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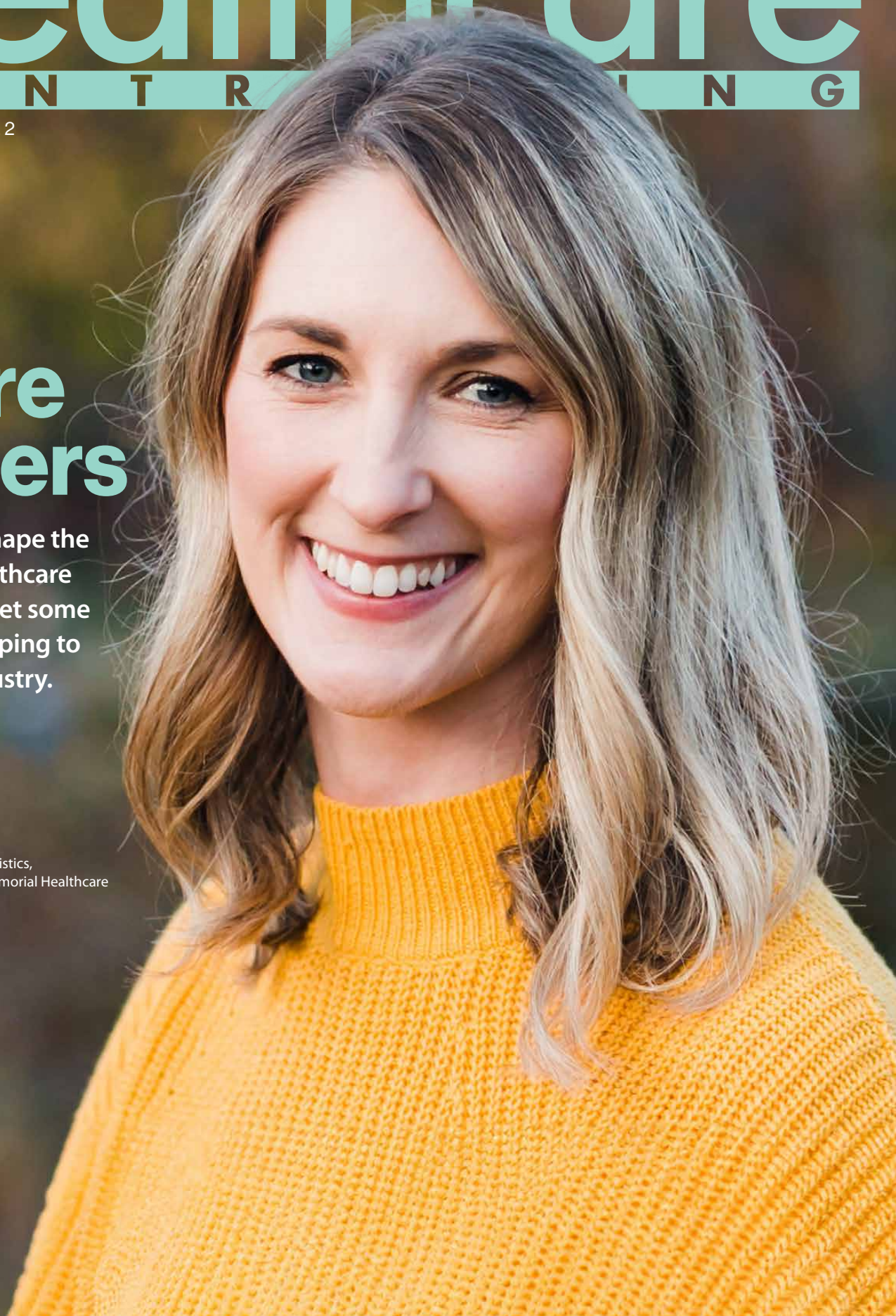
C O N T R I B U T I N G

April 2024 Vol. 20 • No. 2

Future Leaders

Who's going to shape the future of the healthcare supply chain? Meet some of the leaders helping to innovate the industry.

Alisha Beringer, Director,
Supply Chain Distribution & Logistics,
Supply Chain, Northwestern Memorial Healthcare



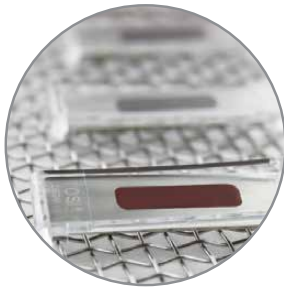
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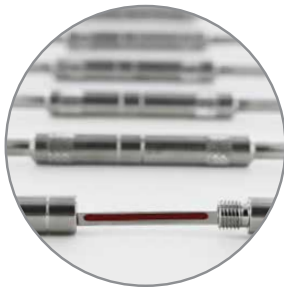
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What Fuels Tomorrow's Leaders?



Every supply chain leader I speak with has his or her own “origin” story of how they got into this unique segment of the U.S. healthcare system.

Rachel Anderson recalls the exact moment when she decided to take the plunge. After attending her first Intro to Supply Chain class at Auburn University she said she knew she had found her path. “I thought to myself, ‘Where do I sign? Hook, line and sinker, I’m in!’” After an internship in college with Baptist Health, she started her career with the health system immediately after graduating.

SSM’s Mike McDonough wasn’t sure what he wanted to do with his career until an internship with The Resource Group (Ascension) as a supply chain analyst. “The internship was an amazing experience, and I immediately knew I wanted to find a role in healthcare,” said McDonough. “And I haven’t looked back since.”

Novant Health’s Kenya McConneaughey’s interest in healthcare is rooted in a deep-seated desire to give back to her community. “Helping individuals at their lowest points aligns with my passion for making a positive impact on people’s lives,” she said. “Even though my contributions may not be immediately visible, the knowledge that I am part of a system that positively impacts the well-being of individuals in the community is immensely fulfilling.”

This year’s group of Future Leaders represents a bright future for our healthcare supply chain. From leading strategic sourcing to solutions groups, these leaders have taken on complex tasks and delivered amazing results for not only the organizations they represent, but the patients those IDNs serve.

We hope their stories will serve as inspiration for your supply chain teams as you navigate an increasingly complex marketplace.



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A distribution perspective on advocating for clinical laboratories amid transformation



To advocate for the value of distribution in the healthcare ecosystem, the Health Industry Distributors Association (HIDA) regularly meets and holds annual conferences to bring industry leaders from across the spectrum of healthcare together to share, learn and plan for the future.



Emily Berlin

“The unique needs of the laboratory industry are brought to the forefront of the conversation along with other key elements of the healthcare supply chain,” said HIDA Board Member Emily Berlin, Vice President Laboratory Marketing & Aero-Med Commercial Sales and Operations, Cardinal Health.

As one of the largest healthcare distributors in the United States, Cardinal Health™ has decades of experience helping lab customers improve their supply chain resiliency and operate more

efficiently through a dedication to deliver quality products, value-adding services and reliable supply chain solutions.

“While those of us that are entrenched within distribution understand the fundamental role that distributors play to both large health systems as well as small independent practices, it wasn’t until the pandemic that the true importance of distribution was more broadly understood,” Berlin said.

While the effects of the pandemic have been mitigated to an extent, the major factors impacting clinical laboratories remain consistent: a continuing workforce shortage, decreasing reimbursements, ongoing regulatory legislation and industry consolidation, to name a few. At the same time, diagnostic innovation evolves swiftly, driven by the needs of an aging population, high rates of chronic disease, rapid technological advancements and a greater demand for personalized medicine. The question on the minds of industry leaders remains: How can we best support our lab customers in their pursuit of quality testing amid transformation and constraints?

Understanding the regulatory landscape

At annual industry association conferences like the HIDA Executive Conference, topics of discussion often center on ongoing and upcoming federal regulations, how these regulations may impact labs and how organizations can best advocate

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for their lab customers. Current legislation being discussed includes:

- ▶ The *EAST PASS* Bill, introduced to expedite the medical supply chain during emergencies
- ▶ The *Saving Access to Laboratory Services Act (SALSA)*, meant to update data reporting requirements and payment methodology under the Protecting Access to Medicare Act (PAMA)
- ▶ FDA proposal to increase oversight by reclassifying Laboratory Developed Tests (LDTs)

“It is our goal to understand what these regulatory impacts are going to look like, and if— and how — we can help shape them as advocates for our customers,” Berlin stated.

Labs across the country are still burdened by the shortage of qualified professionals due to lack of qualified applicants, reduction of medical technology programs, decreased visibility of the field and increasing retirement rates. With pending regulation potentially compounding these shortages, labs are looking to their distributors for proactive solutions that can help ease their burden by enabling them to do more with potentially limited resources.

The impact of innovative diagnostic and treatment techniques

The essential diagnostic information generated in the lab is critical to enabling precision medicine and personalized treatment. The capabilities of molecular diagnostics, CRISPR, AI and machine learning, and other disruptive technologies continue to evolve, representing potential for earlier



detection, more effective disease management and even new cures. For example, the FDA recently approved a gene editing tool for a therapy that can cure sickle cell anemia using CRISPR to edit the DNA found in patient’s own stem cells.¹

Additionally, lower-cost, more portable point of care (POC) testing methods are in development to speed up testing, help control disease spread and enable care accessibility for people who have difficulty accessing in-person treatment centers. With testing becoming more decentralized, it will be critical for POC testing to continue advancing to support public health and patient care.

Driving value for Cardinal Health lab customers

Through its distribution offering, Cardinal Health plays a role in shaping healthcare delivery and its evolution. To support customers in this changing landscape, the organization continues to invest in new distribution capabilities, including expanded capacity, new distribution centers and innovative robotics to optimize supply chain efficiency.

Cardinal Health also invests in innovative solutions to help customers meet changing demands, including a custom kitting solution designed to help healthcare facilities streamline operations, reduce errors and improve the patient experience. It enables Cardinal Health to support customers during each stage of the process, from inception to delivery, by creating custom specimen collection kits tailored to a facility’s unique requirements. Collection kits can also be built with Cardinal Health™ Brand Laboratory Products that deliver additional savings to customers.

Though industry summits like HIDA are opportunities to look ahead, supporting and advocating for the laboratory is an everyday responsibility. Cardinal Health is intensely focused on helping lab customers work more efficiently, driving value across workflows, promoting supply chain resiliency and supporting quality testing for the best possible patient experience.

“I get energized by thinking about the important role that testing plays in a patient’s healthcare journey, how our healthcare ecosystem is evolving and how Cardinal Health can support and collaborate with our lab customers as they evolve as well.” Berlin said. ■

References: ¹ FDA approves first gene therapies to treat patients with sickle cell disease. U.S. Food and Drug Administration. Published December 8, 2023. Accessed March 13, 2024. www.fda.gov/news-events/press-announcements/fda-approves-first-gene-therapies-treat-patients-sickle-cell-disease

Home Health Hazards

ECRI's recent Top 10 Health Technology Hazards list includes home medical device safety issues that the industry must address.

Considering the changes to

healthcare brought on by the pandemic, many patients have been choosing to receive care within the comfort of their own homes instead of the hospital; a transition which has been made possible largely due to the switch to virtual care and innovation within at-home medical technology. However, most medical devices are still designed to be used by a medical professional in a hospital or clinical setting, requiring patients, more often, to seek in-person healthcare.

At-home patient care is a developing concept, and it does not come without risks for patients. According to a report from ECRI, one of the most pressing health technology safety concerns in 2024 are for patients and caregivers using medical devices at home. The ECRI Top 10



Health Technology Hazards list identifies the most critical healthcare technology issues annually. The list supports health systems, hospitals, ambulatory surgery centers (ASCs), and distributors in mitigating potential industry risks. This year's list includes home medical device safety issues, along with insufficient cleaning

of medical devices, environmental harm from care, AI in healthcare, and more.

ECRI's research report shows that more people are now receiving medical care at home due to the rise in the nation's population and the number of patients living with chronic conditions increasing. As a result, medical devices such as infusion pumps and ventilators are being used at home more often. In some cases, patients and caregivers have not been properly trained on how exactly to use certain medical devices. Lack of proper medical device training is dangerous, as devices can lead to patient harm if used improperly.

"Severe harm can result from the misuse or malfunction of medical devices in the home," said Marcus Schabacker, MD, PhD, president and CEO of ECRI. "Patients and caregivers who misinterpret device readings may feel a false sense of security. Errors may go undetected or unreported, making it difficult to identify problematic trends."

The report found that there have been numerous examples of patient injury resulting from home-use devices. Medication errors can occur from changing infusion pumps, skin injuries can occur when cardiac monitor electrodes are applied incorrectly, and fatalities can occur if home ventilator alarms go unheard by caregivers, or needles from hemodialysis machines dislodge, according to ECRI researchers.

Many medical devices are designed to be used in a controlled environment by healthcare professionals and are too complex for people to safely maintain at home. When medical devices are in the design stages, manufacturers consider the usability for the end user foremost. As patients increasingly receive care in their homes, ECRI researchers state that modern care settings should influence the design of medical devices going forward. ■

In ranked order, ECRI's Top 10 Health Technology Hazards for 2024 are:

1. Usability challenges with medical devices in the home
2. Insufficient cleaning instructions for medical devices
3. Drug compounding without technology safeguards
4. Environmental harm from patient care
5. Insufficient governance of AI in medical technologies
6. Ransomware as a critical threat to the healthcare sector
7. Burns from single-foil electrosurgical electrodes
8. Damaged infusion pumps risk medication errors
9. Defects in implantable orthopedic products
10. Web analytics software and the misuse of patient data



Assurance and Sustainability

What will it take to have a more secure, and less disrupted, healthcare supply chain?

In a recent conversation with *The Journal of Healthcare Contracting*, several supply chain leaders discussed a variety of topics including sustainability, supply assurance and the importance of nearshore manufacturing. Participating in the discussion were:



Tim Bugg, CMRP,
President & CEO,
Capstone
Health Alliance



Allen Passerallo,
Former supply chain
leader at Johns
Hopkins Health
System, current Vice
President Category
Management, Vizient



Mark Welch,
Sr. Vice President,
Novant Health



John Wood,
Chief Executive
Officer, Encompass
Group, LLC

Sustainability

Allen Passerallo: We evaluate suppliers as best we can, especially within warehousing and the ability to fill their orders. We measure their ability to meet our demands and take that into consideration for our penalty language in our contracts and agreements as well as future strategies when awarding multiple suppliers.

If it's a category that is frequently disrupted and the players come from the same geographical area, it requires us to diversify. Ensuring we have a sustainable operation requires supply assurance.

When we're managing cost structure with clinicians and trying to standardize and reduce variation for a lower price point, but they're bringing up their preference and want to have more suppliers to support future patient treatment, it's challenging. We don't have anybody to pass the cost on to.

Cost has to be taken into consideration. We try to balance the good and bad of having multiple suppliers to support our clinical needs, while achieving a competitive price point. We bid contract opportunities in multiple ways – single vendor, dual vendor and more. We create a structure where we're evaluating risk based on the cost savings difference between those different contract structures.

Tim Bugg: In our annual meeting this past October, I had a supplier session. I asked them what they thought the average margin of a hospital was. I had answers of three, four, six and eight, but of course, the answer in this country is below one. I showed them a scale of how provider costs continue to rise, and reimbursements continued to decline.

I find the reps in the hospitals are not in tune to the market in which they sell. Words like sequestration and pay go are foreign to suppliers, but they shouldn't be. Sequestration has been delayed since the pandemic. That is 2% cuts of Medicare year over year as part of the Affordable Care Act in 2010. Pay go is the 4% Medicare cuts to pay for the Covid dollars from 2020 to hospitals which has not been implemented yet. At some point, providers could expect an additional 6% cuts coming.

Our suppliers must understand the market they're selling in and why sustainability is important. Cost pressures are important.

Healthcare is at approximately 18.5% of GDP at present. I've been told 20% is the magic number. If we hit 20%, then is it unsustainable? And at some point, does the government step in?

Increasing cost, declining reimbursement, and unaligned goals with suppliers make sustainability a hard goal to achieve.

John Wood: The supplier community probably doesn't fully understand all of the nuances that are causing financial pressures, but I think good suppliers understand that these pressures are real and that sustainability and flexibility in the supply chain is important.

'Healthcare is at approximately 18.5% of GDP at present. I've been told 20% is the magic number. If we hit 20%, then is it unsustainable? And at some point, does the government step in?'

As Encompass increased our near-shore presence in 2018 and 2019, it was about mitigating risk in the environment and the quality of employees we could get nearshore. The communication with our employees in our nearshore manufacturing facilities is much better than it is in Asia. Lower transportation costs, a better environmental footprint and a reduction in supply interruption has created a much better experience for our customers.

We continue to see fluctuation in transportation, raw material, and labor cost globally. And we are very concerned about worldwide unrest. For these reasons, Encompass continues to use a mix of on-shore, nearshore, and offshore approach.

Mark Welch: Sustainability is a priority. Our organization set Science Based Targets to reach net zero by 2050. We are working to reduce our greenhouse gas emissions, divert waste from the landfills, and optimize our water utilization.

As an organization we understand that in order for us to fulfill our cause and create a healthier future and bring remarkable experiences to life, we need to address the impacts we are making on our community today. Specifically, as a Supply Chain we are identifying opportunities to reduce the use of products with harmful chemicals. We've engaged our GPO partner to help us

identify opportunities to move away from devices which have Phthalates, and other hazardous content. Also, our pharmacy held several successful medication take-back drives and collected 432 pounds of unused medicine from our communities to safely dispose of. We are also choosing to reprocess certain devices thus removing single use products from the landfills. While we are investing a lot in order to achieve our goals, unlike previously expected many of these initiatives are a cost savings for our organization.

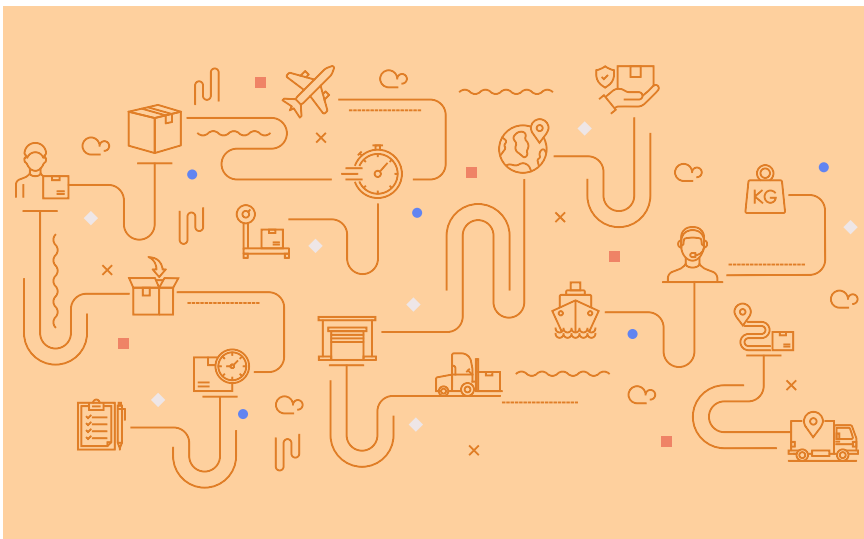
Finally, our goal for 2050 is to only work with suppliers who set their own Science Based Targets and have reached

net zero in their operations. We set a 2022 baseline and are currently at 52% of our goal, so we have some way to go. Our team's goal next year and beyond is to have strategic conversations with our vendors and encourage them to meet this goal in partnership.

Supply Assurance and Nearshoring

Passerallo: Supplier assurance means as much or probably more to us than it does on the nearshore side. I'd rather have the reliability of the supplier being able to fill the orders. When we look at shoring capabilities, the few we've engaged with have trouble meeting our demand.

Providers aren't as concerned as where product is coming from as long as their orders are filled. It's about who can provide product and get it to them, whether it's made in Toledo or Taiwan.



If they're a smaller startup and want to diversify their customer base, they don't want to say they'll only provide five versus 500, for example, therefore wanting 10% or 15% of your market. That's challenging. We have come across that a couple of times. It depends on the company, but it's been a challenge for us. Nearshoring is a great opportunity to investigate for us and go after. But it continues to come back to cost pressures.

Bugg: From a holistic perspective, we're starting to self-correct going back to pre-2020. We're seeing many of our member hospitals moving to hybrid models of self-distribution and traditional distribution. Pre-Covid paradigms such as just-in-time inventory are not the discussions of the day.

From a perspective of nearshore vs. offshore, supply assurance is important to get orders filled, especially after all of the back orders. They can't manage back orders for factor. Providers aren't as concerned as to where product is coming from as long as their orders are filled. It's about who can provide product and get it to them, whether it's made in Toledo or Taiwan. Our standard is to ensure we have contracts with suppliers who can ensure supply.

Looking forward, Capstone is seeking ways to invest in organizations or companies who are focused on assurance, consistency, and striving to change the supply chain in an innovative way. We have two investments with suppliers today who are doing just that. One is reimagining how things are being manufactured in Asia, and another that's onshore manufacturing in the U.S. We're proud of those two.

We're trying to be progressive in how we source products and services going forward.

Wood: Different regions of the world are good at manufacturing different raw materials. Just because you can manufacture gloves in many locations doesn't mean the raw materials are available from those regions.

We were able to stand up an isolation gown manufacturing line in the U.S. during the pandemic. One reason that we were successful was that raw materials were readily available in the U.S.

The question isn't "is the product manufactured onshore", the question should be "is" the supply chain sustainable and reliable even during difficult "times." We believe that a hybrid approach allows Encompass to do this. ■

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Future Leaders

Who's going to shape the future of the healthcare supply chain? Meet some of the leaders helping to innovate the industry.

- ▶ **Alisha Beringer**, Director, Supply Chain Distribution & Logistics, Supply Chain, Northwestern Memorial Healthcare
- ▶ **Rachel Anderson**, Corporate Director, Supply Chain, Baptist Health – Central Alabama
- ▶ **Garret Hall**, Director of Control Tower Operations Team, Intermountain Health
- ▶ **Sasha Magee**, Director of Strategic Sourcing, Intermountain Health
- ▶ **Kenya McConneaughey**, MBA, Sourcing Associate, Strategic Sourcing, Novant Health
- ▶ **Mike McDonough**, System Director of Sourcing and Vendor Management at SSM Health



Rachel Anderson

Corporate Director, Supply Chain, Baptist Health—Central Alabama



The trials the U.S. healthcare supply chain collectively faced during the

global pandemic have profoundly tested, molded and reshaped the future of the industry, with many of our counterparts still in a process of recovery, said Rachel Anderson, Corporate Director, Supply Chain, for Alabama-based Baptist Health.

However, the pandemic also provided a unique opportunity from supply chain’s time in the spotlight to catapult supply chain teams from the basement to the boardroom. “The continuum of care now holds a newfound appreciation for the vital role of supply chain leaders and a deeper understanding of the multifaceted responsibilities and real-time challenges we navigate.”

As a supply chain leader, one of Anderson’s stress points is recognizing that the healthcare supply chain must evolve from that of a reactive to proactive state and then being able to find the time to make this self-assessment a priority for her team. “Often, we are tasked with assuming additional areas of responsibility without a commensurate increase in resources,” she said. “Like many in our position, the word ‘no’ is not in my vocabulary, and failure is simply not an option. As the adage goes, ‘If at first you don’t succeed, try, try again.’”

When Anderson was younger, she considered several different career arcs before landing on a future in supply chain. She thought about pursuing a career in veterinary medicine, but quickly figured out that a bleeding heart for all things furry couldn’t handle the idea of operating on animals. Instead, she chose the College of Science and Mathematics as her starting collegiate track with a focus on Pre-Medicine. Anderson discovered that her love for mathematics far outweighed her scientific abilities, and her talents were better served by switching to the College of Business.

It was in the College of Business where Anderson would be introduced to what would become her eventual professional calling. “I vividly recall the moment after attending my first Intro to Supply Chain class at Auburn University when I knew I had found my path,” she said. “I thought to myself, ‘Where do I sign? Hook, line and sinker, I’m in!’”

During college, Anderson embarked on a successful healthcare supply chain internship with Baptist Health, where she gained invaluable hands-on experience

redesigning their Value Analysis program. In May 2011, she graduated from Auburn University with Bachelor of Science degrees in both Health Services Administration and Supply Chain Management. Without hesitation, she started her career at Baptist Health the very next week.

The mission behind the vision

Anderson currently serves as the Corporate Director of Supply Chain for Baptist Health in Montgomery, Alabama. Baptist Health is an affiliate of UAB Health System and is the largest health care system providing comprehensive hospital-based and outpatient services to residents in Central Alabama. Anderson's role involves contributing to the strategic planning and operational implementation of Baptist Health's Supply Chain Vision. This encompasses overseeing sourcing strategies, managing vendor performance, handling contracts, coordinating distribution, managing MMIS informatics, and spearheading value analysis initiatives across three hospitals, two cancer centers, an ambulatory surgery center, and 28 clinics.

"I have the privilege of leading a dedicated team of over 32 employees, with six direct reports," she said. "One of the things I love about our team is that you can feel the mission behind the vision. We prioritize the physical, emotional, and spiritual well-being of the individuals and communities we serve. Guided by values of stewardship, honesty, positive attitude, respect, and excellence, we strive for perfection while delivering compassionate care and placing our patients at the forefront."

Transcending limitations

The onset of COVID-19 disrupted any carefully laid five or ten-year plans, throwing them out the window along with the rulebook, Anderson said. Strategies once held in high regard were upended as U.S. healthcare providers grappled with unprecedented challenges in the global supply chain, forcing supply chain teams to innovate new ways to ensure their hospitals remained equipped with essential supplies for optimal patient care. Anderson believes today's supply chain teams require a clear, well-defined strategic vision for the future of their department and organization. They must understand the contours of this new strategic roadmap and possess the necessary tools to turn this vision into a successful reality.

Understanding that delegating tasks does not equate to failure, but rather fosters the growth and success of the team as a whole, is a lesson she said she is still internalizing.

"As supply chain leaders, we face the ongoing pressure to achieve increasing savings goals year after year, all while contending with contractual pressures regarding the costs of supplies exacerbated by rising inflation," she said. "Faced with little to no operating margin, it can seem daunting to ask your CFO for additional resources, whether that's in human capital or new tools and technology. However, to pursue excellence, we must transcend the limitations of our current state. Do not hesitate to ask for what you need. To make a compelling business case to senior leadership, thorough research into successful models and lessons from organizations already on the path to success is imperative. Presenting a use case scenario or outlining a high-yield return on investment (ROI) can effectively demonstrate the potential of future success for your supply chain team."

An inner drive

From a young age, Anderson's parents instilled in her a profound motivation to succeed. Her father served as a Judge Advocate General (JAG) and achieved the rank of Colonel in the Army Reserves. He worked multiple jobs to put himself through school and graduated first from Auburn University with his bachelor's degree and then with his juris doctorate from Emory University. "He epitomizes what it means to have an extraordinary work ethic, and

after a successful career as an assistant district attorney, he went on to become an Administrative Law Judge for the Social Security Administration,” Anderson said. “His journey exemplifies the values of honesty, integrity, and an unwavering determination to excel.”

Equally influential to Anderson is her mother, who made the selfless decision to leave her successful management career in social work to focus on raising Rachel while her father pursued his professional endeavors. “As I mature, I increasingly recognize and appreciate her sacrifices,” Anderson said. “Her daily embodiment of grace, kindness, and selflessness serves as a constant reminder of the importance of prioritizing others. I consider myself profoundly fortunate to have been raised by such exceptional role models. Their unconditional love, unwavering support, and unwavering commitment to my growth have continuously inspired and challenged me to strive for success.”

Anderson’s inner drive stems from the combination of a solid foundation, faith, and a strong sense of self, qualities she continuously refines with each passing year. When confronted with new situations or environments, Anderson said she tends to

refrain from immediate action and instead opts to observe, gather data, and take notes before formulating her assessment.

“Analytical by nature, I approach challenges with a measured response,” she said. “I possess a fierce sense of independence and am relentless in my pursuit of accomplishing tasks once assigned. Yet, as a leader, I am increasingly cognizant of the significance of engaging others and ensuring that every member of my team can harness their skills to their fullest extent.”

Learning to delegate effectively has been, and continues to be, a crucial aspect of Anderson’s leadership journey. Understanding that delegating tasks does not equate to failure, but rather fosters the growth and success of the team as a whole, is a lesson she said she is still internalizing. “It also serves to prevent burnout by distributing responsibilities among team members.”

Growth is something that Anderson is always pursuing, whether it be in her career path, the relationships she keeps or her examination of self. “We’ve all experienced loss and we’ve all experienced hardship,” she said. “We’ve made mistakes. Examining and understanding the impact of those experiences is how they become pivotal, defining moments in our lives.”

Evaluated experience is how individuals grow. It may be messy and painful, but ultimately, people can emerge stronger and wiser. “I always knew that but I didn’t understand it fully until I started to do the work on myself and make small, gradual changes from the inside out,” Anderson said. “This process fuels my motivation to succeed and serves as a promise I make to myself: that each day will be better than the last, and tomorrow better still.”

Recognizing indispensable contributions

Escalating inflation has exacerbated the existing wage disparity, presenting a significant challenge for entry-level roles in healthcare supply chain, such as materials technicians. “These positions are pivotal in facilitating the seamless delivery of supplies to every corner of our hospitals,” Anderson said. “Without their diligent efforts, ensuring that vital medical and surgical products reach the hands of our skilled nurses and doctors, the task of saving patient lives would be considerably hindered. Despite their indispensable contributions, these roles often remain among the lowest paid within our organization.”

Recently, Baptist’s senior leadership took note of the invaluable contributions made by these individuals. Following a thorough examination of the wage gap, they made the decision to augment the minimum starting rate by \$2.50 per hour. “This decision was not made lightly and represents a significant triumph for our department,” said Anderson. “It serves as a poignant demonstration of our organization’s recognition of the intrinsic value these team members bring to our operations and their indispensable role within the broader healthcare ecosystem.”



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Alisha Beringer

Director, Supply Chain Distribution & Logistics, Supply Chain,
Northwestern Memorial Healthcare



Alisha Beringer’s journey to healthcare came through a passion and goal of helping others. She studied psychology in college, receiving both a bachelor’s and master’s degree. While searching for her “dream job,” she took what she thought would be a temporary position with a healthcare distributor.

However, the organization continued to challenge Beringer and grow her skillsets, giving her the opportunity to still help others, but within hospitals. “The connections and relationships I made eventually led me to an opportunity to transition to the provider side of the healthcare supply chain,” said Beringer, now Director, Supply Chain

Distribution & Logistics, Supply Chain, Northwestern Memorial Healthcare. “With all my knowledge of provider pain points, I was looking forward to the opportunity of having a more direct impact on change.”

Since joining the Northwestern Medicine Supply Chain team, Beringer has been able to be a collaborative change leader using partnership and trust to help bridge the gap between clinical and supply chain. She has also been able to implement strategic solutions to resolve challenges and enhance workflows that have positive impacts.

“Overall, my career path in healthcare has allowed me to continue to help others and make significant impacts to patient care in various indirect ways,” she said. “A small change to a workflow or a process can have a large positive downstream impact to our caregivers and ultimately our patients, and that is something I am proud to say I can be a part of.”

Priorities and problem-solving

In a post pandemic setting, today’s supply chain teams are focused on being more resilient amid constant uncertainty in product availability.

“As a hospital supply chain, our goal is to make sure our caregivers have what they need so our patients receive the care they deserve,” Beringer said. But in order to do that, they need open communication, visibility of data, and true partnership with suppliers. Since the uncertainties of global supply chain still exist, hospitals have had to learn to be quick to problem solve and do a lot with a little – all while trusting their vendor partners are doing their part to ensure they keep supply disruptions to a minimum and are being proactive in their communication. “Although we have made some improvements over the last few



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years, many vendors still work siloed and reactive, viewing the relationship as supplier and customer, rather than being on the same team working together to achieve the same goal.”

In order to help build a clinically integrated supply chain, Beringer has recently been focused on introducing more digitization and automation. “One way has been to implement an RFID technology in all our Surgical and Procedural departments.” This technology enabled the ability to push the expectation of how inventory could be managed and overall create a partnership between clinical and supply chain departments that promotes an efficient and financially responsible environment. “We have improved our overall rate of product expiration by 78% and supply waste by 50%. We also now have the visibility to track and quantify unaccounted for products and use data utilization to make informed inventory decisions.”

In addition to digitizing product on the shelf, Beringer has sought to solve the challenge of Bill-Only payments for vendor owned implants. Through deep collaboration and a focus on building quality into the process, a new platform was developed with one of Northwestern’s vendor partners to automate and visualize vendor implant spend. The creation and implementation of this tool has aligned clinical and financial data, while reducing the manual intensive process, which led to several improvements.

“We saw a reduction in manual labor hours by more than 82%, which optimized resource allocation, enabling efficient

use of staff resources and reducing administrative workload,” Beringer said. “We were able to enhance accuracy in vendor and clinical billing (over 99% improvement in EHR documentation accuracy), avoiding overpayments and financial discrepancies. We provided a quicker bill cycle both on the supplier and provider side – 63% of bills were being submitted by reps in less than 1 day along with a 22x increase in bills processed to a Purchase Order within 3 days, overall improving efficiency and reducing administrative costs.”

Leadership

Today’s supply chain teams need leaders that promote successes and encourage development, Beringer said. “Many organizations do not recognize how integral Supply Chain is in the overall operations and are often times not recognized for the daily efforts to make sure the organization not only can serve our patients but do so in a financially responsible way,” she said. “At Northwestern, our Supply Chain teams work hard to promote our successes within our department, as well as within our overall organization. We also strive to be servant leaders and create a culture of learning and sharing between leaders, peers and departments, sharing lessons learned and working together to create more efficient workflows and environments.”

Also, it’s important for leaders to prioritize investment in technology and analytics, big or small. “With current climates of supply and labor shortages, it is important to have tools in place to make the tasks in supply chain more efficient and less labor intensive, all while providing the data to help make better business decisions and help predict future risks,” she said.

What motivates Alisha Beringer to succeed?

- ▶ **Having the chance to make an impact.** “I consider everyone a customer and my motivation to succeed is knowing I have the ability to help impact someone’s day-to-day either a little or a lot.”
- ▶ **A commitment to continuous learning and growth.** “I am a lifelong learner and constantly pursuing information and opportunities to expand my knowledge and skillsets. I would rather be taught the how and why than simply be given the answer.”
- ▶ **Collaboration.** “I enjoy working with others to root cause the problem and creating a solution together.”

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AD-100 Rev H

Garret Hall

Director of Control Tower Operations Team,
Intermountain Health



Garret Hall found his way to healthcare through a government consulting project. He served as an analyst, tasked with evaluating the performance of a global healthcare supply chain. While Hall's interest in data and analytics had always been present, it wasn't until he visited his first hospital system in a developing country that the impact of the supply chain system became evident to him.

“Witnessing firsthand the crucial role played by the supply chain in sustaining a healthy population and community care left a lasting impression on me,” Hall said. “I recognized that, without a cohesive supply chain, even the most well-intentioned healthcare systems could falter due to a lack of necessary supplies for patient care. Observing the dedication of clinicians and their compassionate commitment to patients, I discovered a calling to contribute to the effort of supporting my community. It became clear to me that I wanted to play a role in improving systems to maximize support for those in need.”

Today, Hall is responsible for Intermountain's Supply Chain Operations Control Tower. The Control Tower is a function within Supply Chain Operations that is comprised of forecasting and demand planning, supply distribution strategy, supply disruption mitigation and product implementation management. This function leverages enterprise-wide data and systems to centralize management of Intermountain's warehouses, optimize their supply channels, minimize disruption, and maximize operations to the most efficient activities. Hall oversees a team of caregivers responsible for these activities within 33 hospitals, 385 clinics and a regional distribution center.

Recently, Intermountain's supply chain team celebrated the successful centralization of the management of hospital storeroom min/max and replenishment activities. This has enabled increased visibility and response to supply disruption mitigation, optimize their storage to increase the stock percentage, and centralize activity to minimize redundant workstreams.

Through their Control Tower processes, Intermountain has successfully designed and implemented a conversion process that enables them to complete a tiered approach to conversions. “This process ensures we maximize utilization of owned inventory prior to converting to a new product and aligns clinical education and communication in parallel to new item introduction and availability,” Hall said.

Intermountain’s supply chain team has also designed and implemented a strategic channel optimization tool that analyzes various item attributes to determine the most strategic sourcing logic. The tool evaluates these attributes to determine the optimal source to maximize the operations and cost associated with managing and distributing an item. “Leveraging the economies of scale and picking efficiencies of our internal fulfillment center, we were able to identify and implement sourcing logic that drives item replenishment to the most efficient source available,” he said.

Solving complex problems

In today’s environment, global disruptions and inconsistent availability of goods requires healthcare supply chain teams to think outside the box and solve increasingly complex supply chain problems, Hall said. “In the modern age we are both blessed and cursed with the vast amounts of data that we have accumulated in our global supply chain. Identifying where, when and how we apply the appropriate analytics to data to simplify and optimize processes will be an ever-changing process and approach. With many systems and tools to help automate the processes associated with supply chain, we can now

leverage the data foundation to begin looking forward as to how we can predict and anticipate the seemingly unending causes to supply chain risks and disruption that are ever-present in even the most robust supply chain systems.”

As the healthcare supply chain landscape continues to evolve, supply chain and organizational strategic alignment, supplier relationships, and investment in data and governance continue to be critical focal points for supply chain teams from organizational leadership.

‘With many systems and tools to help automate the processes associated with supply chain, we can now leverage the data foundation to begin looking forward as to how we can predict and anticipate the seemingly unending causes to supply chain risks and disruption that are ever-present in even the most robust supply chain systems.’

For supply chain teams to be successful, Hall said alignment to organizational business strategy is imperative to ensure appropriate inventory investments and minimize waste streams that deviate from approved item and asset management outside supply chain strategy. To increase operational effectiveness, identifying and aligning to core strategic suppliers, based on the business strategy, fosters collaboration and innovation driving down hard and soft costs to the organization through a reliable and efficient flow of goods and services, Hall said. This all hinges on data and information availability, which is why investment in data systems and applications is core to a successful and optimized supply chain.

Hall’s individual goals and motivations as a supply chain leader are to constantly evolve, both personally and professionally, and ultimately make tomorrow better than today, “through helping others, giving back, and striving to take advantage of the opportunities for improvement, specifically in the complex space of healthcare supply chain.”

Sasha Magee

Director of Strategic Sourcing, Intermountain Health



Sasha Magee grew up around doctors and observed a variety of hospitals and doctors' offices during her childhood. Her father is a retired child neurologist and served in the Air Force.

“Listening to him over the years, it always stood out to me how big of an impact the operations of a hospital had on his ability to provide care,” said Magee, Director of Strategic Sourcing for Intermountain Health. “Tackling some of those issues from a contracts and supply chain position has been a really rewarding challenge for me. I know that the work that my team does positively impacts the organization, and in turn supports the care that our clinicians provide to their patients.”

Magee’s dad and her maternal grandfather were both immigrants to the United States. “Seeing everything that they overcame makes me work hard to honor those challenges and sacrifices and to be a better version of myself every day,” she said. “I am always competing with myself – setting new goals to beat and taking on new challenges.”

As a leader, showing up for her team also keeps Magee motivated and energized. “Work is such a large part of our waking life, and making sure my team feels engaged, valued, and invested in is a huge priority for me. I’ve been fortunate to have amazing leaders who have invested in and shown up for me, especially at Intermountain. I hope to live up to that example by paying that forward.”

As Director of Strategic Sourcing for Intermountain Health, Magee leads a team of sourcing specialists who have responsibility for running competitive events, such as RFPs, and the drafting and negotiation of supply chain contracts. They are responsible for a wide range of contract types – products, services, SaaS and software licenses, construction, equipment, sponsorships, distribution, and pharmacy. As Director, Magee leads the training and development of the team

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across categories, develops their sourcing methodology, and provides strategy and support for the team’s projects. She also led the integration and change management efforts as they combined two different teams through 2022 and 2023, which “was a fun and unique challenge,” she said.

“I am actually changing roles at the moment,” she said. “After a decade in strategic sourcing, largely in healthcare, I am excited to have the opportunity to transition to the role of Director of Category Management over Pharmacy, and Non-Acute Direct Spend, and get to use my skills and experience in a different space.”

Today’s supply chain teams need leaders who can drive alignment cross-functionally, who can champion the work supply chain does, and facilitate communication and understanding between supply chain teams and their internal partners.

Magee is excited about launching a more agile contract strategy, utilizing a modular and customizable approach to their contracts instead of the classic standard contract template. This will support improved speed to contracting as well as stronger terms that better reflect the range of needs across categories. “I’ve also developed master classes in contract drafting and competitive events for the team,” she said. “These master classes help baseline skills across the team, provide reference materials, and help the team connect their work to other departments so they understand those interdependencies. The drafting masterclass leverages my legal background and helps my team incorporate drafting best practices that I’ve taught to law students. In this way, the team is drafting crisp, structurally sound language to back up the concepts being negotiated without needing an attorney or paralegal to do that level of work.”

Today’s stress points and tomorrow’s success

Post-pandemic, supply chain teams struggled with high inflation and suppliers raising pricing due to raw material shortage,

transportation issues, and other disruptions in their supply chain. As we move into 2024, those factors have settled down, “but many suppliers are still leaning on those excuses to try to increase or maintain high prices,” said Magee. “We are negotiating aggressively and identifying areas where we can put pressure on suppliers, especially those posting favorable profits.”

Hospitals and health systems are also seeing rapid innovation in the marketplace through AI. Identifying where to invest time, money and resources to stay competitive while still tackling the day-to-day operations will be a challenge for many supply chain teams.

Finally, Magee believes a key to future success will involve supply chain teams looking inward. Where is there waste in their processes, policies, systems, and standard work? How can they drive efficiency without sacrificing quality? What is the return on investment for their daily work? “How can we collaborate more successfully across functions and departments to tackle challenges?”

Today’s supply chain teams need leaders who can drive alignment cross-functionally, who can champion the work supply chain does, and facilitate communication and understanding between supply chain teams and their internal partners. They also need leaders who understand non-pricing value – such as supply chain resiliency, risk mitigation, and total cost of ownership. “There are a lot of hidden costs in supply chain that aren’t captured in a simple savings calculation,” Magee said. “While pricing will always be important, we have to address the hidden costs that are consuming resources as well.”

Kenya McConneaughey

MBA, Sourcing Associate, Strategic Sourcing, Novant Health



As a sourcing associate for corporate purchase services for Novant Health,

Kenya McConneaughey's role is multifaceted. She manages a spectrum of the corporate purchase services portfolio, overseeing tasks such as drafting and redlining contract documents. McConneaughey takes the lead in supplier negotiations, which involves issuing RFPs, analyzing responses, and conducting evaluations. Serving as a liaison between Sourcing and Novant Health operational leaders, she also ensures seamless collaboration to meet business needs and implement changes related to vendor relationships and contracts.

"Additionally, I work closely with NH Procurement and Accounts Payable to ensure the efficiency of the procurement-to-pay cycle, meeting our contractual obligations," she said. "Regular communication with key NH operational leaders and vendor partners is integral to achieving shared goals and fostering successful partnerships."

One of the significant stress points for today's supply chain teams is recovering from the impact of COVID-19. High prices for goods and services pose challenges

in negotiating favorable terms, creating a demanding environment for procurement professionals, she said. Because of this, a recent success for McConneaughey and her team involved successfully implementing cost-saving measures in the procurement process. This led to increased efficiency and improved budget management.

Working behind the scenes

McConneaughey's interest in health-care is rooted in a deep-seated desire to give back to her community. While she operates on the business side and works behind the scenes, the satisfaction comes from knowing that she plays a crucial role in supporting families during their most challenging moments. "Helping individuals at their lowest points aligns with my passion for making a positive impact on people's lives," she said. "Even though my contributions may not be immediately visible, the knowledge that I am part of a system that positively impacts the well-being of individuals in the community is immensely fulfilling."

McConneaughey said her motivation to succeed is fueled by the unwavering belief that failure is not an option. "This mindset propels me to overcome challenges and continually strive for excellence in my role."

Organization support

Today's supply chain teams need strong support from organizational leadership. "Clear communication, strategic guidance, and resource allocation are crucial to navigating challenges and maintaining a resilient and responsive healthcare supply chain," McConneaughey said.

Mike McDonough

System Director of Sourcing and Vendor Management at SSM Health



Initially, Mike McDonough didn't know what he wanted out of his career.

When he was a junior in college, McDonough started looking for internship opportunities in different industries. He was fortunate enough to intern with The Resource Group (Ascension) as a supply chain analyst. “The internship was an amazing experience, and I immediately knew I wanted to find a role in healthcare,” said McDonough. “And I haven’t looked back since.”

McDonough’s favorite aspect about working in healthcare supply chain is being able to interact with internal and external stakeholders to solve complex challenges and explore new opportunities. “I believe it is important to have some knowledge of all the various aspects of our business; however, it’s impossible to have all of the answers,”

he said. “Having the ability to build and maintain relationships with key stakeholders and vendors creates an avenue to quickly overcome obstacles and determine what opportunities to focus on.”

At the end of the day, everything a supply chain team does is focused on the care and healing that they are delivering to the communities they are blessed to serve. “You don’t get that outside of health-care delivery,” McDonough said. Indeed, outside of healthcare delivery the focus is on generating shareholder value, outperforming analyst projections, or driving operating profit at all costs. “Knowing our work is positively impacting lives and communities is extremely rewarding.”

McDonough serves as the System Director of Sourcing and Vendor Management at SSM Health, which provides exceptional health care services to communities across Illinois, Missouri, Oklahoma and Wisconsin. The IDN has a centralized sourcing contracting function, and supply chain is responsible for all non-FTE labor expense for the organization.


Over the last few years, he and his team have driven a lot of change and clinical alignment throughout the organization to establish a strong foundation to enable long-term, sustainable success. Early in their journey, they focused on developing and standardizing various processes and implementing enabling technology solutions. Through these efforts, they implemented a contract lifecycle management solution, transitioned to a new GPO partner, standardized their request in-take and implementation process, and developed end-user engagement structures through Solution Groups and Value Optimization Teams.

“Each of these initiatives had a positive impact for our system; whether that be cost

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savings, gaining efficiencies, reduction of unnecessary variation, supporting standards of care, or enhancing collaboration,” McDonough said. This said, collectively, their efforts have allowed them to redefine the vision for their function and quickly become a department others look to as a strategic partner within the organization. “Since we’ve implemented these changes, we’ve increased the annualized value our function is providing by over 400% annually.”

Solution Groups

Overall, McDonough and his team’s goal is to develop supply strategies necessary to support the delivery of exceptional health care services while being good stewards of their resources. The Solution Group structure provides an avenue for key stakeholders, including clinicians, to participate in the decision-making process. “As we review a specific product category, we rely on our Solution Groups to identify the product attributes necessary to provide care and safety for our patients, caregivers, and employees,” he said. “Our team then negotiates the best value for the suppliers and products that meet those defined attributes.”

‘Leveraging cost per case analytics, clinical and outcome data, and reimbursement information will be key to developing sustainable strategies.’

Reducing unnecessary variation will be key to improving outcomes and providing value-based care, he said. Solution Groups are their way to align with end-users to accelerate this work within the organization. When reviewing a product or service category, the intent of this structure is to have the users of the product or service discussing their needs amongst each other – while support departments provide key data elements as necessary – and collectively finalize a decision for the system. “Essentially, we are creating a collaborative, transparent environment that allows us to partner with key stakeholders to develop clinician/user led strategies for our organization,” McDonough said.

This is not necessarily a new concept within the industry, however one that is often overlooked. “An article that resonates with me when thinking about this work is ‘Integrated Practice Units: A Playbook for Health Care Leaders’. In this article, Porter and Lee shared: ‘How individuals are organized to do their work matters

profoundly. Excellence is not defined by the performance of individuals, but instead by the expertise, integration, and coordination of a team with clinicians who can learn as a group from past performance and best practices.’ Our hope is that our Solution Group structure provides an avenue to coordinate and advance this work for our system.”

Journey to value-based care

Two trends that McDonough is keeping an eye on in 2024 are artificial intelligence and advanced analytics. “I believe AI will play a critical role in transforming various operations and reducing costs in our industry,” he said. “There are so many potential use cases for AI and we are just beginning to understand these capabilities.”

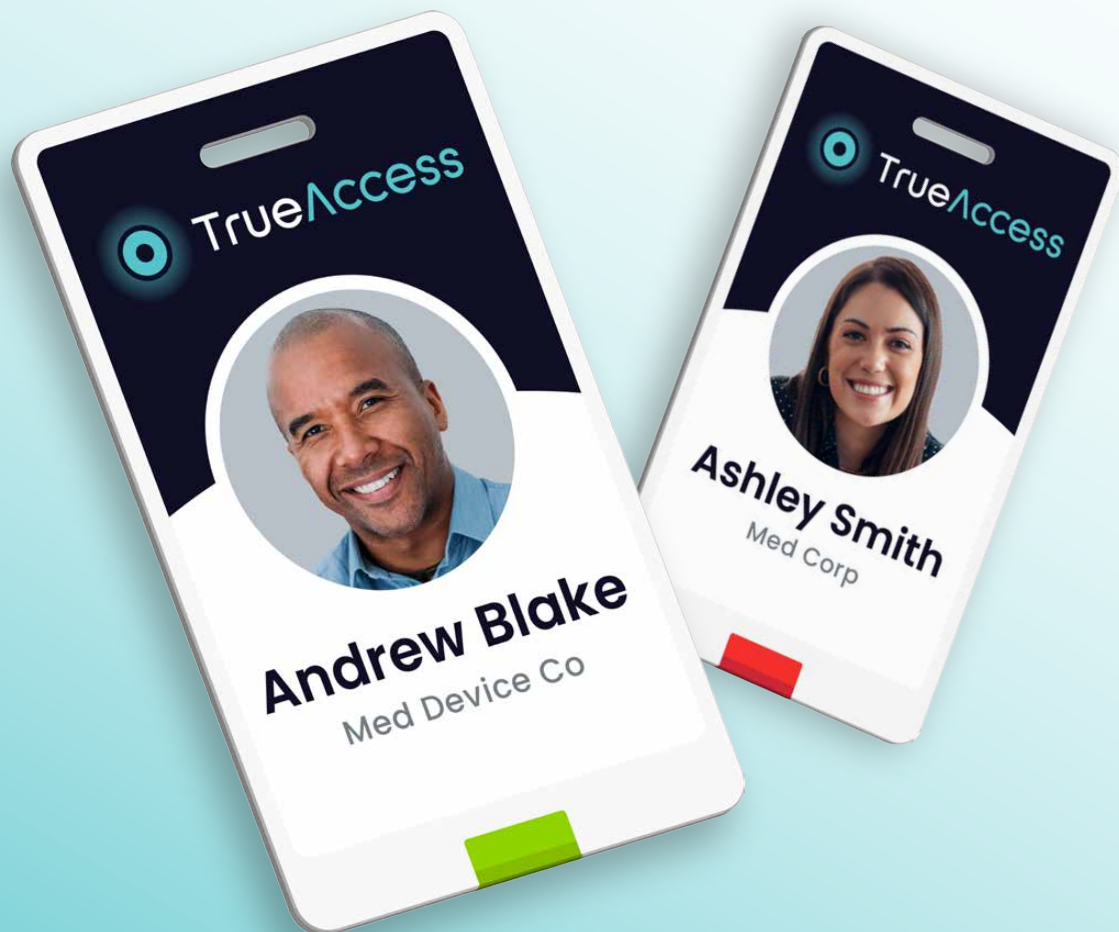
Regarding advanced analytics, having actionable data is key to success. It’s no longer acceptable to just look at the upfront cost of a product, McDonough said. Leveraging cost per case analytics, clinical and outcome data, and reimbursement information will be key to developing sustainable strategies. “It will be important for our organization to utilize this information effectively and transparently as we continue our journey as a value-based system of care,” he said.

McDonough believes SSM is well on its way to meeting that goal. “SSM is a fantastic organization,” he said. “I’ve worked for non-profit, Catholic health systems my entire career. It is extremely motivating and rewarding knowing the work we do every day is for the benefit of the communities we serve rather than the bottom-line. “

Ultimately, the people at SSM make it a special organization to work for, he said. “Having a strong workplace culture is key to our success and we are lucky to have so many talented individuals on our Supply Chain team and across the organization.” ■

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Privia Health Expands Footprint

The commercially traded healthcare provider has expanded its footprint to over 1,000 practice locations in the U.S.



Privia Health's first practice went live more than 10 years ago in August 2013 with Internal Medicine Associates of Reston in Reston, Va., and it began trading on the Nasdaq Global Select Market in May 2021. Today, the network and tech-enabled commercial healthcare provider (CHP) has over 4,100 providers and 1,000 practice locations in its purview serving over 4.7 million patients. Its stated mission is to transform the healthcare industry by empowering physicians, enhancing the patient experience and driving better outcomes by partnering with independent providers to help navigate the transition to value-based care.

Privia Health's five core services

Privia Health strives for better outcomes in value-based care through its five core services, including:

- ▶ Technology and population health.
- ▶ Management services organization.
- ▶ Single-TIN medical group.
- ▶ Accountable care organizations.
- ▶ Network for payers and purchasers.

Technology and population health:

Privia Health's tools are designed to enhance independent providers' workflow. It aims to optimize practices' web presence so patients can easily find a provider online and receive appointment reminders to fortify patient retention and avoid no-shows. It embeds insights directly into its EHR so providers can assess both

patients' health and practice performance. Its technology sends risk adjustment factor and care-gap reminders to improve workflows and the patient experience. Finally, it supports treatment with patient education tools, transitional and chronic care management, and care plans.

Management services organization

(MSO): Privia Health's MSO aims to leverage its scale to reduce administrative work, increase efficiency and lower direct costs for providers through revenue cycle management, performance management, analytics and reporting, clinical IT, IT support and marketing.

Single-TIN medical group:

Privia Health's medical group allows providers to adapt to serve their patients' and region's unique needs and harness the single tax entity for negotiating power, clinical integration and alignment of financial incentives. Providers in Privia Health's medical group collaborate in physician-organized delivery meetings to review analytics, share best practices, create accountability and advance evidence-based medicine while maintaining their autonomy. Providers can reduce expenses by using Privia Health's ancillary services and access group purchasing discounts.

Accountable care organizations (ACO):

Privia Health's proprietary, cloud-based technology platform aims to identify quality gaps, send patient satisfaction surveys, automate patient outreach and education, and generate reports and alerts to improve care coordination. It collects data from payers, providers and patients to advance population health and streamline physicians' workflows.

Network for payers and purchasers:

Privia Health's networks helps providers connect with new patient populations, create custom contracts for better value and integrate with the community. Its contracting services look to leverage data and physician input to help providers grow their patient base and influence care. It works with health systems to increase alignment of employed and independent physicians to optimize resource utilization through its clinically aligned model.

Privia Health expands market footprint, signs partnership agreements with AI-based tech enablers

Today, Privia Health serves 15 markets across the U.S. and launched an OB-GYN initiative in Texas in December 2023 called Privia Wellness that utilizes tech-enabled women's health company Iron Health to support Privia Medical Group Gulf Coast's OB-GYN providers' weight management offerings.

It also announced an agreement in November 2023 with Calm Waters AI, a fully autonomous AI Evaluation & Management (E/M) coding application for providers. Provider groups affiliated with Privia Health can implement and use Calm Waters AI at a discounted subscription rate as the software solution is designed to eliminate clinician stress associated with E/M coding

through speed, compliance and standardization. That followed an agreement in September 2023 with Navina, an AI-powered primary care platform that aims to transform complex, fragmented patient data into actionable insights at the point of care.

And after appointing former President and COO Parth Mehrota as CEO in June 2023, Privia Health entered a partnership with Velocity in July 2023 to embed clinical research into practice sites. It builds on Velocity's embedded site model strategy and expands access to clinical trials for Privia Health patients and providers. With the first site opening in Abilene, Texas, the partnership is intended to establish integrated research sites within existing Privia Care Center locations that do not currently conduct clinical trials. Velocity will staff and operate the joint research sites. ■

Commercial Healthcare Providers News

CVS Health, Ohio State Wexner Medical Center form ACO

The Ohio State University Wexner Medical Center and CVS Accountable Care, part of CVS Health®, announced the creation of an accountable care organization (ACO) to improve the quality of care for Medicare beneficiaries by Ohio State providers in central Ohio. This coordinated approach to delivering care is centered around each patient's unique needs and emphasizes preventive wellness and proactive treatment of chronic conditions.

The new CVS ACO, LLC (CVS ACO), a Medicare Shared Savings Program (MSSP) Enhanced track ACO, expands the Ohio State Wexner Medical Center's ACO work and furthers both organizations' focus on improving people's lives and providing patients with the right care at the right time in the most

appropriate care setting. The CVS ACO will combine resources from both organizations to provide more patients with care coordination and longitudinal care management to address both medical and social needs.

"As we prepare for the nationwide shift to having all Medicare beneficiaries in accountable care relationships by 2030, this collaboration with CVS Accountable Care is a natural progression of Ohio State's work in this space that builds on our commitment to provide the very best care to every patient, every time," said John J. Warner, MD, CEO of The Ohio State University Wexner Medical Center and executive vice president at Ohio State. "It's important that we meet every patient where they are in their health care journey and take the next step in being accountable for our patients' holistic health and improved outcomes." ■

Kaleida Health's Journey to \$75M in Savings and Health System Transformation

Alongside consolidation, consumerism and technology advances, Kaleida Health recognized the opportunity to unlock the value of the supply chain for cost savings, growth and high-quality patient care.

In five years, Kaleida Health recognized more than \$75 million* in total savings – all while maintaining quality care and strong clinical outcomes.

Here we outline Kaleida Health's core strategies in advancing cost, quality and outcomes (CQO) for a future of better, smarter healthcare.

Putting Value Analysis at the Center

A clinically integrated supply chain is a core operational mindset for Kaleida Health. Kaleida Health worked to align organizational goals with its value analysis process and deploy a systemwide, physician-led decision-making structure.

The organization leveraged Premier's group purchasing organization to manage nonlabor spend and augment existing agreements through the value analysis lens, alongside a dedicated team and actionable data to identify products and services that support CQO improvement.

Integrated, real-time clinical, supply and operational data gave the organization a leg up in achieving systemwide standardization, savings and price parity, with more than **\$17.7 million*** in savings recognized from the value analysis process in 2022.

Value analysis is also at the center of Kaleida Health's quality initiatives this year, including efforts to reduce CLABSI and CAUTI rates, implementation of a unique enteral feeding connector, and more.

Tackling Purchased Services

For improvement efforts, providers need to tackle areas that historically have been difficult to manage, such as purchased services.

Kaleida Health recognized this imperative and turned to Premier's purchased services arm to reference services pricing, develop processes to centralize this purchasing and avoid waste, and aggregate spend for best price contract negotiations.

The organization's optimization of purchased services contract categories drove **\$1.1 million*** in savings in 2023, and 15 initiatives have been identified for 2024, representing a spend of \$64 million.

A comprehensive technology platform is also helping Kaleida Health save money and time – surfacing analytics, benchmarks and actionable insights to source competitive contracts and easily measure purchased services usage and spend.

Advancing Clinical Care

With two long-term care facilities, outpatient clinics and home healthcare, Kaleida Health is addressing shifts in site of care through an integrated ambulatory care and physician enterprise strategy – aligning relationships with local providers and expanding its focus on population health. The team will continue efforts to establish clinician standards across the ambulatory enterprise – underpinned by transparent data sharing – to increase efficiency, reduce variation and drive revenue enhancement.

Kaleida Health is also driving quality and safety advancements to enable a systemwide framework for clinical decisions and standardization. The team will look at measuring and analyzing risk-adjusted clinical outcomes, cost, resource utilization and efficiency, and is working towards integrated data sets to help understand cost per case and other drivers to create new value streams.

Based on the transformation work to date, Kaleida Health is well poised for future success – comprehensively tackling CQO improvement that is generating positive results for the supply chain, organization, and communities and patients it serves.

Contact Premier to explore transformational objectives for your organization. ■

*Data on file. Results may vary based on each provider's circumstances. Trademarks are the property of their respective owners. Copyright © Premier, Inc., all rights reserved.



Explore Contracts, Reveal Insights

Analyze, search, summarize and strategically evaluate your purchased services contracts – all at once.

Built for supply chain professionals to work as an adjunct to your existing systems.

Gain Automated Insights to Inform Decision-Making

Easily extract insights, identify key terms and conditions, and turn your contracts into decision-making tools.

Bid Farewell to Manual Hassles and Improve Turnaround Times

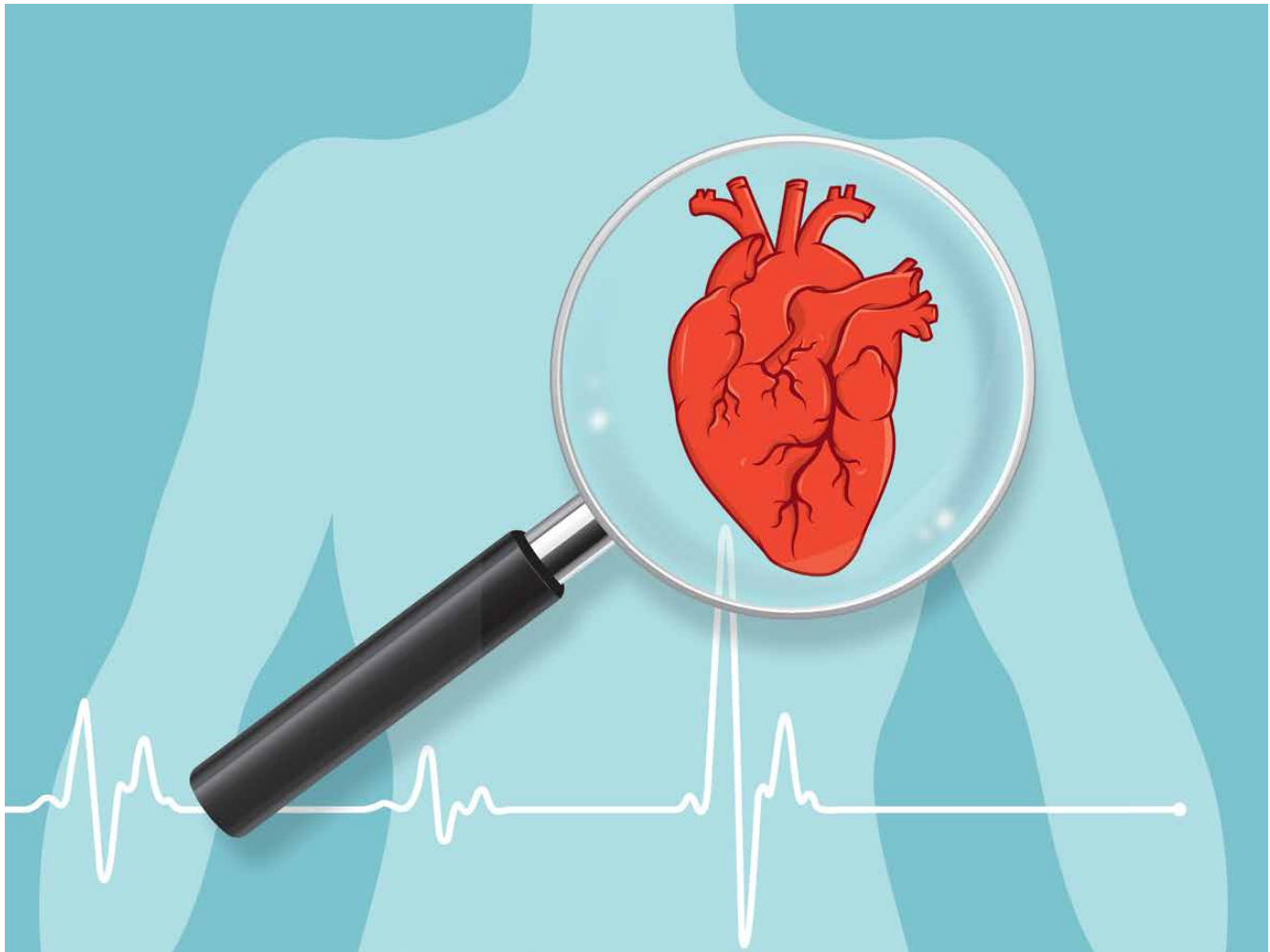
Let automation be your ally. Speed up the contract review process through searchable queries, saving staff hours of precious time and eliminating burdensome work.

Automate Insights Extraction

Obtain a comprehensive understanding of your contract scope without having to manually review every contract page.

Learn More: Scan the QR code to watch the demo.





Heart Failure: It's Complicated

Managing treatment for people with heart failure calls for continual monitoring and collaboration among physicians.

More than 6 million adults in the United States have heart failure, and about 60% of people in the United States with heart failure are treated solely by primary care or internal medicine/family practice providers, says Nancy Albert, PhD, CCNS, CHFN, CCRN, NE-BC, FAHA, FCCM, FHFSA, FAAN, associate chief nursing officer, research and development, at Cleveland Clinic's Stanley Shalom Zielony Institute for Nursing Excellence as well as past president of the Heart Failure Society of America. Even when hospitalized, some providers choose not to consult with a cardiology provider.

Cardiologists continue to play an important role, of course. Patients often seek a cardiologist's care if they want a second opinion, or if they are hospitalized and a cardiologist is assigned to them. Nor are primary care physicians likely to lead the treatment of patients with heart

failure that is due to genetic causes and high-risk, low-frequency causes.

“But there are not enough cardiologists to manage all heart failure patients in this country,” says Paul Heidenreich, M.D. professor and vice chair for quality, Department of Medicine, Stanford University School of Medicine. “Thus, many primary care physicians will help manage, or exclusively manage, those with mild heart failure.”

What is heart failure?

Heart failure often results from poor left ventricular function. It is the contraction of left ventricle of the heart that forces oxygenated blood through the aortic valve to be distributed to the entire body. With such an important role, decreased function can induce symptoms of the disease.

The “ejection fraction” is the amount of blood that the heart pumps each time it beats. It is measured as a percentage of the total amount of blood in the heart that is pumped out with each heartbeat. A normal ejection fraction is 50% or higher. An ejection fraction below 40% means the heart isn’t pumping enough blood and may be failing.

Adults may be at risk for heart failure when they have other forms of cardiovascular disease (e.g., high blood pressure, coronary heart disease, post myocardial infarction, valve disease, atrial fibrillation or other dysrhythmias), type 1 or 2 diabetes, obesity, chronic obstructive pulmonary disease or other conditions, says Nancy M. Albert PhD, CCNS, CHFNP, CCRN, NE-BC, FAHA, FCCM, FHFSA, FAAN, associate chief nursing officer, research and innovation, at Cleveland Clinic’s Stanley Shalom Zielony Institute for Nursing Excellence.

Heart failure often displays itself with shortness of breath, fatigue, irregular heartbeat, abdominal discomfort and swelling in the legs and feet. Doctors are likely to order tests – most often, echocardiography – to determine ejection fraction, but they also rely on cardiac catheterization, magnetic resonance imaging, nuclear medicine scan or computerized tomography.

For their patients with shortness of breath and fatigue or leg weakness, primary care providers should obtain a NTproBNP lab test, which provides data on stress to the walls of the left ventricle, says Dr. Albert. If that test is elevated, they should order a 2-D echocardiogram and other lab (serum and urine) tests plus an electrocardiogram (12-lead ECG) to rule heart failure in or out. The echocardiogram can also provide data on valve function and may help the provider understand the etiology of the heart failure.

There is evidence from a randomized trial that patients 40 and older with risk factors for heart failure (e.g., hypertension, diabetes, vascular disease including coronary artery disease) benefit from BNP screening to identify and treat unrecognized left ventricular dysfunction, adds Dr. Heidenreich.

Avoiding hospitalization

The primary care physician’s role in treating people with heart failure is like that of the cardiologist, if they are the sole provider of heart failure care, says Dr. Albert. That role includes determining the cause of heart failure (and then treating it, if modifiable), conducting regular assessments, testing for improvement or worsening of the condition, and initiating and optimizing heart failure medications.

Adds Dr. Heidenreich, if a specialist is managing the condition, the primary care physician should monitor for a decline in the patient’s health status and notify the specialist of any change. The specialist’s treatment plan should be made clear to the primary care physician, and if there is concern that this plan is not following recommended guidelines, the primary care provider should raise these concerns with the specialist.

An important goal for any doctor treating patients with heart failure is to help them avoid hospitalization.

Says Dr. Albert, in general, neurohormones are produced when the heart is under stress, during “decompensation.” The neurohormones that are released make the heart work harder and affect the kidney as well, leading to worsening heart and kidney function. They also cause symptoms (e.g., difficulty breathing) that bring the patient into the hospital. Even after reducing symptoms of an acute episode, the neurohormones in the body may still be activated and can lead to worsening outcomes.

Some patients are hospitalized for acute decompensated heart failure because they fail to follow lifestyle recommendations, such as eating a heart-healthy diet, stopping smoking, walking every day, decreasing sodium content in foods eaten, getting a flu shot, managing high blood pressure or high lipid levels, or taking their medications as prescribed. “In these cases, it is very important for providers to educate patients on lifestyle and medications so that patients understand instructions (what, how, why, when...) and can be adherent,” says Dr. Albert.

The other way providers can help patients avoid hospitalization is by prescribing evidence-based heart failure medications, she says. There are four classes of

medications patients with heart failure and reduced ejection fraction should be on: renin-angiotensin system inhibitors (ACEi, ARB or ARNI), beta-blockers (evidence-based), mineralocorticoid receptor blockers, and sodium glucose co-transporter inhibitors.

Not for lone wolves

Managing treatment for people with heart failure calls for continual monitoring by the primary care team and ongoing collaboration with specialists and the patients (and/or their caregivers) themselves. The reason is, heart failure is complicated.

‘There are not enough cardiologists to manage all heart failure patients in this country.’

According to the American College of Cardiology, more than 50% of Medicare patients with heart failure have four or more non-cardiovascular comorbidities (e.g., obesity, chronic lung disease, diabetes, chronic renal disease, etc.). More than 25% have six or more, raising the risk of inefficiencies of care delivery, miscommunication, potential drug-drug interactions and drug-disease interactions, and missed opportunities to achieve optimal outcomes.

Says Dr. Albert, the primary care doctor should consult with an electrophysiologist cardiologist if a device is needed (pacemaker or implantable cardioverter-

defibrillator); a structural heart disease cardiologist if valve repair is needed; an interventional cardiologist if a cardiac catheterization procedure is needed; or a cardiac surgeon if surgery is needed. If the patient’s condition matches criteria for advanced heart failure, the primary care provider should consult a heart failure specialty cardiologist or, at minimum, a general cardiologist.

“Providing guideline-recommended care, such as the 2022 ACC/AHA/HFSA Heart Failure Guideline, will help keep patients living healthier with fewer hospitalizations and greater survival,” adds Dr. Heidenreich. “Often the doctor needs help,

and if they have team members able to prescribe and manage medications (nurse, pharmacist), they should optimize care.”

What’s coming up?

Drugs that lower blood pressure, improve the heart’s ability to pump blood, slow the heart rate and prevent scarring of the heart muscles play a big role in the treatment of heart failure. And there has been progress in recent years, including the introduction of drugs such as Verquvo, Entresto and Corlanor. A group of drugs called sodium-glucose cotransporter-2 (SGLT2) inhibitors is also showing promise for heart failure treatment.

Physicians have many non-medical options to ensure their patients adhere to an agreed-upon treatment regimen, according to the American College of Cardiology. They include:

- ▶ Understanding reasons for nonadherence, including patient factors (such as poor health literacy, perceived lack of effect, depression, social isolation, cognitive and physical impairment), medical condition (polypharmacy due to multiple comorbidities), therapy (frequency of dosing, side effects), socioeconomic (out-of-pocket cost, difficulty accessing a pharmacy), and shortcomings of the health system (poor communication, silos of care, lack of automatic refills).
- ▶ Shifting language away from patient “compliance” to “adherence,” “activation,” “engagement” or “empowerment,” emphasizing support, not blame.
- ▶ Starting guideline-directed medical therapy before the patient is discharged from the hospital, simplifying medication regimens, communicating with other clinicians involved in care, considering the impact of costs and access on their patients, recommending tools that support adherence in real-time (such as pillboxes filled by caregivers), anticipating problems (such as refills), and promoting motivational interviewing).
- ▶ Providing medication education, disease education, teaching of self-monitoring and self-management, and taking advantage of mobile health, such as reminders, warnings, and adherence tracking. ■

Editor’s note: *The 2022 AHA/ACC/HFSA Guideline for the Management of Heart Failure: A Report of the American College of Cardiology/American Heart Association Joint Committee on Clinical Practice Guidelines, can be found at www.ahajournals.org/doi/full/10.1161/CIR.0000000000001063*

ONE SOURCE OF TRUTH FOR CONNECTIVITY

As health systems continue to grow and expand, data shows that across an entire IDN, there are on average 16 different EMRs in use.¹ Each takes time and money for maintenance and connectivity.

Eliminate redundancies across the entire health system and leverage one system to send patient data from 25+ different modalities, including ECG, Stress, PFT and Holter to Cardio Server for care teams to access, with results available immediately in the EMR. Limit the number of systems a clinician needs to open to get a patient's full cardiology history. Cardio Server is your one source of truth.

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CARDIO SERVER

DIRECT CONNECT TO EMR



ELI 380 Resting ECG



Wireless Acquisition Module (WAM)



ELI 280 Resting ECG



Q-Stress Cardiac Stress Testing System

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Supply Chain By the Numbers

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

New “budget busters” for 2024 and beyond

Pulse Field Ablation Catheters (PFA)

Little has changed in treating Atrial Fibrillation (AF) over the past 15 years – until now. AF is an irregular, often very rapid beating of the heart. Conventional therapy uses a catheter to deliver extreme heat or cryotherapy to create lesions in the heart to stop AF. Although somewhat rare, this energy can damage surrounding structures, including the esophagus, leading to complications and even death.

Since late 2023, both Medtronic (PulseSelect™ is a novel procedure called

renal denervation) and Boston Scientific (FARAPULSE™) have won FDA approval for their proposed treatment of AF. Johnson and Johnson and Johnson and Abbott could follow in the market with their own solution¹.

In Europe, early users are reportedly paying about double the cost of their current ablation catheters. There are significant advantages to these new treatments in terms of safety and patient care, and significant growth of this category is expected in the next ten years².

EXPECTED PRICE

2X

Current Prices

MARKET SIZE

\$11 Billion

by 2028

CAGR

24.2%

through 2033

High-Priced Drugs

Not only are some new drugs costly – but they increase the complexity of care delivery as well³.

Drug	Annual Cost Per Patient	Eligible Targeted Patients
GLP-1 Antagonists for Weight Loss	\$16,200	142 Million
Hemgenix Gene Therapy	\$3.5 MILLION PER PATIENT	3,300
Leqembi® (lecanemab) for Alzheimer’s	\$26,500 PER PATIENT	100,000

Chart⁴ adopted from Advisory Board Company.

More Robots

Da Vinci

The da Vinci 5 robot is coming, possibly as soon as 2024 according to Intuitive Surgical CEO Gary Guthart⁵.

10,000X

The processing power of the da Vinci 5, compared to its predecessor.

21%

Rise in fourth quarter Intuitive procedure volumes.

13-16%

Projected procedure growth in 2024.

Orthopedic Robots

Orthopedic companies, including Stryker and Zimmer Biomet, have been promoting robotic knee surgery as more accurate.

60%

...of Stryker's knee procedures were performed using their Mako[®] robotic system at the end of 2023. There have been some physician doubts about the evidence supporting robotic assisted total knee arthroscopy (TKA), however. Researchers, including Lucas Nikkel, performed a study of 9,220 cementless TKAs between 2017 and March 2020 that met eligibility criteria. 45% were performed with robotic assistance. All patients were 65 years or older. The results?

"Some patients desire robotic-assisted TKA because they've heard it is better, but we've shown that there isn't a true benefit in terms of the likelihood of needing another surgery in the early period."⁶

FTC requests public comment to understand lack of competition and drug contracting prices

The Federal Trade Commission handed drug wholesalers and national group purchasing organizations a Valentine's Day gift this year when they announced they were investigating how contracting practices might be contributing to drug shortages. They've started a 60-day period seeking public comment. The size and shape of the U.S. drug market is enormous⁷.

\$1.6
TRILLION

Size of the global market for prescription drugs

27%

U.S. share of the global prescription drug market

4%

U.S. share of the global population

For more information from the FTC on this investigation, go to: www.ftc.gov/news-events/news/press-releases/2024/02/ftc-hhs-see-public-comment-generic-drug-shortages-competition-amongst-powerful-middlemen.

Shortages continue to add costs, compromise care in hospitals

Senators Dick Durbin (D-IL) and Richard Blumenthal (D-CT) have requested that the Government Accountability Office (GAO) review the Food and Drug Administration’s oversight of drug recalls. They cited both the number of most serious recalls and growing volume of adverse event reports as reasons for the request.⁸

A survey conducted by ECRI and ISMP⁹ of more than 200 respondents last July showed clearly that there is a profound impact on both patient care and economics because of these shortages.

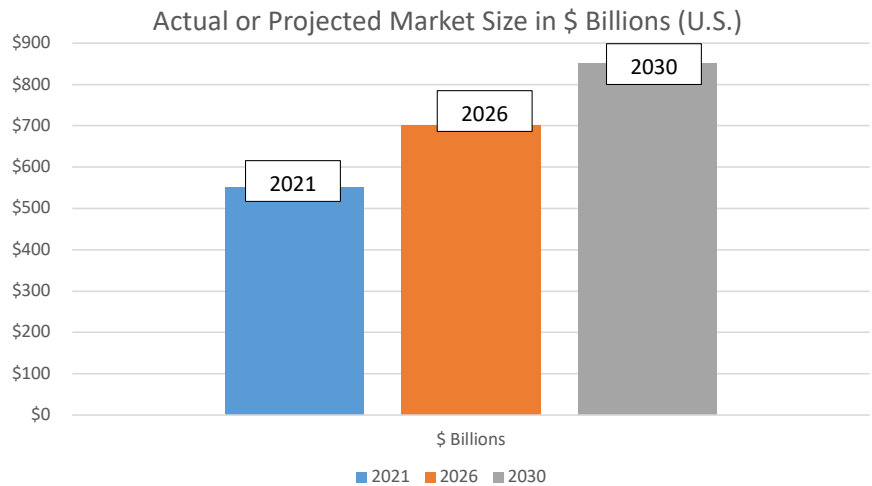
Concern ⁹	Respondents Answering “Yes”
Adding back-up inventory for crucial drugs, supplies or equipment	90 %
Rationing or restricting drugs, supplies or equipment in short supply	86 %
Patient treatments have been delayed	49 %
Respondent aware of at least one medical/ medication error related to a drug supply or device shortage	24 %

Medical device industry continues to grow

The size and scope of the United States medical device industry continues to grow and become even more complex. Since 1980 the industry has grown from 6% contribution to GDP to 16%¹⁰.

125,000

Number of medical device companies operating in the U.S.



Market for on-shore masks and gloves has collapsed

Like many “fads” in healthcare, the market for U.S. made masks has collapsed.¹¹ “About **70% of the 100** or so U.S. mask companies during the pandemic have closed, according to industry estimates.⁵⁹ Hospitals have gone back to cheaper, foreign suppliers as the pandemic receded.

While the cost of foreign-made masks may be less, the cost to the federal government is significant. During the pandemic the Feds distributed about **\$1.5 billion** so that U.S. companies could build plants for N95 masks, gloves, and other PPE. Where did some of it go?

\$123 Million
... went to build the nation’s first nitrile butadiene

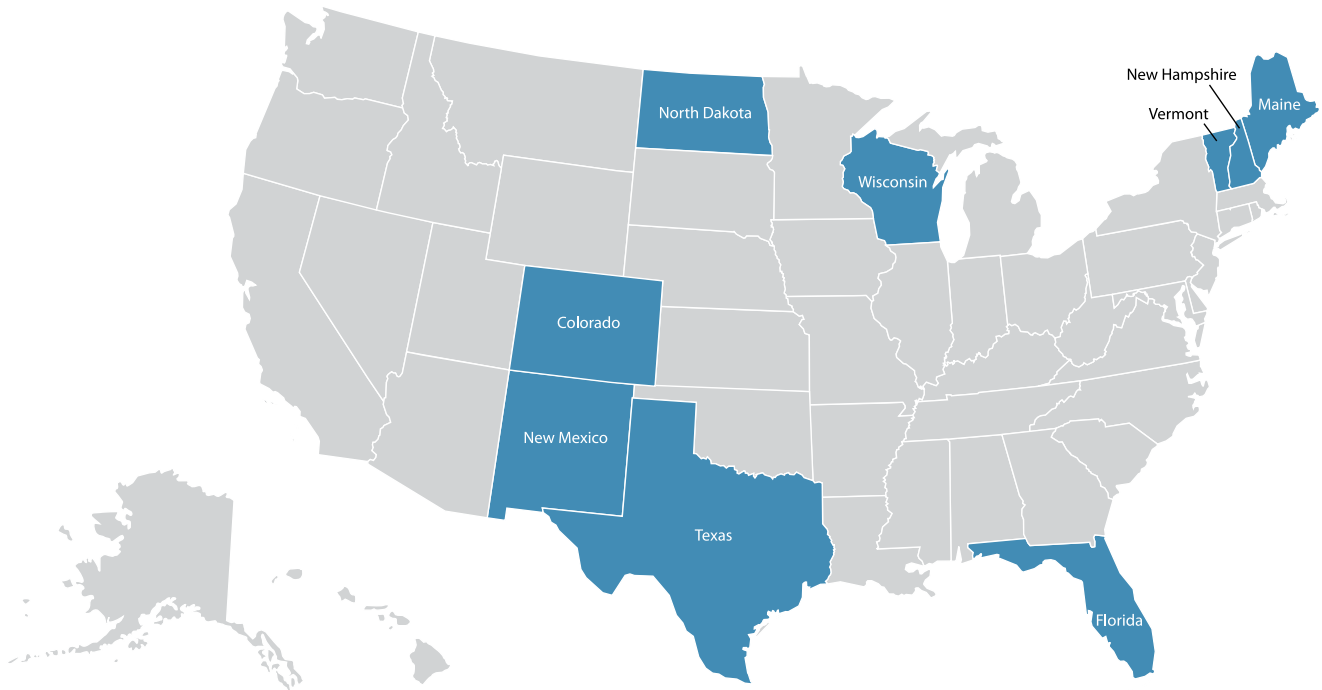
\$60 Million
... amount needed to hook up utilities to the plant

\$170 Million
... the amount needed to build the adjacent glove factory

Will Canadian drug importation solve drug shortage, high costs in the U.S.?

9 states have been cleared by the FDA¹³ to import drugs from Canada. However, the consumption of drugs in the United States is **9X** that of Canada¹⁴. Canadian health experts are worried that exportation of their drug supplies could result in their own shortages and increasing prices. While there is broad public support for this idea, there are a number of barriers to success, including branded manufacturers who have contracts with Canadian wholesalers that prohibit the practice of exporting their drugs to other countries. Once an application is approved, the FDA must also approve drug packaging and ensure that the drugs are genuine, a process that could take considerable time against the two-year approvals they grant states.

States with FDA approval to import drugs from Canada:



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The Transformation of the Healthcare Supply Chain

BY ERIC SWAIM, VICE PRESIDENT OF STRATEGIC SOURCING AT HEALTHTRUST PERFORMANCE GROUP

In the last four years, the healthcare supply chain has undergone unprecedented change. Eric Swaim, Vice President of Strategic Sourcing at HealthTrust Performance Group, shares his thoughts on the transformation happening with supply chain.

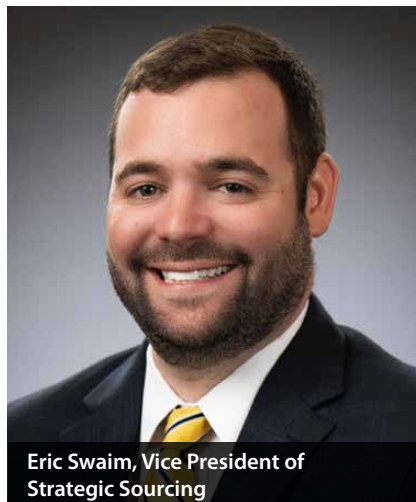
Q: What is the current state of healthcare supply chain?

Swaim: The supply chain in healthcare is continuing a transformation that began with the pandemic. Backorder rates spiked to 40% at the height of COVID-19 from a standard of about 5% pre-pandemic. Now, they average 10-15%. This has caused us to shift our way of thinking about supply chain – from an expense to be managed with “just-in-time” fulfillment model, to viewing supply chain as a strategic resource that needs to be actively managed because of the impact to patient care. Most health systems and suppliers have, or are currently undertaking this transformation by leveraging technology. We have traditionally talked about supply chain resiliency without understanding what that means. The conversation has evolved to supply chain risk and performance management.

Q: How is HealthTrust impacting this transformation?

Swaim: HealthTrust thinks differently about supply chain resiliency. We believe it starts before a contract is even written with a supplier. Suppliers want to work with us because of our aligned scale. We evaluate their ability to meet performance

standards and what, if any, risks are present. We work with suppliers to build in obligations that protect our members’ ability to deliver care. Finally, HealthTrust incorporates AI into our proprietary monitoring model that works to standardize fill rate and other performance measurements that enables us to deliver operational recommendations when necessary.



Eric Swaim, Vice President of Strategic Sourcing

Q: What should be the role of Group Purchasing Organizations (GPOs) in the supply chain performance?

Swaim: GPOs should be doing much more than just contracting with suppliers in a category. Health systems should

expect their GPO to be coordinating the supply chain at a macro level. When disruptions do arise, GPOs should be providing recommended inventory levels, coordinating with distributors to ensure delivery and providing valuable information so that providers can make the most informed decisions to ensure continuity of care.

Q: How can leaders objectively gauge the performance of their supply chain?

Swaim: They should evaluate three key factors:

- 1. Operating Model:** Is there a dedicated focus on supply chain resiliency that evaluates the performance of overall system, an ability to be resilient and manage risk?
- 2. Strategic Relationships:** What protections and mitigations are in the contracts with suppliers, whether negotiated by the health system or the GPO? What economies of scale are being leveraging?
- 3. Use of technology and data:** How is the portion of the supply chain that health system directly manages performing? What is the fill rate performance?

To learn more about the value HealthTrust provides its members and suppliers, please visit healthtrustpg.com. ■



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HealthTrust Performance Group elevates supply chain resiliency by leveraging our operator experience, AI and an unparalleled knowledge of the global supply chain to ensure you can deliver optimal patient care. Its a difference only HealthTrust can make.

**Dedicated to Making
Missions Possible**

Learn more!



What is the Right Address? Moving Medical Products Through the Healthcare Supply Chain Continuum

Navigating the intricacies of healthcare supply chain management requires precision, particularly

in ensuring that vital medical resources reach their designated endpoints without delay. As the dynamics of healthcare delivery undergo a transformative shift – from hospitals to non-acute facilities and even healthcare at home – the importance of having clear and standardized addresses has never been more critical.

Defining the Addresses:

- ▶ The **Ship To** address identifies the physical location where the product is to be received. This could range from an ambulatory center to a senior living facility, depending on the needs of the end-user.
- ▶ The **Bill To** address designates the location where the invoice for the product is to be received and processed. This might be the corporate accounting office or a designated P.O. box responsible for managing invoices and payments for supplies.
- ▶ The **Sold To** address identifies the primary account or top parent account responsible for maintaining the contract with the Group Purchasing Organization (GPO) or supplier. This could be an integrated delivery network or health system overseeing multiple facilities.
- ▶ The **Deliver To** address specifies the department or unit within the Ship To location where the product is to be delivered. For instance, within a hospital, this could be the specific department responsible for utilizing the product in patient care.

Standardization of Ship To and Bill To addresses across contracts are essential to reducing confusion, so products are delivered on time. This consistency not only enhances the efficiency of operations but also minimizes errors and discrepancies downstream, particularly when reconciling invoices and chargebacks.

By adopting standardized definitions and practices for Ship To and Bill To addresses, healthcare supply chain stakeholders can:

- ▶ **Improve On-Time Delivery:** Clear and consistent addressing ensures that products reach their intended destinations promptly, reducing delays and enhancing overall supply chain efficiency.
- ▶ **Reduce Errors and Discrepancies:** Standardization minimizes the likelihood of errors in invoicing and billing processes, reducing discrepancies and streamlining the chargeback process.
- ▶ **Enhance Contract Management:** optimizing procurement processes and ensuring compliance with the correct pricing tiers in contractual agreements.

Clear definitions and standardized practices for Ship To and Bill To addresses are fundamental pillars of effective supply chain management. By aligning on these definitions and implementing standardized processes, healthcare supply chain stakeholders can navigate the complexities of modern healthcare delivery with greater efficiency, accuracy, and reliability. Ultimately, this ensures that critical medical supplies reach the individuals and facilities that need them most, contributing to improved patient care and outcomes. ■



Manpreet Kaur Sandhu, Senior Manager of Industry Affairs, Health Industry Distributors Association

Industry News

Outpatient revenue has increased more than 40% compared to 2020

Recently, hospitals and health systems have experienced difficult years in terms of finance since the beginning of the COVID-19 pandemic. However, 2023 presented a more promising trend for hospitals and health systems. According to the latest data from Kaufman Hall, outpatient revenue has grown significantly, increasing by more than 40% compared to 2020.

The median calendar year-to-date operating margin index for hospitals was 2.3% in December, according to Kaufman Hall. Provider productivity has increased, while expenses continue to outpace revenue growth. Improved margins may indicate that hospitals and health systems are taking proper steps to adapt to the new environment, according to Kaufman Hall.

Participation grows in CMS' Accountable Care Organization initiatives

The Centers for Medicare & Medicaid Services (CMS) announced increased participation in its 2024 accountable care organization (ACO) initiatives. Increased participation will drive better quality care for individuals enrolled in Medicare. Nineteen newly formed accountable care organizations (ACOs) are participating in a new, permanent payment program that

begins this year, and will enable ACOs to receive advanced interest payments to care for underserved populations.

Advance interest payments through the program will enable healthcare providers in underserved areas to provide patients with whole-person care, and build healthcare clinic staffing, infrastructure, and develop care delivery, providing proper patient healthcare, according to CMS.

CMS' priorities are to expand access to affordable care and health coverage for users of Medicare across the nation. Accountable care organizations (ACOs) are groups of doctors, hospitals, and healthcare professionals that work together to better coordinate patient care and improve health outcomes. Accountable Care Initiatives will support ACOs, providing tools and financial support to healthcare organizations so they can deliver better care to patients through programs like the Medicare Shared Savings Program and Innovation Center accountable care initiatives.

Fifty new ACOs joined the program in 2024, and 71 renewed their participation, bringing the new total to 480 ACOs in the Shared Savings Program. Overall, in 2024 there are about 13.7 million people with Traditional Medicare aligned with an ACO, according to CMS. ACOs now serve half of the people with Traditional Medicare, which is a 3% increase from 2023.

In 2024, ACO initiatives including The Shared Savings Program, the permanent ACO program, and the ACO REACH model have continued to grow, enabling higher quality care for people with Traditional Medicare, and improving care for rural and underserved populations.

The Shared Savings Program has 480 ACOs, and the ACO REACH Model has 122 ACOs, serving 13.4 million people combined, according to CMS. Increasing the number and reach of ACOs in underserved communities will help in closing racial and disparities that have been identified among people with Traditional Medicare in accountable care relationships. Participation in ACO models in 2024 will overall assist patients with accessing quality healthcare that addresses their health needs.

Tenet to sell two hospitals

Tenet Healthcare Corporation has entered into a definitive agreement with Adventist Health for the sale of two Tenet hospitals and related operations in San Luis Obispo County. Tenet also announced its Conifer Health Solutions subsidiary will enter into an agreement to provide revenue cycle services for Adventist Health.

The transaction will include Sierra Vista Regional Medical Center and Twin Cities Community Hospital, as well as affiliated physician practices and other

related operations. The agreement is for approximately \$550 million (after-tax proceeds of approximately \$450 million).

The transaction is expected to be completed in the spring of 2024, subject to customary regulatory approvals, clearances, and closing conditions.

Nuvance Health to join Northwell Health

Nuvance Health and Northwell Health, two nonprofit, mission-driven healthcare organizations announced they have entered into a strategic agreement to form a new integrated regional health system serving communities across two states. The proposed agreement will allow the organizations to come together formally upon receipt of necessary regulatory approval.

“This partnership opens a new and exciting chapter for Northwell and Nuvance and provides an incredible opportunity to enhance both health systems and take patient care and services to an even higher level,” said Michael Dowling, president and CEO of Northwell Health. “We have similar missions in providing high-quality care for patients in the communities we serve. We look forward to building on the care that Nuvance Health’s 14,000 staff members and providers deliver each and every day.”

Northwell and Nuvance Health will combine the strengths of both organizations and advance the level of care for patients in New York and Connecticut. The new regional system will bring greater access to primary, specialty and hospital care through a diverse network of combined 14,500 providers and over 1,000 sites of care, including 28 hospitals.

“By joining forces with Northwell Health, we are taking a giant leap forward

in our shared mission to enhance the quality, accessibility and equity of the healthcare we provide to our communities,” said John M. Murphy, MD, president and CEO of Nuvance Health. “This agreement enables us to make significant improvements to health outcomes for community hospitals and to deliver unparalleled care and drive positive change in the healthcare landscape.”

Northwell will make significant investments in Nuvance Health, helping it continue to evolve as a high-quality and comprehensive healthcare system serving communities throughout New York and Connecticut.

SMI announces new Chair-Elect and Board Members

SMI®, a non-profit, community of healthcare supply chain organizations, has appointed 3 new Board members for 2024: Susan Louis, Vice President of Healthcare & Strategic Accounts from Staples; Eric Tritch, Vice President of Supply Chain & Support Services from UChicago Medicine; and Kelly Quick, Vice President of Contract Solutions from Stryker.

Lisa Hohman, CEO of Concordance Healthcare Solutions, is the Chair-Elect following Donna Drummond, SVP, Chief Expense Officer, Chief Sustainability Officer, from Northwell Health who has served as Board Chair since 2023. Hohman will begin her term as Board Chair in 2025.

The SMI Board of Directors includes 12 members, 6 provider partners and 6 industry partners to ensure a balanced representation of its membership which consists of leaders from large integrated delivery networks (IDNs) as well as suppliers, manufacturers, distributors, and service organizations. Hohman,

Louis, Tritch, and Quick all serve on SMI Thought Leadership Councils, which operate as catalysts for collaborative action and focus on strategic imperatives including clinical integration, key strategic collaboration, intelligent supply chain, and diversity & inclusion. SMI Thought Leadership Councils give members the opportunity to work side-by-side with industry peers to connect on key topics over time that are shaping the future healthcare supply chain.

AdventHealth expands supply chain resiliency

The healthcare industry is still dealing with and navigating the impacts of global supply chain disruptions. To ensure the continuity of the supply chain, AdventHealth is partnering with Medline to create a comprehensive solution that will ensure supply chain resiliency. Through a multi-faceted partnership, AdventHealth and Medline will allow AdventHealth to own its inventory and distribution strategy and create a structure to accommodate future growth.

As part of the partnership, AdventHealth will continue to utilize Medline as its prime vendor distributor for all medical and surgical supplies throughout its network of more than 50 hospitals and additional care sites in nine states.

The partnership also assumes the co-development of a 300,000-square-foot AdventHealth Consolidated Service Center (CSC) that is now up and running in Central Florida, after a ribbon cutting ceremony on February 23. The CSC contains supplies for AdventHealth’s hospitals and care sites throughout Florida to ensure product availability for patient care. ■



Choosing Cabinetry that Brings Value

Cabinetry design can determine the value and benefit it brings to the clinical environment. Medical-grade cabinetry can have a significant impact on efficiency, safety and the healthcare experience. While lower cost alternatives may seem like a good option, there can be additional associated costs. Involving us earlier in the project can take the pressure off you and help ensure the cabinetry you choose provides lasting value while minimizing additional expenses.

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Kaleida Health's Journey to \$75M in Savings and Health System Transformation

Amidst ongoing labor challenges, cost pressures and a dependency on reliable supply chains for healthcare organizations, Kaleida Health sought to improve and optimize their clinical, financial and operational performance.

Scan the QR code for a behind-the-scenes look at Kaleida Health's key strategies that drove their success.

