A vendor policy for a large system

An effective plan to manage vendors is crucial for any OR, but designing such a system for a large health system is complex. Nurse leaders at the Sisters of Mercy Health System, based in St Louis with 19 hospitals in 4 states, have collaborated with their colleagues to craft a policy that works.

The policy is at the heart of the system’s Vendor Access Program, a credentialing process for vendors to manage access in the hospital.

“Our number-one driving force is a safe environment for patients, coworkers, and vendors,” says Ruth Damron, RN, BSN, clinical resource manager for ROi Performance Consulting (the operating division of Sisters of Mercy Health System), who coordinated the task force charged with developing the program. The program also helps the system manage potential risks of vendors in the OR and adhere to professional guidelines such as those from AORN and regulatory requirements such as the Health Insurance Portability and Accountability Act (HIPAA).

Unified approach, local flexibility

“In the past, each hospital had its own vendor policy. The rules were different at different hospitals, making it confusing for vendors,” Damron says.

For the task force, she pulled together key stakeholders including representatives from materials management, pharmacy, security, clinical engineering, capital management, facilities management, support services, the OR, and any other areas where vendors interact with staff.

The task force tapped into work by the Strategic Marketplace Initiative (SMI), which published Management Guidelines for Vendor Access in 2006 (www.smisupplychain.com).

“We used the SMI guidelines as a starting point and adapted them to our hospitals,” says Damron. This approach gave Mercy the consistency it needed while allowing for some individual approaches to implementation at the hospital level.

For several months, the task force held a weekly conference call to develop the program. “We hashed out what would work for all of our facilities and different areas,” says Melissa Castleberry, RN, BSN, OR supervisor for St Edward Mercy Medical Center, Fort Smith, Arkansas, part of Sisters of Mercy Health System, which averages about 5,500 cases per year.

After implementation, the task force met biweekly to share issues and best practices and now meets as needed.

Program details

Sisters of Mercy Health System classifies vendors as Level 1 (nonclinical) or Level 2 (clinical), based on proximity to patients (sidebar). Level 2 vendors must meet more stringent requirements.
“Most companies already have the needed training in place,” says Damron. “They either provide it themselves or use a third party.” Mercy’s legal, risk management, and infection control departments reviewed the courses to be sure they provide the necessary information.

**Vendors covered**

The vendor access program applies to all vendors, except those involved in capital construction, which is covered by another policy, and vendors who visit physician offices and clinics.

The program outlines responsibilities of the director of materials management, the vendor, department directors, and medical and administrative staff.

During the registration process, vendors sign off on the required areas as they complete them.

“By doing this, they acknowledge and accept the guidelines established in Vendormate,” says Castleberry.

Vendors who don’t comply face escalating consequences. First violations are documented, vendors receive a verbal warning, and the policy is reviewed with them.

For a second violation, the director of materials management or the applicable department director notifies the vendor’s regional or corporate office of his or her company. In the case of a third violation, the vendor is suspended from further business with Mercy. Repeated violations by vendors from the same company may result in a ban of all the company’s vendors for a specified period or permanently.

**Spreading the word**

Sisters of Mercy Health System targeted 3 primary groups for education—staff, physicians, and vendors—before launching the program. Strategies included webinars, e-mails, signs in the physician and staff lounges and on bulletin boards, letters to vendors and physicians, presentations at meetings, education programs, and articles in newsletters and on websites.

“The directors of materials management at the hospitals were the champions,” says Damron. She provided education kits that included a PowerPoint presentation and supporting materials.

Mercy’s leaders, including the CEOs of each hospital, received talking points so they could answer questions. Damron also presented to the CEO council.

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**Sample vendor access requirements**

### Level 1 (nonclinical) vendors

1. Meet insurance requirements
2. Written statement from the company that documents the health care industry representative’s competencies:
   - Company’s products
   - General hospital safety training
   - Patient confidentiality
   - Business ethics
3. Picture identification that is time sensitive
4. Disclose any apparent or potential conflict of interest
5. Personnel changes

### Level 2 (clinical) vendors

Meet all the Level 1 access requirements plus:

1. Undergo a criminal background check
2. Corporate information including regional and corporate supervisory contacts
3. Must be accompanied by hospital-designated staff when in patient care areas
4. Provide information on company’s products
5. Demonstrate FDA approval when requested
6. Licensing for biologicals (tissue banking & distribution)
7. Possess evidence of annual instruction in:
   - Confidentiality, patient rights, and HIPAA
   - Product complaints and medical device reporting (MDR) requirements
   - Aseptic principles and techniques
   - Infection control
   - Bloodborne pathogens
   - Fire, electrical, and other safety and emergency protocols
   - Appropriate conduct in the clinical environment
   - Hospital vendor rules and visitation policy
   - The medical system, device, product, procedure, or service they will be delivering and/or operating
8. Business ethics, including disclosure of any financial relationships with the institution, physicians, or other staff; and code of conduct expectations
9. Education and training documents
10. Hospital product standardization program
11. New product introduction processes
12. Product recall processes
13. Written proof of immunization status:
   - TB testing
   - Hepatitis vaccination
   - Measles, mumps, and rubella (MMR) vaccine
   - Chicken pox vaccination
   - State-required vaccinations (varies by state; refer to hospital-specific protocol)

**Source:** Sisters of Mercy Health System. Reprinted with permission.
E-mail and phone scripts were used to inform vendors. Employees were given a sample script for how to approach a vendor who did not have a badge. The staff was armed with postcards for vendors that explained what they needed to do to register.

3, 2, 1—liftoff!
The vendor access program was launched on July 1, 2008, with an e-mail and letter to vendor companies.

“Identifying which reps need to be included is a huge undertaking,” says Damron. Some smaller hospitals had vendor information only on a card file, so the information had to be entered into a database.

National account representatives for companies with a Mercy contract were asked to disseminate the information. Materials management had to inform local companies.

By the Sept 1, 2008, deadline, only a small number of vendors were compliant, so Mercy set Nov 1 as a “hard” deadline and started to deny access to vendors without the required information.

“Some vendors were unhappy with the new system because they had been doing the same thing for years,” says Cynthia Sharp, surgical ancillary services supervisor at St Edward Mercy Medical Center.

“Some were bucking the system a bit,” agrees Castleberry. “We did progressive discipline [for 3 vendors] and ultimately had [2 of] them removed by going to their company.”

As of April 2009, 21% of vendor representatives met all requirements. Damron attributes the low percentage to 2 factors: Some vendors only visit a hospital once or twice a year, and it’s more difficult for smaller companies to provide needed training.

The goal is to have 80% of vendors in compliance in November 2009, with interim goals of 40% by July and 60% by September.

“We started at zero, and it takes time to get everyone registered, so we’re pleased with our progress,” says Damron.

Daily operations
Sisters of Mercy Health System chose Vendormate as its partner for managing vendor access. “Vendormate looks at both the sales rep level and the vendor,” says Damron. The company checks vendors for bankruptcy or anything else that would affect Medicare reimbursement.

“We felt we had more control because reps have to sign in every day,” adds Sharp. “We liked the services and how they manage point of entry.”

Mercy does not pay any fees to Vendormate. Instead, fees are calculated based on the type and amount of business each vendor conducts with Mercy and an assessment of each company’s potential legal risk. The fees, which vendor companies pay directly to Vendormate, are assessed per company, not individual sales representatives. Responsibilities of Vendormate and Mercy are defined in writing to avoid confusion.

New vendor representatives receive a card explaining what they need to do for credentialing. The vendor creates an online account that includes documentation of training and immunizations.

Checking in
On-site, the vendor checks in at a kiosk or department computer to receive a daily badge. After the visit, the vendor signs out and returns the badge holder. Log-ins are password protected.
New vendors have a month to complete the application. When a vendor plans to be in an operating room, the physician’s office calls to notify the OR inventory staff.

During normal business hours, vendors sign in through Vendormate’s automated system. Damron says determining the sign-in points can be eye-opening. “One hospital found they had 19 points of entry for its new tower.” The hospital worked to improve security before implementing the vendor access program.

At St Edward Mercy Medical Center, badge readers are located at all entrances to the OR. If vendors don’t have the appropriate access code on their badges, they are not allowed into the restricted area.

In the case of emergency surgery, trauma representatives have “contract” badges that allow them access to the OR.

“In the future, we’d like to see the access program set up so these vendors could log in,” says Sharp.

The Vendormate system can generate an electronic, searchable log of all visitors, including company name; vendor’s name and e-mail address; meeting contact, location, and purpose; and sign-in/out dates and times.

Helpful tips
As with most large projects, communication is key.

“When you think you’ve communicated enough, you’ve forgotten something. Over-communicate and don’t overlook stakeholders,” says Damron, who also recommends tapping into the corporate communications department, which can add a vendor resource link to a hospital’s web page and help disseminate information.

The information technology (IT) department is also important. Although the Vendormate tool is web-based, IT has to supply printers so reps can print their badges. Damron recommends starting the process as soon as possible because of the many priorities facing IT departments.

Worth the effort
Creating a systemwide vendor access system is worth the effort.

“It has proven to be an efficient and helpful tool to help the entire system to track who is in our facility,” says Sharp. “It has helped us to be able to monitor who is following the rules and who is not.”

Damron adds an unexpected benefit. “It helped all of us be better collaborators.”

—Cynthia Saver, RN, MS

Cynthia Saver is a freelance writer in Columbia, Maryland.