



Culture · Collaboration · Capital

August 18, 2014

To: Spine Manufacturer/Vendor

From: Courtney Bohman, LHP Supply Chain Value Analysis Director *CB*

Scott Remmich, LHP Director and Deputy Chief Compliance Officer *SR*

Re: Approved Spine Manufacturers/Vendors

It is of most importance to LHP that our patients are provided with the best medical options that are free from potential conflicts while maintaining the highest standard of quality, ethics, and compliance. With respect to the Special Fraud Alert released by the Office of Inspector General (OIG) whereby informing the healthcare community that Physician Owned Distributorships ("PODs") are inherently suspect of violating certain Federal statutes, LHP underwent internal investigation of the manufacturers/vendors utilized by our hospital system

In April, LHP directed the evaluation of twenty-five Spine manufacturers. As a result of this evaluation of the current manufacturer/distributor relationship, LHP has made the decision to mitigate risk via manufacturer elimination and standardization as a Company. The evaluation process utilized multiple data points provided by the manufacturer to arrive at a conclusion, including but not limited to ownership model.

We have approved the following manufacturers for use by the LHP medical staff:

- DePuy/Synthes Spine
- Globus Medical
- Integra Lifesciences
- Medtronic
- NuVasive
- OrthoFix
- Stryker
- Zimmer/Biomet

We began implementing this initiative system wide starting **August 1, 2014**. Contractual negotiation discussions will begin immediately if not already underway or completed.

All questions regarding this decision should be directed to courtney.bohman@lhphg.com.