

Vascular Compression Therapy

Premier's [Nursing Committee](#) is pleased to announce new agreements in Vascular Compression Therapy have been awarded to incumbents ArjoHuntleigh, Inc.; Compression Therapy Concepts (CTC) Inc. and Covidien Sales LLC; and new supplier Compression Solutions, Inc.

This category includes capital equipment as well as the disposable sleeves used in the prevention of deep vein thrombosis and pulmonary embolisms.

Related category:

- VCT Anti-embolism Stockings: Knee length, thigh length and waist length stockings designed to reduce venous stasis in the leg

Considerations when purchasing vascular compression therapy:

Financial considerations	Patient safety and satisfaction	Roadblocks to conversion
<ul style="list-style-type: none"> Reimbursement Acquisition options – capital purchase, rental or equipment usage with sleeve ratio Value-adds Inventory, lost pump, depreciation and reprocessing considerations 	<ul style="list-style-type: none"> Patient comfort Patient compliance with the therapy Home therapy options 	<ul style="list-style-type: none"> Existing supplier relationships including multi-year agreements Clinical preference for sequential vs. intermittent pressure Application differs between plastic and soft sleeves

The following tools and resources within this toolkit are designed to assist you through the value analysis process:

- [Clinical information](#): Basic understanding of compression therapy
- [Product offerings](#): Chart of contracted products
- [Critical specifications](#): Supplier responses to committee questions
- [Product review tips](#): Items to look at when comparing products
- [Supplier tiers](#), [financial highlights](#), [market highlights](#), [value-adds](#) and [terms and conditions](#) for the agreements

Additional resources:

- [Executive summary](#): A high-level PDF overview intended for supply chain and C-suite executives. This document includes agreement highlights, purchasing considerations and information on Premier resources.
- [Modifiable value analysis toolkit](#): A Microsoft Word version of the toolkit that allows for edits and customization for member specific needs. Please note that the links in the Word version to Premier resources may be broken. To maintain link integrity please use the PDF value analysis toolkit.
- [Product cross reference](#): An Excel spreadsheet reference identifying product comparisons and functional equivalents. Where possible, non-awarded supplier product information is included along with awarded supplier product information.

Awarded Suppliers

Ctrl + click on supplier name for more information.

Vascular Compression Therapy

Supplier	New contract	Expiring contract
ArjoHuntleigh	PP-NS-914	PP-NS-739
Compression Solutions	PP-NS-916	New
CTC	PP-NS-915 AS-NS-915	PP-NS-740
Covidien	PP-NS-913	PP-NS-738

Note: Compression Solutions is a minority-owned business (MBE) and CTC is a woman-owned business (WBE)

These agreements are effective December 1, 2015, through November 30, 2018.

Portfolio Highlights

- A Participating Member Designation Form (PMDF) or [electronic price activation](#) (PA) is required for Tier 2 or higher with ArjoHuntleigh, CTC and Covidien.
- Compression Solutions offers a single tier where aggregation is not applicable and a PMDF/PA is not required.
- Aggregation is allowed for multi-facility systems, GPOs and established networks with ArjoHuntleigh and CTC.
- Covidien is allowed for multi-facility systems and established networks with the ability to influence purchasing decisions.
- Pricing is firm for the term with all suppliers.
- [Financial analysis](#) reveals that compared to the expiring agreements:
 - ArjoHuntleigh offers between a 6.6 percent increase to a 39.6 percent savings on sleeves.
 - CTC offers between a 3.2 percent increase to a 20.7 percent savings on sleeves.
 - Covidien offers flat pricing to 18.9 percent savings.
- Compression Solutions is the low-cost supplier on crossed spend.
- Agreements are available to acute care, continuum of care and [Premier REACH™](#) members.

Clinical Information

Vascular compression therapy products are primarily used in the prevention of deep vein thrombosis (DVT) and its potentially fatal complication, pulmonary embolism (PE). Together, DVT and PE are referred to as venous thromboembolism (VTE).

Pneumatic compression pumps include an electric pump used to push compressed air into an inflatable garment or sleeve either continuously or intermittently depending on inflation/deflation times. The sleeve may have a single chamber design with one port or a multiple chamber design with one port per chamber. Pressure may be graded with the highest pressures in distal chamber segments. Depending on the specific manufacturer, compression cycles, treatment times and compression levels may be either preset or programmable.

There are three basic sleeve types:

1. Foot – a garment is applied only to the foot and only the foot is compressed.
2. Calf – the garment covers the region from the ankle to the knee and this section is compressed.
3. Thigh – the garment covers the region from the ankle to mid-thigh and the entire area is compressed.



Image source: VascularWeb

There are two types of pressure patterns:

1. Sequential-gradient compression – Pressure is first applied to a bladder in the distal (ankle) region, with a timed delay before inflating more proximal bladders in the calf and/or thigh regions. Most sequential compression systems apply a gradient pressure, whereby the highest pressure is applied to the distal-most region, and successively lower pressures are applied to the proximal region.
2. Uniform (intermittent) compression – The same pressure is applied throughout the bladder or bladders, regardless of the distal or proximal location on the leg. Cycled uniform inflation is designed to apply the same pressure through the bladder or bladders. Because the bladder typically covers a larger surface in a single chamber, pressure can uniformly rise rapidly to therapeutic pressures.

In more simple terms, sequential compression is known more as a mimic to the blood firing from your heel and uniform is more of a stagnant pressure.

Uniform vs. Sequential

- Rapid inflation, high pressures and graded sequential intermittent compression systems will have particular augmentation profiles, but there is no evidence that such features improve the prophylactic ability of the system. The most important factors in selecting a mechanical prophylactic system are patient compliance and the appropriateness of the site of compression. There is no evidence that the peak venous velocity produced by a system is a valid measure of medical performance.¹
- Compliance by a patient with a DVT prophylaxis is important as little good will come from its use, even if it is effective, if patient compliance is low. Compliance with mechanical compression in preventing DVT has been suboptimal, particularly with graduated compression stockings.²





Sources: Premier, Today's Wound Clinic, ¹Evidence-Based Compression: Prevention of Stasis and Deep Vein Thrombosis
²Thrombosis Research

Clinical Information (continued)

Industry guidelines and resources	
<p>American College of Chest Physicians (ACCP) Guidelines 2012</p> <p>http://www.chestnet.org/accp/article/new-guidelines-suggest-dvt-prophylaxis-not-appropriate-all-patients</p>	<p>New evidence-based guidelines from the ACCP recommend considering individual patients' risk of thrombosis when deciding for or against the use of preventive therapies for DVT and VTE. Specifically focusing on risk stratification of patients, suggesting clinicians should consider a patient's risk for DVT/VTE and risk for bleeding before administering or prescribing a prevention therapy.</p> <p>To address this, the ACCP guidelines provide comprehensive risk stratification recommendations for most major clinical areas, including medical, non-orthopedic surgery, orthopedic surgery, pregnancy, cardiovascular disease, atrial fibrillation, stroke, pediatrics and long-distance travel.</p> <p>"There has been a significant push in healthcare to administer DVT prevention for every patient, regardless of risk. As a result, many patients are receiving unnecessary therapies that provide little benefit and could have adverse effects," said guidelines panel chair Gordon Guyatt, MD, FCCP.</p>
<p><u>CHEST Journal</u></p>	<p>The official publication of the American College of Chest Physicians offering high-quality resources spanning the subspecialties of chest medicine, including pulmonary, critical care and sleep medicine.</p>
<p>Annals of Surgery Volume 239, Number 2 (2004)</p> <p>Evidence-based Compression: Prevention of stasis and deep vein thrombosis</p>	<p>Foot compression has become a popular alternative to calf compression in recent years, especially during surgery on the lower limbs where calf compression might restrict access.</p> <p>Foot compression, however, needs significantly higher pressures than calf compression, typically 130 mmHg or more, compared with 40 mmHg in the calf; there being a small amount of blood in the plantar venous plexus: about 20–30 mL, compared with 100–150 mL in the calf, and the muscles are less readily compressible.</p> <p>This inevitably means that patient compliance can be more of a problem with foot compression. DVT outcome studies on foot compression have also been generally positive, and it would appear from one study to be as effective as graded-sequential calf compression.</p>

Product Offering

Product images are a representation of products included in this category. For a complete list of contracted products, see Supply Chain Advisor® for more details. Press ctrl + click on supplier name to visit supplier websites.

	ArjoHuntleigh	Compression Solutions	CTC	Covidien
Model name(s)	 Flowtron® Trio/Universal	 Triple Play Pro™ Triple Play VT®	 VasoPress® VP500 and VP500D	 SCD™ Express
Pressure range	Calf: 30-60 mmHg Foot: 130-170 mmHg	Calf/thigh: 50 mmHg Foot: 130 mmHg	VP500: 40-80 mmHg VP500D: 40-120 mmHg	Calf/thigh: Set by software at 45-40-30 mmHg Foot: 130 mmHg
Pump compression type	Sequential and uniform	Uniform	Sequential, uniform and combination	Sequential and uniform
Sleeve type offered: (e.g. uniform, sequential)	Combination	Uniform	Sequential, uniform and combination	Sequential and uniform
Garment sizes offered:	Calf: up to 28" Thigh: up to 35"	Foot: 13" Calf: 23" up to 30" with extension panel Thigh: 26" to 33"	Calf: up to 32" Thigh: up to 42"	Calf: up to 32" Thigh: up to 36"
Calf, thigh or foot sleeves offered:	Calf, thigh and foot sleeves	Calf, thigh and foot sleeves	Calf, thigh and foot sleeves	Calf, thigh and foot sleeves
Acquisition options:	Pump purchase, rental or consignment	Consignment only	Pump purchase, rental or consignment	Royalty-free, purchase or rental

Critical Specifications

Premier's [Nursing Committee](#) considered the criteria below when making contract award decisions. These are recommended variables for clinician evaluation in product selection. All information comes directly from supplier responses to Premier's Request for Information.

	ArjoHuntleigh	Compression Solutions	CTC	Covidien
Product information				
Food and Drug Administration (FDA) clearance	Yes	Yes	Yes	Yes
Recalls within the last three years	Yes, inadequate premarket approval, replaced with suitable product	No	No	No
Backorders within the last two years	Yes	No	No	Yes
Products specifically designed for pediatrics	No	No	No, can be used on adolescents	No
Products specifically designed for bariatric patients	Yes	No	Yes	Yes
Shelf life	≥ 3 years	≥ 3 years	≥ 3 years	≥ 3 years
Clinical criteria				
Are sleeves interchangeable with other supplier's pumps?	No	No	Yes, with Arjo pumps	No
RFID offered to assist with lost pumps?	No	No	Yes	No
Can the pump run with just one sleeve in use?	Yes	Yes	Yes	Yes
Is a battery-powered pump specific to home care patients offered?	Yes	Yes	Yes	The 700 series pump can be used
Is one pump able to offer different treatment modalities i.e. one foot and one calf at the same time	Yes	Yes	Yes	Yes
Supplier attributes				
ISO registered	Yes	No	Yes	Yes
Staff educational offerings	In-house seminars and training products, online webinars and materials, at home materials	In-house training products, online materials, at home materials	CEUs, in-house seminars and training products, online webinars and materials	CEUs, in-house seminars
Patient educational offerings	Online webinars and materials, take-home materials, toll-free number	Online materials, take-home materials, toll-free number	Online materials, take-home materials, toll-free number	Take-home materials
Manufacturing locations	Poland, China	Oklahoma, China	Massachusetts, Mexico, China	Costa Rico, Mexico, China
Sales representatives (Full-time employees)	41 to 60 FTEs	41 to 60 FTEs	5 to 20 FTEs	64 FTEs
Clinical representatives (Full-time employees)	11 to 20 FTEs	0	1 to 4 FTEs	0

Product Review

Product factors influencing the [Nursing Committee's](#) decision to move suppliers through the contracting process focused on committee member discussions and [critical specifications](#).

When conducting a product review in your facility, consider:

- The patient's risk for DVT/VTE and risk for bleeding
- Patient population size requirements
- Signing local agreements for longer than the Premier agreement will make conversion opportunities harder in the future – consider signing locals that are coterminous with the Premier agreement
- Medicare and Medicaid reimbursement
 - [HCPCS codes](#) (list of codes may not be all-inclusive):
 - Sleeve for intermittent limb compression device, replacement: A4600
 - Pneumatic compression device, rapid inflation/deflation cycle: E0675
 - Intermittent limb compression device (includes accessories): E0676

Consider speaking with the following influencers and decision makers:

- Nursing
- Wound care
- Infection control
- Patient care

To review vascular compression therapy in your facility, contact:

ArjoHuntleigh: Geoffrey Rohrer, 717.514.7979, geoffrey.rohrer@arjohuntleigh.com

Compression Solutions: Jeff Lenz, 800.994.0464, jeff.lenz@compressionsolutions.us

CTC: Marilyn Crocker, 800.993.9013, mcrocker@ctcdvt.com

Covidien: Greg Goodall, 508.261.8213, greg.j.goodall@medtronic.com

Note: Supplier contact information is current at time of launch. For up-to-date contact information, see the supplier's detail tab in Supply Chain Advisor.

Supplier Tiers

ArjoHuntleigh <u>expiring</u> tiers (PP-NS-739)	
Total product purchases (per calendar year)	
Tier 1	1 to 2.24 pair of garments/pump/month
Tier 2	2.25 to 3.49 pair of garments/pump/month
Tier 3	3.50 to 4.49 pair of garments/pump/month
Tier 4	≥ 4.50 garments/pump/month
Tier 5	Rental or purchase

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ArjoHuntleigh <u>new</u> tiers (PP-NS-914)	
Total product purchases (per calendar year)	
Tier 1	1 to 1.9 pair of garments/pump/month
Tier 2	2 to 2.9 pair of garments/pump/month
Tier 3	3 to 3.49 pair of garments/pump/month
Tier 4	3.5 to 3.9 pair of garments/pump/month
Tier 5	4 to 4.49 pair of garments/pump/month
Tier 6	4.5 to 4.9 pair of garments/pump/month
Tier 7	≥ 5 pair of garments/pump/month
Tier 8	Rental
Tier 9	Purchase

Note: Tier 4 through Tier 7 applies to reprocessed and new garments as long as the reprocessing program is followed

Supplier Tiers (continued)

New supplier →

Compression Solutions new tiers (PP-NS-916)

Total product purchases (per calendar year)

Tier 1	Premier Tier
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CTC expiring tiers (PP-NS-740)

Total product purchases (per calendar year)

Tier 1	Access
Tier 2	≥ 2.5 pair of garments/pump/month AND < \$200,000 per facility
Tier 3	≥ 2.5 pair of garments/pump/month AND ≥ \$200,000 per facility or system
Tier 4	≥ 3 pair of garments/pump/month
Tier 5	Pump rental or purchase; ≥ 0.5 pair of garments/pump/month
Tier 6	≥ \$10,000 reprocessing/year

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CTC new tiers (PP-NS-915)

Total product purchases (per calendar year)

Tier 1	1.5 to < 2 pair of garments/pump/month
Tier 2	2 to 3.5 pair of garments/pump/month
Tier 3	≥ 3.5 pair of garments/pump/month
Tier 4	≥ 90% participation
Tier 5	Pump rental or purchase; ≥ 1 pair of garments/pump/month

Covidien expiring tiers (PP-NS-738)

Total product purchases (per calendar year)

Tier 1	< 80% participation
Tier 2	≥ 80% participation
Tier 3	\$200,000 to < \$500,000 AND ≥ 90% participation
Tier 4	\$500,000 to < \$750,000 AND ≥ 90% participation
Tier 5	≥ \$750,000 AND ≥ 90% participation

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Covidien new tiers (PP-NS-913)

Total product purchases (per calendar year)

Tier 1	< 80% participation
Tier 2	< \$250,000 AND ≥ 80% participation
Tier 3	\$250,000 to < \$500,000 AND ≥ 90% participation
Tier 4	\$500,000 to < \$750,000 AND ≥ 90% participation
Tier 5	\$750,000 to < \$1,000,000 AND ≥ 90% participation
Tier 6	\$1,000,000 to < \$1,250,000 AND ≥ 90% participation
Tier 7	\$1,250,000 to < \$1,500,000 AND ≥ 90% participation
Tier 8	≥ \$1,500,000 AND ≥ 90% participation

Financial Analysis

The financial analyses include the following:

- Incumbent new agreement pricing compared to incumbent expiring agreement pricing
- Supplier new agreement pricing – differential between tiers
- Supplier to supplier comparison – Covidien as the base

Cross reference performed by product planning staff and validated by suppliers.

Calculations are based upon overall Premier utilization. **Individual savings will vary.**

Notes: Weighted financial analysis considers the impact of each product increase/decrease in proportion to the aggregated Premier member purchase volume. Non-weighted financial analysis considers every product equally regardless of volume purchased.

When conducting an analysis, product quantity values are adjusted to represent the total number of consumable units for unit of measures (UOM). Using the same quantity of measurement values creates consistency for all calculations within a category.

ArjoHuntleigh <u>expiring</u> agreement pricing compared to <u>new</u> agreement pricing (weighted)					
Sleeves					
Old Tier 1/ New Tier 1	Old Tier 1/ New Tier 2	Old Tier 2/ New Tier 2	Old Tier 2/ New Tier 3	Old Tier 3/ New Tier 4	Old Tier 3/ New Tier 5
3.3% increase	39.6% savings	6.6% increase	2.5% savings	5.5% savings	10.7% savings
Sleeves				Pumps	
Old Tier 4/ New Tier 6	Old Tier 4/ New Tier 7	Old Tier 5/ New Tier 8	Old Tier 5/ New Tier 9		
13.4% savings	18.5% savings	8.9% savings	8.9% savings	26.7% savings	

CTC <u>expiring</u> agreement pricing compared to <u>new</u> agreement pricing (weighted)			
Sleeves			
Old Tier 1/ New Tier 1	Old Tier 1/ New Tier 2	Old Tier 2/ New Tier 2	Old Tier 3/ New Tier 2
1.5% savings	15.7% savings	3.2% savings	0%
Sleeves			Pumps
Old Tier 4/ New Tier 2	Old Tier 4/ New Tier 3	Old Tier 5/ New Tier 5	
3.2% increase	9.0% savings	20.7% savings	3.7% savings

Financial Analysis (continued)

Covidien <u>expiring</u> agreement pricing compared to <u>new</u> agreement pricing (weighted)				
Old Tier 1/ New Tier 1	Old Tier 2/ New Tier 2	Old Tier 3/ New Tier 2	Old Tier 3/ New Tier 3	Old Tier 4/ New Tier 4
0%	7.1% savings	0%	8.8% savings	10.1% savings
Old Tier 5/ New Tier 5	Old Tier 5/ New Tier 6	Old Tier 5/ New Tier 7	Old Tier 5/ New Tier 8	
12.3% savings	14.1% savings	15.9% savings	18.9% savings	

Supplier new agreement pricing – tier differential (weighted)								
Supplier	Tier 1 to Tier 2	Tier 2 to Tier 3	Tier 3 to Tier 4	Tier 4 to Tier 5	Tier 5 to Tier 6	Tier 6 to Tier 7	Tier 7 to Tier 8	Tier 8 to Tier 9
Arjo-Huntleigh	41.5% savings	8.5% savings	6.6% savings	5.5% savings	6.6% savings	5.9% savings	13.8% savings	0%
CTC	12.6% savings	13.6% savings	13.1% savings	4.5% savings	N/A	N/A	N/A	N/A
Covidien	21.8% savings	8.8% savings	10.1% savings	4.6% savings	2.1% savings	2.1% savings	3.6% savings	N/A

Note: Compression Solutions offers a single Premier Tier so no tier differential is available.

Supplier new agreement pricing compared to Covidien new agreement pricing (weighted) Sleeve subcategory					
Supplier	Acquisition type	Access tier/ access tier	Top tier/ top tier	Overall	Percent of crossed spend
ArjoHuntleigh	Purchase/rental	68.4% more favorable	43.0% more favorable	53.5% more favorable	100%
	Consignment	2.0% more favorable	26.6% more favorable	21.4% more favorable	100%
Compression Solutions	Consignment	71.1% more favorable	45.2% more favorable	56.4% more favorable	88.5%
CTC	Purchase/rental	61.7% more favorable	30.7% more favorable	43.5% more favorable	99.9%
	Consignment	46.6% more favorable	28.9% more favorable	37.3% more favorable	99.9%

Supplier Programs and Value-adds

ArjoHuntleigh See exhibit for more details	
Conversion incentives (Exhibit J)	<ul style="list-style-type: none"> <u>Onboarding incentive</u>: New member will receive a \$100 credit in free goods for each competitive pump product they convert to Arjo's pump products prior to conversion of the effective date of this agreement. Free product will be ordered direct from Arjo and will be applied to member's compliance ratio. <u>Reprocessing incentive</u>: For members using the consignment program, all garment products purchased from Arjo new and reprocessed will be counted toward their pump products compliance ratio. <u>Family rebate</u>: A family rebate will be tailored on an individual basis. Categories may include: Patient Lifts (PP-MM-339), Beds Purchase (PP-MM-196), Beds Rental – (PP-MM-202), Dopplers/Fetal Monitors (PP-WC-126). This program may be used in conjunction with consignment, rental, or purchase programs. <u>Continuum of care incentive</u>: Arjo will provide consignment homecare pump products at no charge for members using Arjo's Flowtron system within the hospital.
Pump depreciation (Exhibit A-4)	<ul style="list-style-type: none"> <u>New members</u>: Arjo offers a lost pump discount up to 30 percent for new enrolled members. On each anniversary year a member meets their consigned pricing year or rental commitment, a pump discount on 10 percent will ensue. The pumps retain a residual value when fully depreciated. Members are only responsible for the discounted pump cost if lost/stolen. <u>Current members (prior to December 1, 2015)</u>: Arjo offers a seven year flat line depreciation value to current members. On each anniversary year a member meets their consigned pricing year or rental commitment, a depreciation of pumps will ensue. The pumps retain a \$500 residual value when fully depreciated. Members are only responsible for the depreciated pump cost if lost/stolen.
Lost pump forgiveness (Exhibit A-4)	<ul style="list-style-type: none"> <u>New members</u>: for each year a new member meets their consigned pricing tier or rental commitment, they will be provided a credit of 2 percent toward forgiveness of the lost pump. Arjo will forgive up to 10 percent of total pump fleet, based on numbers of pumps at signing. <u>Current members (prior to December 1, 2015)</u>: For each year a member meets their consigned pricing tier or rental commitment, they will be provided a credit of 1.5 percent towards the forgiveness of lost equipment. Arjo will forgive up to 10 percent of total pump fleet, based on number of pumps at signing.
Pump warranty (Exhibit A-4)	Flowtron Pumps (Universal, Excel, AC800, ACS900) – 1 year for parts and labor
Compression Solutions See exhibit for more details	
Conversion incentive (Exhibit J)	<u>Pump credit</u> : Compression Solutions will provide a conversion credit of \$25 per pump deployed to each new facility signing a PMDF during the first year after the effective date of the Premier agreement. The \$25 credit will be provided in the form of garment products provided over the first year of the new members' utilization of Compression Solutions products.
Pump depreciation (Exhibit K)	Pumps will be depreciated per the following schedule: <ul style="list-style-type: none"> Year 1: \$500 Year 2: \$500 Year 3: \$495
Lost pump forgiveness (Exhibit K)	A 20 percent lost pump forgiveness will be applied at the end of the agreement.
Pump warranty (Exhibit K)	The pump is warranted for the life of the seller-member relationship.

Supplier Programs and Value-adds (continued)

CTC																														
See exhibit for more details																														
Conversion incentives (Exhibit J)	<ul style="list-style-type: none"><u>Exchange of garments</u>: For members who begin purchasing product from CTC within six months of agreement effective date, CTC will provide each member with one garment at no cost for each two equivalent seller garments in member's inventory (capped at CTC garment value of \$2,500).<u>Tubing incentive</u>: Provided a member is in compliance with their agreement, CTC agrees to provide over the life of the contract up to \$3,600 (200 pairs) in free tubing to each newly committed member facility with 100 pumps.<u>Free battery</u>: Free battery with initial pump (free-use) order, if VP500DM requested.																													
Pump depreciation (Exhibit K)	A depreciated value of the purchase price on a 5-year basis, limited to a minimum value of \$250 (VP500) / \$350 (VP500D and VP500DM) per pump.																													
Lost pump forgiveness (Exhibit K)	After 3 years on contract, CTC allows for 15 percent lost pumps with no charge. Should the member continue an agreement with CTC for another 3 years, then up to 15 percent lost pumps will be forgiven going into the next signed agreement. On signing this extended agreement with CTC, then up to 15 percent of lost pumps will be replaced with new CTC pumps.																													
Pump warranty (Exhibit K)	<ul style="list-style-type: none">CTC agrees to provide a non-transferable license to use the VasoPress pumps throughout the term of the agreement. After the warranty period of one year, maintenance and repairs will be performed for CTC's defective product at no charge as long as the agreed tier quantities of products are purchased.On purchased or rented pumps, as long as a member is maintaining the ratio below, repair and service is free (and reasonable amount of spare parts provided) for term of contract.<ul style="list-style-type: none">For rented pumps, ratio at 0.5:1For purchased pumps, ratio at 1:1																													
Covidien																														
See exhibit for more details																														
Quick start rebate (Exhibit J)	<p>Covidien offers a 10 percent rebate to converting members that purchase a minimum of 90 percent of their annual requirements of vascular compression therapy during the incentive period.</p> <ul style="list-style-type: none">If a converting member executes a rebate agreement with Covidien for vascular compression therapy under the "Quick Start" incentive program during the initial sign-up period, Covidien will offer an additional five percent rebate (15 percent total).A converting member is one who purchases at least 50 percent of its annual requirements from another company during the base period.<u>Initial sign-up period</u>: December 1, 2015, through November 30, 2016<u>Second sign-up period</u>: December 1, 2016, through May 31, 2017 <p>All incentive payments will be made by check directly to the member within 90 days after the end of the incentive period.</p>																													
Pump depreciation (Exhibit J)	<p>5-year royalty free agreement:</p> <table><tr><th>Model No.</th><th>Year 1</th><th>Year 2</th><th>Year 3</th><th>Year 4</th><th>Year 5</th></tr><tr><td>29525</td><td>\$2,000</td><td>\$1,750</td><td>\$1,250</td><td>\$1,000</td><td>\$500</td></tr><tr><td>9525</td><td>\$1,750</td><td>\$1,500</td><td>\$1,000</td><td>\$750</td><td>\$500</td></tr><tr><td>7325</td><td>\$1,000</td><td>\$1,000</td><td>\$1,000</td><td>\$1,000</td><td>\$1,000</td></tr></table> <p>Four-year and three-year royalty free agreements also available.</p>						Model No.	Year 1	Year 2	Year 3	Year 4	Year 5	29525	\$2,000	\$1,750	\$1,250	\$1,000	\$500	9525	\$1,750	\$1,500	\$1,000	\$750	\$500	7325	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Model No.	Year 1	Year 2	Year 3	Year 4	Year 5																									
29525	\$2,000	\$1,750	\$1,250	\$1,000	\$500																									
9525	\$1,750	\$1,500	\$1,000	\$750	\$500																									
7325	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000																									
Lost pump forgiveness (Exhibit J)	<ul style="list-style-type: none">Up to 20% of fleet with 5-year agreementUp to 15% of fleet with 4-year agreementUp to 10% of fleet with 3-year agreement																													
Pump warranty (Exhibit G)	SCD compression systems have a one year warranty following delivery to the original purchaser.																													

Terms and Conditions

	ArjoHuntleigh	Compression Solutions	CTC	Covidien
Diversity status	N/A	MBE	WBE	N/A
Electronic PA/PMDF	Required for Tier 2 or higher	Not required due to single tier	Required for Tier 2 or higher	Required for Tier 2 or higher
Aggregation	Allowed for multi-facility systems, GPOs and established networks	Not applicable due to single tier	Allowed for multi-facility systems, GPOs and established networks	Allowed for multi-facility systems and established networks; must be able to influence purchasing decisions
Continuum of care/ Premier REACH	Allowed	Allowed	Allowed	Allowed
Local negotiation	Allowed	Allowed	Allowed	Allowed
Direct/distribution	Direct and through authorized distributors	Direct	Direct and through authorized distributors	Direct and through authorized distributors (3% direct order fee)
Price protection	Firm for the term	Firm for the term	Firm for the term	Firm for the term
Payment terms*	<u>Installation required:</u> 50% due within 60 days of product delivery or invoice receipt, whichever date is later; 50% due within 30 days of acceptance <u>No installation required:</u> 100% due within 45 days of acceptance or invoice receipt, whichever date is later	<u>Installation required:</u> 50% due within 60 days of product delivery or invoice receipt, whichever date is later; 50% due within 30 days of acceptance <u>No installation required:</u> 100% due within 60 days of acceptance or invoice receipt, whichever date is later	<u>Installation required:</u> 50% due within 60 days of product delivery or invoice receipt, whichever date is later; 50% due within 30 days of acceptance <u>No installation required:</u> 100% due within 60 days of acceptance or invoice receipt, whichever date is later	Within 30 days of product delivery or invoice receipt, whichever date is later
Early payment discount*	1% if paid within 15 days	2% if paid within 20 days	2% if paid within 30 days	None
Electronic payments*	Electronic fund transfers, credit cards and purchase cards at no additional charge	Electronic fund transfers, credit cards and purchase cards at no additional charge	Electronic fund transfers, credit cards and purchase cards at no additional charge	EFT in an EDI 820 format at no additional cost
Large order dollar threshold*	None	None	\$250,000	None
Acceptance*	Within 45 days of installation or delivery if installation is not required	Within 90 days of installation or delivery if installation is not required	Within 90 days of installation or delivery if installation is not required	Within 7 days of delivery

* For orders through distributors, terms are negotiated between authorized distributor and member.

Terms and Conditions (continued)

	ArjoHuntleigh	Compression Solutions	CTC	Covidien
Minimum order*	None	None	None	\$90 fee for orders <\$500; order can include any Covidien products
Shipping terms*	Transportation and insurance paid by seller, title and risk of loss transfer on delivery	Transportation and insurance paid by seller, title and risk of loss transfer on delivery	Transportation and insurance paid by seller, title and risk of loss transfer on delivery	Transportation and insurance paid by seller, title and risk of loss transfer on delivery
Freight management*	Will accommodate	Will accommodate	Will accommodate	Not contracted for
Guaranteed delivery time*	5 to 7 days	7 days	5 days	<u>Capital</u> : 25 business days <u>Disposables</u> : 10 business day
Failure to deliver reimbursement*	100% of the difference	100% of the difference	100% of the difference	Up to 10% of the difference
Reprocessing	Members may reprocess, re-sterilize and reuse products subject to applicable laws	Members may reprocess, re-sterilize and reuse products subject to applicable laws	Members may reprocess, re-sterilize and reuse products subject to applicable laws	Members may reprocess, re-sterilize and reuse products subject to applicable laws
	Note: Member should work with supplier to understand how reprocessing may impact tier placement			
Biomedical training	Factory service school training available at no additional charge for one person; additional people at rates set forth on price file	Factory service school training available at no additional charge for one person; additional people at rates set forth on price file	Factory service school training available at no additional charge for one person; additional people at rates set forth on price file	Not contracted for
Installation	Included in product price; seller fully responsible	Included in product price; seller fully responsible	Included in product price; seller fully responsible	Not contracted for
Returned goods policy*	Return authorization required. Up to 15% restocking fee applies.	Return authorization required. RMA request must be made within 30 days of purchase.	Return authorization required. Returns for unopened products in full case packs allowed.	Custom or expired products cannot be returned for credit. Returns may be subject to 20% fee.
Ordering instructions*	<u>Orders <\$1,000</u> by phone: 888.223.1218 <u>Orders ≥\$1,000</u> written PO required through: Fax: 630.576.5017 Email: us.cc@arjohuntleigh.com	Fax: 918.516.0619 Email: po@compressionsolutions.us	Phone: 732.544.0800 Fax: 732.544.0850 Email: sales@ctcdvt.com EDI	Phone: 800.962.9888 Fax: 800.637.9775 Email: us.customerservice@covidien.com

* For orders through distributors, terms are negotiated between authorized distributor and member.

Market Highlights

Market share data was not available for vascular compression therapy at time of launch.

Sourcing Summary

Vascular Compression Therapy	
Committee:	Nursing – all contract decisions for the Nursing portfolio are decided upon by this team of dedicated professionals
Suppliers invited to participate:	<ul style="list-style-type: none"> • ACI Medical • ArjoHuntleigh • Compression Solutions • Compression Therapy Concepts (CTC) • Covidien • Currie Medical • DJO • Ecolab • KCI • Medical Compression System • Medline Industries • Stryker
Awarded suppliers:	<ul style="list-style-type: none"> • ArjoHuntleigh • Compression Solutions • Compression Therapy Concepts (CTC) • Covidien

About the Nursing Committee:

The 16 voting members of the Nursing Committee come from all geographic regions of the United States and represent the full diversity of Premier entities. Facilities are urban and rural, teaching and non-teaching, acute and non-acute. Individually, the committee members' years of healthcare experience range from 16 to 35, with a median 26 years in the industry. Clinical backgrounds include nursing, infection control, value analysis, clinical integration and clinical education. The committee is rounded out with professionals from positions in administration and materials management.

Information contained in this document is current as of September 1, 2015.

Why price activation/PMDF is important:

In addition to ensuring member and supplier agreement for both appropriate price tier(s) and applicable facilities, price activation (PA)/PMDF also enables:

- Member visibility to the PA/PMDF status in the Supply Chain Advisor catalog at the contract and price tier level.
- Transmission of PA/PMDF information to SpendAdvisor® and Global Healthcare Exchange (GHX).
- Price tier visibility for boarded distributors (i.e. distributors with direct access to Supply Chain Advisor on all contracts where they were selected as a distributor).

Questions

For questions about these agreements, please contact your local Premier representative or the Premier Solution Center at 877.777.1552 or solutioncenter@premierinc.com. Pricing and other contract information may be accessed through Premier's Supply Chain Advisor® catalog at <https://premierconnect.premierinc.com>.

Value analysis toolkits: The goal of the value analysis toolkits is to expedite value analysis processes of Premier supplier offerings within member facilities by leveraging the existing work already completed by the Premier member committees as part of the standard negotiations process. Certain contracted products and/or services may still require a trial within your IDN, regional collaborative or facility. While some members may still choose to complete ad hoc value analysis work at their facility, we hope that these enhanced documents will give you the critical information gathered in our in-depth sourcing process as well as related resources to move you to trial more efficiently.

As in your own facilities, depth of material will depend on who was awarded, their market share, healthcare-associated conditions and concerns commonly associated with procedures in which the product/service is used, and the ability to share member conversion/usage experiences.