

This safe harbor provides that remuneration does not include any payment by a vendor of goods or services to a group purchasing organization (GPO), as part of an agreement to furnish such goods or services to an individual or entity as long as all of the following standards are met:

Elements of the Safe Harbor	Check if Applicable to the Arrangement
<p>The GPO must have a written agreement with each individual or entity for which items or services are furnished that provides for <i>either</i> of the following:</p> <ol style="list-style-type: none"> 1. The agreement states that participating vendors from which the individual or entity will purchase goods or services will pay a fee to the GPO of three percent (3%) or less of the purchase price of the goods or services provided by that vendor; or 2. In the event the fee paid to the GPO is not fixed at three percent (3%) or less of the purchase price of the goods or services, the arrangement specifies the amount (or if not know, the maximum amount) the GPO will be paid by each vendor (where such amount may be a fixed sum or a fixed percentage of the value of purchases made from the vendor by the members of the group under the contract between the vendor and the GPO) 	
<p>Where the entity which receives the goods or service from the vendor is a health care provider of services, the GPO must disclose in writing to the entity at least annually, and to the Secretary of DHHS upon request, the amount received from each vendor with respect to the purchases made by or on behalf of the entity</p>	

Note: for the purposes of this safe harbor, the term Group Purchasing Organization (GPO) means an entity authorized to act as a purchasing agent for a group of individuals or entities who are furnishing services for which payment may be made in whole or in part by a federal health care program, and who are neither wholly-owned by the GPO nor subsidiaries of a parent corporation that wholly owns the GPO (either directly or indirectly or through another wholly-owned entity).