

RD INSTRUCTIONS FOR LOP COMPLETION:

NOTE: THE AscenDrive LOP must be signed by a C-Suite level executive in addition to the Supply Chain officer of Member.

1. For the AscenDrive LOP executed by Member, insert the date, C-Suite executive name and title, and hospital address on page one of the LOP.
2. Insert the name of the Member in the first paragraph and the signature page.
3. Insert the Member's start date in section III of the LOP. Members are allowed to request a future start date beyond the date they sign the LOP.
4. The C-Suite executive and Supply Chain executive must sign and print their names, titles and applicable date(s) in the signature blocks.
5. **Complete Excel Document (Appendix B) including all entity codes and facilities that are being rostered under the organization.**
6. Once signed by the C-Suite executive and Supply Chain executive, a scanned copy of the ***ENTIRE LOP*** along with Excel based Appendix B should be emailed to the following:
 - a. AscenDrive Mailbox (AscenDrive@premierinc.com)

DATE _____

Kelley Martinez
Chief Executive Officer
Mangum Regional Medical Center
1 Wickersham Drive
Mangum, OK 73554

Re: Letter of Participation – AscenDrive™ Program (this “LOP”)

Dear Kelley:

Thank you for agreeing to have **Mangum Regional Medical Center** (together with its facilities, “Member”) participate in Premier’s AscenDrive™ program (the “AscenDrive Program” or “Program”). The goal of the AscenDrive Program is to establish a framework for achieving industry-leading supply chain performance excellence.

Designed to drive unprecedented levels of value for patients and hospitals as measured by improvements in key supply chain areas, the AscenDrive Program has been adopted by the Board and executive management of Premier Healthcare Alliance, L.P. (“Premier”) as an innovative and industry-changing approach to accelerate cost savings while striking a balance between commitment, value and choice. Participants that opt into the AscenDrive Program will benefit from:

- Group purchasing program with innovative sourcing approaches, tiers and prices specifically negotiated for AscenDrive participants (the “AscenDrive Participants”);
- Benchmarking metrics to assist in determining additional supply chain and operational cost savings opportunities;
- Knowledge sharing with other AscenDrive Participants; and
- Clinical outcomes and evidence review through a systematic clinical evaluation process to determine best practices through a clinical council of participants.

The AscenDrive Program will involve a cohort of leading hospitals and health systems, which will be measured in key supply chain areas. The success of the AscenDrive Program will be measured by the cohort’s movement from baseline performance into the top quartile across key performance areas as well as identifying and implementing change concepts for improving supply chain performance. AscenDrive Participants will realize benefits such as:

- Access to tools and reports
- Recognition as an industry and market leader for achievement of higher levels of performance excellence benchmarks

The AscenDrive strategy committee is made up of representatives from AscenDrive Participants that will meet with Premier on an ongoing basis to provide overall strategic direction to the AscenDrive Program, to manage compliance and make award decisions for AscenDrive Agreements (as defined below) (the “AscenDrive Strategy Committee”).

I. PARTICIPATION CRITERIA AND REQUIREMENTS

Participants in the AscenDrive Program must adhere and agree to the criteria identified herein. In connection with participation in the Program, Member hereby agrees to the following Program Requirements:

- Member C-suite sponsorship and engagement in the Program to support conversions, standardization and compliance where necessary.
- Member Board and executive management commitment to achieving excellence in supply chain performance with demonstrated improvement capacity.
- Commitment to transparency of results in the cohort and sharing of best practices.
- Member will not issue an RFP for any products or categories included in the Program (collectively, the “Program Categories” and each a “Program Category”).
 - First occurrence – Member is reminded that they are prohibited from issuing an RFP in the Program Categories.
 - Second occurrence – Member is terminated from participation in the Program with thirty (30) days’ notice and shall no longer be able to access Program pricing upon such termination.
- Must price activate and purchase from a minimum of 90% of Program Categories (the “Program Commitment”):
 - Most Program Categories will have GPO agreements (the “Program Agreements”) with two (2) suppliers (the “Program Suppliers”) and Member shall select one (1) of the Program Agreements in the Program Category from which to make its purchases.
 - If a Member elects not to participate in a Program Category, then Member is required to submit to Premier the Program Exemption Request Form (See Appendix E) in the Performance Group Portal specifying the reason why it will not participate (“Program Exemptions”). For clarification, a Program Exemption other than related to (1) diversity, (2) EPP or (3) non-applicability must be executed by a signatory from Member’s C-Suite (each a “C-Suite Approved Exemption”) (See Appendix C).
- Must meet the specified compliance level in each Program Agreement:
 - Member will need to achieve compliance requirement (typically 80%) in the Program Agreement with the selected supplier (“Agreement Commitment”).
 - Member shall not be allowed to purchase under the non-selected Program Agreement (if there are two, must choose one).
- The AscenDrive Program allows for utilization of certified diversity suppliers without using a C-Suite Approved Exemption (See Diversity Rules in Appendix C).

- The AscenDrive Program allows for Environmentally Preferred Product suppliers without using a C-Suite Approved Exemption (See EPP rules in Appendix C).
- Either price activation of Program Agreement or submission of an approved Program Exemption within 180 days of contract launch.
- 90-day conversions to the selected Program Agreement upon price activation.
- Member will have 180 days from LOP Start Date (as defined in Section III) to become fully compliant with the Program Commitment.
 - No Program Categories or Program Agreements are optional.
 - Many Program Agreements will include rebates for early start / quick conversion incentives that will be available only when Member has price activated the Program Agreement and compliance has been achieved within ninety (90) days of the effective date of the Program Agreement.
- In the event that the Member elects to participate in opportunities or aggregation groups that are not led by Premier (each, a “Non-Premier Group”):
 - Member hereby agrees that (a) the AscenDrive portfolio will be its primary source for contracting and (b) it will continue to meet its AscenDrive Agreement Commitment.
 - Should the AscenDrive portfolio not provide coverage for a category that is offered by a Non-Premier Group, the Member may then use the Non-Premier Group agreement for coverage until such time that Premier elects to add that category to the program.
 - Member hereby agrees that it will not share AscenDrive program information with the Non-Premier Groups including, but not limited to, contract terms, rebates and pricing, category cross references, financial analytics or conversion impacts / market baskets.
 - Member hereby agrees that purchase history data that includes transactions tied to AscenDrive agreements will also remain protected and will not be shared with Non-Premier Groups.
- Member will process, at minimum, 50% of all AscenDrive purchase orders and invoices via an EDI (Electronic Data Interchange) channel of choice.

II. USE OF TOOLS

Under the terms of this LOP, Member will submit an MMIS Extract to Premier of item level purchasing transaction data (“Transaction Data”). In the event Member has a subscription to Supply Analytics, Member authorizes Premier to access and use the Customer Data (as defined in Member’s subscription agreement for Supply Analytics) submitted to Premier Healthcare Solutions, Inc. in support of and in accordance with the terms of this LOP. Member shall have access to the following tools (collectively, the “Premier Tools”):

Premier Tools	IMPLEMENTATION TARGET
Performance Group Portal (Measure compliance, track savings, etc.)	ASAP
AscenDrive Community (information, networking resource)	ASAP

III. PARTICIPATION IN PROGRAM

The term of Member's participation in the AscenDrive Program will begin _____ ("LOP Start Date") and continue until the expiration of Member's membership in Premier or until terminated as provided herein. Member is participating voluntarily in the AscenDrive Program and may cease to participate in the Program at any time upon 30 days' written notice to Premier. Premier reserves the right to modify or terminate the AscenDrive Program for all AscenDrive members upon 90 days' written notice. In the event Member (a) does not meet the Program Commitment, (b) is not achieving the Agreement Commitment as required under a Program Agreement, or (c) issues an RFP in any of the Program Categories, Member will be subject to termination from the Program in accordance with the terms herein. Premier may, in its discretion, terminate Member's access to the AscenDrive Program if Member provides notice of membership termination to Premier, however Member's access under Premier's national program contracts may continue until the effective date of such termination. Notwithstanding any terms to the contrary in any other agreements with Premier and/or a Premier affiliate, Member agrees that the terms of this LOP shall control with respect to the AscenDrive Program.

IV. DATA MATTERS

Member hereby agrees as follows:

In connection with Member's participation in the AscenDrive Program and in respect of its access and use of the Premier Tools and any other products and/or services provided by Premier to Member, Member will provide and/or Premier will have access to certain of Member's data (collectively, the "AscenDrive Data" which includes the Transaction Data and Customer Data), and Member hereby grants to Premier the right to use, disclose and take such further actions with respect to the AscenDrive Data as determined by Premier in order for Premier to provide any and all products and services offered through the AscenDrive Program. To the extent Premier shares any AscenDrive Data with a third party, any such data shall be subject to an obligation of confidentiality. Member hereby represents and warrants that it has the right to disclose the AscenDrive Data and grant the AscenDrive Data provided used for the following purposes:

- To provide advanced data analytics and commitment reporting for compliance and monitoring directly related to Member;
- To increase education offerings on best practices, outcomes, standardization and utilization as well as facilitate discussion related to patient care and clinically-focused improvements;
- To create custom analytics inclusive of value adds, rebates and reports for participants and suppliers, specific to participants, so they can be identified and alerted, in a timely manner, regarding matters such as trending toward non-compliance, which will enable the participants

to continue to reap the full benefits of participating in the AscenDrive Program and avoid removal; and,

- To create robust tracking and reporting to both participants in the AscenDrive Program and suppliers to facilitate deeper cross-referencing, thus minimizing misalignment between suppliers and participants in the AscenDrive Program following the launch of a GPO agreement with an AscenDrive supplier and to assist suppliers with more diverse ways to deliver value to participants in the AscenDrive Program.



AscenDrive SIGNATURES

Please sign below to indicate the participation of **Mangum Regional Medical Center** in AscenDrive. By executing this LOP, the undersigned AscenDrive member agrees to all of the terms in this LOP and the attached AscenDrive Program Rules attached hereto as Appendix C.

Premier Healthcare Alliance, L.P.:
By: Premier Healthcare Solutions, Inc.,
its General Partner

Mangum Regional Medical Center:

Pamela W. Daigle, GVP Sourcing

Kelley Martinez / Chief Executive Officer

Date

Date

Waylon Wigington / Material Manager

Date

(Name)

(Title)

Date

**APPENDIX A
SCOPE OF SERVICES****KEY PROJECT ACTIVITIES**

1. Member On-Boarding	A program kick-off session will be held upon conclusion of the participant recruitment period.
2. Data Collection and Analysis	Once the required supply chain improvement tools are deployed and fully operational, Member will submit data on a monthly basis or as required by the Program.
3. AscenDrive Community and Portal	Each AscenDrive Participant will be provided access to the Premier AscenDrive Community. A portal will be available to work collaboratively throughout the year to ensure that AscenDrive Participants take full advantage of identified best practices and ensure knowledge exchange across all AscenDrive Participants.
4. AscenDrive Participant Networking	Premier staff will facilitate direct networking and information sharing between all AscenDrive Participants as needed to support growth of the Program and performance.

**APPENDIX B
LIST OF PARTICIPATING FACILITIES**

PLEASE COMPLETE THE APPENDIX B EXCEL WORKSHEET AND ATTACH TO THE COMPLETED DOCUMENT



**AscenDrive Program
Letter of Participatio**

APPENDIX C PROGRAM RULES AND EXEMPTIONS

The AscenDrive Program Categories largely mirror the Premier national portfolio of categories. This provides the greatest opportunity for Member to achieve financial value through savings in the AscenDrive Program. However, consideration has been given to the need to provide for flexibility in specific areas of the Program Categories and in certain situations as outlined below. ***The goal is to strike a balance that affords reasonable flexibility for the Member while still maintaining the integrity of the AscenDrive Program and the value proposition to suppliers that ultimately translates into savings for Member.*** The rules below are intended to cover the majority of scenarios, recognizing that there may be other scenarios and circumstances that will need to be considered over time. Member acknowledges that Premier is not responsible for any actions or omissions of its Program Suppliers.

1) Diversity – The AscenDrive Program recognizes the importance of supporting diverse suppliers. If Member is currently using a certified diverse supplier (Minority Owned, Veteran Owned or Woman Owned) in a particular category, Member is not required to select from Program Suppliers for that Program Category. If the diverse supplier spend accounts for less than or equal to 20% of Program Category spend, then Member is eligible to price activate one of the Program Agreements.

- If the diverse supplier spend accounts for more than 20% of spend in a Program Category, then Member IS NOT eligible to price activate one of the Program Agreements and will need to access the national Premier portfolio or a local pricing agreement. In such an instance, Member is required to file a diversity exemption (“Diversity Exemption”).
- A Diversity Exemption must be filed through the AscenDrive Portal to officially document the request and, if approved, eliminate the diverse spend from the compliance measurements. Member must provide an acceptable diversity certification with request.

2) C-Suite Approved Exemption – These are available for Members who choose not to use one of the Program Suppliers in a given Program Category because it is not an optimal fit for their organization. This could be for (but is not limited to) reasons such as the use of a local community supplier, internal clinical or physician preference, desire to utilize the specific features of another supplier’s product, organizational standardization efforts, or ties to distribution programs.

The AscenDrive Program allows for a 10% non-participation rate over all the Program Categories. The reason for a Member not participating is critical for Premier to make sure there is not an underlying concern about a Program Supplier’s product or organization. If there is a high rate of C-Suite Approved Exemptions in a given Program Category (approximately 25%), this feedback will be reviewed with the AscenDrive Strategy Committee for potential award re-evaluation.

To request a C-Suite Approved Exemption, Member is required to submit a signed C-Suite Approved Exemption to Premier utilizing the standardized exemption form in the Performance Group Portal (see sample in Appendix E). C-Suite Approved Exemptions will be counted against the Member in the overall

90% participation metric along with category Conversions Overdue. Exceeding 10% non-participation rate of the Program Categories subjects the Member to termination from AscenDrive with thirty (30) days' advance written notice, if not cured within the period as outlined in the Performance Improvement Plan in Appendix D.

3) Conversion Overdue – If Member has not price activated Program Agreement or submitted a Program Exemption request within 180 days of the launch date of the Program Agreement for a given Program Category, such category will be automatically marked as “Conversion Overdue” in the AscenDrive Portal. At this point, an electronic notification will be sent to the Member C-Suite sponsor, the Supply Chain Executive and the Premier RD notifying all parties that the timeline for a decision has passed.

Additionally, Program Categories flagged as Conversion Overdue will be counted against the Member in the overall 90% Program Category participation metric along with C-Suite Approved Exemptions. Exceeding 10% non-participation rate in the Program Categories subjects the Member to termination from AscenDrive with thirty (30) days' advance written notice.

4) Not Applicable – There will be situations where Member currently does not purchase the products or services covered by a particular Program Category (e.g., outsourced transcription, blood/specimen collection when the entire lab is outsourced, etc.). In this situation, Member is not required to purchase, but is required to file a non-applicable exemption (“Not Applicable Exemption”). If Member chooses to purchase products or services at a later point in time after the launch of the Program Category, Member will then need to convert to one of the Program Agreements.

- **Needle Stick Act** – With respect to safety program Categories, Member may partner with a non-AscenDrive Program supplier if required to comply with the Needle Stick Act. In those instances, Member may file a Not Applicable Exemption and will not be required to use an AscenDrive Program contract.

5) Environmentally Preferred Purchasing (EPP) – If Member has elected not to use a Program Agreement due to such supplier or products not meeting the requirements outlined in the member's EPP Policy, Member is required to file an EPP exemption (“EPP Exemption”) to officially document the request and eliminate the EPP spend from Compliance Requirements. Member must provide a copy of their EPP policy, demonstrating where the supplier or products do not meet the requirements outlined in the policy and a copy of the Member's local agreement with the request.

6) Price Increases – We do not expect Program participants to experience price increases with Program Agreements. However, we have encountered some situations where this may occur for a variety of reasons.

In order to facilitate resolution, the following process is in place:

1. The Member and/or Region Director (“RD”) performs an analysis comparing the Program Agreements to the incumbent agreement and believes there is a price increase for the Program Agreements.
2. The Member and/or RD is required to send Premier their analysis for validation – common issues we have found are:
 - a. Cross references are not always valid (crosses can be supplier provided, Premier provided, member amended)
 - b. Unit of measure (UOM) issues, or other anomaly or assumption
3. Premier resource reviews the analysis to determine if Member’s pricing is better than pricing under the Program Agreement and if so, what specifically accounts for the difference.
4. If in fact Member’s pricing is better, Premier also needs that info for market intelligence and to approach the Program Suppliers about possible price reductions to mitigate or eliminate the price increase.
5. By providing any of the above information, Member represents that it is authorized to do so.

Rules based on specific scenarios:

1. In the event that a Member’s current pricing with one of the Program Suppliers is better than the pricing under the Program Agreement due to a current local deal, the Program Supplier is requested to grandfather the Member’s current pricing under their Program Agreement. Premier will assist Member in resolving this issue with the Program Supplier.
2. Since the dual award design of the Program Categories should allow for the awarding committee to select options for both maximum value and clinical preference of Program Suppliers, a Program Participant utilizing a non-awarded Program Supplier will be expected to convert to one of the Program Suppliers regardless of pricing impact against existing pricing or file a C-Suite Approved Exemption.
3. Cost of conversion varies by Member and by Program Category. While the AscenDrive Strategy Committee will take cost of conversion into account with each award decision, the cost ultimately varies by Member and by Program Category and is not easily defined as a specific percentage or dollar threshold. In the event a Member believes the cost of conversion exceeds the value available from the Program Agreements in the Program Category, Members may submit a C-Suite Approved Exemption documenting the rationale for the request. C-Suite Approved Exemptions will be counted against the Member in the overall 90% participation metric along with category conversions overdue. Exceeding a 10% non-participation rate of the Program Categories subjects the Member to termination from AscenDrive with thirty (30) days’ advance written notice if not cured within the period as outlined in the Performance Improvement Plan in Appendix D.

7) Price Activations – Members are encouraged not to price activate Program Agreements unless they intend to move to the Program Supplier and plan to complete conversion within 90 days. By price activating, this signals to the Program Supplier that Member intends to convert to the Program Agreement and needs support from the Program Supplier’s sales team.

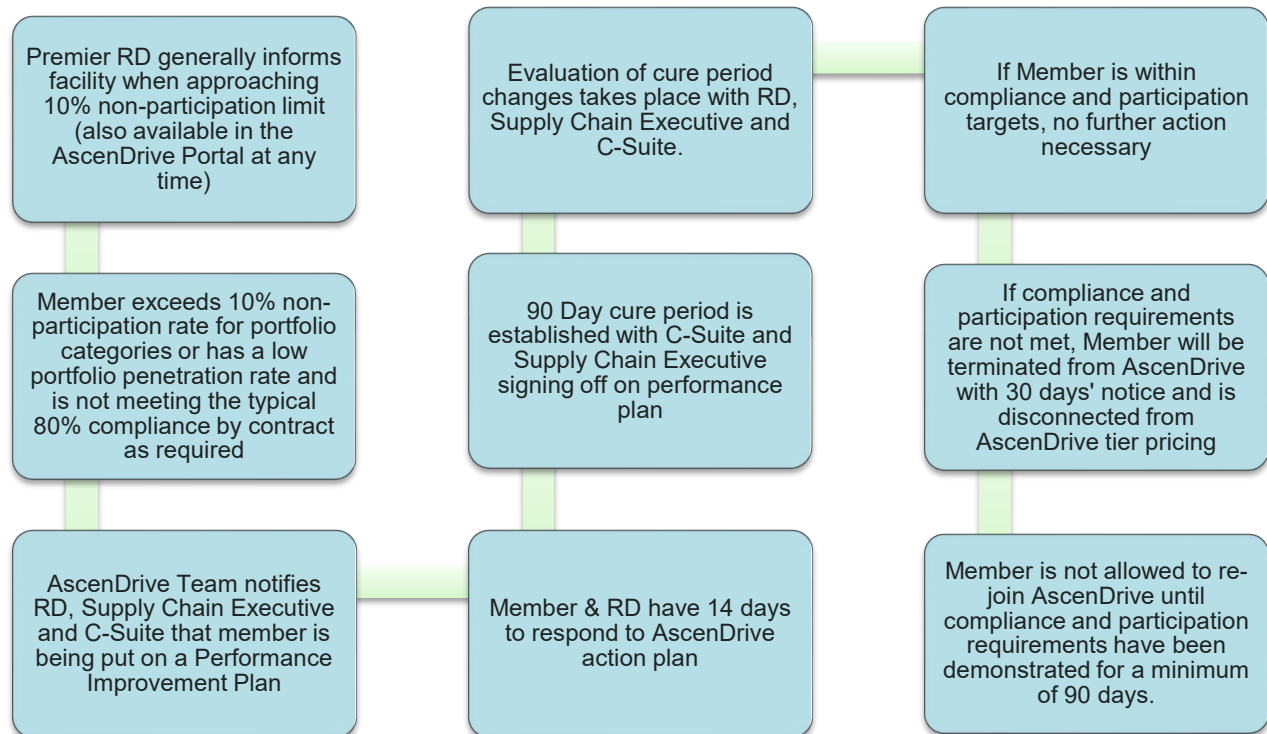


In order to maximize clarity, Premier will provide to Program Suppliers a list of Program participants that have an approved exemption relative to a particular category. Price activations may be updated after this time.

Member will need to validate UOMS and current pricing to validate cross spend variance opportunity.

APPENDIX D
COMPLIANCE PROCESS / PERFORMANCE IMPROVEMENT PLAN

PROCESS OUTLINE FOR WHEN MEMBER FALLS OUT OF COMPLIANCE.



APPENDIX E
ASCENDRIVE EXEMPTION REQUEST FORM

Health System Name:		Contact Name:	
Contract #:		Category Name:	

Type of Request	Description	Counts Against 90% Category Compliance?	Form Section
C-SUITE APPROVED EXEMPTION	For members who elect not to use an AscenDrive contract for reasons other than the exemption types below.	YES	1
NOT APPLICABLE EXEMPTION	For members who do not currently purchase the products or services of that contract (e.g. outsourced lab) or other extenuating circumstances.	NO	2
DIVERSITY EXEMPTION	For members using a certified diverse supplier (Minority Owned, Veteran Owned or Woman Owned).	NO	3
EPP / ENVIRONMENTAL EXEMPTION	For members with an EPP policy that conflicts with an AscenDrive contract.	NO	4

SECTION 1: C-Suite Approved Exemption

Member has elected not to use a Program Category as it is not an optimal fit for their organization. This could be for (but is not limited to) reasons such as the use of a local community supplier, internal clinical or physician preference, desire to utilize the specific features of another supplier's product, organizational standardization efforts, or generic ties to distribution programs.

This exemption must be signed by the Member's C-Suite sponsor. Additionally, a copy of the Member's local agreement being utilized as an alternative must be submitted along with this form in the AscenDrive portal. The following must be documented:

1. Rationale for Member not participating in Program Category:

2. AscenDrive savings identified for the category:

3. Alternative Supplier chosen:

4. Alternative Supplier savings identified:

5. Alternative Supplier contract term and termination date of the Member's contract:

C-Suite Signature: _____ Title: _____

C-Suite Printed Name: _____ Date: _____

SECTION 2: Not Applicable Exemption

Member does not use or purchase the supplies or services associated with the Program Agreement. The member is required to use the Program Agreement if their organization begins to use the supplies/services and must submit a new form each contract cycle to validate the suppliers or services are not utilized.

1. Reason for Not Applicable Exemption

AscenDrive Leader Signature: _____ Title: _____

AscenDrive Leader Printed Name: _____ Date: _____

SECTION 3: Diversity Exemption

Member has elected to not use a Program Agreement due to preference to support a certified diverse supplier (Minority Owned, Veteran Owned or Woman Owned). A copy of the local member agreement and the supplier's diversity status certification must be submitted along with this form in the AscenDrive portal. The following must be documented:

1. Reason for Diversity Exemption

2. AscenDrive savings identified for the category:

3. Alternative Supplier chosen:

4. Alternative Supplier Savings Identified:

5. Term and Termination Date of the Member's contract:

NOTE:

- If the diverse supplier spend accounts for less than or equal to 20% of a member's category spend, then the member IS eligible to price activate the AscenDrive agreement.
- If the diverse supplier spend accounts for more than 20% of a member's category spend, then the member IS NOT eligible to price activate the Program Agreement and will need to access the national Premier portfolio or a local pricing agreement.

AscenDrive Leader Signature: _____ Title: _____

AscenDrive Leader Printed Name: _____ Date: _____

SECTION 4: EPP Exemption

Member has elected to not use an AscenDrive contract due to the supplier or products not meeting the requirements outlined in the member's EPP Policy. A copy of the member's EPP policy, documentation demonstrating where the supplier or products do not meet the requirements outlined in the policy and a copy of the members local agreement must be submitted along with this form in the AscenDrive portal. The following must be documented:

1. Reason for EPP Exemption

2. AscenDrive savings identified for the category:

3. Alternative Supplier chosen:

4. Alternative Supplier Savings Identified:

5. Term and termination date of the Member's contract:

AscenDrive Leader Signature: _____ Title: _____

AscenDrive Leader Printed Name: _____ Date: _____