



Bill Born



Lori Daukas

The Journal of
Healthcare
C O N T R A C T I N G

Providing Insight, Understanding and Community

October 2023 Vol. 19 • No. 5

Top Non-Acute Supply Chain Leaders

Sponsored by McKesson Medical-Surgical, Inc.

MCKESSON



Elizabeth Sanders



Alan R. Ready Jr.

FLEXIBLE INSPECTION SCOPE

VISUALLY INSPECT WITH REMARKABLE CLARITY

The FIS includes a distal tip composed of a light source and camera lens at the end of a 110cm flexible shaft, which features graduation marks. The Flexible Inspection Scope is a perfect tool to get a visualization of any potentially soiled device. Software is included and allows viewing and recording.



▲
FIS-005SK
110CM LONG
2.0MM DIAMETER



▲
FIS-006SK
110CM LONG
1.3MM DIAMETER

HEALTHMARK OFFERS MANY OPTICAL INSPECTION TOOLS TO SUIT YOUR NEEDS



MAGIC TOUCH
MAGNIFIER



HANDHELD
MULTI-MAGNIFIER



MADE IN AMERICA
MAGNIFIER



4X LED
MAGNIFIER



CONTENTS

OCTOBER 2023



Feature

Top Non-Acute Supply Chain Leaders ▶ pg20

- 2 Publisher's Letter: Non-Acute Care in the Healthcare Continuum**
- 4 Best Practices from IDN 'Supertankers'**
How some of the largest IDN supply chain teams have become more strategic, and less transactional, while increasing their value to the organizations they serve.
- 12 Supply Chain's Fight Against Cancer**
New alignment and new projects highlight New York cancer center's commitment to end cancer for life.
- 34 Efficiency vs. Resilience: Can We Achieve Both?**
Supply chain advances show progress in reaching both goals.
- 39 Blended Plans**
Formed from two S.C. health systems, Prisma Health tackled challenges of different approaches.
- 45 Traditional Healthcare GPOs and Their Role in the Healthcare Supply Chain**
- 50 Flu Forecasting**
Through data-based forecasting, researchers are trying to better predict the number of flu cases.
- 52 Respiratory Syncytial Virus**
Prevention of severe RSV in children and adults will be critical this respiratory season.
- 58 Transforming Patient Health and Your Business with Telemedicine**
HealthTrust University Conference attracts record numbers of members and attendees.
- 60 Supply Chain By the Numbers**
- 62 Commercial Healthcare Providers**
Retailers, payors and private equity groups are transforming how the U.S. receives care. Do you know who they are?
- 63 CVS Health**
Expansion into several U.S. healthcare market segments signifies a desire to meet patients where they are.
- 64 Industry News**



Subscribe/renew @ www.jhconline.com : click subscribe

Non-Acute Care in the Healthcare Continuum



Non-acute healthcare is an integral part of our daily lives. In an interview for this issue's cover story, Lori Daukas, PharmD, Director – Pharmacy/Non-Acute Sourcing, Universal Health Services, explained that the category encompasses a wide range of practice settings, including:

- › Behavioral health services (including residential and outpatient treatment centers),
- › Multi-specialty physician clinics
- › Urgent care centers
- › Ambulatory surgery centers
- › Even telemedicine services.

“These sites are often more convenient and less expensive for patients, meaning that a larger, more diverse patient population can access healthcare,” she said. “Finally, use of these sites frees up our hospitals and emergency rooms for those patients who require a more acute level of care.”

In this issue we talked to several leading non-acute supply chain leaders. We wanted to know about the unique aspects of servicing non-acute facilities, what kinds of initiatives they are coordinating, what skills are needed to lead a non-acute supply chain team, and what they believe the future holds for this sector of the industry.

It's timely information as healthcare is moving beyond the traditional four walls of a hospital. Another non-acute supply chain leader, Bill Born, Director, Goshen Physicians, described how his organization is partnering with local employers for onsite clinics that offer traditional care and wellness services to patients that in some cases haven't gone to see a physician in years.

“It is about access and preventive care. Our onsite model has and will continue to reach community members who have not made wellness a priority,” he said.

Indeed, alternate care sites often succeed in delivering more efficient and cost-effective care for optimal patient care, said another non-acute supply chain leader Alan R. Ready Jr., Sr. Manager, Advancement & Operations, Corporate Supply Chain, Yale New Haven Health.

“Decongesting our nation's acute locations allows hospitals to do what they do best: treat higher acuity patients,” he said. “

We hope you enjoy reading this issue of *The Journal of Healthcare Contracting*.

The Journal of
Healthcare
C O N T R A C T I N G

The Journal of Healthcare Contracting

is published bi-monthly

by Share Moving Media

350 Town Center Ave, Ste 201

Suwanee, GA 30024 -6914

Phone: 770/263-5262

FAX: 770/236-8023

e-mail: info@jhconline.com

www.jhconline.com

Editorial Staff

Editor

Graham Garrison

ggarrison@sharemovingmedia.com

Senior Editor

Daniel Beard

dbeard@sharemovingmedia.com

Art Director

Brent Cashman

bcashman@sharemovingmedia.com

Publisher

John Pritchard

jpritchard@sharemovingmedia.com

Circulation

Laura Gantert

lgantert@sharemovingmedia.com

The Journal of Healthcare Contracting

(ISSN 1548-4165) is published monthly by Share Moving Media, 350 Town Center Ave, Ste 201, Suwanee, GA 30024-6914. Copyright 2023 by Share Moving Media. All rights reserved.

If you would like to subscribe or notify us of address changes, please contact us at the above numbers or address.

POSTMASTER: Send address changes to Share Moving Media, 350 Town Center Ave, Ste 201, Suwanee, GA 30024-6914.

Please note: The acceptance of advertising or products mentioned by contributing authors does not constitute endorsement by the publisher. Publisher cannot accept responsibility for the correctness of an opinion expressed by contributing authors.

Where care begins

While each patient journey is unique, medical diagnostics play a crucial role in delivering data and actionable insights. At QuidelOrtho, we pride ourselves in providing these critical answers early and often in the healthcare continuum.



See what's new at
QuidelOrtho.com



Best Practices from IDN ‘Supertankers’

How some of the largest IDN supply chain teams have become more strategic, and less transactional, while increasing their value to the organizations they serve.



Since the pandemic, the healthcare supply chain has become recognized as vital to the functioning of hospitals and IDNs. Quality, safety, resiliency and health equity are front and center for IDN supply chains as they are the critical link between their clinical teams and suppliers.

John Strong, co-founder and chief consulting officer of Access Strategy Partners, moderated a panel with supply chain executives from three “supertanker” IDNs at The Journal of Healthcare Contracting’s IDN Insights East event this summer in Philadelphia. The panelists participating were:

- ▶ Ed Hisscock, Senior Vice President of Supply Chain, Trinity Health
- ▶ Jake Groenewold, Vice President and Chief Supply Chain Officer, Froedtert Health
- ▶ Bruce Mairose, Division Chair of Supply Chain Management – Sourcing and Networks, Mayo Clinic

Driving quality with clinicians

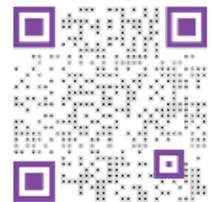
“We’ve partnered with our chief clinical officer, who has built out our clinical excellence capability,” said Ed Hisscock, senior vice president of supply chain for Livonia, Mich.-based Trinity Health. “Supply chain is on the agenda each time one of our clinical excellence councils meet. They are chaired by a practicing surgeon or clinician and there are several of them. The premise of each is to take out waste and unwarranted variation in care.”

Trinity Health’s clinicians are at the forefront of determining care quality and



Delivering Confidence Coast to Coast

The future of healthcare manufacturing has arrived, and it's made in the U.S., for the U.S. Our commitment to U.S. manufacturing means a redundant, more reliable supply of vital products for healthcare providers and the patients they serve.



We help healthcare providers get the products they need when it matters most. Scan to learn more.

product quality. Hisscock says the Michigan-based IDN's stakeholders define the quality of products.

Trinity Health was the fifth largest IDN in the U.S. in 2022 by net patient revenue, according to *Definitive Healthcare*, at more than \$20 billion.

In Wisconsin, Froedtert Health includes eight hospitals in the state with Milwaukee's 702-bed Froedtert Hospital serving as a Level I trauma center. The hospital is affiliated with the Medical College of Wisconsin (MCW).

interacts with clinicians across the Froedtert Health enterprise. He added that an academic medical center like Froedtert must include clinicians early in product decisions because they have feedback on certain products for teaching future clinicians.

"We understand that and if it means better clinical care, we'll take a look at it," he said. "But clinical chairs will always challenge it from a cost perspective as we intertwine research and education into our entire process of approving certain products or not."

Hisscock says different specialties act differently. "It's interesting how they interact with each other or not," he said. "We can present the same data with the same process and get completely different interactions. It depends on the specialty as to how to best engage with them."

These subtleties can include presenting some data blinded versus presenting other data with physicians' names on it in order to drive a successful outcome.

"A human being is the greatest variable on the planet," Hisscock said. "We're all going to respond differently. Then, you throw in the product, caregiver, before care, after care and nutrition, and isolating a supply that's going to have a meaningful difference and outcome is a monumental task."

"If something improves patient experience or drives a better outcome, then we're absolutely helping the clinical practice to look at it," Mairose added. "Is it bells and whistles or does it have the ability to take it up a notch clinically?"

Groenewold agrees and says if it is a value proposition a supplier provides that can really make a difference, Froedtert Health is all over it.

Trinity Health and Froedtert Health are in the process of building data management systems to help evaluate and compare products. Mayo Clinic analyzes products in the lab space particularly, according to Mairose, and says there is not much difference in many of the products used.

“If something improves patient experience or drives a better outcome, then we’re absolutely helping the clinical practice to look at it. Is it bells and whistles or does it have the ability to take it up a notch clinically?”

— Bruce Mairose, Division Chair of Supply Chain Management – Sourcing and Networks, Mayo Clinic

Froedtert Health measures its physician outcomes for quality and cost. For example, is one orthopedic surgeon using robotics while another is not? And what's the net outcome of using those supplies?

"We bring those results to our physicians to help make decisions about the right direction to go," said Jake Groenewold, vice president and chief supply chain officer for Froedtert Health. "Suppliers can help drive clinical outcomes by providing us with the true value proposition their organization and products can bring."

The Wisconsin-based IDN also appointed a medical director of supply chain in 2022 and Groenewold says that was a big step because it is supported from the top down, and it helps how supply chain

Shifting the way are is delivered

Mayo Clinic's Bruce Mairose, division chair of supply chain management – sourcing and networks, says clinicians in Mayo Clinic's cardiology department like to have supply chain at the table.

"We now have the ability to establish supply cost at the procedure level which allows us to target things like open/unused or product waste," Mairose said. "Several departments share and discuss the information unblinded, which facilitates the clinical practice to better understand potential variations in supply utilization. And it has opened up conversations on how we can get common procedures to an average as a baseline, and the average keeps going down."

Standardization and conservation for safety

"We have to be careful and guard against too much variation," Hisscock said. "The purpose of our clinical excellence



Cardinal Health™ Reserved Inventory Program

Prepare for your upcoming respiratory testing needs

Gain peace of mind this respiratory season with a secure, identified level of inventory through our **Reserved Inventory Program**.

We'll help ensure you have the diagnostic testing products you prefer, when you need them, despite fluctuating and unpredictable levels of respiratory illness.



To discover the benefits of our Reserved Inventory Program, scan the QR code or visit cardinalhealth.com/reservedinventoryprogram

councils is to root out unwarranted variation because it has both a safety and quality connotation.”

Standardization helps drive safety for these IDNs through their data management systems.

“We codified data in our master data management system and labeled sharps, for example,” Hisscock added. “If a sharps device shows up in the system for the first time, an alert is automatically sent to the safety leader to ensure proper in-servicing.”

Safety is also about conservation.

“If we have a critical item that doesn’t have an easy alternative and will impact therapeutics or surgical intervention, we start with conservation,” Mairose said. “How can we use less?”

He adds that Mayo Clinic has a system that immediately elevates these issues to the highest levels of the clinical practice. “We haven’t had a shortage that has impacted patient care but we’re still having thousands of back orders a month at Mayo Clinic,” he said.

Groenewold says Froedtert Health made it through the contrast media shortage crisis in 2022 without canceling or rescheduling cases because of conservation. Other providers sent patients to Froedtert for scans, and it had to monitor how many patients it could handle.

“When we went into conservation on three products that had short supply, we never went back to our original volume of purchases,” Groenewold said.

“When conservation and utilization is in place with sound clinical practice, there are times it doesn’t come back. So, there are risks to suppliers associated with an outage that go well beyond just frustrated supply chain people.”

Trinity Health’s value analysis team has been hit by shortage after shortage, Hisscock says, and they are the tip of the spear on those when they should be working on other things. “We’re a faith-based, not-for-profit organization and we have a lot of expense management protocols in place,” he added.

As a smaller organization than Trinity Health or Mayo Clinic, Froedtert Health has some flexibility and hasn’t put a moratorium on items. “To claw back our margin, we’re looking at any opportunity and it goes to the clinical council for a yes or no,” Groenewold said.

“Mayo Clinic is not known for putting moratoriums in place because you need to remain flexible to meet patient care and operational needs,” Mairose added. “Everything is negotiable.”

Mairose says Mayo Clinic is still struggling to get products in the commodities and generic product categories as well as the clinical preference product categories. “We’re doing more research and pursuing additional value in the implantable space, but we don’t have much time to do that in those other categories,” he said. “We’re too busy looking for alternative products.”

Resiliency and key suppliers

“You could argue that resiliency is safety,” Hisscock said. “It’s all related. There’s tremendous waste in the way we work with suppliers which can create errors that lead to product disruptions. It’s



nobody's fault. It's just how this industry has evolved."

Hisscock says IDNs and suppliers need to think more broadly about how they work together.

"We worked with a supplier, and we were expressing over 40 orders at their distribution center every day, on average," he said. "So, 40 times each day a picker went around their warehouse, picked a product, put it in a box and put it on a FedEx or UPS truck. And, we have 40 receipts, unboxing events, deliveries, and invoices. But now, we're placing one order whenever we can fill a truckload (about once a month) and sending it to our warehouse. Then, we'll add the items to the daily orders we are already picking for our hospitals. Think of the savings and the reduced opportunity for errors."

"It gets back to resiliency because every touch and communication is an opportunity for error. The most efficient way to work together is also likely the most resilient," he said.

Groenewold says Froedtert Health identified 13 key suppliers for its supply partner council that meets three times a year to share what's happening across the industry. "We share our financials with them," he said. "They know our vision and why we're doing it."

He says a discussion around packaging came out of one of the last meetings. "We talked about how one of the suppliers didn't have efficient packaging – that's the way to get to the fundamentals of pulling costs out of the supply chain," he said.

Mairose says IDNs come in all sizes, and that concepts and processes that work for one IDN may not apply to other organizations because they do not have the funds or the opportunities to train for a more sophisticated approach or solutions. "Suppliers need to help the medium and smaller organizations they work with," he said. "They'll have a more loyal customer and a higher margin over time."

Mairose says it helps suppliers understand how to approach healthcare organizations. "As a large organization, we have a responsibility and desire to do the things we've been talking about," he said. "Funding programs to recruit and hire more diverse employees, and improve the health of our communities."

Trinity Health is a member of the Healthcare Anchor Network, a growing

"Health equity is a big input for us at Froedtert. Understanding the implications around health equity and what we can do as a health system to help grow awareness is important. We are passionate about the communities we serve."

— Jake Groenewold, Vice President and Chief Supply Chain Officer, Froedtert Health

Supplier diversity and local purchasing to help the communities IDNs serve

Trinity Health, Froedtert Health and Mayo Clinic are focused on determinants of health through supplier diversity and local purchasing.

"Health equity is a big input for us at Froedtert," Groenewold said. "Understanding the implications around health equity and what we can do as a health system to help grow awareness is important. We are passionate about the communities we serve."

Mayo Clinic has a mentoring program for small and diverse suppliers.

national collaboration of health systems aiming to build more inclusive and sustainable local economies.

"We call it citizenship," Hisscock said. "It's helping organizations that are meaningful in the communities we serve and helping raise the socio-economic circumstances of our communities. If we award business to a local supplier and they hire another shift to take care of the Trinity business, then it raises the economic situation and, per the social determinates of health, improves the health and well-being of the community." ■



Allergan
Aesthetics

The Journal of Healthcare Contracting would like to thank Premier and Allergan Aesthetics for sponsoring IDN Insights East.

Tapping into AI: Healthcare Supply Chain 2.0



Heightened globalization, complexity and advancement through digitization has evolved healthcare supply chain management into a non-linear, more interconnected function that must be increasingly responsive and adaptive to change.

Against this backdrop, a key area of focus for leaders includes modernizing and tech-enabling the healthcare supply chain for greater transparency, risk mitigation and automation of highly manual tasks.

Today, we're on the cutting edge of technological advancements to meet the changing demands of the industry. Nearly half of U.S. healthcare supply chain leaders are planning to use advanced forecasting technology solutions (48%), ERP enhancements (46%) and collaboration tools (37%), among others, to automate and/or enhance their supply chain strategies over the next year, according to Premier's 2023 supply chain resiliency survey.

Health systems should look to prioritize supply chain technology solutions that leverage artificial intelligence (AI) and demand forecasting, as well as provide real-time insights into inventory, cost variances and supply standardization. They should also seek out tools that integrate with the hospital's own enterprise resource planning (ERP) systems to help improve margins while reducing the risk of errors.

AI-enabled predictive models have turned a corner – creating watershed moment for supply chain technology. Driven by ERP and organization-specific data, combined with ML, these solutions are allowing for longitudinal visibility across

the supply chain, where providers can see demand signals, point-of-use information and supplier resiliency metrics vital to accurately manage forecasting and costs, and predict supply shortages that can compromise quality patient care.

For example, the PINC AI™ Supply Disruption Manager utilizes AI algorithms and provider data to generate predictions of future demand and identify potential shortages for specific medical products with over 90 percent accuracy.

Armed with these insights, suppliers can anticipate increased demand for planning production, managing inventory and preventing shortages. Providers receive real-time notifications when purchased products are at risk of shortages. The integrated predictive system also recommends clinically approved equivalent products – saving staff precious time and minimizing supply chain disruptions for steady supply and patient care continuity.

With supply chain teams asked to do more with less, AI and other advanced technology solutions have transformative potential for the healthcare supply chain, including the ability to sift and parse through mountains of data, optimize healthcare purchasing, streamline tasks and workflows, mitigate supply shortages, and more.

Learn more about Premier's full suite of PINC AI™ supply chain solutions – and how they can drive meaningful results for providers and patients. ■

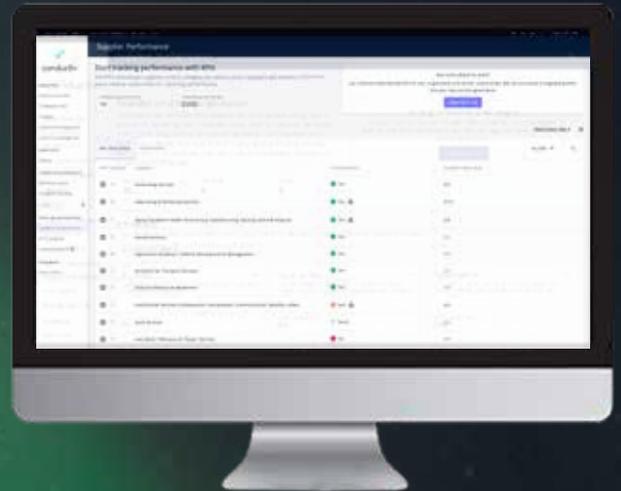


*“If you can’t measure it,
you can’t manage it.”*

-Peter Drucker

NEW Supplier Performance Management.

**Build Transparency.
Automate Reporting.
Create an Audit Trail.**



Select and track critical indicators for each of your suppliers so that you can proactively measure and manage your supplier relationships and improve your purchased services strategy.

Watch the Demo



Supply Chain's Fight Against Cancer

New alignment and new projects highlight New York cancer center's commitment to end cancer for life.

Kreg Koford joined Memorial Sloan Kettering Cancer Center in 2018 as Senior Vice President of Supply Chain and Hospital Operations. After being responsible for \$2.2 billion of non-labor spend at Intermountain Healthcare in Salt Lake City, he was tasked with bringing a bold vision and developing new opportunities in existing relationships to transform how the cancer center buys, distributes, and uses resources.





Aaron Tappan



Kreg Koford



Jamie Green

Founded in 1884 and located in the heart of New York City, Memorial Sloan Kettering’s (MSK) mission is to end cancer for life. That focuses its strategy and its three pillars of education, clinical care, and research to create the best possible outcome for the patient, according to Koford.

He’s been building out teams, processes, and technology over the past five years, and COVID-19 hit just after onboarding his leadership team in 2019. “We’ve been on a journey with a pandemic right in the middle of it,” he said.



Lisa Lieberman



Mohamed Guiro

Leadership team

When Koford first arrived at MSK, he retained Lisa Lieberman, the interim supply chain leader, as the Senior Director of Operations, to maintain and learn from her 25-years’ experience in working within the MSK organization. Lieberman drove the supply chain operational planning and goal setting efforts, as well as leading the supply chain transformation.

Koford enlisted Aaron Tappan as Senior Director of Materials Management. Tappan previously worked at Bloomberg for over 20 years in New York City and understood the density of distribution and the complexities of a city environment. “We brought Aaron on intentionally from outside of the industry to revamp our materials management group,” Koford said. “He had the right leadership skills to build a team around.”

Koford then recruited another key hire, Mohamed Guiro from Intermountain, as Director of Strategic Sourcing with a background in pharmacy. MSK estimates about \$1.5 billion of its \$2.5 billion spend is in pharmaceuticals. “Mohamed managed the Pharmacy portfolio at Intermountain and has a background in supply chain expertise to understand the rigor and the alignment needed in all clinical and non-clinical

areas of sourcing and contracting,” Koford said.

After Lieberman transitioned to a critical internal position, a vital leadership role needed to be filled. In stepped Jamie Green at a pivotal time in the supply chain’s transformation, taking over as Senior Director of Operations for informatics, purchasing, and supplier diversity. Green came from CommonSpirit Health and was recruited through a national search. “We’re really at a time where we have depth and breadth of experience, and seasoned leaders to help us mature every aspect of the supply chain,” Koford concluded about his team.

The pandemic has improved supply chain’s impact within health systems. Today, it’s viewed as more strategic by healthcare executives and is recognized for being essential in the day-to-day functioning of a health system.

Supply chain stands to assume an even more strategic role going forward for many health systems, including at MSK.

Shared services

Koford says they recently finished an 18-month project that centralized all of MSK’s logistics associates to its materials management group. “It’s complete and it has impacted the operating model for non-clinical, ambulatory care, and hospital sites,” he said.

During the course of the project, he asked MSK executives to think differently about shared services, including:

- ▶ The areas being centralized or integrated.
- ▶ How the teams align and how to ensure a comprehensive change management approach.



Chemotherapeutic treatments and oncology medications drive the high cost of pharmaceutical supply chains for cancer centers, but the total pharmaceutical supply cost is negotiated between IDNs, GPOs, suppliers, and payer reimbursement rates.

- ▶ How the teams demonstrate value and support business development.
- ▶ Development of succession plans and career paths that will drive personal and professional growth opportunities throughout the organization.

“It hadn’t really existed in the organization before. We used to run a lot of these things vertically resulting in redundancies, but there was an institutional push to codify shared services,” Koford explained. “It drives efficiency, standardization, and team mobility across all areas.”

MSK’s fight against cancer and its specialized pharmaceutical supply chain

MSK’s fight against cancer is highly dependent on specialized drugs. Koford estimates close to 95% of its pharmaceutical

portfolio is sole source, or drugs that don’t have alternatives. “Because of that, we work very closely with our distributors and manufacturers to understand the market and what’s going on,” he said. “Then, we make sure we secure the right products and understand the supply chain and availability through the supply chain.”

The cancer center offers unique treatments from a pharmaceutical perspective, and MSK must ensure it can access drugs like ones used in investigational drug services, because it runs over 900 investigational studies per year. Chemotherapeutic treatments and oncology medications drive the high cost of pharmaceutical supply chains for cancer centers, but the total pharmaceutical supply cost is negotiated between IDNs, GPOs, suppliers, and payer reimbursement rates.

“Our informatics team is helping design the inventory management processes for

THE VALUE OF OUR PORTFOLIO¹

In Plastic Surgery and Regenerative Medicine



- ✓ **Supplier Resiliency**
- ✓ **Dependable Delivery**
- ✓ **Versatile Stocking**
- ✓ **Customer Service Excellence**

Healthcare systems value the role of supply chain more than ever, and working with a dependable supplier is critical to success. Allergan Aesthetics continues to deliver dependability and the value that you expect from an industry leader.

Reference: 1. Data on file, Allergan Aesthetics, August 2022; Allergan Corporate Healthcare PRM Value Deck.

pharmacy and trying to manage a point of distribution all the way up to our suppliers to really understand those complexities,” he said. “Similar to other organizations, we have to know what the manufacturers are doing and about the disruptions in the industry, and then respond and be creative. Our doctors are doing that.”

Physician engagement

Dr. Selwyn M. Vickers arrived in September 2022 as the new President and CEO of MSK. An internationally recognized pancreatic cancer surgeon, researcher and pioneer in health disparities, Dr. Vickers most recently served as CEO of the UAB Health System and CEO of the UAB/Ascension St. Vincent’s Alliance, while retaining his role as dean of the UAB Heersink School of Medicine.

Patient care is a top priority at MSK, and this collaborative approach gives supply chain credibility and support throughout the organization in its alignment with nursing staff in decision making.

“He’s been very supportive of the organizational change and alignment with supply chain,” Koford said. “We’ve also redesigned our direct report structure, and I have a direct line to the chief administrative officer and one to the president for accountability to make sure we’re delivering our services.”

Koford and the Supply Chain team collaborate with MSK executive leadership across the organization to ensure alignment and prioritization. Patient care

is a top priority at MSK, and this collaborative approach gives supply chain credibility and support throughout the organization in its alignment with nursing staff in decision making.

“We continue to build on those capabilities to help the clinicians work at the top of their license and help bring them the information and opportunities around clinical product decision and potentially switching or saving costs,” Koford said.

Designs on a new CSC

Koford is reviewing designs for a consolidated service center (CSC) to help optimize MSK’s physician cycles and to serve its ambulatory surgery sites.

“We’re in the process of vetting it out,” he said. “But that activity would move outside of the city. The circumstances in

which we work are hyperdense in Manhattan. So, when we think of our network, we think about transportation, logistics, routes and all of those things that Aaron (Tappan) and his team have been trying to analyze and optimize.”

Koford says they’re working on inventory levels, technology integration, and automation in their replenishment system. “All of those have work streams and will be rolled out as a big project over the next 18 months,” he said. “Our

central lab is a six-story building that has embedded materials management and we’ve brought in an ASC that’s down the street. It’s a staged approach to bring all of these groups into reporting to one central entity.”

Tappan’s team expertise in materials management, logistics, and dock management lends it credibility and it’s a part of the steering committees created by MSK. These support identifying opportunities for efficiency, technological advancement, process simplification and simply reducing the number of trucks coming into the Upper East Side of Manhattan.

Supplier Diversity Program

According to Koford, MSK has set a target of \$100 million in diversity spend over the next five years. “We’re about a third of the way there today before we fully roll out this program,” he said. “There’s a tremendous amount of opportunity to connect with our community and help our suppliers better reflect our patients, while providing opportunities for growing and investing in these businesses.”

Koford says there’s huge support for it within the organization. MSK is dedicated to equality, diversity, and inclusion. It has pledged an institutional commitment to become a more inclusive and diverse institution, and it believes this is fundamental to driving innovation and to achieving its mission of saving and extending lives. Building a diverse and inclusive culture is essential to providing high-quality care to all of its patients.

“Our next phase of the supplier diversity program was recently pitched to our senior leadership team,” Koford said. “We think it will yield a lot of opportunities.” ■

Diagnostic Lab Testing Makes an Impact on Women's Health

Women have demonstrated they can excel in both their careers and as caregivers. Yet, even after receiving accolades for their accomplishments and multi-tasking abilities, women find it challenging to place themselves as a top priority. Despite the fact that women make 80 percent of healthcare decisions for their children and require healthcare services more frequently than men, they often neglect their own well-being.¹



That decision could have dire consequences. American women cannot afford to overlook their health because they have the greatest burden of chronic illness compared to women in other countries². In fact, one of five U.S. women reported having two or more chronic conditions, including a diagnosis of joint pain or arthritis, asthma or chronic lung disease, diabetes, heart disease, or high blood pressure.

These conditions can be diagnosed and monitored through a variety of diagnostic testing. While their prevalence among women is high and these conditions are not limited to just females, an even broader menu of other diagnostic tests are used by physicians specifically for women.

Pregnancy and sexually transmitted infection (STI) tests encompass 59 percent of all women's testing in America.³

“Women's healthcare is more specialized than the care men typically need which is why we offer so many different types of diagnostic testing for women,” said Patrick Jones, president of Fisher Healthcare. “Our portfolio of comprehensive testing capabilities are unmatched in the industry. They demonstrate our commitment to ensuring that laboratories across the United States have the products they need to support the health of all women.”

Pregnancy and sexually transmitted infection (STI) tests encompass 59 percent of all women's testing in America.³ Other

top testing categories include autoimmune, fertility and pap smears/non-STI infections.

Pregnancy testing performed by laboratories is much more sophisticated than the simple over-the-counter urine tests women may use at home to confirm a pregnancy. Manual, automated and semi-automated test kits used by laboratory technicians can provide earlier pregnancy detection by identifying lower levels of hCG in urine and serum that home tests can't recognize. This knowledge is critical for some women who have health conditions that may require specialized prenatal care.

Laboratories perform a wide array of tests throughout a women's pregnancy. These tests and others are used to detect

health threats to the mother and baby such as rubella, Zika, Guillain Barré syndrome, gestational diabetes and more. To further enhance maternal and fetal health, Thermo Fisher recently received FDA clearance for its breakthrough blood test to predict the risk of severe preeclampsia, a life-threatening hypertensive disorder which can only be treated with the immediate delivery of the baby.

STIs create a significant test volume in the lab, with more than 20 million new cases every year.⁴ To lessen the transmission of infection, test results need to be

received quickly so patients can begin treatment. STI testing can utilize several types of patient fluids to detect the presence of pathogens used by clinicians to diagnose various infections. Laboratories also use a wide range of urinalysis and urine chemistry kits to test for urinary tract infections, which are another frequent ailment for women.

The National Institute of Health reports that women are four times more prone to autoimmune diseases than men⁵. Thus, autoimmune testing is a considerable part of Fisher's Healthcare's women's health solutions. More autoimmune diseases are identified each year, with 100 currently known that affect various body parts and systems. These diseases can be difficult to diagnose which is why Fisher Healthcare offers a wide variety of autoimmune testing solutions.

“Fisher Healthcare has hundreds of laboratory products specifically for women's health,” said Jones. “We also offer new CLIA-waived technologies capable of delivering core laboratory results in non-acute settings.”

Women's health has made significant advancements in recent years. New innovations for both diagnostic equipment and testing have enabled physicians to treat their female patients faster and more accurately. As women develop further testing needs in the future, distributors and their supplier partners can be counted on to equip laboratories with even more technologically advanced products to support the health of America's women. ■

Sources:

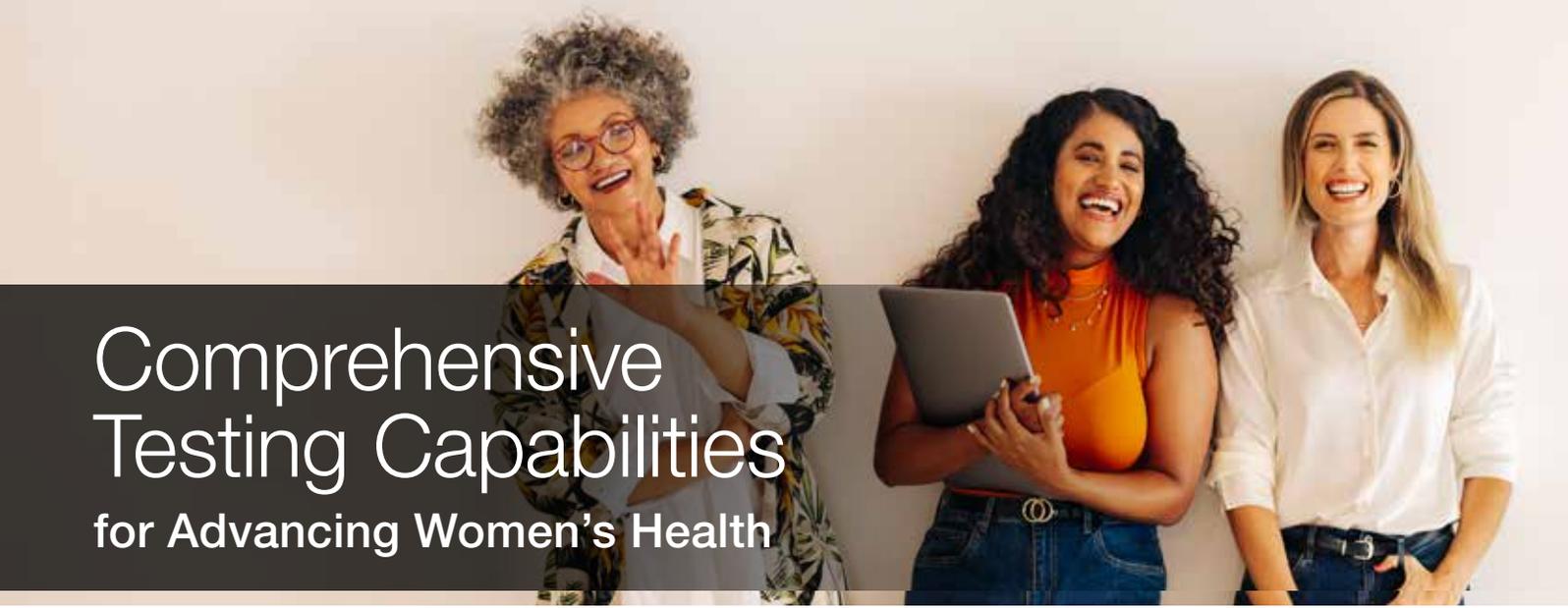
¹ US Department of Labor: www.dol.gov/sites/dolgov/files/ebsa/about-ebsa/our-activities/resource-center/fact-sheets/women-and-job-based-health.pdf

² The Commonwealth Fund: www.commonwealthfund.org/publications/issue-briefs/2018/dec/womens-health-us-compared-ten-other-countries#:~:text=Women%20in%20the%20U.S.%20reported,%2C%20the%20Netherlands%2C%20and%20Australia.

³ C Space Co Lab Community, May 2022

⁴ The Dark Intelligence Group

⁵ National Institute of Health: www.ncbi.nlm.nih.gov/pmc/articles/PMC7980266/



Comprehensive Testing Capabilities for Advancing Women's Health

Count on our portfolio of testing products and equipment to stay up to date with the latest diagnostic solutions.

Pregnancy Testing

Get timely results with manual, automated, or semi-automated testing kits and related products.



Fisher Healthcare™ Sure-Vue™
Urine hCG Test Kits

Catalog Numbers: 23-900-526, 23-900-527

Pregnancy Health

Keep your patients informed with control panels, assay kits, and more for rubella, Zika, and GBS.



BD MAX™ GBS

Catalog Number: B441772

STI Testing

Explore in vitro diagnostic STI test kits and other products to identify the presence of pathogens.



Quidel™ Solana™
Trichomonas Starter Kit

Catalog Number: 23-043-105

Urinalysis and Urine Chemistry Tests

Select from a full array of tests and equipment to test for urinary tract infections (UTI) in women.



Siemens™ Healthineers™
CLINITEK Status™ + Analyzer

Catalog Number: 23042346

Autoimmune Testing

Choose from a variety of testing products to help identify celiac disease, rheumatoid arthritis, and more.



Thermo Scientific™ Phadia™ EliA
CCP Wells for Rheumatoid Arthritis

Catalog Number: 14-551-501P



Visit fisherhealthcare.com/womens-health
to learn more and shop our full portfolio of products.

Top Non-Acute Supply Chain Leaders

Non-acute care facilities play a critical role in delivering care and reaching today's patient population. With those non-acute care facilities comes a host of unique challenges, and opportunities.

In the following article, *The Journal of Healthcare Contracting*, and the feature sponsor McKesson Medical-Surgical, Inc., would like to recognize some of the leading supply chain leaders in the non-acute care space, either for exclusive roles in a non-acute care specific supply chain team, or bridging non-acute care with traditional acute care supply chain.

- ▶ **Bill Born**, Director, Goshen Physicians
- ▶ **Lori Daukas**, PharmD, Director - Pharmacy/Non-Acute Sourcing, Universal Health Services
- ▶ **Elizabeth Sanders**, Procurement Manager, MUSC Health – Univ Medical Associates, Ambulatory Services
- ▶ **Alan R. Ready Jr.**, Sr. Manager, Advancement & Operations, Corporate Supply Chain, Yale New Haven Health

▶ *A special thank you to McKesson for sponsoring The Journal of Healthcare Contracting's 2023 Top Non-Acute Supply Chain Leaders*



The stakes have changed. It's time to raise the bar.

In this post-pandemic world, uncertainty is the new normal. Being resilient and ever-ready have moved from aspirational to table stakes. And now — more than ever — you need a reliable partner to support you and your patients every step of the way. **That's why we're redefining supply chain expectations.**

From physician offices to surgery centers and patients' homes, we tailor our breadth of offerings to create a unique roadmap that helps you build a resilient, high-performing supply chain.



Redefining partnerships

We're relentless about building trusted partnerships that make supply chain excellence and better health possible.



Redefining patient-focused solutions

We build customized solutions to help you improve operational, financial and clinical outcomes — efficiently, effectively and on budget — so you can deliver better patient care.



Redefining world-class distribution

We're ready for the future — today. From global distribution to logistics services, we help you improve operational efficiencies across hundreds of micro supply chains, so you're ready to take on any challenge.

Raising Supply Chain Expectations,
so you can deliver care – anywhere.

mms.mckesson.com/HealthSystems

MCKESSON



BILL BORN
DIRECTOR,
GOSHEN PHYSICIANS

JHC: Can you tell us about your role and responsibilities?

Bill Born: I joined Goshen Physicians in February 2022 as a member of Goshen Health’s HR team in a role entitled Colleague Development Specialist. The focus of this position was to provide leadership training across the organization. I was in the HR role for three and a half years. When our current Vice President for Goshen Physicians moved from a Director role to the Vice Presidency, I opted to pursue the vacated Director role.

The HR role served as an internal consulting role on leadership. Over time I realized I missed the actual leadership component of engaging teams and working with the same group of people week in and week out. I didn’t have any direct clinical management experience prior to my move to the Director role, but I had been in higher education for 26 years in a variety of leadership roles. I think there’s a component of communication, operations and strategic management that can serve across different professions.

I’m learning much about clinical management and actively engage others including practice managers, vendors, and providers. I’m enjoying the work with several clinics from GI and OB/GYN to a handful of family practice, primary care provider clinics. I also work with onsite direct care clinics with major employers in the area.

JHC: What’s a recent project you’ve been excited to work on?

Born: Goshen Health and Goshen Physicians has a history of providing creative clinic care and wellness services. We have a

Business Health Advantage team who works directly with employers. Several onsite clinics have been established over the years offering clinical care to employees and their families. This model of care provides direct access and serves both the employees and employers. When I took this role, we were in the final stages of negotiations with a large recreational vehicle manufacturer in our area. We launched the onsite clinic on their campus in January of 2023 and it has been a joy to see the success of this service.

Onsite clinics are a partnership with the companies we work with and Goshen Physicians. In this particular case the Director of HR was an active participant in the design of both the space and service model for their employees. They invested the resources in building the full clinic adjacent to their Occupational Health Clinic and Fitness Center for their employees. Specific steps were taken to make sure employee family members were also cared for. It is a beautiful facility with a waiting room, exam rooms, a lab and procedure room. We have three nurse practitioners rotating six days a week to

Our onsite model has and will continue to reach community members who have not made wellness a priority.



THE HEART OF BAXTER

The same reputable devices previously branded as **Welch Allyn**, **Mortara**, **Burdick**, **Quinton** and **Epiphany** are designed to help meet the needs of high volume ECG workflows in acute care environments. Leverage devices and solutions within your cardiology department for efficiency, accuracy, and connectivity from ECG acquisition to the ECG management system and EMR.

Q-Stress Cardiac Stress Testing System



ELI 380 Resting ECG



ELI 280 Resting ECG



CARDIO SERVER ECG MANAGEMENT SYSTEM



ELECTRONIC MEDICAL RECORD



SCAN HERE TO LEARN
MORE ABOUT OUR
SIMPLE, SECURE, AND
CONNECTED SOLUTIONS



Baxter.com | Baxter International Inc.

Baxter, ELI, and Q-Stress are trademarks of Baxter International Inc. or its subsidiaries.

US-FLC64-230012 V1 07/23

providing clinic appointment service and care for their employees. The clinic also provides a formulary of medications available as part of the service.

The manufacturer underwrites quite a bit of expense which provides the incentive for their employees to use the service. There are many unique stories since the clinic opened in January. One example is an employee in their 50s who noted “Yeah, I haven’t seen a doctor since I was 17.” The availability and convenience of utilizing this clinic was the motivation for this individual to come in and begin to look after their personal wellness for the first time as an adult.

With access to the fitness area, we can promote wellness in ways many clinics cannot. We offer wellness coaching and are developing additional wellness programs with the manufacturer. These opportunities have led to a special rapport between provider and patients. It’s been fantastic.

Over 500 appointments were completed in January 2023 when the clinic opened. Use has remained steady. This has been a huge success. Patients complete the patient satisfaction surveys and are very satisfied with the care they are receiving. Ultimately it fits our mission of meeting the needs of our community in a creative way. As you can imagine, there are ongoing conversations with other manufacturers because of this clinic’s success. Large employers are asking, “How can we replicate this for our employees?”

Not all employers may have the option or interest in building their own clinic onsite. We offer a model of this program to a handful of employers where our existing Family Practice Clinics in close proximity can provide prioritized care. We are currently considering how to utilize all of our clinics in this

way to make this sort of program more attractive and available to more members in the communities we serve. It’s a model to increase access and care.

JHC: What is your philosophy on where non-acute care fits into the overall healthcare continuum?

Born: It is about access and preventive care. Our onsite model has and will continue to reach community members who have not made wellness a priority. Many of the employees of our latest onsite are Amish and the availability of this service has met their needs in ways other options might not. This avenue got more of them in a clinic and looking after their care. So, I think it’s part of the access question – how do we create access for all of the community members that we serve?

JHC: What facets of supplier-provider relations have gained a greater importance in today’s marketplace?

Born: There’s no doubt that in this industry, it’s essential that supply chain managers and vendors understand their clients – not only their clients and who they’re serving, but also the communities in which they’re serving. Debbie Jensen (Senior Account Manager, Health Systems, McKesson) who we work with understands our communities, our models for care and works as a partner in our efforts.

One skill is knowing the community, knowing the patients we’re serving. She lives within our region. She has lived here for some time. She understands Goshen, she understands Syracuse, and the communities that we serve.

Another skill is connecting personally. Debbie makes her way to all the clinics. We have 30 or so and she touches base with each practice manager. She’s not just working with me; she’s also connecting with practice managers and providers and finding out what their specific needs are.

Then she’s proactive and always looking for what might be the next thing that could better serve a clinic or aid in meeting the needs of what we’re trying to accomplish.

This combination allows her to help us in our negotiation of additional vendor contracts. She knows the industry, knows our needs, and can help articulate this to the vendor community. This has been essential. She’s a trusted partner. It’s not just about medical supply management, it’s about meeting us where we are and knowing what we need to meet the healthcare needs of our community.

One skill is knowing the community, knowing the patients we’re serving.

Ventyv®



Hand Protection Made Easy

Ventyv® is the premier U.S. brand from Sri Trang, a top 4 global glove company. We are one of the few manufacturer brands directly supplied to the U.S. Our gloves are always manufactured in the same facilities, under the same stringent quality control, ensuring a consistent fit, quality and an easy experience. The Ventyv® brand by Sri Trang is a full lineup of latex and nitrile exam gloves featuring friendly animals and our full lineup of latex and nitrile exam gloves to make choosing the right product to fit your needs easy!



For More Information Visit sritrangusa.com/jhc
Hello@ventyv.com Call 1-844-784-5683



SRITRANG™
GLOVES



LORI DAUKAS
PHARMD,
DIRECTOR - PHARMACY/
NON-ACUTE SOURCING,
UNIVERSAL HEALTH
SERVICES

JHC: Where does non-acute, alternate site care fit into our nation's healthcare continuum?

Lori Daukas: Non-acute/alternate site healthcare is an integral part of our daily lives. The category encompasses such diverse practice settings as behavioral health services (including residential and outpatient treatment centers), multi-specialty physician clinics, urgent care centers, ambulatory surgery centers, and telemedicine services. These sites are often more convenient and less expensive for patients, meaning that a larger, more diverse patient population can access healthcare. Finally, use of these sites frees up our hospitals and emergency rooms for those patients who require a more acute level of care.

During the pandemic, these care settings became even more essential. The demand for behavioral health services increased exponentially as the pandemic wore on. Although we have moved beyond the pandemic, the need for quality behavioral health services continues to increase. Telemedicine came into its own in the last few years as practices across the country discovered ways to connect with their

patients to provide care, yet limit exposure to infectious disease. Urgent care settings became more appealing to patients who were anxious about going to an emergency room during a pandemic. To me, it's a bit of a pandemic silver lining that we were able to significantly advance our ability to reach more patients in more isolated areas through these non-traditional solutions.

JHC: Has the perception/integration by executive leadership of alternate sites within a health system or IDN changed in the last few years? If so, could you explain?

Daukas: Universal Health Services (UHS) has a long history of understanding and leading healthcare trends in acute and non-acute care settings. Since its inception in 1979, UHS has been an industry leader focused on synergizing acute healthcare and mental health needs for all patient populations. As a leader in behavioral health, UHS has increased our alternate site offerings, allowing us to provide care to a more diverse patient population, no

matter the level of acuity. For example, we are leveraging technology to better integrate our acute care and behavioral health hospitals through a single, unified electronic health record. We continue to expand our presence in terms of urgent care centers, ambulatory surgery centers, and physician practices. This growth, combined with a greater level of telemedicine services, will allow us to continue to provide superior care, especially to populations who are underserved.

JHC: How do you measure success in non-acute supply chain initiatives that may differ from acute?

Daukas: From a base supply chain perspective, the measurements are the same. However, our sourcing and distribution strategies are dramatically different for our alternate care sites. It's important to remember that alternate sites are not just "acute care-lite." I oversee supply chain for over 400 UHS Non-Acute sites that span 39 states, D.C., and Puerto Rico and encompass a wide range of services, patient ages, and levels of acuity. They may be located in a space which poses unique challenges regarding product delivery and storage and may require specialized products.

Because we serve a large number of Behavioral Health hospitals and clinics, the non-acute supply chain team is aware of and manages product safety concerns that must be taken into consideration. All products must be evaluated for potential risk of harm to the patient or to others. We work with our clinicians and our vendors to build solutions that suit the needs of our sites. We also work diligently to ensure that any processes we put in place are practical and sustainable. Most

alternate sites have fewer onsite resources than an acute care hospital and require a scaled down, streamlined approach.

Being able to secure product at competitive pricing is as important in the non-acute space as it is in the acute space. When we are able to provide the right product at the right time at the right price to our clinicians, operators, and patients, our most valuable measures have been met.

JHC: What is a recent project (or upcoming one) related to non-acute you are excited to work on?

Daukas: During COVID, we discovered that we had little transparency into the level of PPE stocked at our many behavioral health facilities. Working with our internal IT team, we identified and built a tool that allows the Behavioral Health sites to monitor their PPE levels in relation to established PAR levels. The system emails reminders to sites, when necessary. We also built in redundant messaging to capture staffing changes. In addition to providing visibility into PPE supply on hand, this tool serves as a reminder that all our facilities must be prepared for an unexpected infectious outbreak.

We also recently developed a product formulary for our behavioral health facilities and are continuing to expand the product categories. UHS operates over 300 behavioral health entities, and we were seeing a lot of variation in ordering practices. We wanted to begin standardization initiatives but will not sacrifice safety for cost savings. We were unable to find an existing behavioral health product formulary, so we decided to build our own, using our large behavioral health footprint as a source of information.

To build the core formulary, we evaluated the products our sites order

on a category-by-category basis. Product samples were reviewed by value analysis professionals familiar with the behavioral health space, and our behavioral health nursing leadership served as a resource for questions. This is our ongoing process as we continue to expand the formulary categories. Once products are identified that satisfy our quality and safety needs, we begin pricing discussions to capture savings. There are feedback mechanisms built into our process to ensure that the list is maintained over time.

Our goal is a complete formulary of products that will both support the needs of our hospitals and provide them with cost savings. It's a challenging task, but very satisfying and exciting for our team to be creating something new that supports the delivery of high-quality patient care.

JHC: What skills are essential for supply chain leaders today?

Daukas: First and foremost is a focus on the end users – our patients and our clinicians. I come from a clinical background, so this is very near and dear to my heart. Our patients and their care providers are the reason we do what we do. At the end of the day, it's important to me to know we have made ethical decisions in support of quality patient care. I appreciate working for UHS because this is one of the tenets of our mission statement.

I also place a high value on things like emotional intelligence and empathy. These qualities are essential when building relationships, negotiating contracts, and navigating day to day issues like shortages and allocations. Additional lessons learned from navigating the pandemic include the need for resourcefulness, grit, and resilience.

Finally, there is the need to be nimble. Unexpected challenges are routine in supply chain, and we need to be able to recover, adapt, and move forward on a regular basis.

These are important skills for everyone on the supply chain team, not just leaders. As leaders, we have a responsibility to instill in our teams a sense of accountability and a realization that what we do is important on a very personal level. Whatever method is chosen – educational sessions, one-on-ones, group discussions – we need to make time to develop our team members and give them opportunities to grow. Supply Chain has never been more important than it is today, and there will be an ongoing need for leaders who can continue to move healthcare into the future.

JHC: In your experience, what are some keys to a successful partnership between suppliers and providers?

Daukas: Strong relationships are key. That's the foundation for finding win-win solutions when issues arise. Introductory calls or face-to-face meetings are a great way to connect and set mutual goals and expectations. From there, I set up regular cadence calls with my primary distribution vendors. We use those calls to check in, track ongoing projects, identify problem areas, and celebrate our wins together. Establishing a sense of teamwork has helped us work more productively toward our common goals. Process improvement discussions are frequent, and we set up a dedicated workgroup to address any significant service issues. I make sure to verbalize what's going well so we can build on that as we address opportunities for improvement.



ALAN R. READY JR.
SR. MANAGER,
ADVANCEMENT & OPERATIONS,
CORPORATE SUPPLY CHAIN,
YALE NEW HAVEN HEALTH

JHC: Where does non-acute, alternate site care fit into our nation's healthcare continuum? Why are non-acute sites important?

Alan R. Ready Jr.: Alternate care sites often succeed in delivering more efficient and cost-effective care for optimal patient care. Decongesting our nation's acute locations allows hospitals to do what they do best: treat higher acuity patients. Non-acute care post-pandemic is steadily increasing its influence through telehealth and fully embracing a continuum of care, which puts total wellness and the management of chronic disease at the forefront. Hospitals being able to diversify the services offered and drive meaningful change to how patient care is delivered through focused non-acute strategies is vital to our population health's overall success.

JHC: Has the perception/integration by executive leadership of alternate sites within a health system or IDN

changed in the last few years? If so, could you explain?

Ready: In a post-pandemic world, the need for a diverse care model demands an increased focus on population health and creative solutions to reach further into the continuum of care. There is a noticeable transformation as an industry, demonstrated with executive leadership driving meaningful integration. The dialogue around integration to face economic challenges, while improving care coordination and patient engagement, is translating to significant change.

JHC: How do you measure success in non-acute supply chain initiatives that may differ from acute?

Ready: Quality and outcomes remain the focus of any supply chain initiative; non-acute supply chain often observes lower economic impact and higher rates of deviation than that of an acute project. Standardized formularies, which can appropriately leverage class of trade coupled with supply chain resiliency and optimal patient outcomes, is a recipe for success. Improving the engagement of our vendor partners and driving a sustainable supply chain promotes routine ordering habits and allows supply chain leaders to leverage that consistency for security in allocations and general inventories. Working with our clinical leadership to expand care signature to alternate care sites brings that culture of safety and alignment the industry so desperately needs; challenge is to find

I am excited to partner within my organization to develop a sustainable approach with automation to connect our process with supply chain partners.

Quality and outcomes remain the focus of any supply chain initiative; non-acute supply chain often observes lower economic impact and higher rates of deviation than that of an acute project. Standardized formularies, which can appropriately leverage class of trade coupled with supply chain resiliency and optimal patient outcomes, is a recipe for success.

that flexibility and process, which allows these sites to thrive.

JHC: What is a recent project (or upcoming one) related to non-acute you are excited to work on?

Ready: With our leaders pushing to advance our position and best face the challenges of tomorrow, one cannot help but to be excited. I am thrilled to be a part of healthcare post-pandemic and fortunate enough to have been here before it. Recent efforts around the DSCA and GLN bring us back to the basics surrounding connectivity and hierarchies. I am excited to partner within my organization to develop a sustainable approach for automation that connects our process with supply chain partners.

JHC: What skills are essential for supply chain leaders today?

Ready: A sound working knowledge of information technology and how to

leverage data for optimal engagements and outcomes, remains at the forefront of my mind. Empowering physicians and supply chain teams to drive meaningful change starts with quality data. The market is saturated with solutions, often not integrated or cross functional, which leaves many organizations with data patches and laborious workarounds. Automation is a true value add for our internal customers and team workflows are critical when tackling the volume of initiatives required to move an organization forward.

JHC: In your experience, what are some keys to a successful partnership between suppliers and providers?

Ready: There must be transparency and accountability on both ends of the table with a mutual understanding of business needs. Building independent and joint strategies requires a different approach to dialogue and that expands far beyond the economic and financial

considerations. Due to the high volume of locations, supply chain functions for non-acute are frequently lopsided and vendor led. Organizations must be creative in their service models for these areas to improve outcomes beyond fill rates and pricing.



ELIZABETH SANDERS
PROCUREMENT MANAGER,
MUSC HEALTH—UNIV MEDICAL ASSOCIATES,
AMBULATORY SERVICES

JHC: Where does non-acute, alternate site care fit into our nation’s healthcare continuum?

Why are non-acute sites important?

Elizabeth Sanders: Non-acute care sites are important to our nation’s healthcare continuum because these sites provide a way for the patients out in the community to have a connection to the hospital. Many hospitals around the nation are trending to hospital affiliated non-acute care sites for many reasons. Hospitals can reach more patients in the suburban and rural areas and provide the same care in the clinic setting. Patients are able to get post-op care without traveling miles to a hospital for follow up. Patients can see specialists. Some clinics may even offer after-hours services so many patients can be seen in these after-hours clinics without having to travel to an ER when an ER service may not necessarily be needed. Patient reach in the community to provide additional access to hospital affiliated clinics, while keeping focus on quality, is why non-acute care sites are increasingly important across the nation.

JHC: How do you measure success in non-acute supply chain initiatives that may differ from acute care?

Sanders: In our non-acute care sites, we measure success in several ways. Most supply chain leaders will agree that one of the most important keys to measuring success is filling orders as effectively and efficiently as possible – without errors.

Another key component is understanding the volume and total spend for each site. My team and I meet a couple times per week to discuss open orders, volumes, backorders, order issues and market trends, just to name a few, for our medical supplies for our non-acute care sites. Along with this meeting is also staying in constant communication with site staff to alert them of any potential backorders or other supply issues that could impact the site. Ultimately, it affects patient care.

Success for us also means partnering with a distributor that provides the exceptional customer service to maintain these important communication points to our clinics. Our partnering distributor provides reporting tools to us each week and also works directly with us and our GPO to monitor market price increases and provides research for the best contract prices for our supplies. This is extremely important for non-acute care clinics because clinics, most often, are not able to take advantage of acute care pricing on supplies nor do they have

In my experience, one of the key components to a successful partnership is customer service support.

I tell my team that if a product is on backorder, the most important thing you can do is communicate immediately to the clinician. The risk of no communication to the clinic is far greater than delivering the bad news now.

the buying power based on volume as do acute care facilities.

JHC: What is a recent project (or upcoming one) related to non-acute you are excited to work on?

Sanders: Recently, our healthcare system transitioned to a new ERP. Prior to October 2022, the three entities of our healthcare system used several ERPs that did not connect procurement data to accounting data – and even connect HR data. For a year leading up to October 2022, leaders across the system met to discuss design and testing for this new ERP that would connect accounting, procurement and human resources together into one. This was challenging because there were a few different legacy systems in which data was pulled both from our acute care and non-acute care facilities. The challenge was one worth implementing because since October 2022, this system has provided so many different tools, reports and resources to track spend, manage inventory, link accounting with procurement (which was a huge win), and many more features to be

more efficient. The most important feature of the ERP system that was implemented at our facilities is the improvement of operational efficiency.

JHC: What skills are essential for supply chain leaders today?

Sanders: There are so many skills that a supply chain leader needs to possess. In today's environment, they need to be able to make decisions quick, negotiate contracts with suppliers effectively, and manage spend, just to name a few. When one manages supplies that are essential to patient care, you have to be able to communicate well and adapt. I tell my team that if a product is on backorder, the most important thing you can do is communicate immediately to the clinician. The risk of no communication to the clinic is far greater than delivering the bad news now. This gives the clinician time to work with you on a substitute or the supply chain members can look to source elsewhere by adapting to the situation as quick as possible. Encouraging my team to communicate to clinicians develops

meaningful relationships to best manage the needs of the clinic.

JHC: In your experience, what are some keys to a successful partnership between suppliers and providers?

Sanders: In my experience, one of the key components to a successful partnership is customer service support. Our current partnership with our primary distributor, we have key customer service support for all aspects of supply chain – we have a contact for contract pricing, we have a dedicated account manager just for our facility, we have dedicated accounting contacts and a dedicated internal customer service support person. Their support and daily reports we receive are vital to our supply chain efficiencies. Our new ERP system is able to accommodate Punchout functionality with our primary distributor. Clinics are able to see in real-time if an item is on backorder or prepare to receive an item with a longer lead time instead of next day. This enables clinics to be well planned at managing inventory and proves to be more cost effective in the long run. ■

Small Steps Can Lead to Big Change

Implementing Smoke Evacuation

The dangers surrounding surgical smoke have raised awareness on legal and administrative levels, appearing in legislative bills and leading conversations at perioperative conferences across the country.

Why? Because clinically accredited articles support the claim that surgical smoke is hazardous to health.

Over the last decade, the perception of surgical smoke has transitioned from a mere annoyance to a considerable health risk for everyone in the operating room.

With 90% of procedures generating surgical smoke¹, over 500,000 healthcare workers are exposed annually.² Surgical smoke particles contain over 150 chemicals known to be carcinogenic, or to cause lung, heart, or brain damage.³ And despite once believing standard surgical masks protect us, data suggest they offer little protection with 77% of surgical smoke particles penetrating the mask.⁴

These alarming discoveries have increased motivation to pursue stronger protection measures, including a mandate for smoke evacuators in operating environments. Designed to reduce the concentration of smoke from electrocautery devices, smoke evacuators minimize risks associated with smoke plume.



The benefits? A safer surgical suite, free from the hazards of surgical plume and a healthier and happier OR staff.

Nurses are leading this charge, promoting the implementation of smoke evacuation policies. But some efforts have been met with resistance. Obstacles include lack of awareness, cost or resource constraints, and plain old opposition to change.

“From the first time I set foot in an OR, I knew that surgical smoke was a problem,” said Rob Scroggins, RN, BSN, CMLSO. *“The smell was bad. My eyes were watering. It was just*

really bad.” The surgical nurse with decades of experience recalled the worst part – *“It was just accepted. If you worked in the OR, you knew you were going to get the smoke.”*⁵

But if the current state of surgical smoke legislation shows us anything, it's this: **The commitment, dedication, and persistence of nurses and perioperative leaders is making a difference nationwide.**

In July, Ohio and Missouri became the 13th and 14th states to mandate smoke-free operating rooms. Louisiana also celebrated their smoke legislation effective date, which took place on August 1st. As awareness grows around the repercussions of surgical smoke exposure, so are the number of states joining this movement.

If you haven't visited the topic of surgical smoke recently, now is the time for re-education. Explore the risks associated with surgical smoke exposure and request a CE course for your facility today.

CONMED is your partner in the fight against the invisible enemy, because we believe every breath matters. To discuss options for education or smoke evacuation, reach out to your local CONMED Representative. ■

¹ Steege AL, Boiano JM, Sweeney MH. Secondhand smoke in the operating room? Precautionary practices lacking for surgical smoke. *Am J Ind Med.* 2016;59(11):1020-1031.

² Choi SH, Kwon TG, Chung SK, Kim TH. Surgical smoke may be a biohazard to surgeons performing laparoscopic surgery. *Surgical endoscopy.* 2014;28:2374-80.

³ Pierce JS, Lacey SE, Lippert JF, Lopez R, Franke JE. Laser-generated air contaminants from medical laser applications: a state-of-the-science review of exposure characterization, health effects, and control. *J Occup Environ Hyg.* 2011;8(7):447-466

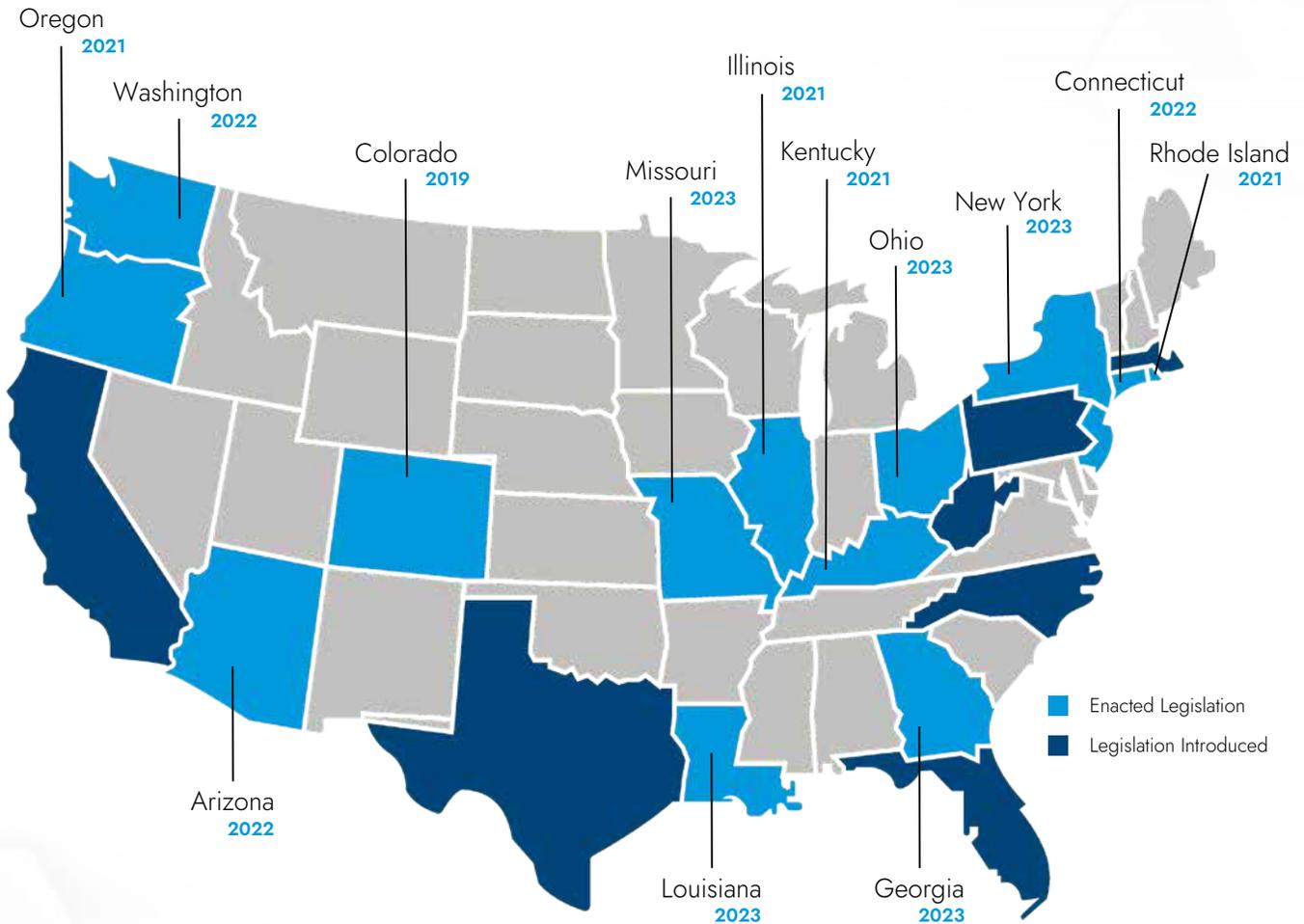
⁴ Liu Y, Song Y, Hu X, Yan L, Zhu X. Awareness of surgical smoke hazards and enhancement of surgical smoke prevention among the gynecologists. *Journal of Cancer.* 2019; 10(12):2788-2799

⁵ Bernard, D. (2013, January 14). Clearing the air, for safety's sake. *Outpatient Surgery Magazine, Smoke Evacua*

The momentum is building...

Are you prepared?

28% of the U.S. has implemented smoke-free legislation.



CONMED has helped hundreds of facilities seamlessly implement smoke management.

Join them.



Efficiency vs. Resilience: Can We Achieve Both?

Supply chain advances show progress in reaching both goals.

Prior to the pandemic, supply chain leaders' priorities were efficiency and cost control.

COVID-19 changed that. Suddenly the top concern was reliable access to products – even if that meant carrying more inventory and spending more money.

As a result, resilience and efficiency are often viewed as trade-offs. More of one means less of the other.

That's a problem. COVID proved that resilience is critical. Providers can't care for patients without products. But healthcare facilities are also facing tremendous financial challenges, so cost control and efficiency are critical as well.

Can we challenge the underlying assumption? Can we build a supply chain that's efficiency and resilient?

We posed that question in a recent education session at the AHRMM annual conference. At the front of

the room were myself, Peter Saviola from Medline, and Cody Fisher from Concordance Healthcare Solutions.

We introduced the perceived trade-off between efficiency and resilience – essentially, the assumption that more inventory equals fewer stockouts. Then we did a quick a show of hands: how many folks in the room had excess inventory? Most hands went up. How many had experienced shortages or stockouts? Again, many hands in the air. So inventory wasn't a silver bullet – organizations often had large stockpiles of certain items, but shortages in other product categories.



BY Elizabeth Hilla,
Sr. Vice President,
HIDA

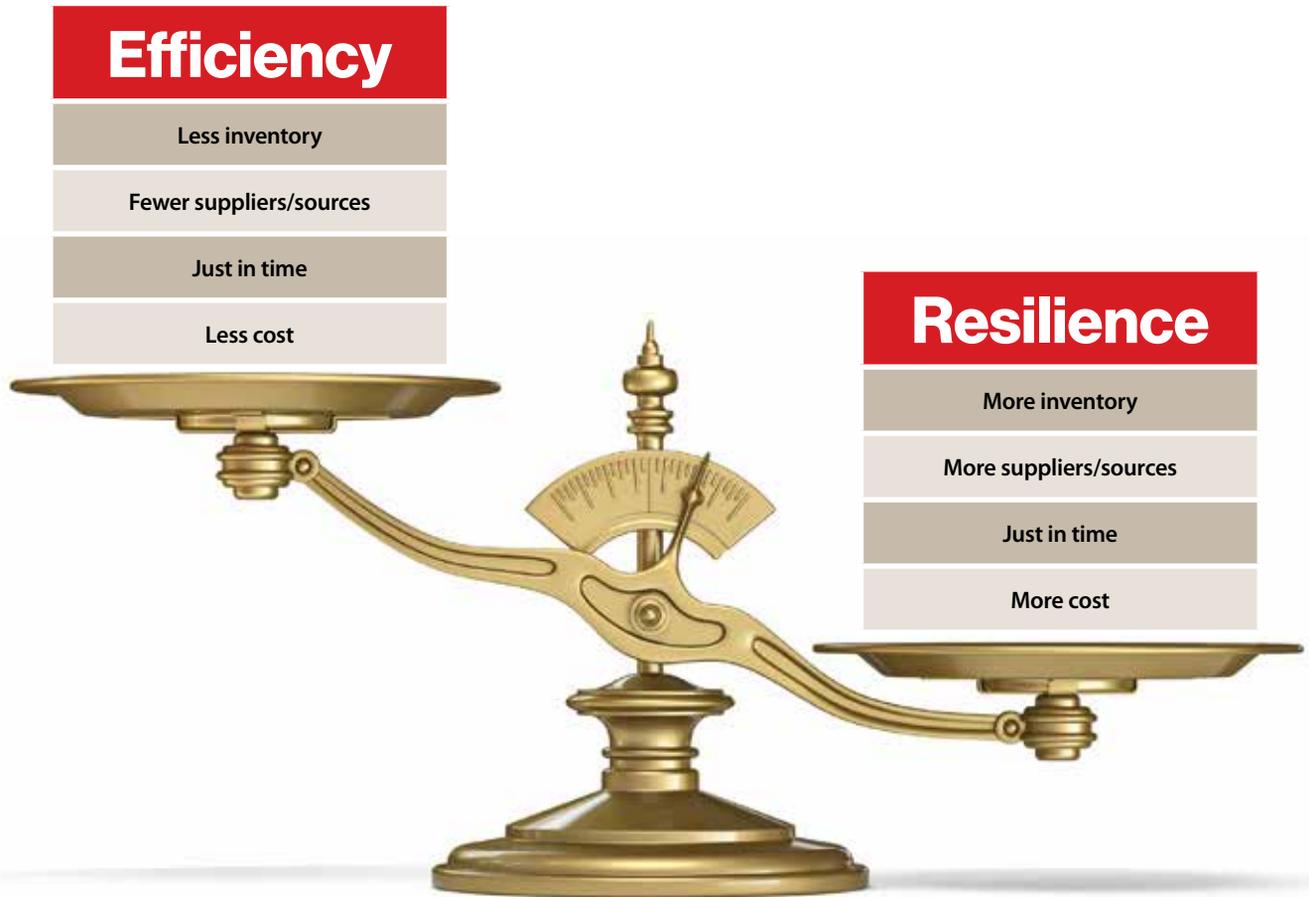


Cody Fisher



Peter Saviola

The Perceived Trade-off



The notion of a “false tension” between efficiency resilience came from research by The Advisory Board Company. They observed that during the pandemic, many organizations were focused on external risks such as supplier shortages. The primary response to the risk of shortages was stockpiling. Advisory Board researchers recommended a shift in emphasis toward investments in analytics platforms to enable supply chain transparency and improve demand forecasting.

Many industry organizations are now making those investments.

In our panel discussion, Peter Savioola described collaboration between customers and suppliers in areas like

automatic product substitution, proactive backorder reporting, improved data capture for product usage, and connectivity across the supply chain. “We’ve seen big improvements in fill rates, with first truck/first delivery, from auto-sub processes,” he said. “The proactive backorder report allows us to look upstream so we know what’s coming and can help providers plan for any predicted shortages.”

Cody Fisher described his organization’s partnership with pioneering technology firm Palantir to build a healthcare supply chain platform that fully connects providers, distributors and manufacturers by bringing unprecedented visibility to

supply and demand information. The system provides manufacturers and distributors with visibility to provider orders, on-hand inventories and utilization so they can better meet demand. Providers, in turn, receive visibility to the upstream supply chain to better manage their supply chains and proactively prepare for supply constraints. “This means that inventory management becomes more efficient and more resilient,” he said. “The platform allows for organizational strategies to be collaborative and operational across the supply chain resulting in an intentional balance of efficiency and resiliency in areas such as inventory management.” ■

The Need to Rethink Your Supply Chain and Sourcing Strategy

BY MICHAEL BERRYHILL, CHIEF OPERATING OFFICER



Various complexities to healthcare supply chain and sourcing strategies have become a permanent part of the post-pandemic world. Simultaneously, there has been a large shift in payer dynamics, the global landscape, shift in care to the ambulatory setting, home health and virtual visits that also impact operating margins for healthcare providers. As a result, providers must adopt a refreshed perspective on their supply chain and sourcing strategies for cost management.



HEALTHTRUST
Performance Group™

WHAT A DIFFERENCE OUR DIFFERENCE MAKES.

HealthTrust Performance Group brings decades of senior level experience to solve the challenges of healthcare systems. We optimize every dimension of performance while providing unmatched savings. It's a difference only HealthTrust Performance Group can make.

**DISCOVER THE HEALTHTRUST
DIFFERENCE TODAY.**



Scan code to learn more.

Needed Shifts in Supply Chain and Sourcing Strategies

Supply chain disruptions, labor costs, and other factors have caused providers to compensate for lost revenue by performing surgeries and adding new service lines without increasing the investments in infrastructure support. There are opportunities to enhance value and mitigate supply chain disruption through various areas, including, but not limited to:

- ▶ **Managing Inventory:** Regularly assessing inventory to identify requirements and eliminate unnecessary expenses. This often leads to updating and modifying inventory based on volume and expansion.
- ▶ **Optimizing Purchased Services:** Using benchmarks and analytics to comprehend and reassess expenditures in nontraditional categories such as purchased services, which can lead to substantial cost savings.
- ▶ **Shifting Administrative Tasks:** Nurse workloads are increasing due to complexity of patient care and the shortage of nurses. Nurses are often consumed with administrative tasks, therefore there is a significant opportunity to shift administrative tasks elsewhere to enable nurses to work at the top of their license.

Healthcare is constantly faced with disruptive forces, ranging from staff retention rates, to constrained resources, to the growing occurrence of crises such as pandemics and economic downturns. Healthcare leaders must embrace current

realities, foster innovation, and seek unconventional methods to expedite value and redefine their approach to ensure success and remain competitive.

Additional Solutions to Consider

The focus on solving immediate challenges and bandwidth limitations may inhibit many healthcare facilities to miss out on quick-win opportunities. Providers should consider nontraditional methods to identify new areas for improvement, such as:

- ▶ **Harnessing technology to address workforce demands:** Technology can improve supply management and clinical care by improving workflows and reducing administrative burden. This may allow physicians and nurses to spend more time with patients and provide supply chain professionals more time to focus on other opportunities. For example, evaluating a virtual nursing model (e.g. voice recognition, remote charting, etc.) as a new care model to support nurses and patients. Or in supply chain, evaluating advanced analytics to optimize operations (cloud infrastructure, AI, etc.).
- ▶ **Standardizing product formularies:** Standardizing supplies may reduce variation in care, which improves quality, increases efficiency and makes for a better patient experience. Standardization may also improve inventory management and allow manufacturers to streamline operations.
- ▶ **Optimizing care room sequencing:** Rearranging care rooms not only

enhances the usability and efficiency of frontline supply management, but also reduces patient wait times, minimizes staff travel distances and improves overall processes.

- ▶ **Promoting continuous learning practices:** While adaptability is essential, well-informed adaptability holds even greater significance. Healthcare leaders should dedicate time to visiting external healthcare facilities, forging close partnerships with clinical and administrative teams, and working with third-party experts to gain new perspectives.

Disruptions and global dynamics have and may continue to alter sourcing strategies. To navigate challenges that lie ahead and excel in the dynamic healthcare industry, providers must embrace unconventional and transformative strategies that extend beyond pricing considerations.

Working with a specialized team, such as HealthTrust Performance Group, can help healthcare providers adjust their supply chain and sourcing strategies while yielding valuable insights. HealthTrust has extensive operational knowledge and experience across a diverse range of healthcare facilities which allows for implementing impactful changes customized to the unique needs of each facility.

I'm glad to discuss these issues and how HealthTrust can help you reconsider your supply chain and sourcing strategy. Please contact me at Michael.Berryhill@HealthTrustPG.com. ■

Michael Berryhill is the Chief Operating Officer for HealthTrust Performance Group, a leading healthcare performance improvement company. In this role, Berryhill oversees the operational and administrative functions of the business including strategic sourcing (U.S. and global), contract management and administration, supplier diversity, customer service, legal, and manufacturing. He also has oversight for purchased services, medical device contracting and the non-acute segment of the business.

Blended Plans

Formed from two S.C. health systems, Prisma Health tackled challenges of different approaches.



Dylan Lawlor is the director of value analysis for Greenville, S.C.-based Prisma Health, which was created by a merger between Greenville Health and Palmetto Health in 2017. He's been with Prisma Health and Greenville Health since 2002.

“It’s almost a guaranteed system to be different in the way value analysis is handled because the cultures of every system are different,” Lawlor told *The Journal of Healthcare Contracting (JHC)* in a Q&A. It was his team’s challenge to merge the two South Carolina health systems’ value analysis programs together and then take on the pandemic.

JHC: Tell us about your professional background.

Lawlor: I’m a lab technologist by trade. I started with 10 years in the military and moved to Greenville in 2002. I started with Greenville Health on third shift in the lab and within about a year was



Dylan Lawlor

moved into a management position and spent another six years in the lab before moving to supply chain and taking the manager’s role in value analysis.

Back then, we didn’t have a formal program. When we introduced it, the program was very corporate-level and senior-level in terms of what ideas could be applied to find savings for the system. It was more project oriented.

Over the years, it morphed and grew as people realized the value we bring to an equipment review, new product review or capital review. Today, we do it all for Prisma Health. We are connected to anything new coming into the system, even service related. My team pulls together some of the benchmarking, standardizations and quality efforts – making sure that when we implement something, we are doing it as a system.

JHC: How's it been since the merger between Greenville Health and Palmetto Health?

Lawlor: We're getting everyone on the same page. I mentioned how different each value analysis program is – well, I consider it fortunate that Prisma Health employs the bulk of our physicians. So, they have a vested stake in how we go about things. Our value analysis program has been built on collaboration with our physicians in everything we do.

Another parameter in recent years is we've been connected with our IT department. We're the gatekeeper with IT when bringing in new equipment connecting to our networks or housing patient health information. We look at those connections to make sure we're not the next ransomware victim.

Many larger initiatives are brought to me by our physicians, or I go to our physician leadership to make sure a program like hip and knee is one that they're going to support and help me drive compliance around it. Compliance helps keep the vendors accountable for the support and structure we're putting in place.

We've won different awards for the value analysis program here through Vizient. We are progressive in our approach and in driving the savings and standardization initiatives we are able to get done.

JHC: Expand on physician engagement within the value analysis program since Greenville Health and Palmetto Health became Prisma Health.

Lawlor: We've had our challenges. The program that Palmetto Health had in place was slightly different from the one Greenville Health had in place. Eventually, it all rolled up under me. It was standardized under one process, which made it easier. We're still fighting cultural differences that were established in Columbia, S.C., and Greenville, S.C., but we've had great collaboration from both sides. I'm not worried about the Midlands market versus the Upstate market.

Our value analysis coordinators do a great job to make sure when physicians request product that they are looking at it from a true Prisma Health level. We don't want to do it on a market level because we don't get the standardization or the clinical advantages of standardized outcomes across the system if we have multiple products in place.

Our teams are based on clinical swim lanes and during the initial merger, I also had the contracts team reporting to me. Tying those pieces together is integral so all parties know who buys the product to who contracts it to who works with the clinicians to drive the product choice. So, everybody is hopefully on the same sheet of music within supply chain driving these things home.

JHC: How does Prisma Health integrate suppliers during the process and what parameters are set?

Lawlor: Our process is designed so I don't have to meet with the vendor prior to them talking to our clinicians. I don't presume that I know everything or that I need to know everything or that I need to be part of the initial discussion between vendors and clinicians on products.

Our program ties in when the physician wants to look at something. That's where my team will get engaged. That's the standard we hold our suppliers to. It isn't my team's job to sell the product. But at the point of interest, we need to be engaged to help walk suppliers through the process.

Suppliers have a place to bring new products, new technology and new ideas to our clinicians for vetting. That's their job. I support them in that. The suppliers must understand our job is to vet a request and how it needs to be engaged at Prisma Health. How do we need to look at that new technology? Is it evolutionary? Is it revolutionary? And what advantages is it going to bring to us?

Another parameter in recent years is we've been connected with our IT department. We're the gatekeeper with IT when bringing in new equipment connecting to our networks or housing patient health information. We look at those connections to make sure we're not the next ransomware victim. So, it's not the vendor going to IT. It's our department that connects the vendor and IT together to get the review done.

JHC: How has the value analysis process changed after the pandemic?

Lawlor: We're a little bit different because we own our own distribution

center. My value analysis team is connected to that group and the products we have in the warehouse and how we maintain it. The backorders, product substitutions and recalls during the past two to three years have been crazy and my team is the bridge between supply chain and the clinical teams.

It came with some opportunity, though, because some of the sacred cows we couldn't touch went on back-order and we had to touch them. We had to work with the clinical teams on product change because we didn't have a choice. It opened the door for us to challenge things and change the status of what was termed a commodity product.

We went from five vendors to one vendor. So, why do we want to go back to five? What advantages is that bringing us? What clinical outcome improvements are we getting by going backwards in the standardization?

We've done bulk purchases and brought in products through our warehouse. We had to refocus, but we were always able to find something by working with the clinicians and different vendors to meet our needs.

JHC: How did processes used during the pandemic improve value analysis for the future?

Lawlor: I'll answer that in two ways – something I'd like to see change on the value analysis side and something on the supplier side.

I'll address the value analysis side first. We changed GPOs coming out of the pandemic. So, we're using that as an opportunity to standardize products and standardize clinical outcomes. My team is now more directly involved with the

quality team at Prisma Health to help make those connections.

We're starting to look at physician choice in some products and how it's driving costs and outcomes. We used to ask clinicians what it would replace. Is it truly a new product? Because 99% of the time it's not. It's an add on or a replacement.

With our unique relationship with vendors, our physicians understand there's a place for vendors and we can't do this without them. But our physicians usually come to us before going to the vendors with requests. We're transparent with our clinicians and our vendors.

But is there opportunity here to compare different vendors and their products to get a top-to-bottom approach with subcategories? How do we categorize these to drive a better contract for system savings and standardizations across clinicians? That's a more complete analysis instead of just Product A to Product B.

On the supplier side, some of these evolutionary changes are not worth the cost that vendors are bringing to us. We can't afford them. I'm asking vendors to go back to their companies and to save that money for the revolutionary changes. Take the money they've been using on the evolutionary changes, invest it back into the infrastructure and reduce the cost of producing the products they're producing now?

Hospitals can't keep absorbing this cost for minor tweaks and improvements. Vendors must look to reduce

their costs and pass that back to the hospitals. We know there have been challenges with raw materials and transportation, but just passing that along to the hospitals isn't plausible.

Companies that can do this are only helping themselves because it frees up money for us to purchase the capital we need going forward.

JHC: How much more transparency is there, if any, in supply chain processes post pandemic?

Lawlor: We do things differently because of our distribution center. We've established our own direct deals and cut out the middleman, and work with a vendor to cut their costs. With our unique relationship with vendors, our physicians understand there's a place for vendors and we can't do this without them. But our physicians usually come to us before going to the vendors with requests. We're transparent with our clinicians and our vendors.

This is a cyclical business. The deal done today isn't necessarily the deal done in three to five years. That business may circle around, so we do our best not to burn bridges. It's all about timing and our evolution at Prisma Health. ■

Breaking the Industry Standard of Allocation and Supply Disruption to Improve Patient and Business Health

The traditional approach to managing today's global supply chain is failing health systems. As growing complexities continue to cloud visibility, healthcare professionals are facing unprecedented challenges in dealing with production delays, product shortages, supply chain disruptions, and arbitrary allocation without the proper insight to take action.

Today, Dukal, a leader in healthcare manufacturing, is upsetting the industry standard and putting an end to antiquated allocation processes and inventory disruptions. Providing complete visibility of their vast portfolio of medical supplies to distributors and self-distributing health systems to ensure healthcare providers have what they need when they need it.

The impact on patient health

Findings from an industry survey of 400 nurses, physicians, and supply chain administrators demonstrate the strain the current standard has placed on healthcare organizations.¹

- ▶ 40% said their hospital had to cancel procedures due to missing supplies
- ▶ More than half (57%) could recall a time when a physician didn't have the product required for a patient's care

Impact on business health

Further, stockouts, delays, cancellations, and reschedulings are impacting the financial health of an already strained health system, with the worldwide cost of inventory disruptions growing to \$1.9 trillion.²



Demands for greater transparency are falling short

The failure of the global supply chain in response to the outbreak of COVID-19 caused fundamental concerns about the sustainability of today's health system, increasing demands for supply chain transparency.

Yet for many, full visibility remains out of reach. Why?

According to Gartner, "60% of supply chain leaders say their supply chains have been designed for cost efficiency, not resiliency." Creating visibility barriers as siloed processes disrupt many companies from clearly communicating when an order

ships, what was shipped, or if there are changes to an order.³

Because the supply chain function oversees most of a health system's external spend, which accounts for up to 40% of total costs, working with a high-performing supply chain can boost resilience, enhance care, increase satisfaction among physicians and reduce supply spend, placing health systems in a better position to achieve growth goals.⁴

Healthcare providers deserve more

Through advancements in supply chain innovation and automation, Dukal is mitigating disruptions and building an intelligent and proactive supply chain. Seeing and responding to disruptions before they impact patient health or revenue.

Through streamlined processes that provide bigger-picture data, Dukal is working collaboratively with distributors and self-distributing health systems to ensure our supply chain is more efficient and more accurate. Customers can feel confident and secure with inventory assigned at the factory level, eliminating the industry practice of arbitrary allocation.

Real-time visibility with on-time and accurate delivery

For decades, we have been a trusted source for medical consumables serving

We ensure healthcare providers, have what they need, when they need it

Distributors and self-distributing health systems now have complete transparency of their Dukal products' from point-of-purchase to delivery.



See what's possible with Dukal InSight

-  Worldwide Tracking
-  Compatible Excel Reporting
-  Automated Communication
-  Product Tracking at the Item Level
-  Product Assigned at the Factory Level



Scan here to learn more
or visit dukalinformation.com

Dukal is working with healthcare professionals around the world in manufacturing and supply chain solutions, to mitigate disruptions that impact business and patient health. Helping you manage everything from product to patient.

Item #	Description	Order Date	Planned Delivery Date	Current Milestone	Status
TNC3299	Toenail Clipper	8/9/2023	8/11/2023	Stock Available At DC	On-Time
C110	Cloth Tape 1"x10yd	6/7/2023	8/23/2023	Departed – In Transit	On-Time
TB5118	Toothbrush, White	8/5/2023	10/06/2023	Factory Production	Late
BA02	Baby Oil, 2 oz	8/9/2023	8/18/2023	Stock Available At DC	On-Time
886-250	PVP-I 1 oz Solution	8/9/2023	8/21/2023	Departed – In Transit	On-Time
1075413	Glitter Bdg 3/4" x 3"	8/10/2023	8/15/2023	Stock Available At DC	On-Time

the entire continuum of care in the areas of medical care, dental care, and beauty care, with more than 3,000 products. Today with advancements in supply chain management, IT, and automation, we can provide industry-leading end-to-end supply

chain visibility and transparency improving real-time accuracy to allow health systems to better manage their inventory, cash, and business – whether in partnership with their distributor or directly as a self-distributing health system.

Advanced product assignment and collaborative communication

Partnering with us means not worrying about allocation, as your product is assigned from the start of production to your dock. We work to exceed customer expectations through collaborative decision-making and inventory planning to ensure you have what you need, when you need it.

Overcome disruptions before they impact your business

Our team is aligned with you to identify and mitigate disruptions to your supply chain before they impact your customer. With full visibility and a global team, we can act with speed and confidence to make proactive decisions to maximize your efficiency and avoid costly delays.

Dukal is redefining the term trusted partner through visibility and transparency to empower health systems to provide better health care, for a better future. ■



- www2.deloitte.com/us/en/insights/industry/health-care/healthcare-supply-chain.html
- www.mobileaspects.com/supply-stock-outs-have-an-outsized-effect-on-the-bottom-line/
- www.gartner.com/en/newsroom/press-releases/2022-08-02-gartner-survey-reveals-51-percent-of-supply-chain-leaders-increased-the-number-of-network-locations-in-the-past-two-years
- www.mckinsey.com/industries/healthcare/our-insights/optimizing-health-system-supply-chain-performance

Traditional Healthcare GPOs and Their Role in the Healthcare Supply Chain



By **Todd Ebert, R.Ph., President and CEO of the Healthcare Supply Chain Association (HSCA)**

The healthcare supply chain is made up of many different moving parts that all depend on one another to ensure the success of the overall healthcare industry. One integral component of the healthcare sector is the role of traditional healthcare group purchasing organizations (GPOs). Traditional healthcare GPOs are the sourcing and contracting partners to virtually all of America's 7,000+ hospitals and a vast majority of the 68,000+ long-term care facilities, surgery centers, clinics, and other healthcare providers.

A 2018 analysis found that GPOs save the U.S. healthcare system \$34.1 billion annually and up to \$456.6 billion over ten years, with Medicare savings of up to \$116.3 billion and Medicaid savings of up to \$90.2 billion over the same period. The value and services that GPOs provide allow healthcare providers and physicians to focus on their core mission: delivering first-class patient care. Healthcare GPOs continue to effectively support the healthcare sector by identifying best practices, lowering costs, and encouraging cross-industry collaboration.

Reduce healthcare costs

By negotiating contracts with suppliers, including medical device companies and drug manufacturers and by leveraging the combined purchasing volume of its members, each GPO reduces the cost of products and services for hospitals, providers, and other non-acute care facilities such as long-term care providers, surgery centers, and home health providers across the country. Through lowering transaction costs and prices through joint negotiation, GPOs help reduce

costs for their members. An economic analysis found that on average, GPOs save providers between 10%-18% on products and services. GPOs routinely monitor market conditions and provide their customers with bulk purchasing power, which allows them to reduce costs by purchasing at this bulk rate. GPOs reduce overall healthcare costs, allowing providers to receive the drugs, products, and services they need to effectively serve their communities. Because GPOs contribute to reducing healthcare costs, providers can receive the drugs, products, and devices they need to effectively serve their communities.

Increase competition

GPOs support and encourage competition within the market, as competition only serves to make the market stronger and benefits all stakeholders within the healthcare industry. Providers are free to choose from multiple GPOs and often source and work with more than one GPO at a time. The ability to choose from multiple GPOs encourages and increases competition between GPOs, which sustains a healthy market. GPOs also encourage competition between suppliers. By working to expand the number of suppliers in the market and encouraging them to continue producing life-saving medications and products, suppliers can access a large number of buyers, thereby growing their business and supplying their products to healthcare facilities across the country. By encouraging new domestic manufacturers and suppliers to enter the market during the COVID-19 pandemic, GPOs helped expand the capacity for critical medical supplies, allowing hospitals and care

By working to expand the number of suppliers in the market and encouraging them to continue producing life-saving medications and products, suppliers can access a large number of buyers, thereby growing their business and supplying their products to healthcare facilities across the country.



facilities across the country to effectively treat their patients.

Supporting and encouraging transparency throughout the supply chain

Traditional healthcare GPOs are one of the most transparent sectors in the healthcare industry, promote transparency across the supply chain, and adhere to reporting requirements that maintain a high standard of transparency in accordance

with the federal regulatory Safe Harbor under which they operate. The Healthcare Supply Chain Association (HSCA) and its member GPOs voluntarily participate in the Healthcare Group Purchasing Initiative (HGPII), an industry governance organization that annually reviews suppliers on several factors, including: the consistency of product availability, fill rates, recall frequency and management, disaster preparedness, secondary supply lines, and manufacturing transparency.

By evaluating these criteria, GPOs can determine how to best support their members by providing them with access to the drugs, products, and devices particular to their needs. HSCA and its member GPOs continuously work to encourage transparency between both the public and private sector and encourage cross-industry collaboration to strengthen the healthcare supply chain.

Traditional healthcare GPOs have supported hospitals, nursing homes, surgery centers, and other non-acute care facilities across the U.S. for more than a century. GPOs are an integral part of the healthcare industry. HSCA and its member GPOs are committed to meeting the needs of providers and patients across the country and will continue to work to strengthen the resiliency of the healthcare supply chain. ■

Safeguarding the Patient Journey



In today's U.S. healthcare continuum, the right products, information, and support are critical to a successful patient journey. A successful journey not only helps patients lead a self-sufficient life, but it also has a positive impact on the health system. It can lead to less visits to the emergency department, less unplanned physician visits and less hospital readmissions.

Never is that more evident than with patients who undergo ostomy surgery. An estimated 725,000 to 1 million people are living with an ostomy or continent diversion in the U.S. and approximately 100,000 ostomy surgeries are performed each year nationwide.¹

An ostomy can be temporary or permanent and living with an ostomy impacts patients both physically and psychologically. Reactions are individualized and personal. One may find it lifesaving or restoring their life, while another may find it devastating. Each adjusts in their own way.

Preoperative and postoperative education and ongoing care tips from a Wound, Ostomy and Continence (WOC) nurse or coordinator associated with a supplier-sponsored patient support program help patients during their adjustment period and along their path.

“Having that extra layer of support and connection through patient support programs reduces postsurgical trips to the emergency department,” said Aimee Frisch, a WOC nurse with Froedtert Health in Wisconsin. “These programs offer more education. I always tell my patients to reference what we send home with them, but it’s a lot of information. It can be overwhelming, so we include all contact information for these programs like website links and phone numbers they can call.”

Frisch says program coordinators also call patients to check in on them and ask about their supply levels, which also helps reduce trips to the emergency department.

“We had a problem with patients showing up to the emergency department with leaking ostomies or being out of supplies,” she said. “They would show up to get supplies because retail pharmacies don’t carry them, and a lot of patients can’t wait 24 hours.”

Connecting these patients with support programs and transition services gives them a contact who understands their situation, can answer their questions and works with them to secure supplies.

Supplies

Health systems can be limited on ostomy supplies, so patient support programs are vital to getting patients what they need on their journey.

“We give them one or two changes worth of supplies,” Frisch said. “The extra layer really helps close that gap and it’s a big gap that can make it or break it for someone with a new ostomy.”

When a patient leaves the hospital, they are fitted with what’s on formulary in the hospital’s supply chain. When they get home, they might need different supplies as their abdomens change and their diets change, according to Tammy Lichtman, assistant nurse manager for AdventHealth in Florida.

Patients who are interactive users are more likely to have those relationships and utilize the transition services the way they are meant to be used by patients.

“When they use a patient support program, they have access to ostomy experts,” she said. “When we reach out to our supply partners, their programs are willing to send sample product that fits a patient’s needs specifically. Then we can start addressing the problem.”

AdventHealth’s colorectal department sees complicated cases and has access to a variety of supplies. “We need that access,” Lichtman said. “Other facilities may not see that kind of patient population.”

One size doesn’t fit all, she says, so being able to work with AdventHealth’s supply chain in outlying cases is helpful. “I know

what we have on formulary, but I can also get in some specialty supply for outliers.”

The value of patient support programs

A recent cross-sectional survey on the value of patient-centered ostomy programs found that 83% of respondents did not have postsurgical ostomy-related emergency department visits, 75% did not have related unplanned physician visits and 90% did not have hospitalizations. Participants with two or more interactions were more likely to contact a program coordinator for issues of stoma care, leakage and skin care, ostomy products

and accessories, and supplier issues than their single-interaction counterparts.²

“Some of the issues in a patient’s home environment are access to supplies, getting supplies covered by insurance and getting fitted properly,” Lichtman said.

She says if the fit is incorrect, patients can go through all of their supplies, ending in a bad skin breakdown with no supplies left. This can result in a visit to the emergency department.

“They can end up there either from a clinical standpoint or without supplies. And from a psychological standpoint, emergency departments can see patients in extreme distress,” Lichtman said.

Relationships with patient support programs can be lifesavers because there is someone to talk to, says Lichtman. Patients who are interactive users are more likely to have those relationships and utilize the transition services the way they are meant to be used by patients.

Support programs can provide sampling and guidance to find products that best fit patients. The right product and fit, and using the same manufacturer’s product throughout the patient journey, helps provide patients the support they need to live a better life.

“They reduce a lot of the anxiety and fear felt by patients,” Lichtman said. “Not all communities have access to an ostomy nurse and a lot of surgeons get anxious calls from patients after surgery. That can be relieved through a support program that answers questions and identifies issues before they become problems.”

“Patients feel like they are known in a support program,” Frisch added. “They usually talk to the same person, so they don’t have to rehash their story. If not, there’s a running casefile.”

Frisch says the support programs also patch patients into their communities where they need to be connected because, for a lot of them, the only person they know with an ostomy is themselves.

“Almost all of the patients we connect with the programs are really satisfied,” she said. “Our outpatient clinic follows them at their four-week, six-week and three-month check ins, and these programs help our busy outpatient clinics. If patients can’t get into the clinic soon enough, they still have the support they need from these programs.” ■

Article sponsored by Hollister Incorporated.

¹ Ostomy and Continent Diversion Patient Bill of Rights: Research Validation of Standards of Care

² McNichol, Laurie; Markiewicz, Anna; Goldstine, Jimena; Nichols, Thom R. A Cross-Sectional Survey Reporting on the Value of Patient-Centered Ostomy Programs: A Smooth Transition After Ostomy Surgery. *Journal of Wound, Ostomy and Continence Nursing*; September/October 2022 - Volume 49 - Issue 5 - p 449-454



Let's get
your products
reliably.

Need supplies, like yesterday? No worries.

Get the perfect balance of performance and value — and get it all on time.
Premier products. Zero compromise. Only from Hollister.

Fewer readmissions¹

Innovative ostomy products address skin health
and help provide better patient outcomes².

Fast delivery

Ostomy products assembled and shipped from
U.S. locations for quick, reliable access³.

Less waste

100% no-touch protection catheter products
eliminate the need for additional supplies.

1. Taneja C, Netsch D, Rolstad BS, Inglese G, Lamerato L, Oster G, 2017. Clinical and Economic Burden of Peristomal Skin Complications in Patients with Recent Ostomies. *J Wound Ostomy Continence Nurs.* 44(4):350-357. N=128.
2. Colwell J., Pittman J., Raizman R., Salvaldalena G., A Randomized Controlled Trial Determining Variances in Ostomy Skin Conditions (ADVOCATE). *J Wound Ostomy Continence Nurs.* 2018; 45 (1).
3. Hollister Data on File, ref-02775, February 2022.



Partner with us for more than products.

Contact your Hollister team member to get started or go to [hollister.com](https://www.hollister.com).

Flu Forecasting

Through data-based forecasting, researchers are trying to better predict the number of flu cases.



Fall is here, and that means flu cases are on the rise. Symptoms of the flu such as coughing, body aches, and fever are very similar to those associated with COVID-19, making it more important during flu season for disease prevention. As health professionals continue to navigate the impacts of COVID-19 on respiratory season, prevention and forecasting tools are helping health systems prepare for flu season.

Influenza (flu) is a contagious respiratory illness that infects the nose and throat and is spread through tiny droplets when an infected individual coughs, sneezes, or talks. The flu causes symptoms including fever, cough, sore throat, runny nose, muscle aches, fatigue and more. Each season, anywhere

from 3% to 11% of the population is infected with the flu, according to the Centers for Disease Control and Prevention, and approximately 8% of the U.S. population gets sick from the flu in an individual season.

Flu infection is highly contagious and very common, especially in children and

adults. These groups are more likely to develop a symptomatic flu infection, however the immunocompromised, young children, and older adults are more likely to develop a severe infection that can lead to hospitalization.

Influenza places a large disease burden on the U.S. each year. An estimated 9 million flu illnesses were reported in the 2021-2022 flu season, according to the CDC. Mitigation measures intended to prevent the spread of COVID-19 may have been a result of last season's lower flu case numbers. In the 2019-2020 season, prior to the pandemic, flu cases were much higher, with an estimated 36 million flu-related illnesses, 16 million flu-related medical visits, 390,000 flu-related hospitalizations, and 25,000 flu-related deaths, according to a CDC research study.

So, how do researchers know what flu season will look like, what healthcare workers can expect during respiratory season, and how to stay healthy and prevent infection this fall?

Fall ahead of the flu

The CDC has a system used to determine future flu-related disease outcomes. By analyzing hospital and health-related data, the CDC makes predictions as to what the upcoming flu season will look like. The CDC's flu forecasting model allows physicians to plan for flu season and act in advance to keep communities healthy and prepared for respiratory season.

Traditional influenza surveillance systems measure flu activity while it is occurring or after it has occurred. Flu forecasting, however, provides researchers with information about potential future health outcomes.

Flu forecasting efforts began with the CDC's "Predict the Influenza Season Challenge," in 2018, which encouraged academic and private industry researchers to get involved in forecasting possible outcomes of the 2013-2014 flu season. Since 2013, the Influenza Division of the CDC has collaborated with external researchers to provide the public with flu forecasting data and information.

"Flu forecasting offers the possibility of predicting what flu activity might look like before it happens. The CDC provides forecasting teams data, relevant public health forecasting documents, and forecast accuracy metrics which are compiled and communicated weekly," said Matt Biggerstaff, Team Lead of the Applied Research and Modeling Team within the CDC's Influenza Division.

Predictions for flu season's public health forecasting targets are based on flu-related hospital admissions data from the U.S. Department of Health and Human Services (HHS) Protect hospital dataset.

Starting during the fall season when respiratory illness cases begin to increase, the forecasting teams, which include outside researchers such as the California Department of Public Health, Predictive Science Inc., Columbia University, and more, submit their hospitalization forecasts to the CDC. The weekly forecasts are compiled into a summary that consists of flu-related information that can be accessed online on the CDC website called FluSight.

"These research efforts have enabled the CDC and the forecasting community

to prioritize future research and development and have helped public health officials better understand the best cases for forecasts and their current limitations," according to Biggerstaff.

Forecasts can be used to anticipate changes in flu activity by helping inform the public health response during seasonal flu epidemics. Knowledge of these potential influxes in advance prepares the healthcare community for respiratory disease-related hospital surges. Predictions also serve to guide personal and community-based prevention strategies.

Community prevention

Flu forecasts are one of the main sources of data used by healthcare professionals to plan influenza prevention and mitigation strategies.

Community mitigation during flu season includes both reducing contact during times of high flu activity and health professionals conveying the importance of flu vaccination in areas with a predicted increase in flu activity.

"Flu forecasts can inform messaging to healthcare providers regarding antiviral

treatment allocation, preparation for an influx of flu-related hospitalizations, and inform the distribution and placement of healthcare staff, hospital beds, and treatment resources," said Biggerstaff. "Forecasts for flu and COVID-19 hospitalizations allow us to better understand the potential combined future burden of these diseases on the healthcare system."

To prevent the spread of the flu, individuals should receive an annual flu vaccine. Everyone six months of age and older are eligible for a flu shot to reduce the risk of severe disease due to the flu virus. During the 2019-2020 flu season, the CDC estimates that flu vaccinations prevented nearly 105,000 flu-related hospitalizations.

Staying healthy during flu season also includes preventative action such as avoiding close contact with people that are sick, covering coughs and sneezes, frequent hand washing, and cleaning and disinfection of surfaces that may be contaminated.

According to Biggerstaff, "When forecasts accurately predict flu activity, more effective planning of public health responses to seasonal flu epidemics and flu pandemics is possible." ■

Flu stats

9 million

An estimated 9 million flu illnesses were reported in the 2021-2022 flu season, according to the CDC

36 million

In the 2019-2020 season, prior to the pandemic, flu cases were much higher, with an estimated 36 million flu-related illnesses

105,000

During the 2019-2020 flu season, the CDC estimates that flu vaccinations prevented nearly 105,000 flu-related hospitalizations



Respiratory Syncytial Virus

Prevention of severe RSV in children and adults will be critical this respiratory season.

As it begins to get colder and darker outside, experiencing mild, cold-like symptoms including cough, runny nose, sore throat, and headache is common. Most everyone at some point in their life will experience symptoms of the common cold, which are often not serious, and healthy people can likely recover quickly. However, for individuals that are immunocompromised, cold symptoms associated with Respiratory Syncytial Virus (RSV) could progress to become more severe and life-threatening.



During respiratory season, the groups that are most at risk of severe RSV illness are babies, young children, and older adults. In healthy individuals, RSV causes mild symptoms that most adults can recover from within a week or two. However, for children and for adults over age 65, RSV is more likely to cause disease complications and require medical attention.

The peak season for RSV infection in the United States is fall through spring. RSV is spread through close contact with an infected person's secretions from coughing, sneezing, and talking. After being infected, patients usually exhibit symptoms such as a runny nose, decrease in appetite, coughing, sneezing, fever, and wheezing, that develop in varying stages within four to six days, according to the Centers for Disease Control and Prevention (CDC).

Symptoms should clear within a few days on their own; however, if they do not, the illness may have progressed into something more serious. Severe illness associated with RSV in children includes a barking or wheezing cough, and short, shallow, rapid breathing. These symptoms indicate an infection of the lower respiratory tract, according to the American Lung Association. RSV can cause bronchiolitis (inflammation of the small airways in the lung) and

For individuals with these preexisting conditions, an RSV infection can cause a worsening of asthma or COPD symptoms, pneumonia (air sacs/alveoli in lungs becoming inflamed and filled with fluid), bronchiolitis (inflammation of the small airways in the lungs), or severe cardiac symptoms.

RSV in young children

Most children will likely contract RSV before the age of two from exposure to others outside the home. Babies with weakened immune systems are more at risk of developing severe forms of RSV, according to the American Lung Association. Infants and young children infected with RSV may only exhibit the symptoms of irritability, decreased activity, and breathing difficulty.

“Certain risk factors can make young babies more likely to catch RSV, including being underweight, having congenital heart disease, a weakened immune system, or premature birth,” said Dr. Tochi Iroku-Malize, President of the American Academy of Physicians.

pneumonia (infection of the lungs) in severe cases, according to the CDC. If a child shows signs of severe RSV, contact a healthcare provider immediately or seek emergency care.

“If infections are left untreated, they can lead to serious conditions like bronchitis or pneumonia. Symptoms of RSV can be different based on age. The virus is most common in children under two, but babies who are less than a year old and premature babies typically have more serious symptoms. These include runny nose, poor appetite, coughing, fever, difficulty breathing, red and swollen tonsils, headache, abdominal pain, vomiting and rashes,” according to Dr. Iroku-Malize.

The Food and Drug Administration (FDA) approved a vaccine in July of 2023 to protect infants and toddlers against RSV. According to the FDA, the vaccine will offer infants through children up to 24 months protection before entering their first (or second) RSV season.

RSV infection prevention for adults

RSV symptoms for adults are very similar to those associated with the common cold and include a runny nose, sore throat, cough, and headache. For older adults, especially those with lung or heart disease such as asthma, congestive heart failure, or chronic obstructive pulmonary disease (COPD), the risk of RSV becoming severe or life-threatening increases, according to the American Lung Association.

For individuals with these preexisting conditions, an RSV infection can cause a worsening of asthma or COPD symptoms, pneumonia (air sacs/alveoli in lungs becoming inflamed and filled with fluid), bronchiolitis (inflammation of the small airways in the lungs), or severe cardiac symptoms.

“If patients have any symptoms of RSV, or have chronic conditions that put them at greater risk of getting very sick, they should see their family physician. They can then determine the best course of action to help make sure they’re getting the care they need before it becomes more serious or they develop complications,” according to Dr. Iroku-Malize.

Older adults face increased risks from RSV due to their age and potential for the disease to interfere with underlying medical conditions. It is estimated by



Older adults should seek emergency care if they suspect they are experiencing severe RSV or have shortness of breath, a fever, a bluish skin tint, wheezing, or a worsening cough.

the CDC that between 60,000-160,000 older adults in the U.S. are hospitalized due to RSV each year. For adults aged 60 and older, receiving the RSV vaccine can help protect from the disease, according to the CDC.

“Vaccination against RSV could lead to less serious illness for older adults and fewer hospitalizations and deaths from RSV. Family physicians are well-equipped to counsel patients on whether the vaccine is right for them and administer vaccines right in the office,” said Dr. Iroku-Malize. “Physicians are in a unique position to address misinformation and myths about vaccinations and address patients’ questions and concerns. Patients should talk to their family doctor if they’re unsure about vaccinations and whether or not they should get a certain vaccine.”

Older adults should seek emergency care if they suspect they are experiencing severe RSV or have shortness of breath, a fever, a bluish skin tint, wheezing, or a worsening cough.

To prevent the spread of RSV, individuals should wash their hands often, avoid close contact with sick people, and disinfect frequently touched surfaces.

“In addition to receiving available vaccines, preventive measures like washing your hands often, covering your mouth when you cough, avoiding sharing food, utensils and other items and staying home when you’re sick are important ways to stop the spread of viruses. Patients can also count on their family doctors to provide them with accurate information and recommendations on how to avoid respiratory illnesses and stay healthy,” according to Dr. Iroku-Malize. ■

Momentum amid disruption— how collaboration with customers drives supply chain resiliency

In the seemingly endless journey on the path to stability, healthcare supply chains continue to be challenged by disruptions. Material shortages, transport delays and rising input costs are still overwhelming organizations around the country. While some amount of supply issues and disruptions may be inevitable, it doesn't make them any less challenging to accurately predict. And though immediate effects like backorders on key products are felt acutely, longer-term effects on supply chain can be harder to see and fully understand.



Mitigating disruptions and reaching supply chain stability requires organizations to be adaptable and resilient. Resiliency, a word commonly heard throughout many facilities, is the ability to prepare and respond to the unexpected. For healthcare organizations, responding to the unexpected means acting with speed. But quickly adjusting, let alone transforming, a massive operation like a health system is a major challenge due to the sheer number of quickly moving parts and competing priorities at play.

When healthcare works seamlessly, patients are likely to have better outcomes,

and organizations drive value. The supply chain stability that enables seamless operation requires heightened collaboration between health systems, distributors, and manufacturers, as well as between the clinical and supply chain teams within an organization.

Transparency builds trust

Operating one of the largest dedicated laboratory distribution networks, Cardinal Health™ focuses on facilitating collaboration between healthcare providers, purchasing organizations, supply chain

teams, suppliers and manufacturers by maintaining a customer-focused approach. 24 of Gartner's top 25 supply chain health systems are Cardinal Health lab customers.

"Distribution is the connective tissue across the continuum of care," said Emily Berlin, Vice President Laboratory Marketing & Aero-Med Commercial Sales and Operations. "Because a supply chain is only as strong as its weakest link, it is important for us to foster relationships that enable supplier and customer resiliency."

For Cardinal Health, stability and resiliency is achieved with a collaborative approach built on a foundation of transparency and shared focus. In an unpredictable landscape, being able to consistently respond with speed is possible when distributors and healthcare providers act with deliberate intent and in tight alignment. This level of collaboration requires trust, trust that is built through a history of listening to customers and responding to their needs.

"We are focused on being healthcare's most trusted partner. Trust is earned through transparency and consistently delivering on our commitments to our lab customers." Berlin stated.

Operating with transparency means sharing what success looks like and communicating clearly on how both parties will achieve that success together. Maintaining this approach for decades has led to Cardinal Health lab customers citing accuracy of shipment, ease of placing orders, and timeliness of deliveries as key factors behind the value they receive by doing business with Cardinal Health.¹ Additionally, Cardinal Health continues to enhance service levels and communication to help ensure the right product arrives at the right place at the right time. The Health Industry Resilience Collaborative (HIRC) recently awarded Cardinal Health the HIRC Transparency Partner Badge for commitment to supply chain transparency and resiliency.

For distributors, it is also critical to develop trust with suppliers. Cardinal Health is dedicated to building engagement and stronger relationships for mutual growth, holding regular meetings with suppliers to discuss shortages and identify solutions. Regular communication and sharing of data enable the alignment



Emily Berlin

needed to deliver on commitments to mutual customers.

Berlin stated, “Patients count on our customers, and our customers count on us. Collaboration is key to developing a healthy supplier ecosystem.”

Collaboration + technology = visibility

Having options and the ability to determine when those options are needed helps mitigate variability. Visibility across functions, both upstream and downstream, makes it easier for leaders to draw insights and enhance planning to reduce waste and other inefficiencies. Bringing cross-functional

teams together to ensure that vital products are available and review contingency plans with customers and suppliers helps reduce variability and uncertainty.

Technology goes a long way to improving visibility. Cardinal Health has invested in physical infrastructure, integrated inventory management solutions, and advanced visibility solutions including FourKites® real-time supply chain visibility platform that enables greater connectivity with carriers across the supply chain, Kinaxis® Rapid Response software for digital supply chain planning and end-to-end visibility across the network, and new distribution capacity that includes autonomous mobile robots (AMRs) for increased safety, service, quality and efficiency.

Cardinal Health also offers services designed specifically to help clinical labs better prepare for unpredictability and drive value. These include regular product availability updates, the Reserved Inventory Program that helps ensure dedicated inventory of respiratory testing items, and customized solutions like patient-collected sample kits that help organizations standardize workflows and operate more efficiently.

Keeping the momentum

Momentum arises from velocity and quantity of matter. It is the domino effect of success. Small successes cascade throughout the chain to create bigger successes – communication leads to collaboration, which enables resiliency, stability, and a steady path forward for healthcare organizations.

“Our focus is clear: maintaining the momentum we have built to move healthcare forward and drive inefficiencies out of the healthcare system,” Berlin said. “What we do matters to customers.” ■



¹ Cardinal Health data on file - Voice of customer survey, April 2023

The role supply chain plays in laboratory distribution

Not all distribution is created equal. For 70 years, labs have relied on Cardinal Health for supply chain expertise, delivered standardization, savings, an expansive lab product offering and clinical relevance.

To deliver accurate test results that support patient wellness and early diagnosis, laboratories depend on cost-effective, high-quality clinical products and efficient operations. We have the experience, commitment, strategic supply chain partnerships and vision to propel your supply chain and the laboratories that you support forward.

We approach the supply chain proactively, valuing collaboration that enables visibility of inventory management and streamlined workflows that help reduce labor costs and mitigate supply chain disruptions and associated risks.

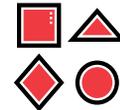
That's why we've been the laboratory distribution and product advisor of choice for top healthcare providers for decades:

Lab supply chain expertise



- Proactive inventory management visibility
- Cold storage and special handling capabilities
- Managed seasonal demand

Extensive diagnostic product offering



- >52,000 SKUs available
- Cardinal Health™ Brand product options
- Exclusive supplier agreements

Standardization and savings



- Maximized contract value
- Data-driven insights
- Formulary implementation and adherence

Clinical relevancy and credibility



- Specialization by discipline
- Integrity and unrivaled depth of clinical knowledge
- Automation solutions to address labor shortages



Scan the QR code to connect for a consultation at no cost to you.



Transforming Patient Health and Your Business with Telemedicine

HealthTrust University Conference attracts record numbers of members and attendees.



HealthTrust Performance Group reported record engagement on the part of members, suppliers, and subject matter experts during HealthTrust University (HTU) Conference that took place July 17-19 at Mandalay Bay Convention Center in Las Vegas, Nevada. With the conference theme, “Playing to Win: Aligned for Success, Optimizing Outcomes,” the event featured three general sessions, member and supplier recognition awards, top-tier keynote speakers, a special luncheon for first-time attendees and new members, opportunities for personal and professional development, 380 exhibitors, and top-name entertainment.

HealthTrust executives and leading experts in healthcare and supply chain emphasized best practices to optimize outcomes for patients and communities served by HealthTrust member organizations. The conference featured expert insights and proven solutions to pressing

issues including labor shortages, shift of care trends, and value acceleration. Over 100 subject matter experts led education sessions – most with Continuing Education credits – and micro-sessions covering topics on oncology and biologics, value analysis, purchased services, and more.

HealthTrust presented six organizations with its prestigious Member Recognition Awards: United Surgical Partners International (USPI), Franciscan Missionaries of Our Lady Health System, HCA Healthcare Mountain Division, Scripps Health, and WellSpan Health. Franciscan Alliance was named Outstanding Member for collaboration with physicians, business leaders, and clinical stakeholders to drive change and attain value through HealthTrust contracts and parallel services. “This year’s recipients demonstrated outstanding performance and made exceptional contributions to the patients, caregivers, and communities they serve,” said David Osborn, HealthTrust Senior Vice President of Strategic Accounts and Sales. “Considering the talent within this membership, it is extremely impressive for these organizations to rise to the top.”

HealthTrust Chief Operating Officer, Michael Berryhill, presented Supplier of the Year Awards to four vendor-partners: Agiliti, Insight Direct USA, Meitheal Pharmaceuticals, and Merck. “We appreciate the assistance and transparency of these suppliers in light of the inflationary pressures, shortages and disruptions in the healthcare supply chain, and acknowledge their contributions to strengthening providers’ resilience in serving their patients and communities,” said Berryhill.



Featured speakers at the conference were J.J. Watt, former All-Pro defensive end for the Houston Texans and Arizona Cardinals; Alex Banayan, author of the bestselling business book, *The Third Door: The Wild Quest to Uncover How the World's Most Successful People Launched Their Careers*; Carla Harris from Morgan Stanley; Pamela Barnum, expert on speaker and body language; and communication and culture expert, Hannah Ubl.

In his remarks to attendees, HealthTrust President and CEO, Ed Jones, shared his perspective on the conference theme in light of global pressures on the healthcare supply chain. "To me, Playing to Win is about solving problems; about optimizing every dimension of performance, and attaining superior value and pricing without sacrificing quality," Jones said. "During the three-day conference, the formula for winning was a central topic across all educational sessions and keynote speakers." ■



Supply Chain By the Numbers

BY JOHN STRONG, CO-FOUNDER AND CHIEF CONSULTING OFFICER, ACCESS STRATEGY PARTNERS INC

Finally, a bit of good supply chain news

Cost of Hospital Goods and Services 2023

Area	Per Adjusted Discharge YTD '23 vs. YTD '20	Per Adjusted Discharge, July 23 vs July 22	Per Calendar Day YTD '23 vs. YTD '20	Per Calendar Day July '23 vs. July '22
Supply Expense	11%	-2%	31%	6%
Drugs Expense	7%	-3%	24%	4%
Purchased Service Expense	-7%	-4%	20%	6%

Adopted from Kaufman Hall "Hospital Flash Report" for July, 2023-National Report¹

As inflation has dropped and the nation emerges further from the global pandemic, the pressure on goods and services used by hospitals and health systems is declining. All this while discharges have increased **20%** on a three-year basis and **9%** on a one-year basis.

Are you including your clinical staff in your annual savings discussions?

An August 2022 report from McKinsey & Company argues that before supply chain (and usually administration) sets cost-savings targets, there should be input and direction from key clinical and operational areas.

“Almost all major health system supply chains have a yearly savings target to improve efficiency; however, this target is rarely set with input from other functional and clinical areas.”²

While this may seem like intuitive advice, the fact is that many hospital supply chains find themselves in a reactive position when the finance department starts creating next year’s budget. Many of us remember the mantra: “Here’s what I need.” That’s why planning and communication can help to avoid big surprises between the number that “is needed” versus the number that is “realistically attainable.”

Hospitals trying to build back cash reserves

Days cash on hand measures an organization’s ability to cover its expenses with available cash over a finite period. Health systems are beginning to look to replenishing cash reserves, according to a new report in Modern Healthcare.² Median days of cash on hand was **133** in July 2023, **up 12%** from December 2022, but still **down 32%** compared with its August 2020 peak.

Are you balancing out supply chain tasks to meet this reality?

Where is your supply chain strategy?

“Supply Chain Resiliency” has become one of the new buzzwords the past several years, after the pandemic wreaked havoc with many products we used to take for granted. In a service line survey of more than 400 nurses, physicians, service line leaders and supply chain executives in April 2022,

57% could recall a time when a physician didn't have a product for a patient's procedure.³

While some parties along the healthcare supply chain may argue that shortages are easing, the fact is that drug shortages continue to grow, and post-pandemic there is really not a stable market for low-cost, highly commoditized goods. This not only costs providers real money in terms of fire-drills, it also endangers patients and their care outcomes.

Jointly setting savings goals can pay big dividends and even add to the odds of supply chain achieving a bonus based on this common goal-setting metric.

A bad time for product evaluation?

You probably recall a time not too long ago when department administrators were simply happy to have a product – and brand – that they could use during the pandemic. Now may be a good time to examine commoditized items to see if you are getting the best deal, and whether substitute products can save real money.

While it is always prudent to focus on high price tags and volume, significant savings may be possible if you demonstrate a willingness to save on your commoditized purchases. It is also tempting to just let your GPO handle these products – but as President Ronald Reagan once said, “Trust but verify.” In today's markets, turmoil and change spells meaningful opportunity.

Remember that long-decision making processes at your facility cost you

money. If you can, expedite and transition products that show significant cost savings quickly to maximize the value of a change.

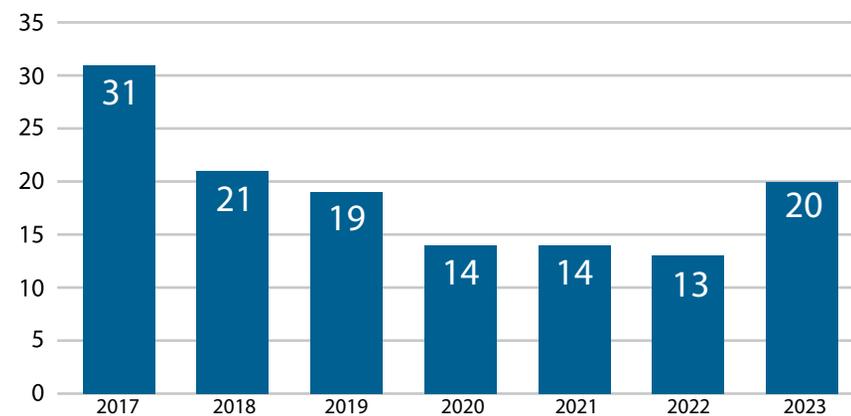
Is your supply chain ready for change?

What does your C-Suite think about your supply chain?

Merger activity among hospital systems is rising again and is back to pre-pandemic levels.⁴ **The number of second quarter transactions in 2023 was 20, up from 13 in 2022.**

As the chart below indicates, “seller size” between 2019 and 2022 showed consistent growth. Bigger systems are merging with still larger systems. While 2023 is incomplete, it already exceeds 2021 activity. ■

Number of Q2 announced transactions, by year



Source: M&A Quarterly Activity Report: Q2 2023, Kaufman, Hall & Associates, LLC

¹ www.kaufmanhall.com/insights/research-report/national-hospital-flash-report-july-2023

² Bowen, B., Galceran, B., et.al, “Optimizing health system supply chain performance”, McKinsey and Company, August 2022, Accessed August 30, 2023.

³ Coleman, T., Petry, J. et.al, “Key determinants for resilient healthcare supply chains”, April 25, 2022 by Deloitte Consulting. Accessed September 1, 2023.

⁴ Kaufman Hall Research Report, “Hospital and Health System Transactions” July 13, 2023. Accessed July 15, 2023.



ACCESS STRATEGY
PARTNERS INC

accessstrategypartners.com

Commercial Healthcare Providers

Retailers, payors and private equity groups are transforming how the U.S. receives care. Do you know who they are?

The primary care market is seeing consolidation like never before. A myriad of organizations are acquiring and investing in healthcare providers in response to changing patient demographics and preferences.



Some you have no doubt heard of – retailers like Amazon, CVS Health, Walgreens, and Walmart, or payors such as United Health Group. Others, like private equity groups, you may not be as familiar with. But all these entities are at the forefront of partnerships permeating the primary care landscape today. Redefining the market share is a shift from fee-for-service to fee-for-value reimbursement models, physician shortages, consumerism and digital disruption.

The *IDN Directory* defines these entities as Commercial Healthcare Providers (CHPs), organizations formed to address patient populations outside the traditional Hospital and Health System network. CHPs have formed as a result of the shift from fee-for-service to fee-for-value reimbursement models, physician shortages, consumerism and digital disruption.

CHPs are categorized into four types of organizations:

▶ **Payor Affiliated CHPs.**

Examples include UnitedHealthcare, Optum and Humana, CenterWell

▶ **Retail Affiliated CHPs.**

Examples include CVS Health, Walgreens, Walmart and Amazon

▶ **Senior Focused CHPs.**

Examples include Oak Street Health, ArchWell Health and CareMax

▶ **Networked (Enablers) CHPs.**

Examples include Aledade, Agilon and Privia.

Repertoire Magazine, *The Journal of Healthcare Contracting*, and the *IDN Directory* will be covering all aspects of this changing market in 2023 and beyond. ■



CVS Health

Expansion into several U.S. healthcare market segments signifies a desire to meet patients where they are.

CVS Health has had a busy 2023. Consider:

- ▶ In January 2023, the organization announced it helped to lead a \$375 million funding round for Monogram Health, a specialty provider of in-home and virtual care for polychronic conditions like chronic kidney and renal disease.
- ▶ Also in January 2023, CVS Health partnered with startup Carbon Health to pilot its primary and urgent care clinic model in CVS stores; and led a \$100 million investment to speed Carbon Health's expansion into new markets.
- ▶ In March 2023, CVS Health scooped up technology company Signify Health for \$8 billion.
- ▶ And in May, CVS Health announced it had officially acquired senior-focused CHP Oak Street Health, which has over 100 primary care doctor's offices across 25 states and expects 300 locations by 2026, for \$10.6 billion. Oak Street Health operates as a multi-payor primary care provider as part of CVS Health.

As these moves demonstrate, retail CHPs like CVS Health are focused on meeting patients where they are with in-home, in-store and virtual care services as well as in primary care offices. This corporatization of primary care is expected to only be the first wave. Bain & Company predicts that 30% of U.S. primary care will be owned by these non-traditional players by 2030.

These population-specific models will grow nationally in an effort to mitigate administrative complexity for clinicians. Bain & Company predicts 15% of the market will be owned by payors and payor-owned services, while 5% to 10% of the market will be owned by retailers.

Patient preference

Meanwhile, virtual health is being embraced by younger, healthier patients and is anticipated to ascend to 20% market penetration by 2030. And while fee-for-service is still predicted to be the largest model, alternative models are forecasted to take 15% to 20% of its market share.

Startup Carbon Health recently partnered with CVS Health to pilot its primary and urgent care clinic model in CVS stores. This led to a \$100 million investment in Carbon Health's expansion to new markets. Carbon Health has 125 physical clinics in 13 states and provides care for over 1 million patients.

CVS operates over 9,000 retail locations in the U.S. and will leverage Carbon Health's model in its stores. This is just the next step in healthcare for CVS Health as it owns health insurer Aetna and pharmacy benefits manager Caremark, and it acquired technology CHP Signify Health and senior-focused CHP Oak Street Health.

Healthcare is a fragmented system in the U.S. and the primary care market plays an invaluable role in coordination. In today's changing landscape for primary care, these non-traditional investors could catapult healthcare innovation that touches all Americans, including underserved and diverse populations.

For a deeper dive into CVS Health's organization and footprint, visit The IDN Directory website at www.idndirectory.com ■

Industry News

UF Health officially welcomes Flagler Health+

Looking to improve the health of the St. Johns region by combining innovative health care opportunities with a longstanding legacy of supporting the community, University of Florida Health officials announced that Flagler Health+ has become part of the University of Florida's academic health center and will be renamed UF Health St. Johns.

Mori Hosseini, chair of the UF Board of Trustees, said the deal brings the best minds together to reimagine the delivery of health care to address patients' biggest challenges, and will introduce UF Health's unique brand of problem-solving care into the local health system.

UF Health will infuse additional resources into one of the state's fastest-growing regions – not just financial resources, but human resources and intellectual capital. That includes technologically advanced care focused on world-class outcomes, and research opportunities.

Harrisburg University and UPMC unveil the new UPMC Health Sciences Tower at Harrisburg University

Harrisburg University and UPMC is celebrating the dedication of the new UPMC Health Sciences Tower at Harrisburg University. The building houses expanded resources for new and existing health sciences and advanced manufacturing programs.

The 11-story UPMC Health Sciences Tower at Harrisburg University features skills labs, simulation spaces, state-of-the-art manufacturing equipment, classrooms and auditoriums that support education and research in advanced manufacturing, pharmacology, exercise science, physical therapy and the UPMC Shadyside School of Nursing at UPMC Harrisburg. A highlight of the tower is the space dedicated to the Advanced Manufacturing program. New labs feature 3D printers, machining equipment, industrial and collaborative robots, workstations for 2D and 3D modeling and computer programming, manufacturing systems and pneumatic/hydraulic automation trainers.

The tower also houses the nursing partnership between Harrisburg University and UPMC to provide a new opportunity for area residents to pursue careers in nursing. Launched in August 2022, the UPMC Shadyside School of Nursing at UPMC Harrisburg is a 16-month accelerated diploma program for registered nurses (RNs). Two floors of the building are dedicated to high-tech classrooms, skills labs and realistic simulation labs to prepare students for their clinical rotations.

Intermountain Health receives global award for using technology processes to enhance patient care

Intermountain Health has received the distinguished 2023 Davis Award of Excellence from the Health Information Management Systems Society (HIMSS)

for their use of technology and improved processes to enhance care for patients experiencing serious medical conditions. The Davies Award – HIMSS's highest global recognition of hospitals and ambulatory care centers – recognizes health systems that not only improve clinical outcomes within the organization, but also improve health and wellness in the community.

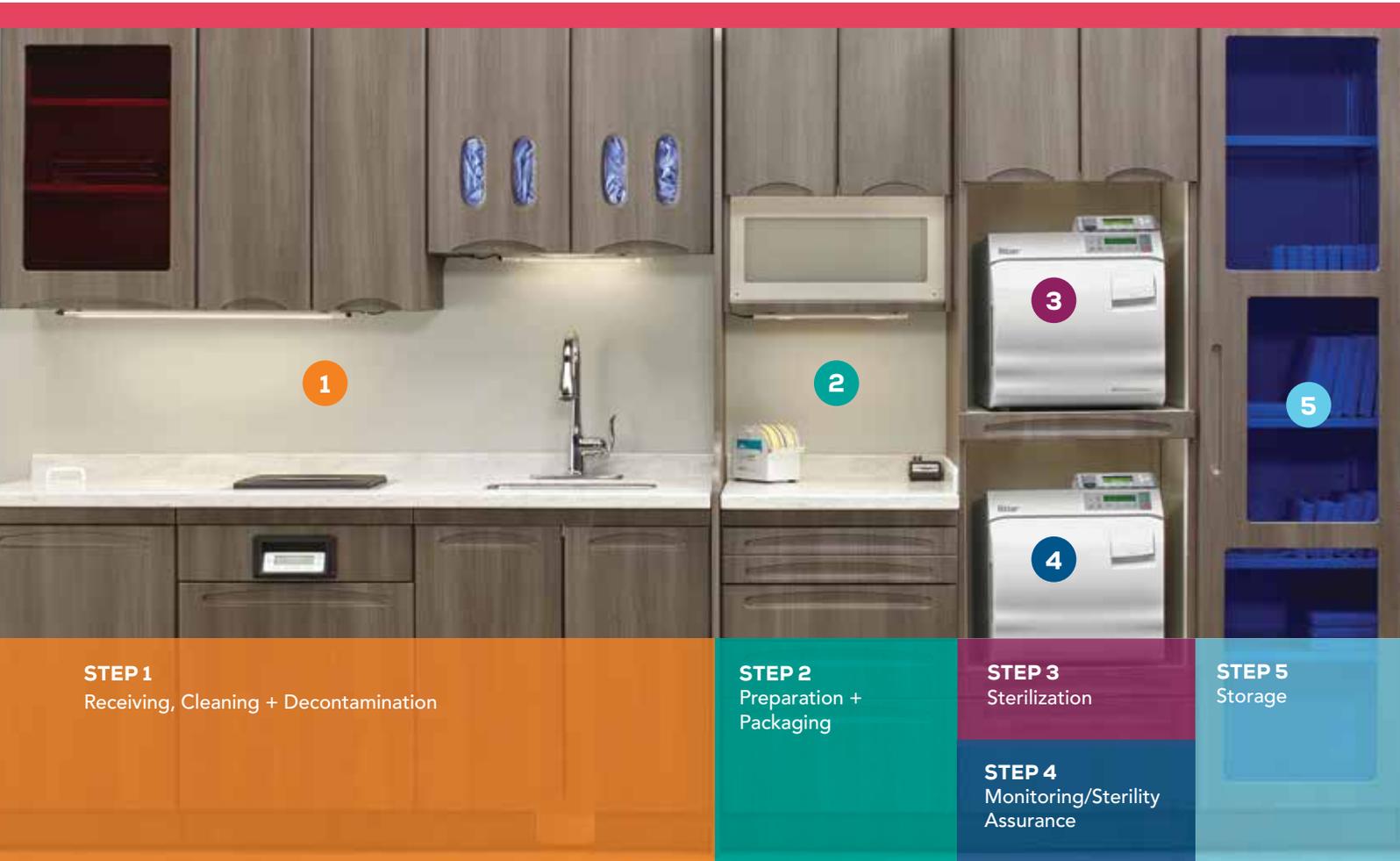
HIMSS is a health community advisor and thought leader that works to enhance global health care through the power of information and technology.

In 2022, Intermountain achieved the "World's First Triple Stage 7 Organization" status under the new 2022 HIMSS Stage 7 Maturity Model requirements. The Stage 7 requirement is needed in order to even be considered for the Davies Award of Excellence.

Intermountain presented a series of case studies demonstrating the application of information and technology to improve care and outcomes for patients experiencing Chronic Obstructive Pulmonary Disease (COPD), Chronic Kidney Disease (CKD), and Multimodal Pain Management Modalities.

Intermountain's efforts to provide predictive scoring, evidence-based protocols, and implementation of data-driven and AI-enhanced analyses focused on identification and risk stratification to reduce readmission rates.

These measures improved the timeliness and quality of patient care and access. Additionally, these programs empowered patients through informative education, resulting in higher-quality care. ■



SAVE
NOW!
SCAN
HERE.



Understanding the 5-Step Instrument Processing Workflow Why it's Critical for You

As the number of outpatient clinics increase, instrument processing becomes a greater challenge. You may already understand the need for effective sterilization to reduce risk—but **instrument processing is more than sterilization** and it begins before you ever touch an instrument. Midmark instrument processing solutions were designed around CDC-recommended¹ best practices to help make regulatory compliance to clinical standards as easy (and as automated) as possible.

Learn more at: [midmark.com/5steps2success](https://www.midmark.com/5steps2success)

¹ <https://www.cdc.gov/infectioncontrol/guidelines/disinfection/sterilization/sterilizing-practices.html>



**Reliable data,
trusted technology.**

**See why healthcare
leaders turn to Premier
for spend analytics.**

Learn More

