**Group Purchasing Programs: Sample Policy and Procedure[[1]](#footnote-1)**

# **Policy.**

It is the policy of [*PCA-HCCN name*] (“PCA-HCCN”) that any group purchasing arrangements entered into by the PCA-HCCN, either directly or through the formation of a new group purchasing organization (“GPO”), shall comply with all applicable requirements of the federal Anti-Kickback Statute.[[2]](#footnote-2)

**Procedure.[[3]](#footnote-3)**

It is understood that one of the functions of PCA-HCCN is to develop and execute certain group purchasing arrangements on behalf of PCA-HCCN’s members, under which the members will receive a discount for certain services and/or goods covered by the arrangement. Prior to entering into such arrangement, PCA-HCCN, through its Executive Director (or his/her designee), shall ensure that the arrangement complies with the requirements of the GPO safe harbor under the federal Anti-Kickback Statute,[[4]](#footnote-4) as follows:

1. PCA-HCCN will have a written agreement with each member participating in the group purchasing arrangement authorizing PCA-HCCN to act as its purchasing agent and providing either of the following:
	1. The agreement states that the vendor from whom the members will purchase goods or services will pay a fee to PCA-HCCN of 3% or less than the purchase price of the goods or services provided by that vendor; or
	2. In the event that the fee is not fixed at 3% or less of the purchase price of the goods or services, the agreement specifies the amount (or, if not known, the maximum amount) that PCA-HCCN will be paid by the vendor (where such amount may be a fixed sum or fixed percentage of the value of the purchases made from the vendor by the members).
2. In all cases, PCA-HCCN will disclose in writing to each participating member at least annually, and to the Department of Health and Human Services upon request, the amount received from each vendor with respect to purchases made by and on behalf of such member.

**This policy and procedure shall be periodically reviewed and updated consistent with the requirements and standards established by the Board of Directors and PCA-HCCN management, federal and state laws and regulations, and applicable accrediting and review organizations.**

**Responsible parties:**

### Signature Date

### Executive Director

### Signature Date

1. The Authors of these materials include attorneys at the law firm of Feldesman Tucker Leifer Fidell LLP. The sample documents offer general guidance based on federal law and regulations and do not necessarily apply to all PCAs-HCCNs under all facts and circumstances. Further, these materials do not replace, and are not a substitute for, legal advice from qualified legal counsel. [↑](#footnote-ref-1)
2. 42 U.S.C. § 1320-7b(b). [↑](#footnote-ref-2)
3. Authors’ note: Using the following sample as a guide, PCA-HCCNs should tailor the procedure to reflect their own structures and operations. [↑](#footnote-ref-3)
4. 42 C.F.R. § 1001.952(j). [↑](#footnote-ref-4)