

## FREQUENTLY ASKED QUESTIONS

### **What is this program all about?**

AdvantageTrust is the program that HealthTrust Purchasing Group (HPG) offers non-hospital organizations. This program provides the same discounts that hospital members receive, but presents the information in a relevant, user-friendly manner so that staff performing multiple duties in these facilities can quickly identify the steps necessary to obtain our discounts and implement those to realize the savings the contracts provide.

### **What exactly is a GPO?**

A Group Purchasing Organization (GPO) is a term typically used in the healthcare area and is just another name for a purchasing cooperative. A GPO uses the collective volume of its member hospitals and other organizations to negotiate pricing on products those member use. The hospitals, physician offices, long term care facilities and other members still purchase directly from the contracted supplier, but the established pricing, price protection, payment terms, freight terms and many other terms and conditions are established and agreed to by the GPO and supplier. The member really only needs to know the primary terms (pricing, payment, freight) to place orders and obtain discounts. The GPO manages the details of the contract.

### **Is there a cost to participate in the program?**

No, eligible members can join and access discounts for no fee or charge.

### **Who is eligible to join the program?**

Almost any healthcare or health and well-being organization is eligible to participate. However, when an organization joins our program, they agree that membership in our program is exclusive and prohibits them from participating in similar programs offered by other group purchasing organizations.

### **Why can't my organization belong to more than one group purchasing organizations?**

Although some GPO's allow membership in other GPO's, HealthTrust/AdvantageTrust is a committed group and as a result is able to offer pricing that is recognized as the most competitive among GPO's. Therefore, belonging to just one GPO, as long as it's the right one, reduces confusion and provides the greatest savings.

### **What if a supplier I currently use is not on your list of contracted suppliers?**

The key to success for GPO's and their members in obtaining savings is the leverage their combined purchase volume. This is done through a bid/proposal process and includes numerous components including questionnaires, price sheets, product evaluations (as needed) and additional negotiations before a contract is awarded. Suppliers are awarded a contract based on several factors that include, but are not limited to:

- product acceptability
- breadth of product line
- ability to distribute product nationwide
- pricing
- price protection
- payment terms
- freight terms
- more.....

Therefore, not all suppliers are awarded contracts. If your current supplier is not listed, it likely means they did not receive a contract award for reason such as proposed pricing or ability to distribute nationwide.

When your supplier does not match a contracted supplier, a couple of things should be considered. First, in order to achieve maximum savings with the least effort (negotiating and contracting locally), the contracted supplier is most likely the best option. Secondly, membership in our program includes confidentiality and therefore, existing suppliers should not be provided with competitor's pricing so that they can "meet or beat" that pricing. We have found that suppliers that may lose business are anxious to lower pricing when that business is threatened instead of before. Also, because we provide high purchase volume to our contracted suppliers, they are able to reduce margin while maintaining a profitable program. When local negotiations take place, that market share is not present and therefore, the long term viability of the pricing for the supplier is not established. In other words, the supplier may only offer lower pricing in the short term.

### **How do we know the agreements we can access through AdvantageTrust provide better pricing than we are already getting?**

Without some detailed analyses, the EXACT amount of savings is difficult to identify. However, because of our large volume (\$18 billion annually) and our committed model, members can generally expect to save 10 – 20% depending on the category and any locally negotiated contracts.

Over the years, we have completed numerous analyses comparing members old pricing to pricing under our contracts and on average, aggregate savings on these analyses was 22%. Of course, this will vary depending on your product mix and any local arrangements in place, but the model we use provides enough volume to suppliers under contract that they are able to reduce their margins with our members and still maintain an acceptable level of profit.

### **Why is HealthTrust and AdvantageTrust better than any other GPO out there?**

The program that HealthTrust has established includes exclusive and committed participation from its members. This means a supplier can expect to gain market share when they are able to provide HealthTrust with the most competitive pricing. This approach provides increased volume to suppliers

that are willing to provide the greatest savings. It is a model that is recognized as the most competitive among suppliers and healthcare facilities alike.

### **Why is commitment and compliance required to participate?**

All GPOs are not created equal. Our committed purchasing model drives a superior value over voluntary GPOs. The foundation of our success is member alignment around two key principles-product evaluation and awards and contract adoption (compliance). High compliance is only possible because our advisory boards are aligned in setting strategy and approving all contract awards. The consistent adoption of those contracts across our membership is the reason our pricing is dramatically better than all other GPOs. Therefore to participate in the AdvantageTrust program, a participant must be willing to commit 80% of their annual purchases through our contract portfolio, where category coverage exists.

Examples: Total Annual Spend for Facility XYZ = \$100,000

Total Annual Spend where HPG/AdvantageTrust has contract coverage for Facility XYZ = \$80,000

80% Commitment =  $\$80,000 \times 80\% \cong \$64,000^*$

Total Annual Spend for Facility XYZ = \$50,000

Total Annual Spend where HPG/AdvantageTrust has contract coverage for Facility XYZ = \$40,000

80% Commitment =  $\$40,000 \times 80\% \cong \$32,000^*$

\* Facility XYZ's approximate dollar volume commitment to participate

### **How do I enroll?**

Go to [www.advantagetrustpg.com](http://www.advantagetrustpg.com) and complete the Location Information Form (LIF). That form is sent to us electronically and we use the information to populate enrollment documents. The enrollment documents will be sent to you for your electronic signature through a system called DocuSign®. Generally, the membership process takes approximately 2 weeks. You will also be provided with your GPOID# (an identification number specific to your facility that helps vendors link your account to our discounted pricing).

For a more detailed explanation of the enrollment process and timeframes, [click here](#).

### **Our facility address has recently changed. How can I update that information?**

We have developed an online Change Form to communicate updated demographic information. Depending on the type of change, an amendment to your membership documents may be sent to you for your electronic signature. If the change is the addition of a suite number or spelling correction, an amendment is not required. Changes take approximately 2 weeks from the receipt of a signed amendment to process.

### **How do I know what discounts with which companies is available to my organization?**

Once your membership has been processed, you will receive an email and link to our purchasing point portal. The portal presents those companies that we have agreements with and information on how

to access the discounts. Generally, our contracts will cover about 80% of your supply purchases. Our contracted suppliers may not always be a match to the company you are currently using, but as a result of a rigorous bid, analysis and negotiation process, we have determined the best value and supplier for the category under contract.

**Who decides which supplier is awarded a contract?**

Our process includes extensive input from our members through participation in subcommittees. These subcommittees represent the major categories we contract for including food, medical, surgical, facilities, alternate site, laboratory and also adhoc groups as necessary.

The committees are involved in the very initial steps in the process including strategy, supplier eligibility, review of analyses, review of proposals and final award.

**I think I can do this myself, what is better about using a GPO?**

Most members have negotiated local contracts in the past, but when they've done this, they only have their volume to offer the supplier. In addition, staff negotiating these contracts are typically not purchasing professionals and don't have the market intelligence of a GPO. Many local contracts are negotiated based on a suppliers' indication that the best price has been provided. While a GPO has member data and proposal pricing to analyze and substantiate and claims about pricing and discounts a supplier might say are in place.

Also, most of our members (and other GPO's members) have concluded that their staff time is too valuable to be spent trying to negotiate with suppliers. Instead, using a GPO provides substantial discounts while allowing staff to focus on the core mission of the member's organization.

**Does the program offer discounts with suppliers offering environmentally preferred products?**

Yes, there are a number of contracts with products that are considered "green" included in them.

**Does the program offer discounts with suppliers that are certified women and minority owned businesses?**

Yes, there are a number of contracts in place with certified women and minority owned businesses.

**I am already a member of the program, but would like to access the discounts available for pharmacy products. How do I do that?**

For existing members that would like to gain access to the pharmacy portfolio of discounts, we require a DEA certificate number and a pharmacy contact name/number. The Location Information Form on this Web site under Sign Up. Note that you are an existing member and would like to add the pharmacy program. Go to [www.advantagetrustpg.com](http://www.advantagetrustpg.com) if you would like to complete that section of the Location Information Form.

**Our DEA number has changed and we would like to continue to access the pharmacy product discounts. What do we need to do?**

Utilizing the Location Information Form please provide us with the new DEA number. We will verify the number and make the change in the membership system.

**What if I still have trouble or additional questions?**

We have dedicated resources to answer your questions or help you gain access to the discounts we have. They can be contacted through email at [memberservices@advantagetrustpg.com](mailto:memberservices@advantagetrustpg.com) or by phone at 866-841-2992.