



PedsPal Group Purchasing Program Participation Agreement

WHEREAS, Cook Children's Physician Network (**CCPN**) has created and maintains the **PedsPal** Group Purchasing Program (**the Program**), that enables member physician offices/clinics, who are otherwise not affiliated with **CCPN** or Cook Children's Health Care System by ownership or employment, to facilitate competitive or discounted pricing on purchases from third party vendors of goods and services commonly utilized in the daily practice of medicine and business, **AND**

WHEREAS, _____ desires to take advantage of opportunities in **the Program** as a participating member, (**Participant**), now **THEREFORE** The **PARTIES** do hereby mutually **AGREE** as stated herein.

EFFECTIVE DATE

This Participation Agreement shall be effective as of the date of the last signature hereon.

DESCRIPTION OF SERVICE

The CCPN Group Purchasing Department acts as a Group Purchasing Organization (as defined in 42 C.F.R. § 1001.952(j)) and regularly reviews both expressed and perceived needs and purchase habits of PedsPal member physician offices/clinics and endeavors to identify opportunities whereby group purchasing, (potential dedicated use of a common source, for the purpose of securing pricing or other economic advantages), might be possible and desirable. Upon completing successful negotiations, programs will be in place and communicated to **Participant** for potential use allowing a **Participant** to make purchases directly from third party vendors at prices negotiated by **CCPN**. Use of each program is voluntary by **Participant**.

PURPOSE

The primary purpose of this Participation Agreement is to secure **Participant's** membership in the Group Purchasing Organization, (**PedsPal**). Unless **Participant** previously communicated in writing to **CCPN** that **Participant** cannot legally or contractually purchase from a particular third party vendor, or that **Participant** cannot legally or contractually participate in a particular type of purchasing program altogether or for a specified good or service, then it is **AGREED** that **CCPN** is authorized to reference **Participant** by name, as well as the relevant potential purchase volume of **Participant**, in negotiations with third party vendors seeking the lowest possible pricing for its participating members.

ACCESS TO VENDOR PROGRAMS

Normally, access to individual third party vendor programs will occur in 45 days or less, after the effective date of this Participation Agreement. (Some individual programs also require a Letter of Commitment [**LOC**] by the vendor in addition to evidence of this Affiliation Agreement. Typically, those are the programs requiring 30-45 days for access.) Vendors in **the Program** generally agree to accept each **Participant** submitted by **CCPN**, **PROVIDED** they receive a reasonably satisfactory report of credit worthiness on the **Participant**; however, **CCPN** cannot provide any assurance that **Participant** will be accepted by any third party vendor. Vendor denials will be promptly communicated to **CCPN** who will, in turn, communicate to **Participant**. Termination of participation may also be initiated by **CCPN** in the event actions of **Participant** begin to adversely affect pricing and benefits to the other **PedsPal** members. (Also see **COMMITMENT TO THE PROGRAM** and **TERMINATION/CANCELLATION** herein.)

COMMITMENT TO THE PROGRAM

Programs in the Group Purchasing Organization portfolio that contain the more prominent savings opportunities are often those in which the most members participate through their purchases. Reductions in purchases by members under any third party vendor contract may affect future pricing through that vendor. Pricing negotiated by CCPN is intended for Group Purchasing Organization members only. Actions by **Participant**, such as attempting to use CCPN pricing to leverage better pricing with a competing vendor or co-op, will result in CCPN excluding **Participant** from further participation in this group purchasing program by immediately terminating this Participation Agreement in CCPN’s sole discretion.

NONDISCLOSURE TO OUTSIDE PARTIES

Participant understands and agrees that pricing and other benefits and terms contained in pricing agreements/programs with third party vendors shall be considered confidential and not disclosed outside CCPN (**PedsPal**) membership and its vendors, even if **Participant** is a member of another purchasing organization. This provision shall survive any termination of membership.

TERMINATION/CANCELLATION

It is AGREED that either party may terminate this Affiliation Agreement at any time, with or without cause, by providing the other party prior notice, in writing. The effective date of termination will be upon receipt of written notice of termination presumed to be no later than 3 days after deposit in the United States first-class mail.

ASSOCIATED COSTS/ADMINISTRATIVE FEES

The parties acknowledge that CCPN encounters costs in the management and administration of the **PedsPal** Group Purchasing Program. CCPN charges administrative fees to vendors of not more than 3 percent of the purchase price of the goods or services provided by that vendor to members on many of the programs, and retains such fees to cover costs, rather than either the vendors or CCPN charging fees to **Participant**. By law, CCPN records of administrative fees collected are available for inspection by parties with a need to know, including the Secretary of the United States Department of Health and Human Services.

SAFE HARBOR COMPLIANCE

The parties intend to conduct their relationship and activities performed under this Participation Agreement in accordance with the requirements of the group purchasing organization safe harbor to the federal Anti-Kickback Statute (42 C.F.R. § 1001.952(j)).

AGREED:

Participant: _____

Cook Children’s Physician Network

By: _____
(Signature)

By: _____
(Signature)

Title: _____

Title: _____

Date: _____

Date: _____

2/18/09