purchase price consistent with Fair Market Value for the items and services to be provided; (b) contains appropriate representations, warranties and covenants on the part of the Vendor concerning Fair Market Value compensation of Physicians, and updating of the Certification Form, such as those set forth on **Exhibit B** to this Policy; (c) has

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been reviewed by the Legal Department and (d) otherwise satisfies the requirements of Policy LL.001.

HPG means HealthTrust Purchasing Group.

Immediate Family Member of a person means that person’s husband or wife; birth or adoptive parent, child, or sibling; stepparent, stepchild, stepbrother, or stepsister; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; grandparent or grandchild; grandparent’s or grandchild’s spouse.

Independent Valuation means a written assessment by an Company-approved third party appraiser of the value of items or services under the proposed terms of purchase by the Company or an HCA Affiliate(s) from a Vendor.

Non-Physician-Connected Vendor means any Vendor that is not a Physician-Connected Vendor.

Ownership Interest means any direct or indirect ownership or investment interest, whether through equity, debt or other means, including but not limited to stock, stock options, warrants, partnership shares, limited liability company memberships, as well as loans, bonds and other debt instruments.

Physician means any person who is a doctor of medicine or osteopathy, a doctor of dental surgery or dental medicine, a doctor of podiatric medicine, a doctor of optometry, or chiropractor, licensed by a jurisdiction within the United States. The term “Physician” includes without limitation any person who is an Immediate Family Member of a person described in the immediately preceding sentence.

Physician Compensation Arrangement means a direct or indirect compensation arrangement with a Physician or a Physician-Owned Vendor.

Physician-Connected Entity means any entity in which a Physician holds any Ownership Interest and/or any entity with a Physician Compensation Arrangement.

Physician-Connected Vendor means any Vendor that is a Physician-Owned Vendor and/or a Vendor with a Physician Compensation Arrangement.

Physician-Owned Vendor means any Vendor in which a Physician holds any Ownership Interest; excluding any Vendor that is a Qualified Publicly Traded Company.

Purchase Agreement means a written purchase agreement with a Category A Physician-Connected Vendor, where the Compensation Certification is incorporated and made a part of the purchase agreement.

Qualified Publicly Traded Company means a company that is publicly held and both:

- a) listed on the New York Stock Exchange (**NYSE**), the American Stock Exchange, or any regional exchange in which quotations are published on a daily basis, listed on a recognized foreign, national or regional exchange in which quotations are published on a daily basis, traded under an automated interdealer quotation system operated by the National Association of Securities Dealers (**NASDAQ**) or listed on an electronic stock market or over-

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the-counter quotation system in which quotations are published on a daily basis and trades are standardized and publicly transparent; AND

- b) had at least \$75 million in stockholders' equity at the end of its most recent fiscal year or on average during the previous 3 fiscal years.

Supply Chain means HCA Affiliate, Central Shared Services, LLC d/b/a Parallon Supply Chain Solutions.

Uncertified Physician Compensation Arrangement means Physician Compensation Arrangement(s) that are not Certified Physician Compensation Arrangements--i.e., the Physician-Connected Vendor has not made a Compensation Certification with respect to one or more of its Physician Compensation Arrangement(s).

Under Arrangements Agreement means an agreement with a Physician-Owned Vendor where:

- a) the Physician-Owned Vendor performs services for an HCA Affiliate (such as a hospital); and
- b) such HCA Affiliate, in turn, bills such services as Designated Health Services. Performing a service generally includes situations where the Physician-Owned Vendor provides both the equipment and personnel/technicians for the test or treatment provided to a patient or where the technical component is purchased. Examples may include, but are not limited to, the following services: cardiac catheterization, outpatient surgery, mobile PET, imaging, CT or MRI, radiation therapy (including cyberknife/gamma knife), cryotherapy, intraoperative monitoring, perfusion, sleep lab, *etc.*

Vendor means an entity selling, or seeking to sell, items or services to the Company or an HCA Affiliate(s).

REFERENCES:

1. 42 U.S.C. § 1320a-7b;
2. Stark Law, 42 U.S.C. § 1395nn and implementing regulations;
3. General Statement on Agreements with Referral Sources; Approval Process Policy, [LL.001](#)
4. Reporting Compliance Issues and Occurrences to the Corporate Office Policy, [EC.025](#)
5. Vendor Relations Policy, [EC.028](#)
6. Company Code of Conduct
7. Prohibition on Purchasing Certain Products from Physician-Owned Businesses, [LL.029](#)

VENDOR PHYSICIAN OWNERSHIP & COMPENSATION CERTIFICATION

Vendor: _____ Address: _____

Service or Product Type(s): _____ City/State/Zip _____

Organizational form: Corporation, profit Partnership Individual
 or Sole Proprietorship Corporation, nonprofit* LLC LLP Other _____

The person, company, business or other entity named above (“Vendor”) hereby certifies that the information provided by Vendor in connection with this Certification is true and accurate.

VENDORS MUST COMPLETE ALL SECTIONS I, II, III AND IV

SECTION I: Vendor’s Ownership Type. (*Check only one box*).

<input type="checkbox"/>	1	<p>a. Vendor is <u>NOT</u> owned directly or indirectly by a physician* or immediate family member of a physician,** and <u>NO</u> physician or immediately family member of a physician is known to have a direct or indirect ownership interest in a business that is an Affiliate*** of Vendor, <u>OR</u></p> <p>b. Vendor is a <i>Publicly Traded Company with <u>MORE THAN</u> \$75 million in stockholders’ equity as of the end of its most recent fiscal year or on average during the previous 3 fiscal years.</i></p>
<input type="checkbox"/>	2	<p>Vendor is owned directly or indirectly by a physician* or immediately family member of a physician** <u>OR</u> a physician or immediately family member of a physician is known to have a direct or indirect ownership interest in Vendor or a business that is an Affiliate of Vendor.***</p> <p><i>If this box is selected, Vendor must complete and submit along with this Certification the attached Vendor Physician Arrangements List.</i></p>
<p>* “Physician” means any person who is a doctor of medicine or osteopathy, a doctor of dental surgery or dental medicine, a doctor of podiatric medicine, a doctor of optometry, or chiropractor, licensed by a jurisdiction within the United States.</p> <p>** “An immediate family member” means husband or wife; birth or adoptive parent, child, or sibling; stepparent, stepchild, stepbrother, or stepsister; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law; grandparent or grandchild; and spouse of a grandparent or grandchild.</p> <p>*** “Affiliate” means any person or entity controlling, controlled by or under common control with another person or entity. Control means the direct or indirect power to govern the management and policies of an entity; or the power or authority through a management agreement or otherwise to approve an entity’s transactions (includes controlled, controlling).</p>		

+ Certification does not apply to “Non-Provider Affiliated Charitable Organizations” (i.e., Section 501(c)(3) organizations NOT engaged in the provision of healthcare services (e.g., NOT a hospital, health system, clinic or other provider/supplier) and NOT an Affiliate of a physician, physician practice, person or entity engaged in the provision of healthcare services.

SECTION II: Does Vendor Sell Implantable Medical Devices, Pharmaceuticals, Biologics

Does Vendor sell or intend to sell to HCA or its Affiliates (i) implantable medical devices (including external fixation devices) and/or related instrumentation; (ii) pharmaceuticals; or (iii) biologics? Yes
 No

(Note to HCA: This answer should be used solely in analyzing whether Policy LL.029 prohibits the purchase of Covered Product from the Vendor. If the answer is marked "yes," please analyze whether Policy LL.029 prohibits the purchase of Covered Product from the Vendor).

Vendor has read and is familiar with the federal Anti-Kickback Statute and the U.S. Department of Health and Human Services Office of Inspector General ("OIG") Special Fraud Alert: Physician-Owned Entities, dated March 26, 2013, addressing the specific attributes and practices of Physician-Owned Entities that the OIG believes produce substantial fraud and abuse risk and pose dangers to patient safety. The OIG's Special Fraud Alert is available at: http://oig.hhs.gov/fraud/docs/alertsandbulletins/2013/POD_Special_Fraud_Alert.pdf.

SECTION III: Physician Compensation Arrangement.

Does the Vendor (or an Affiliate of Vendor) have compensation arrangement(s) with a physician, immediate family member of a physician, or an entity in which a physician or an immediate family member of a physician has an ownership interest?

Yes No

If Yes, Vendor must provide the following certification:

Vendor certifies that the aggregate compensation under its compensation arrangements with physicians, immediate family members of a physician, or entities in which a physician or an immediate family member of a physician has an ownership interest, is fair market value and commercially reasonable, and does NOT vary with, or take into account, the volume or value of referrals or other business generated by the physician(s) for any hospital, healthcare facility, clinic or other healthcare provider.

 [Initials of Authorized Vendor Representative]

SECTION IV: Current and Future Notice by Vendor.

Vendor agrees to promptly notify HCA Supply Chain Consolidated Service Center at [phone _____], of any other changes to the information provided on this Certification Form as soon as such changes are known, but in no event later than thirty (30) days of the change.

Vendor understands and acknowledges that upon such notification, HCA and its affiliated entities may immediately suspend all purchases from and payments to Vendor until the information provided by Vendor has been reviewed to ensure compliance with HCA policies and applicable laws.

Initials of Authorized Vendor Representative

Vendor Physician Arrangements List

If Vendor selects Section I, Box 2, Vendor must complete each of the fields in the chart below with respect to any physician who (i) has a direct or indirect ownership interest in the Vendor, (ii) whose immediate family member(s) has a direct or indirect ownership interest in the Vendor, or (iii) is a member of a group practice with any physician identified in (i) or (ii). For physicians named below because an immediate family member has a direct or indirect ownership interest in the Vendor, please indicate specifically whether the immediate family member is the physician's spouse or another immediate family member.

Name of Physician Owner	If Physician Ownership is in an Affiliate(s) of Vendor, Identify Affiliate(s)	State in which Physician is Licensed / Practicing	National Provider Identifier (NPI)	Name of Group Practice	Names of (and Tax ID/NPI) of All Other Physician Members of Physician's Group Practice	Affiliations, Privileges, or Referral Relationships with Any HCA Entity/Facility

Attach additional pages as necessary.

VENDOR CERTIFICATION

The Vendor hereby certifies that it is not currently excluded or ineligible to participate in any Federal or State health care programs, that the information provided and contained herein is true and accurate, that Vendor will promptly notify the Company and update this Certification form in writing within thirty (30) days of any change in the information provided:

Name of Vendor: _____

Certified by: _____

Signature: _____

Date:

Name: _____

Phone:

Title*: _____

*If not an officer of the Vendor, please attach proof of authority to sign.

HCA CONTACT INFORMATION

(HCA, National or Affiliate contact who is sending this request—Please complete contact information below)

Name of HCA Affiliated Entity/Contracting Party:

Contact Name: _____

Title: _____

Phone Number: _____

Fax completed Certificate to: _____.

To reply by fax, please send to [___ fax ____].

If you have any questions about this form, please call [___ phone ____].

Schedule X

EXEMPT VENDORS

The following Vendors are exempt from the requirements of LL.027—i.e., deemed not to be Physician-Connected Vendors and not subject to the Vendor certification process set forth in LL.027 Procedures (“**Exempt Vendor**”):

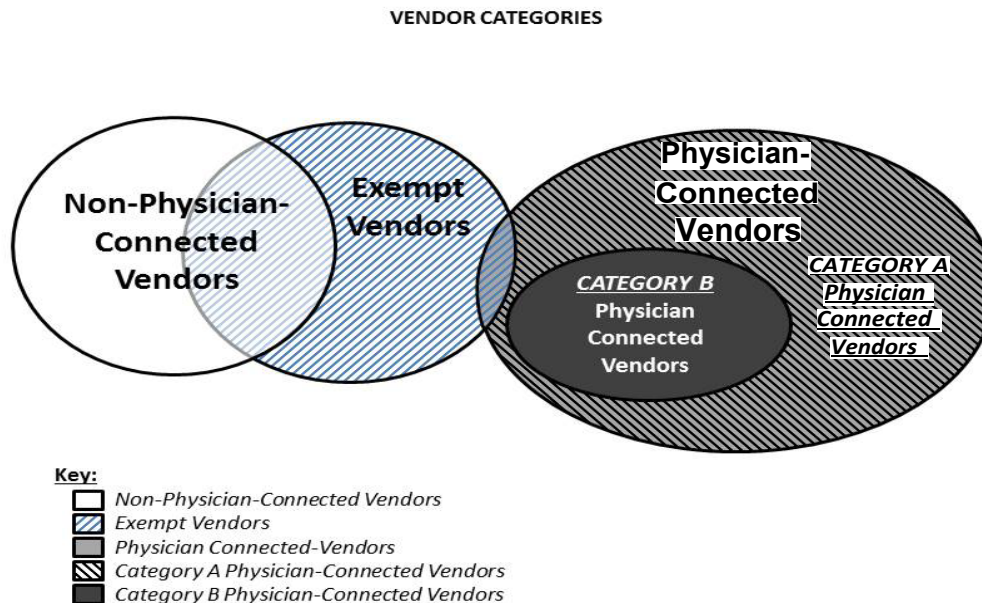
- **Non-Provider Affiliated Charitable Organizations** – a nonprofit entity that has obtained determination by the IRS of its status as a Section 501(c)(3) organization under the Internal Revenue Code, but is neither engaged in the provision of healthcare services (e.g., NOT a hospital, health system, healthcare facility, clinic or other provider/supplier) nor an Affiliate of a Physician, physician practice or a person or entity engaged in the provision of healthcare services.
- **Civic Organizations** –a nonprofit entity that has obtained determination by the IRS of its status as an organization described under Section 501(c)(4)-(8) of the Internal Revenue Code. Examples of Civic Organizations include the AARP, American Cancer Society, Rotary Clubs, and Chambers of Commerce.
- **Person Receiving Court Ordered Payments** – A person (including legal entities, trustees or representatives) to whom payment by the Company or an HCA Affiliate is ordered by a court, with respect to such payment. This includes any type of wage garnishments.
- **Employees** – an employee of the Company or HCA Affiliate to the extent payments are salary, wages, benefits and expense reimbursements made in connection with that employee’s employment relationship.
- **Government Organizations** –an agency, unit, department, office, commission or instrumentality of the Federal or a state or local government and any corporation or other entity created or controlled directly or indirectly thereby.
- **Medical Boards** –a Government Organization having jurisdiction to regulate the practice of medicine (or a subordinate or specialty healing art or profession), or similar State or other agency delegated such power or authority in whole or in part.
- **Patients** – Patients of any HCA Affiliate to the extent payments relate to such person’s patient status.
- **Professional Trade Association** – Professional Trade Associations not Affiliated with a Physician. Professional Trade Association means a national, state or local medical association, board or other nonprofit entity that has obtained determination by the IRS of its status as an organization described under Section 501(c)(6) of the Internal Revenue Code. Examples: organization whose purpose is to do at least one of the following: conduct peer review functions; establish, maintain or review quality standards for patient care services; facilitate or conduct continuing professional education; maintain professional standards, prestige, and independence of medical practitioners; further common business interest of the organization’s members; or similar purposes. Professional Trade Associations are **NOT** exempt from the requirements of LL.027 if Company or an HCA Affiliate purchases items, supplies, or services from the Professional Trade Association and it is apparent that any of the Association’s Physician member’s or contractors may receive purchase proceeds or any portion thereof. For example, if a Facility purchases an educational book or publication from a Professional Trade Association, which indicates that the copyright is owned by a Physician, then the requirements of LL.027 must be satisfied.
- **Public Utility** – Public Utility means an organization that: (i) is dedicated to public use by reason of its maintaining (and/or providing services through) an infrastructure capable of delivering services

consumed by the public, such as natural gas, water, sewage, telephone, broadband or internet services; and (ii) is subject to public control and regulation.

- **Organizations that Sell to the Public** – Businesses not Affiliated with a Physician that primarily sell non-health care goods or services to the general public. That would include, for example, law firms, accounting firms, banks and/or lending institutions that are FDIC-insured, insurance companies, hotels, food service companies, and franchises of larger chain companies.
- **Sarah Cannon Research Institute Arrangements with Certain Entities Conducting Clinical Research**. Payments made by SCRI Development Innovations (“**SCRI**”) to an entity (other than a Physician or “**Group Practice**”) for clinical research services under a clinical trial (“**Researcher**”), to the extent that such payments have been received by SCRI from a clinical research sponsor (“**Sponsor**”) and SCRI’s payment to the Researcher is a pass-through of Sponsor payments (without markup or any overhead charge) or made by SCRI as the Sponsor’s agent or attorney-in-fact. For purposes of this Exempt Vendor category, Group Practice means “**Group Practice**” as defined under the Stark Law.

Exhibit A**LL.027 Summary Guidance
Categorizing Physician-Connected Vendors**

Read Full Policy Carefully. Defined terms are necessarily complex. Thorough understanding of Defined Terms and Policy is necessary to assure compliance.

**Fundamental issue: Classifying Type/Category of Vendor****Step 1: Is Vendor an Exempt Vendor? (see Schedule X)****If Exempt Vendor**

▶ No Vendor Certification Form Required

If Not Exempt Vendor

▶ Vendor Certification Form Required (or Fair Market Value Contract / Purchase Agreement where, among other Policy requirements, the Compensation Certification is incorporated and made a part of the contract)

Step 2: Results of Vendor Certification***If Non-Physician Connected Vendor***

*Vendor is NOT a Physician-Owned Vendor (definition excludes a Vendor that is a Qualified Publicly Traded Company) **and** does NOT have Physician Compensation Arrangements.*

- ▶ Subject to Policy LL.001 and other applicable policies and applicable law, but not the Fair Market Value Contract procedure and requirements of Policy LL.027.

If Category A Physician-Connected Vendor

*Vendor is NOT a Physician-Owned Vendor (definition excludes a Vendor that is a Qualified Publicly Traded Company) **and** does NOT have Uncertified Physician Compensation.*

- ▶ Subject to Policy LL.001 and other applicable policies and applicable law, but not the Fair Market Value Contract procedure and requirements of Policy LL.027.

If Category B Physician-Connected Vendor (e.g., a Physician-Owned Vendor) has Certified Physician Compensation Arrangement(s)

- ▶ Subject to Fair Market Value Contract procedure and requirements of Policy LL.027.

If Category B Physician-Connected Vendor has Uncertified Physician Compensation Arrangement(s)

- ▶ No contracting, purchasing or paying Vendor for items / services

Exhibit B**Sample Representations & Warranties for Physician-Connected Vendor Contracts**

Please disregard auto-Section numbering in this excerpt

1.1 Physician Ownership Interests and Compensation Arrangements

- a. **Physician Ownership Interests.** Vendor represents and warrants that it is either (i) a publicly traded company with at least \$75 million in stockholders' equity at the end of its most recent fiscal year or on average during the previous 3 fiscal years, or (ii) no Physician or Immediate Family Member of a Physician has an Ownership Interest in Vendor or a business that is affiliated with Vendor unless the identity of such Physician has been previously disclosed in Vendor's Certification (defined in Section ___ below). For purposes of this Section 1.1 only, a business that is considered affiliated with Vendor includes, but is not limited to, a parent entity, subsidiary, or other entity controlling, controlled by, or under common control with Vendor, with control meaning the direct or indirect power to govern the management and policies of the entity or the power to approve the entity's transactions through a management agreement or otherwise.
- b. **Physician Compensation Arrangements.** Vendor represents and warrants that, with respect to any and all current and future compensation arrangements between Vendor and a Physician, an Immediate Family Member of a Physician, and any entity in which a Physician or an Immediate Family Member of a Physician has an ownership interest, such compensation arrangements:
 - i. constitute compensation consistent with fair market value for commercially reasonable and legitimate services under a signed written agreement;
 - ii. do not vary with, or otherwise take into account, the volume or value of referrals or other business generated by the Physician for or with any hospital, ASC or healthcare facility, regardless of whether said compensation otherwise satisfies the special rules set forth in 42 C.F.R § 411.354(d)(2) or (d)(3); and
 - iii. if in the form of consulting, product development, royalty agreement or similar arrangements, expressly exclude from the compensation or royalty payment any revenues Vendor receives by virtue of the use of any product, item or service in question by the following: (a) the Physician or any Immediate Family Member of a Physician; (b) any practice group with which the Physician or any Immediate Family Member of a Physician is affiliated; (c) any member, employee or consultant of a practice group of which the Physician or any Immediate Family Member of a Physician is affiliated; (d) any hospital, ASC or healthcare facility with which the Physician is affiliated or has medical staff privileges; and (e) any individual or entity for which the Physician has any actual or potential ability to influence procurement decisions for goods, items or services.

- c. Certification, Notice of Changes and Termination. Vendor has submitted a Physician Ownership & Compensation Certification ("Certification") to [HPG or HCA Affiliate] and represents and warrants to the continued accuracy of the information provided therein. Vendor will submit a renewed and updated Certification upon request of [HPG or HCA Affiliate]. Vendor will also provide [HPG or HCA Affiliate] with thirty (30) days' advance written notice prior to entering into any transaction inconsistent with the representations and warranties of Sections 1.1(a) and 1.1(b). Upon receipt of any such notice, [HPG or HCA Affiliate] may immediately terminate this Agreement, without penalty or prejudice, by written notice to Vendor.
- For purposes of this Section 1.1, the following terms have the following meanings. "Physician" means any person who is a doctor of medicine or osteopathy, a doctor of dental surgery or dental medicine, a doctor of podiatric medicine, a doctor of optometry, or chiropractor. "Immediate Family Member" of a person means that person's husband or wife; birth or adoptive parent, child, or sibling; stepparent, stepchild, stepbrother, or stepsister; father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law; grandparent or grandchild; grandparent's or grandchild's spouse. "Ownership Interest" means any direct or indirect ownership or investment interest whether through equity, debt or other means, including but not limited to stock, stock options, warrants, partnership shares, limited liability company memberships, as well as loans and bonds.

Exhibit C

FORM OF CERTIFICATE

PURCHASING AGREEMENT WITH CATEGORY B PHYSICIAN-CONNECTED VENDOR

Certification
CEO/Administrator of Purchasing HCA Affiliate
and
Approving Authority

Regarding the agreement between **HCA Affiliate Legal Name** and **Vendor Legal Name**, (“Vendor”), effective _____, 20__ (the “**Purchasing Agreement**”), the undersigned hereby certifies that:

- 1) I have reviewed (a) Relationships with Physician-Connected Vendors Policy LL.027, (b) Prohibition on Purchasing Certain Products from Physician-Owned Businesses Policy LL.029 and (c) the Purchasing Agreement described above;
- 2) I have reviewed the Vendor Physician Ownership & Compensation Certification and verified that, if any Covered Products are the subject of the Purchasing Agreement, the Vendor is not a Physician-Owned Business or with respect to the Purchasing Entity the Vendor qualifies as an Exempt Physician-Owned Business, as those terms are defined under Prohibition on Purchasing Certain Products from Physician-Owned Businesses Policy LL.029;
- 3) The items and/or services covered by the Purchasing Agreement are priced at fair market value and such fair market value has been determined consistent with Part B of the Procedure set forth in Policy LL.027 Relationships with Physician-Connected Vendors;
- 4) There are no agreements or understandings, whether written or oral, that condition the decision to purchase or the consideration paid on the volume or value of any referrals or other business generated among the parties, their owners or investors, or any other entity affiliated with HCA Holdings, Inc.;
- 5) The items and/or services to be purchased do not exceed those that are reasonable and necessary for the arrangement’s business purposes;
- 6) I have verified that the Vendor is not currently excluded or ineligible to participate in any Federal health care programs;
- 7) The Purchasing Agreement has been reviewed by the Legal Department for compliance with the Company’s policies, including Agreements with Referral Sources Policy LL.001, Relationships with Physician-Connected Vendors Policy LL.027, and Prohibition on Purchasing Certain Products from Physician-Owned Businesses Policy LL.029.

CEO/Administrator of Purchasing HCA Affiliate

By: _____

Name: _____

Title: _____

Date: _____

Division President, Division CFO or Corporate Dept. VP

By: _____

Name: _____

Title: _____

Date: _____

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