

Respiratory Therapy Products

Premier's [Nursing Committee](#) is pleased to announce new agreements in Respiratory Therapy Products have been awarded to incumbents Ambu, Inc.; CareFusion 2200, Inc.; Monaghan Medical Corporation; Teleflex Medical Incorporated and Thayer Medical Corporation.

This category includes peak flow meters, incentive spirometers, MDI holding chambers (spacers), nebulizers and disposable supplies, suction catheters, mucous traps, non-vented masks, CPAP and Bi-Level masks, oxygen delivery disposables, disposable ventilator supplies, humidification products and resuscitation bags.

This category does not include capital equipment used in treating the respiratory patient which is covered under other Premier contracts.

This category previously included active humidification devices (heaters), heated wire circuits, chambers, blenders, water and high flow disposables that are proprietary to these devices which have been split out into their own category – Active Humidification Devices and Accessories.

Related categories:

For information on related categories, see [clinical information](#).

Considerations when purchasing respiratory therapy:

Financial considerations	Patient safety and satisfaction	Roadblocks to conversion
<ul style="list-style-type: none"> Reimbursement Value-adds Water usage Circuit life 	<ul style="list-style-type: none"> Ventilator-associated pneumonia (VAP) Patient comfort Skin breakdown issues 	<ul style="list-style-type: none"> Ventilators with proprietary disposables

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

- [Clinical information](#): Basic understanding of respiratory 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](#), [supplier programs](#), [market highlights](#) 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.

Respiratory Therapy Products

Supplier	New contract	Expiring contract
Ambu	PP-NS-907	PP-NS-735
CareFusion	PP-NS-903 AS-NS-903	PP-NS-730
Monaghan	PP-NS-905	PP-NS-731
Teleflex	PP-NS-904	PP-NS-734
Thayer	PP-NS-906	PP-NS-732

The current agreement with Westmed (PP-NS-733) expires October 31, 2015.

Note: Monaghan and Thayer are small business enterprises (SBE).

These agreements are effective November 1, 2015, through October 31, 2018.

Portfolio Highlights

- A Participating Member Designation Form (PMDF) or [electronic price activation](#) (PA) is required for Tier 2 or higher for all suppliers offering more than one tier.
- Thayer offer a single tier where PMDF/PA is not required and aggregation is not applicable.
- Aggregation is allowed for multi-facility systems, GPOs and established networks with Ambu, CareFusion, Monaghan and Teleflex.
 - CareFusion requires GPO facilities must independently commit to the market share required by the tier
 - Teleflex is available to OLM facilities only and established networks at its discretion.
- Pricing is firm for the term with all suppliers.
- [Financial analysis](#) reveals compared to the expiring agreement overall:
 - Ambu: 0.9 percent savings
 - CareFusion: 1.3 percent increase
 - Monaghan: 1.1 percent increase
 - Teleflex: 1.6 percent increase
- CareFusion and Teleflex offer additional savings for multi-category commitment. See [value-adds](#) for more information.
- Agreements are available to acute care, continuum of care and [Premier REACH™](#) members.

Clinical Information

Respiratory therapy products are used to treat patients with heart and lung problems. All types of patients require respiratory therapy, ranging from premature infants whose lungs are not fully developed to elderly people with lung disease. Therapy provides temporary relief to patients with chronic asthma or emphysema, as well as emergency care to patients who are victims of a heart attack, stroke, drowning or shock. Respiratory care is important because of the prevalence of pulmonary disease and because respiratory compromise is common with any severe major organ system failure.

Respiratory therapists, also known as respiratory care practitioners, evaluate and monitor heart and lung function as well as giving treatment. Specific care provided by respiratory therapists may include: administration of oxygen, cardiopulmonary resuscitation, management of mechanical ventilators, administering drugs to the lungs, monitoring cardiopulmonary systems and measuring lung function.

Sources: Premier, [Mayo Clinic](#), [Respiratory Care](#)

Industry guidelines and resources	
Department of Health and Human Services (HHS) Action Plan to Prevent Healthcare-associated Infections	The HAI Action Plan provides a road map for preventing HAIs in acute care hospitals, ambulatory surgical centers, end-stage renal disease facilities and long-term care facilities.
Centers for Disease Control and Prevention (CDC) Guidelines for preventing healthcare-associated pneumonia (2003)	Sterilization/disinfection and maintenance of equipment and devices: <ul style="list-style-type: none"> Thoroughly clean, sterilize and disinfect all equipment and devices. Whenever possible, use steam sterilization or high-level disinfection for 30 minutes. (Category IA) Use sterile water for rinsing reusable equipment after it has been chemically disinfected. If sterile water is not available, rinse the device with filtered water or tap water, and then rinse with isopropyl alcohol and dry with forced air or in a drying cabinet. (Category IB) <p>Categorization: Category IA. Strongly recommended for implementation and strongly supported by well-designed experimental, clinical or epidemiologic studies. Category IB. Strongly recommended for implementation and supported by some clinical or epidemiologic studies and by strong theoretical rationale.</p>
American Association for Respiratory Care (AARC) AARC Clinical Practice Guideline: Care of ventilator circuit and its relation to ventilator-associated pneumonia	<ul style="list-style-type: none"> Ventilator circuits should not be changed routinely for infection control purposes. The maximum duration of time that circuits can be used safely is unknown. Although the available evidence suggests a lower VAP rate with passive humidification than with active humidification, other issues related to the use of passive humidifiers (resistance, dead space volume, airway occlusion risk) preclude a recommendation for the general use of passive humidifiers. Passive humidifiers do not need to be changed daily for reasons of infection control or technical performance. They can be safely used for at least 48 hours, and with some patient populations some devices may be able to be used for periods of up to 1 week. Clinicians caring for mechanically ventilated patients should be aware of risk factors for VAP (e.g., nebulizer therapy, manual ventilation and patient transport)

Clinical Information (continued)

Industry guidelines and resources	
AARC Expert Panel Reference-Based guidelines http://www.rcjournal.com/cpgs/	Reference guides include: Aerosol delivery device selection, humidification during ventilation, incentive spirometry, oxygen therapy for adults in acute care facility, oxygen therapy in the home or alternate site facility, and intermittent positive pressure breathing.
Premier Safety Institute®	The website provides guidelines, tools and resources to help reduce healthcare-associated infections.

Related Premier categories:

- **Active Humidification Devices and Accessories:** Humidification devices (heaters), heated wire circuits, chambers, blenders, water and high flow disposables that are proprietary to these devices
- **Closed Ventilation Suction:** Products used in neonate, pediatric and adult patients that provide a suction capability with a completely closed airway circuit
- **Disposable Anesthesia Products:** Anesthesia face masks, filters, breathing circuits/bags, gas sampling lines and oral airways to administer general anesthesia to surgical patients
- **Oral Care:** Sponge swabs, oral care solutions, oral suction tips and suction toothbrushes
- **Non-invasive Ventilators:** Continuous positive airway pressure (CPAP) units, bi-level (biPAP) units, and the associated consumables (such as masks, cannulas and tubing)
- **Suction Canisters, Yankauers and Tubing:** Suction canisters, Yankauers, tubing (sterile and non-sterile) and solidifiers used for the purpose of collecting medical waste
- **Specialty Distribution – Respiratory Therapy and Anesthesia Products:** Offers members the option to purchase respiratory therapy and anesthesia products from multiple suppliers through a specialty distributor
- **Surgical Instruments:** Instruments used by surgeons and nurses to facilitate a surgical procedure
- **Ventilators:** Intensive care, high frequency oscillatory, transport/portable and mass casualty ventilators, associated accessories and proprietary circuits

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.

Ambu	CareFusion	Monaghan	Teleflex	Thayer
				
Ambu silicone resuscitator	AirLife™ HCH	AeroEclipse® BAN	ISO-GARD® mask	LiteAire MDI holding chamber

Overall product offering					
Products	Ambu	CareFusion	Monaghan	Teleflex	Thayer
Resuscitation bags	✓	✓	N/A	✓	N/A
Oxygen delivery disposables	N/A	✓	N/A	✓	N/A
Nebulizers	N/A	✓	✓	✓	N/A
Humidification devices	N/A	✓	N/A	✓	N/A
Spirometers	N/A	✓	N/A	✓	N/A
Peak flow meters	N/A	✓	✓	✓	N/A
MDI holding chambers	N/A	✓	✓	✓	✓
Suction catheters	N/A	✓	N/A	N/A	N/A
High flow nasal cannulas	N/A	✓	N/A	✓	N/A
Ventilator disposables	N/A	✓	N/A	✓	✓

Resuscitation bag product offering			
Options	Ambu	CareFusion	Teleflex
Adult bag	✓	✓	✓
Pediatric bag	✓	✓	✓
Infant bag	✓	✓	✓
CO ₂ detector	✓	✓	N/A
PEEP valve	✓	✓	✓
Manometer	✓	✓	✓
Inspiratory filter	✓	N/A	N/A
Expiratory filter	✓	✓	✓
HEPA filter	✓	N/A	N/A
Pop-off valve	✓	✓	✓
Medication port	✓	N/A	✓
Latex/DEHP/PVC-free	Yes	Latex- and DEHP-free	Latex-free

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.

	Ambu	CareFusion	Monaghan	Teleflex	Thayer
Product information					
Food and Drug Administration (FDA) clearance	Yes	Yes	Yes	Yes	Yes
Recalls within the last three years	No	No	No	Yes, transposed limbs for one lot, package sterility issues	Yes, molding defect, recall terminated January 2013
Backorders within the last two years	No	Yes	No	Yes	Yes
Products specifically designed for neonates	Yes	Yes	Yes	Yes	Not applicable
Products are latex-free	Yes	Yes	Yes	Yes	Yes
Shelf life	0 to 6 months	1 to 2 years	≥ 3 years	1 to 2 years	1 to 2 years
Resuscitation bag-specific clinical criteria					
Resuscitator portfolio has clinical evidence to support that patients can ventilate/ oxygenate spontaneously via the device	Yes	No	N/A	No	N/A
Valve technology used in the resuscitator portfolio	Shutter valve	Duck bill valve	N/A	Duck bill valve	N/A
The exhalation valve can be removed from the bag to clear obstructions or excess secretions	Yes	No	N/A	No	N/A
Resuscitator can deliver 100% FiO ₂	Yes	Yes	N/A	No	N/A
Inspiratory and expiratory resistance of the patient valve	< 1 cm of H ₂ O pressure	< 2.8 cm of H ₂ O pressure	N/A	< 2.7 cm of H ₂ O pressure	N/A
PEP device-specific clinical criteria					
PEP device offers an inspiratory boost to assist patients who have difficulty taking a complete inspiratory breath	N/A	Yes	No	N/A	No
PEP device which offers vibratory oscillations to aid in the removal of secretions	N/A	Acapella	Aerobika	N/A	The Quake
PEP device is dishwasher safe	N/A	Yes	Yes	N/A	Yes
PEP device has adjustable expiratory resistance	N/A	Yes	Yes	N/A	Yes
Latex/DEHP/PVC-free	N/A	Yes	Yes	N/A	Yes

Critical Specifications (continued)

	Ambu	CareFusion	Monaghan	Teleflex	Thayer
Nebulizer-specific clinical criteria					
Offers configurations allowing effective nebulization in upright, 45° or 90° degree position	N/A	Yes	Yes	Yes	N/A
Small volume nebulizer offers a treatment time that is <4 minutes	N/A	Yes	Yes	Yes	N/A
Offers a full line of small volume nebulizers that address all patient settings and positions	N/A	Yes	Yes	Yes	N/A
Offers a full line of small volume nebulizers for both ventilated and spontaneously breathing patients	N/A	Yes	Yes	Yes	N/A
Passive humidification-specific clinical criteria					
Choice of HME media offered: foam or paper	N/A	Yes	N/A	Yes	N/A
Choice of filter media offered: electrostatic or HEPA	N/A	Yes	N/A	Yes	N/A
Allows for delivery of aerosol medication to patient without breaking circuit	N/A	Yes	N/A	Yes	N/A
Nasal cannula-specific clinical criteria					
Lariat tubing made from softer materials to help prevent skin breakdown and pressure ulcers behind the ears	N/A	Yes	N/A	Yes	N/A
Adjustable foam ear covers to help reduce skin irritation	N/A	Yes	N/A	Yes	N/A
Kink resistant design providing uninterrupted oxygen flow	N/A	Yes	N/A	Yes	N/A
Maximum flow capability of your high flow oxygen system (in liters per minute)	N/A	60 lpm	N/A	60 lpm	N/A
ETCO₂ cannula-specific clinical criteria					
Divided nares allow for delivery of supplemental oxygen and monitoring of CO ₂ through both	N/A	Yes	N/A	Yes	N/A
Supplemental oxygen via one nare and monitors exhaled CO ₂ via the other nare, providing undiluted ETCO ₂ readings	N/A	Yes	N/A	Yes	N/A
Supplier attributes					
ISO registered	Yes	Yes	Yes	Yes	Yes
Manufacturing locations	China	New Jersey, Colorado, Mexico	New York, Canada	Mexico, Uruguay	Arizona
Sales representatives (Full-time employees)	41 to 60 FTEs	41 to 60 FTEs	21 to 40 FTEs	61 to 80 FTEs	< 5 FTEs
Clinical representatives (Full-time employees)	5 to 10 FTEs	5 to 10 FTEs	1 to 4 FTEs	5 to 10 FTEs	1 to 4 FTEs

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:

- Patient population concerns e.g., PVC-free or DEHP-free products, skin breakdown
- Patient comfort and adherence to therapy
- Your facility's current VAP rates
- Medicare and Medicaid reimbursement
 - [HCPCS codes](#) (list of codes may not be all-inclusive):
 - Nebulizer codes: E0570, E0575 through E0585, A7003 through A7018
 - Nasal cannula codes: A4615
 - Masks codes: A7027 through A7034
 - Positive airway pressure device codes: A7035 through A7039, A7044 through A7046
 - Spirometer code: E0487
 - Aerosol compressor/generator codes: E0571 through E0574
 - Resuscitation bag code: S8999
 - Stationary compressed gaseous oxygen system codes (includes regulator, humidifier, nebulizer, cannula or mask and tubing): E0424 and E0425
 - Stationary liquid oxygen system codes (includes regulator, humidifier, nebulizer, cannula or mask and tubing): E0439 and E0440
 - Portable gaseous oxygen system codes (includes regulator, humidifier, nebulizer, cannula or mask and tubing): E0430 and E0431
 - Portable liquid oxygen system codes (includes regulator, humidifier, nebulizer, cannula or mask and tubing): E0433 through E0435
 - Therapeutic procedures to improve respiratory function codes: G0237 through G0239
 - Home health respiratory therapy codes: S5180 and S5181

Consider speaking with the following influencers and decision makers:

- Respiratory therapists
- Anesthesiology
- Nursing
- Infection control
- Value analysis council

To review respiratory therapy products in your facility, contact:

Ambu: Dan Toomey, 317.776.3135, dct@ambu.com
CareFusion: David Dahle, 704.281.8720, david.dahle@carefusion.com
Monaghan: Tom Sampson, 800.833.9653, tsampson@monaghanmed.com
Teleflex/Arrow: Dan Kuni, 919.433.4940, dan.kuni@teleflex.com
Thayer: Bridget Riceci, 520.790.5393 x229, bridget.riceci@thayermedical.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

Ambu <u>expiring</u> tiers (PP-NS-735)	
Total product purchases (per calendar year)	
Tier 1	< \$100,000
Tier 2	≥ \$100,00

→

Ambu <u>new</u> tiers (PP-NS-907)	
Total product purchases (per calendar year)	
Tier 1	< \$20,000
Tier 2	\$20,000 to < \$50,000
Tier 3	≥ \$50,000

CareFusion <u>expiring</u> tiers (PP-NS-730)	
Total product purchases (per calendar year)	
Tier 1	< 80% participation
Tier 2	≥ 80% participation
Tier 3	≥ 90% participation AND \$25,000 to < \$1,000,000
Tier 4	≥ 90% participation AND ≥ \$1,000,000

→

CareFusion <u>new</u> tiers (PP-NS-903)	
Total product purchases (per calendar year)	
Tier 1	< 80% participation
Tier 2	≥ 80% participation
Tier 3	≥ 90% participation AND \$25,000 to < \$350,000
Tier 4	≥ 90% participation AND ≥ \$350,000

Monaghan <u>expiring</u> tiers (PP-NS-731)	
Total product purchases (per calendar year)	
Tier 1	< \$3,000
Tier 2	\$3,000 to < \$15,000
Tier 3	≥ \$15,000

→

Monaghan <u>new</u> tiers (PP-NS-905)	
Total product purchases (per calendar year)	
Tier 1	< \$10,000
Tier 2	\$10,000 to < \$25,000
Tier 3	≥ \$25,000

Teleflex <u>expiring</u> tiers (PP-NS-734)	
Total product purchases (per calendar year)	
Tier 1	< \$15,000
Tier 2	\$15,000 to < \$35,000 OR ≥ 85% participation
Tier 3	\$35,000 to < \$90,000
Tier 4	\$90,000 to < \$500,000 OR COTH (Council of Teaching) member
Tier 5	≥ \$500,000 AND ≥ 85% participation

→

Teleflex <u>new</u> tiers (PP-NS-904)	
Total product purchases (per calendar year)	
Tier 1	< \$15,000
Tier 2	\$15,000 to < \$65,000
Tier 3	\$65,000 to < \$225,000
Tier 4	≥ \$225,000

Thayer <u>expiring</u> tiers (PP-NS-732)	
Total product purchases (per calendar year)	
Tier 1	Premier Tier

→

Thayer <u>new</u> tiers (PP-NS-906)	
Total product purchases (per calendar year)	
Tier 1	Premier Tier

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 – CareFusion 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.

Ambu <u>expiring</u> agreement pricing compared to <u>new</u> agreement pricing (weighted)						
Old Tier 1/ New Tier 1	Old Tier 1/ New Tier 2	Old Tier 1/ New Tier 3	Old Tier 2/ New Tier 1	Old Tier 2/ New Tier 2	Old Tier 2/ New Tier 3	Overall
1.2% increase	1.6% savings	3.3% savings	4.4% increase	1.4% increase	0.3% savings	0.9% savings

CareFusion <u>expiring</u> agreement pricing compared to <u>new</u> agreement pricing (weighted)						
Old Tier 1/ New Tier 1	Old Tier 1/ New Tier 3	Old Tier 1/ New Tier 4	Old Tier 2/ New Tier 1	Old Tier 2/ New Tier 2	Old Tier 2/ New Tier 4	Old Tier 3/ New Tier 1
6.6% increase	9.2% savings	12.7% savings	13.5% increase	5.8% increase	7.1% savings	18.1% increase
Old Tier 3/ New Tier 3	Old Tier 3/ New Tier 4	Old Tier 4/ New Tier 1	Old Tier 4/ New Tier 3	Old Tier 4/ New Tier 4	Overall	
0.6% increase	3.3% savings	22.4% increase	4.3% increase	0.3% increase	1.3% increase	

Note: CareFusion's expiring agreement included products that have been moved to the Active Humidification category; this may cause tier shifts from the old to new agreement.

Monaghan <u>expiring</u> agreement pricing compared to <u>new</u> agreement pricing (weighted)					
Old Tier 1/ New Tier 1	Old Tier 2/ New Tier 1	Old Tier 2/ New Tier 2	Old Tier 3/ New Tier 2	Old Tier 3/ New Tier 3	Overall
0%	3.1% increase	0.8% increase	3.9% increase	0.4% increase	1.1% increase

Financial Analysis (continued)

Teleflex <u>expiring</u> agreement pricing compared to <u>new</u> agreement pricing (weighted)							
Old Tier 1/ New Tier 1	Old Tier 1/ New Tier 2	Old Tier 1/ New Tier 3	Old Tier 1/ New Tier 4	Old Tier 2/ New Tier 1	Old Tier 2/ New Tier 2	Old Tier 2/ New Tier 3	Old Tier 2/ New Tier 4
3.5% increase	2.6% savings	5.1% savings	9.4% savings	6.7% increase	0.4% increase	2.1% savings	6.6% savings
Old Tier 3/ New Tier 1	Old Tier 3/ New Tier 2	Old Tier 3/ New Tier 3	Old Tier 3/ New Tier 4	Old Tier 4/ New Tier 2	Old Tier 4/ New Tier 3	Old Tier 4/ New Tier 4	
11.2% increase	4.6% increase	1.9% increase	2.7% savings	8.2% increase	5.4% increase	0.6% increase	
Old Tier 5/ New Tier 1	Old Tier 5/ New Tier 2	Old Tier 5/ New Tier 3	Old Tier 5/ New Tier 4	Overall			
20.5% increase	13.4% increase	10.5% increase	5.5% increase	1.6% increase			

Note: Teleflex's expiring agreement included products that have been moved to the Active Humidification category; this may cause tier shifts from the old to new agreement.

Thayer <u>expiring</u> agreement pricing compared to <u>new</u> agreement pricing (weighted)	
Old Tier 1/New Tier 1	0%

Supplier new agreement pricing – tier differential (weighted)			
Supplier	Tier 1 to Tier 2	Tier 2 to Tier 3	Tier 3 to Tier 4
Ambu	3.1% savings	2.9% savings	N/A
CareFusion	7.6% savings	12.1% savings	3.0% savings
Monaghan	2.2% savings	3.4% savings	N/A
Teleflex	5.8% savings	2.6% savings	4.2% savings

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

Supplier new agreement pricing compared to <u>CareFusion</u> new agreement pricing (weighted)				
Supplier	Access/Access	Top Tier/Top Tier	Overall	Percent of spend
Ambu	32.8% more favorable	20.2% more favorable	26.8% more favorable	5.7%
Monaghan	2.6% less favorable	15.8% less favorable	10.4% less favorable	5.6%
Teleflex	5.6% more favorable	1.4% less favorable	1.8% more favorable	65.7%
Thayer	20.8% more favorable	7.8% more favorable	14.8% more favorable	8.9%

Value-adds

CareFusion			
See Exhibit J Additional Seller Opportunities for more details			
Additional savings opportunity	Additional value for members who are committed to both Respiratory Therapy and Active Humidification.		
	Tier value-add	Additional opportunity definition	Defined Member Value
	Tier 2	80% participation in either Respiratory Therapy Products (PP-NS-903) <u>OR</u> active humidification devices and accessories	80% participation to either category provides access to Tier 2 on Respiratory Therapy Products and additional discounting on active humidification devices and accessories
	Tier 3	\$25,000 <u>AND</u> 90% participation in aggregate across Respiratory Therapy Products (PP-NS-903) <u>AND</u> active humidification devices and accessories	Aggregate spend and participation across both categories earns Tier 3 access on Respiratory Therapy Products and additional discounting on active humidification devices and accessories
	Tier 4	\$350,000 <u>AND</u> 90% participation in aggregate across Respiratory Therapy Products (PP-NS-903) <u>AND</u> active humidification devices and accessories	Aggregate spend and participation across both categories earns Tier 4 access on Respiratory Therapy Products and additional discounting on active humidification devices and accessories
Note: If CareFusion does not have a Premier group purchasing agreement for a category listed above, Premier will not receive any administrative fees from CareFusion on purchases of those non-contracted products by members.			
Teleflex			
See Exhibit J Additional Seller Opportunities for more details			
Family Program	Additional savings will be given to members who are committed to both Respiratory Therapy and Active Humidification. Member must meet the aggregate purchase volume requirement for the selected program tier and purchase at least 85 percent of their annual product requirements for each category of products from Teleflex.		
	Program Tier	Volume requirement	Participation requirement
	1	< \$25,000	Revenue represents 85% compliance in respiratory therapy products AND active humidification products and accessories
	2	\$25,000 to < \$100,000	
	3	\$100,000 to < \$350,000	
	4	≥ \$350,000	
Notes: The term of the program shall begin on the program effective date and terminate concurrently with the agreement. If a member is electing on behalf of multiple members, Schedule 1 must be completed.			
If Teleflex does not have a Premier group purchasing agreement for a category listed above, Premier will not receive any administrative fees from Teleflex on purchases of those non-contracted products by members.			

Terms and Conditions

	Ambu	CareFusion	Monaghan	Teleflex	Thayer
Diversity status	N/A	N/A	SBE	N/A	SBE
Electronic PA/PMDF	Required to Tier 2 or higher	Required for Tier 2 or higher	Required for Tier 2 or higher	Required for Tier 2 or higher	Not required due to single tier
Aggregation	Allowed for multi-facility systems, GPOs and established networks	Allowed for multi-facility systems, GPOs and established networks; GPO facilities must independently commit to the market share required by the tier	Allowed for multi-facility systems, GPOs and established networks	Allowed for multi-facility systems and GPOs; Aggregation is limited to owned, leased or managed (OLM) facilities of IDNs and GPOs. GPO facilities must independently commit to 85% market share. Established networks allowed at Teleflex's discretion.	Not applicable due to single tier
Continuum of care/ Premier REACH	Allowed	Allowed	Allowed; no AeroChamber or Aerobika products through retail pharmacies or for resale to retail pharmacies	Allowed	Allowed
Local negotiation	Allowed	Allowed	Allowed	Allowed	Allowed
Direct/distribution	Direct and through authorized distributors	Direct and through authorized distributors	Through authorized distributors	Direct and through authorized distributors	Direct and through authorized distributors
Price protection	Firm for the term	Firm for the term	Firm for the term	Firm for the term	Firm for the term
Payment terms*	Within 60 days of product delivery, invoice receipt or acceptance, whichever is later	Within 30 days of invoice date	Within 60 days of product delivery, invoice receipt or acceptance, whichever is later	Within 30 days of invoice date	Within 30 days of product delivery, invoice receipt or acceptance, whichever is later
Early payment discount*	None	None	None	None	2% if paid within 20 days of product delivery, invoice receipt or acceptance, whichever is later
Late payment penalty*	None	1.5% per month	None	None	None
Electronic payments* -Electronic fund transfer (EFT) -Purchase card (p-card) -Credit card	EFT, credit cards and p-cards allowed at no additional charge	Speak directly with supplier	EFT, credit cards and p-cards allowed at no additional charge	EFT at no additional charge. P-cards and credit cards accepted at point of sale. A 3% handling fee may apply for use of p-cards and credit cards	EFT, credit cards and p-cards allowed at no additional charge

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

Terms and Conditions (continued)

	Ambu	CareFusion	Monaghan	Teleflex	Thayer
Acceptance*	Within 10 business days of delivery	Speak directly with supplier	Within 10 business days of delivery	Within 10 business days of delivery	Within 10 business days of delivery
Minimum order*	None	Hospitals: \$40 fee for orders <\$250 Alternate sites: \$10 fee for orders <\$100	None	\$100	Case quantities; orders <\$150 subject to \$15 shipping charge
Large order threshold*	None	None	None	None	None
Shipping terms*	FOB destination, transportation and insurance paid by seller, title and risk of loss transfer on delivery	FCA destination, transportation and insurance prepaid and added to member invoice, title and risk of loss transfer on delivery	FOB destination, transportation and insurance paid by seller, title and risk of loss transfer on delivery	FOB origin, transportation and insurance prepaid and added to member invoice, title and risk of loss transfer on shipment	FOB destination, transportation and insurance paid by seller, title and risk of loss transfer on delivery
Freight management*	Will accommodate at no additional cost	FCA shipper's address, bill third party	Will accommodate at no additional cost	Will accommodate at no additional cost	Will accommodate at no additional cost
Guaranteed delivery time*	10 days	30 days	Per authorized distributor	10 days	5 to 7 days
Failure to deliver reimbursement*	100% of the difference	10% of the difference	100% of the difference	15% of the difference	100% of the difference
Clinical/in-service training	Included in product price	Included in product price	Included in the product price	Included in product price	Included in product price
Returned goods policy	Returns must be made within 180 days of invoice date. 15% restocking fee applies to returns within 30 days of invoice. 25% restocking fee applies to returns from 30 to 180 days of invoice.	No returns after 6 months from invoice date. 25% restocking fee applies for returns after 90 days of invoice date. Custom or special products cannot be returned.	Per authorized distributor	Returns must be within 60 days of invoice date. Returns are subject to a 30% fee. Custom or sterile products cannot be returned.	20% restocking fee applies. Member must notify seller within 14 days of receipt for returns of products shipped in error or damaged.
Ordering instructions	Phone: 800.262.8462, option 2 Fax: 800.262.8673 Email: purchase_orders@ambuusa.com	Phone: 800.323.9088 Fax: 800.531.4140 Email: gmb-medspec-custservice@carefusion.com	Per authorized distributor	Phone: 866.246.6990 Fax: 866.804.9881 Email: cs@teleflex.com	Phone: 520.790.5393 x221 Fax: 520.790.5854 Email: orders@thayermedical.com

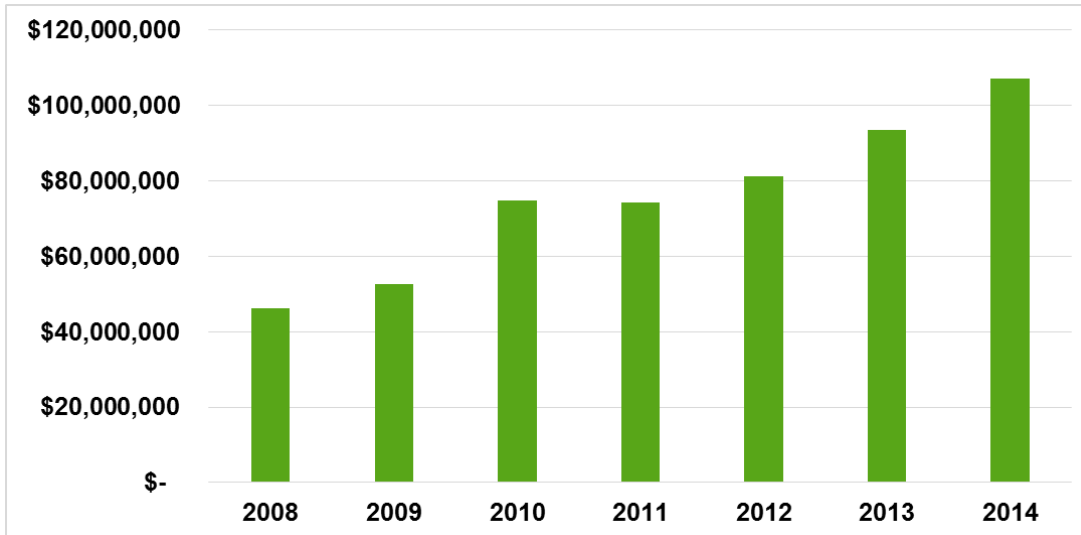
* For orders through distributors, terms are negotiated between authorized distributor and member.

CareFusion "own use"

Products purchased under this agreement are for members "own use" and not for resale. If it is proven that the member is not in compliance with "own use" of CareFusion products, CareFusion shall have the right to exclude that member from this agreement. CareFusion further reserves the right to bill member at up to list price for the products that were sold to member during this agreement and used for any purpose other than "own use".

Market Highlights

Premier contract trend



Note: The above contract spend is a combination of respiratory therapy products and active humidification products which were previously sourced together under the Respiratory Therapy Products category.

Source: Premier CAMS

Sourcing Summary

Respiratory Therapy Products			
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"> Ambu Anatomy Supply Arc Medical Boston Medical Briggs Medical CareFusion Covidien Dale medical Flexicare Genia Medical 	<ul style="list-style-type: none"> Goodhealth Medical Intersurgical Legend Medical Med-Dyne Medline Mercury Medical Monaghan Medical MPSP Pulmodyne Salter Labs 	<ul style="list-style-type: none"> SleepNet Smiths Medical Southmedic SunMed Teleflex Medical Thayer Medical Utah Medical Vapotherm Ventlab Westmed
Awarded suppliers:	<ul style="list-style-type: none"> Ambu CareFusion 	<ul style="list-style-type: none"> Monaghan Teleflex 	<ul style="list-style-type: none"> Thayer

Sourcing Summary (continued)

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 August 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.