

January 15, 2016

Dear Vendor,

We sincerely value our mutual long-standing professional relationship and your support towards advancing the mission of Covenant HealthCare. In an effort to enhance the quality of clinical care provided to our patients, improve the financial health of our organization and invest in our future, we are reorganizing our product evaluation process and establishing Clinical Quality Product Value Analysis (CQPVA) Teams with a new policy and procedure. This process is consistent with how all entities within Covenant HealthCare will be evaluating current and new products. Therefore, as products are introduced to the facility, they will undergo an evaluation process (CQPVA) prior to their approval for use.

Request for new products must come from staff members or members of our medical staff only. In addition, a Conflict of Interest will be evaluated with each new request. Each product will be evaluated based on clinical efficiency, effect on quality outcomes, and appropriate economic control. Efforts will be made to eliminate product duplication. To limit exposure to liability, we will not consider any product for use from a company, agency or individual that is on the Office of Inspector General's exclusion list.

Only under extreme circumstances that may jeopardize patient safety and, in the absence of other alternatives, will a product be considered for a one-time emergency use. These will require an administrator's approval. At that time, the vendor and the physician will be provided with notification that the product will be subjected to a retrospective CQPVA product evaluation process for consideration of further use in the facility.

Products and their associated service costs introduced without CQPVA team approval will be considered a donation to the facility. No charges will be passed on to the patient for such items. Attempts to circumvent this process will result in limitations of access to the hospital up to and including sanctions against the vendor. This new policy has been communicated to our physician partners as well. Vendors in the facility must have an established appointment and will be required to sign in and out with Reprax prior to and immediately after their meeting. Visits to additional areas are prohibited.

No department, company, agency or individual providing services or products to Covenant HealthCare will be exempt from this process. This policy is effective October 1, 2015. If you have any questions, please email us at cqpva@chs-mi.com. Thank you.

Sincerely,

Michael Rossi
Director, Supply Chain Management
Covenant HealthCare