

# ***HPS FAQs***

## ***(Frequently Asked Questions)***

### ***Who is HPS?***

Healthcare Procurement Solutions, LLC (“HPS”) is a specialized Group Purchasing Organization (“GPO”) whose primary focus is to negotiate savings for its members. By combining the collective buying power of its members, HPS has the leverage to negotiate with suppliers to provide its members with deeply discounted prices and service-level enhancements that are typically reserved for very large corporate customers.

### ***How much does it cost to be an HPS member?***

Absolutely nothing. Unlike many other GPOs, there are no membership dues or fees of any kind paid by HPS members.

### ***If HPS doesn’t charge its members, then how does HPS make its money?***

Like other GPOs, HPS is paid administrative fees by its suppliers. These fees, however, are transparent and do not affect the prices paid by HPS members. While most other GPOs charge membership fees in addition to the administrative fees paid by suppliers, HPS does not.

### ***Do I buy directly from HPS?***

No. You buy directly from the HPS suppliers and, as an HPS member, you will automatically receive the special pricing negotiated by HPS.

### ***Who will be sending me invoices, etc?***

In each of the HPS programs, transactional activities – like order placement, billing, and payment – are handled directly between the supplier and the HPS member.

***If I want to participate in one of the HPS programs, do I have to use them all?***

No. Participation in each of the HPS programs is completely voluntary and is independent of the others. You utilize as many, or as few, of the HPS programs as you choose.

***Why can't I just give the HPS pricing to my current suppliers and ask them to match the low prices obtained through HPS?***

There's nothing to stop you. However, why would you continue to buy from a supplier that has been overcharging you until you press them for better prices? Furthermore, the effort we put into our negotiations are for now and the future. We make sure that we obtain the best possible prices and continually monitor those prices to make sure they continue to be the best available. Using our work as leverage with your current supplier may have a short term benefit but, in the long run, everyone loses.

***HPS has provided me with better pricing than my current supplier. However, my staff has a good relationship with the existing sales rep and is reluctant to change suppliers. As a result, the existing vendor is now willing to "price match" HPS. What should I do?***

Giving your current supplier the opportunity to "price match" can be especially tempting in situations where a close relationship exists between the existing sales rep and staff members who have responsibility for ordering supplies.

It is not uncommon for practices to have blind loyalty to existing suppliers and sales reps – even after the practice discovers that their "old friend" has been overcharging them for years.

If your existing supplier believes that you are seriously considering moving your business to the HPS program, he/she will often offer to (temporarily) match the HPS pricing if you will keep your business with that supplier.

However, even when the existing supplier does match the pricing proposed by the HPS supplier, it is highly likely that the price reductions will be limited to only the items listed on the price comparison from HPS. In most cases, prices for other items will not be reduced. In fact, it is not unusual for suppliers to increase their prices on non-list items in order to make up for the lost profits on the HPS comparison items. In addition, we find that all the prices tend to increase over time because no one is continually scrutinizing them to make sure that any increases are challenged.

***I notice that HPS has selected one primary vendor for each area while other GPOs sometimes offer multiple choices. Why is that?***

By consolidating all our purchasing power with a single supplier for each product category, HPS is able to maximize our leverage to obtain the best deals for our members. Just compare our prices.

***What do I do if I have a problem with an HPS supplier?***

At HPS, we expect our preferred suppliers to be fully responsive to the needs of our members and to promptly resolve problems if and when they occur. While we find that our suppliers are motivated to solve HPS member issues, in the event of recurring problems, a major issue, or an unacceptable response from the supplier, we will intervene on your behalf to ensure that you are satisfied.

With HPS you are no longer just a single practice, but part of a much larger organization whose consolidated volume exerts significant influence with our suppliers.

Although we hope that you never have a problem with one of our suppliers, when you allow HPS to help you resolve your problem, it presents us with a real opportunity to demonstrate what makes us different from most other groups.

Whenever possible, we do ask that you notify HPS of problems you are having before you become so frustrated it is too late to resolve the issue favorably.

***How has HPS been able to get such low pricing for its members?***

Our suppliers recognize that our experience in physician practices and in group purchasing makes HPS uniquely qualified to create programs that physician practices and related entities need and will use. Our ability to deliver highly interested and sophisticated members to these programs benefits the suppliers in many ways - including increased sales through buyer retention and reduced costs by dealing with educated buyers.

Unlike most GPOs, HPS chooses a single supplier for each product/service with whom to form a strategic alliance – this allows HPS to maximize the leverage necessary to negotiate with suppliers. Another benefit of utilizing a single supplier is that we are better able to manage supplier performance and establish clear accountability.

In exchange for giving HPS and its members a great deal, suppliers in the HPS programs have the expectation that, if they provide HPS members with a better deal than they currently have, HPS members will: (a) support the HPS programs by participating in them, and (b) switch from their current supplier(s) in order to take advantage of the superior value of the HPS program(s).

### ***What is the relationship between HPS and its members?***

Unlike some GPOs, HPS has no ownership interest in its members and has no authority to tell its members what to do. Since participation in HPS programs is voluntary, the primary reason for members to participate is that HPS provides them with better values than they can obtain elsewhere. In other words, in order to attract and retain members, HPS must have the best products, prices, services and suppliers on an ongoing basis.

HPS is not a vendor. HPS is a consultative resource and an advocate for our members. We do not sell supplies – instead, we negotiate on behalf of our members to get better deals from the companies who do sell them.

Our decisions are generally guided by two questions that we ask ourselves every day:

- What is in the best interest of the practice/member?
- What is the *right* thing to do?

We have found that by following these simple guiding principles, HPS has become the kind of partner that both our members and our suppliers want to work with.

### ***What do I do if I already have an account with an HPS vendor?***

In most cases, as soon as you become an HPS member, your account is moved under our master account and you begin to receive HPS pricing. If you have participated with the vendor in another GPO, all you have to do is provide us with a letter stating your desire to be listed as an HPS member and we'll take care of the rest.

### ***Do I have to sign anything to join HPS?***

Just like everyone in the healthcare industry, group purchasing organizations are highly regulated. In order to satisfy the regulatory requirements governing GPOs serving the healthcare industry, it is necessary for HPS to obtain a signed Member Disclosure Agreement from each of our members. Signing the HPS Member Disclosure does not obligate you in any way to HPS and/or our suppliers. The Disclosure simply acknowledges that you have chosen to be a member of HPS and have been informed about how HPS and its programs operate.

### ***What's the hitch?***

Interestingly, this is probably the most frequently asked question that prospective members ask. The fact that HPS membership saves thousands of dollars, participation is entirely voluntary, and that there are no membership dues or fees apparently sounds too good to be true. The answer is that there is no hitch. There really is no downside to being an HPS member.

### ***What is Premier and why do I need to be both an HPS member and a Premier member?***

A number of years ago, HPS realized that it would be beneficial to our members to augment the HPS program portfolio with one of the hospital-based GPOs in order to expand the breadth of our contract coverage.

Premier is one of the largest hospital-based GPOs in the nation with thousands of participating members and thousands of supplier contracts. When Premier has contracts that are of benefit to HPS members, we do all of the behind the scenes work to facilitate members' ability to take advantage of them.

In order to provide members with access to the Premier contract portfolio, HPS had to become a "Sponsor of Affiliates" for the Premier program. Since that time, HPS has become one of the largest, fastest growing, and most respected sponsors earning charter membership since the inception of the Premier Sponsor Certification Program – available to only the top performing organizations in the country.

### ***What if I am still skeptical?***

If you are still skeptical, we would welcome the opportunity to put you in touch with any of the thousands of satisfied HPS members who will gladly attest to the value, superior services, and high level of integrity that they have enjoyed through their HPS membership over the past five years.

### ***Is participation in HPS restricted to companies in the healthcare industry?***

No. While the primary focus of HPS is on providing solutions for physicians, some of the products and services used by medical practices – like office supplies – are also used by all businesses. By extending the opportunity for participation to non-healthcare businesses, all HPS members benefit from the increased leverage resulting from the additional purchasing power.

### ***How do I know how much HPS can save my practice?***

HPS is happy to provide you with a no cost, no obligation price comparison. In fact, we encourage such price comparisons because we know that the HPS programs will compare favorably when objectively analyzed. Whether you are already participating in another group purchasing program, part of a very large multi-specialty practice, or convinced that you already have the best prices possible, we invite you to take a look at HPS and our leveraged purchasing programs. You might be surprised by what you find.

***What do I need to do to learn more about HPS and/or request a price comparison?***

Contact us today and savings are just around the corner! What do you have to lose? If you have any further questions and/or want to request a price comparison, contact your local HPS Business Development Consultant (BDC) or our corporate offices via email at [enrollment@healthcareprocurement.com](mailto:enrollment@healthcareprocurement.com) or by telephone at (770) 953-3026.