



Delivering a Network of Solutions™

BES PROPOSAL

To

LSUHSC - HCSD

For

Committee Meeting Expense Support

December 2, 2003

I. INTRODUCTION

Louisiana State University Health Science Center - Health Care Services Division (herein after referred to as “The System”) is seeking utilization of contract allowed Vector Service Dollars for their various committee meetings which were significantly reduced or cancelled in FY2003 due to necessary expense control measures.

The System Committee meetings are an invaluable tool for representatives of all the hospitals to work together on cost reduction projects, product standardization projects, and best practice projects. These projects will ultimately enhance the performance of the hospital staffs and reduce the overall supply chain expenses for The System.

AmeriNet is one of the nation’s largest group purchasing organization. Our mission is to provide our members with cost effective customer focused programs that capitalize on our expertise and increase value to our members. To accomplish this, our staff consists of individuals with clinical expertise in related contract disciplines. These professionals, working in concert with our member service team, have been able to structure specific programs that deliver cost reduction opportunities and value enhancements to The System by working in conjunction with The Systems’ various committees.

In accordance with the terms of the contract between LSUHSC-HSCD and Vector, this proposal provides the basic structure and process for Vector to provide funding to assure that a complete schedule of The System’s Committees can be maintained throughout the remainder of FY2004 (December, 2003 through June, 2004) and FY2005 (July, 2004 through June, 2005). This proposed BES is part of the Enterprise Wide Solutions component of our agreement and the costs will be paid for using Vector Service Dollars.

II. OBJECTIVES

Vector will provide financial support for The System’s schedule of Committee Meetings to help The System achieve it’s goals for product standardization, supply chain cost reduction and increased efficiencies in their delivery of healthcare services under The System’s Mission.

III. SCOPE

Meeting expenses covered through this financial support includes:

- Travel Expenses – including mileage reimbursement, hotel charges and meal expenses resulting from over night travel for selected individuals.
- Cost of lunch and refreshments on the day of the meeting.
- Meeting room charges.
- Miscellaneous Charges necessary to conduct the meetings.

This funding is based on a projected budget developed on historical costs incurred by The System to hold these meetings. The funding is intended to support the following annual meeting schedule with attendees from all of the System's hospitals:

- Pharmacy Council: 8 meetings/year for approximately 15 participants.
- Purchasing Committee: 4 meetings/year for approximately 20 participants.
- Radiology Committee: 4 meetings/year for approximately 10 participants.
- Lab Committee: 4 meetings/year for approximately 10 participants
- OR Directors: 4 meetings/year for approximately 10 participants
- Cardiopulmonary Directors: 4 meetings/year for approximately 10 participants.
- Infection Control Directors: 4 meetings/year for approximately 10 participants.
- ET/Wound Care Directors: 4 meetings/year for approximately 10 participants.

Attachment A provides the detailed expenses for the annual budget. The Funding Budget for the remainder of FY2004 is established at \$13,000. The Funding Budget for FY2005 will be \$22,000. The funding needed to support this annual meeting schedule may be adjusted based on actual expenses and mutual agreement of The System and Vector.

IV. METHODOLOGY

Funds will be provided at the beginning of each Calendar Quarter to The System to cover the costs of the meetings held during the quarter. The System will be responsible for paying all bills associated with conducting these meetings and will reimburse all employees for approved travel expenses incurred to attend these meetings. Periodic reviews of actual expenses vs those budgeted will be completed to insure that the funding provided is appropriate and accomplishing the defined objectives.

The System will be responsible for establishing and maintaining appropriate records to identify how these funds were expended. A quarterly report will be provided to Vector at the end of each calendar quarter's meeting schedule. This report must satisfy all internal audit requirements as established by all appropriate regulatory agencies governing the operations of the System. The meeting expense budget was developed using historical expenses incurred by the System to conduct these meetings. The details of the projected budget are provided as Attachment A to this proposal.

The initial Meeting Funding payment of \$5,500.00 will be made by Vector upon acceptance of this BES Proposal by the appropriate authority for The System. Upon receipt of each quarterly report, Vector will reimburse to The System those funds expended in support of the designated meetings which were held during the quarter covered by the report. The meeting fund balance will be maintained at \$5,500.00 unless both parties agree to a different amount. Upon termination of this agreement, The System will return to Vector any funds remaining in the Meeting Funding account unless other disposition of these funds is agreed to by both parties.

V. DELIVERABLES

Vector will provide a check to the System to support the meeting schedule at the beginning of each calendar quarter as described in the above under Section IV Methodology.

The System will provide Amerinet a quarterly report of all meeting expenditures at the end of each calendar quarter's meeting schedule.

VI. TIMETABLE

Vector is prepared to initiate this support immediately. The initial check will be provided within 30 days of acceptance of this proposal.

VII. CONSIDERATION AND TERM

1. Consideration:

Fees associated with the provision of financial support of \$22,000 annually as described herein shall be \$44,000 Vector Service Dollars. The exchange rate of 2:1 will be utilized for calculating consideration for all funds provided to The System under this BES. The following is a breakout by year of the budgeted meeting expense funding and associated Vector Service Dollars:

	<u>Funding</u>	<u>Vector Service Dollars</u>
FY 2004	\$13,000	\$26,000
FY 2005	\$22,000	\$44,000

Payment to Vector will be in the form of Vector Service Dollars applied quarterly, for the term of this BES, to the LSUHSC – HCSD EWS Shareback account.

2. Term:

This agreement shall become effective upon acceptance by the System. It is anticipated that all deliverables will be presented through the remainder of FY2004 (December, 2003 through June, 2004) and FY2005 (July, 2004 through June, 2005), subject to the cooperation of the System. The term may be extended upon mutual, written agreement by the System and AmeriNet.

VIII. ACCEPTANCE

Accepted on behalf of LSUHSC - Health Care Services Division by:

Name

Title

Date