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April 2021 • Vol.17 • No.2

Supply Chain's Future Leaders

Jordan Scott, HonorHealth

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Jennifer Chenard, Trinity Health

Feature

Supply Chain's Future Leaders » pg12

JOHN PRITCHARD

Weathering the Storm

It was a little over a year ago the world as we knew it stopped. I thought I would share some observations of what we've gone through, and where we're headed.

The old saying "every process operates exactly as it was designed" proved true again. As usage of PPE escalated and safety stock demand was added to this usage, our Just-in-Time system of supply accordioned like a snowy car wreck on the turnpike. There was carnage everywhere.

So many harrowing stories have been shared over the last year of how Supply Chain departments answered the call by searching the globe for PPE, making it themselves or even re-purposing equipment made for other applications. The necessity to keep workers and patients safe certainly made for some innovative solutions.

From what I hear all the big IDNs are holding more inventory than ever, and making arrangements to buy and stock even more. It seems like the big IDNs are putting the onus on themselves to ensure supply continuity is not compromised going forward. Whether that's by adding warehouse space, moving into self-distributing or committed buys of PPE and supplies, IDNs are not shy about buying and holding stock. Such a big difference from just over a year ago.

Systems have also become quite adept at evaluating and on-boarding new suppliers. This is one of the biggest changes I've seen as a result of the pandemic. Prior to COVID, breaking into an IDN for a new supplier was a pretty difficult and often painstaking process. Now it can happen almost instantaneously.

In the first couple of months, I was really worried for Supply Chain Leaders. It was as if everything we knew to be true didn't work anymore. I can just imagine these good people being beckoned to the C-suite and being asked by an angry CEO: "How did we run out of masks and gloves?" There were times I thought we may see many departments under new leadership. But these leaders prevailed and led their departments and systems through the troubled times.

Communication has really been embraced by IDN Supply Chain Leaders to weather this storm. Communication internally, externally, with peers, suppliers, clinicians, communities and with media. This is good news for all of us – strength in numbers, my friends.

A few months ago when supply sort of normalized, the conversation switched from stuff to staff. I hope our front-line workers are feeling better and getting back to some semblance of normal. I really hope we see Supply Chain departments get the resources and know-how they need to develop the best and brightest people they can. From this pandemic I hope we see a renewed and sustained focus on talent developed for our craft.

As always, please reach out to me if you'd like to share your thoughts. Thanks for reading this issue of *The Journal of Healthcare Contracting*.

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 BY DANIEL BEAIRD

Baylor Scott & White Health Safely Plows Through the Costliest Winter Storm in Texas History

The largest not-for-profit health care system in Texas put product on the road each day

Two winter storms dealt more blows to the U.S. supply chain in mid-February. Winter Storm Shirley – a damaging ice storm on Feb. 10-11 – and Winter Storm Uri – the North American winter storm that blew through the U.S., Canada and northern parts of Mexico from Feb. 13-17 – provided a one-two punch.

The second storm resulted in more than 170 million Americans being placed under various winter weather alerts by the National Weather Service. It caused blackouts for more than 9.9 million people in the U.S. and Mexico, most notably causing the Texas power crisis, and was the largest U.S. blackout in 18 years.

More than 4.5 million homes and businesses in Texas were left without power and it's predicted that it will be the costliest winter storm in Texas history, even possibly outpacing Hurricane Harvey in 2017 for costliest overall. Treacherous roadways in the state left hospitals on alert for weather-related trips to emergency rooms, but also challenged their own supply chain logistics.

Challenging moments

Baylor Scott & White Health, the largest not-for-profit health care system in Texas with 52 hospitals, and its supply chain safely answered the call.

"There were hectic days and challenging moments, but we're proud that everyone remained safe," said Julio Carrillo, vice president of logistics for Baylor Scott & White.

Baylor Scott & White's CDL drivers exited the demanding week without any major incidents.

"Their job is to be on the road," commented Carrillo. "It was a challenging scenario. There was rain and freezing conditions (Feb. 10-11) prior to the big storm (Feb. 13-17) that was not easy to drive through. That led us to talk about contingency plans ahead of [Winter Storm Uri]."

Baylor Scott & White's regular distribution work schedule runs from Sunday to Friday, but its distribution center in Temple, Texas, started running on Saturday, Feb. 13, in an ad hoc change.

"The past 12 months of the pandemic prepared us, in a way, for this winter event," added Carrillo. "It's been all about overseeing the business continuity plan for the supply chain and Mother Nature said, 'I have some plans for you.'

"We were one of the very few distribution channels that remained active throughout the week. We came to work every single day and put product on the road each day."

As Winter Storm Uri proved unusual in its reach, extent and brunt on freight

transportation, the worst disruption was in Texas. Truck traffic at the U.S.-Mexico border practically stood still.

"Trying to find hotels for our CDL drivers was nearly impossible, but that's when human acts of kindness helped everyone get through," said Carrillo.

Energy providers focused on securing supply to residential customers and asked manufacturers to reduce or suspend output during the storm. Officials with the Electric Reliability Council of Texas (ERCOT), which operates Texas' electrical grid – the Texas Interconnection, said that grid operators implemented blackouts to avoid a catastrophic failure that could have left Texans in the dark for months.

"Our major punch was Tuesday (Feb. 16) when the systems went down because of the power outages," said Carrillo. "The two data centers in north and central Texas couldn't access each other. You only had access to the applications in your area."

But Baylor Scott & White built on its engineering redundancies and managed manually under a continuous supply perspective.

"If systems go down, how do you keep accuracy, the resolution you need, how do you order, how do you keep tracking. We triggered all of those and compensated to continue running," explained Carrillo. "We never had any back orders. We never stopped shipping. And we never ran out."

Baylor Scott & White's emergency generators worked flawlessly during the power outage.

After power was restored, ice became the distribution center's central problem on Thursday, Feb. 18. But vendors, partners and Baylor Scott & White's maintenance crew pitched in to help clear the ice from the distribution center's access points.

"An 18-wheeler is like Bambi on top of that ice, so we came together and removed the ice," emphasized Carrillo. By Saturday, Feb. 20, Baylor Scott & White was 100% up to date and on schedule. According to Carrillo, it took some other distribution centers in the area two more days to catch up.

Baylor Scott & White's distribution team has a list – from small to large – of 29 things they learned from during Winter Storm Uri. Everything from attendance and payrolls to how the compactor for cardboard can be removed easily if the vendor isn't present.

"Zero backlogs allowed us to concentrate on lessons learned," affirmed Carrillo. "We've learned from the pandemic to stick to the process. Don't take shortcuts. Accuracy is king."

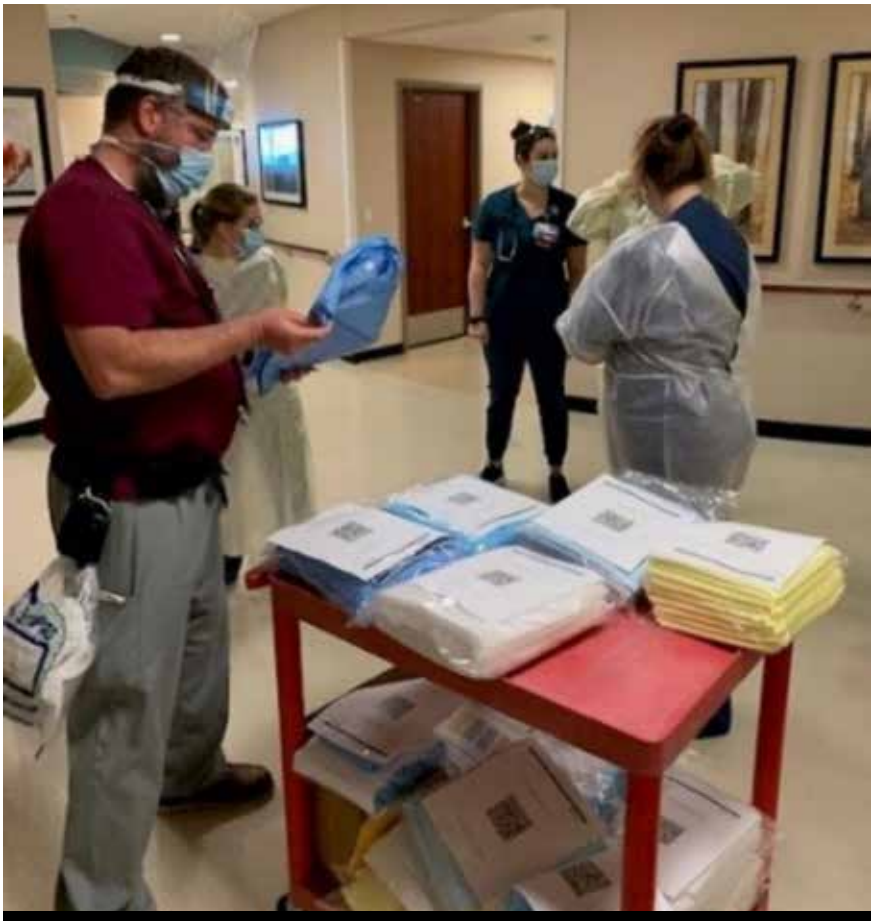
"We were processing as fast as we could during the pandemic in 2020 and there is always an urgency to get product on the road, but it doesn't justify doing things wrong," said Carrillo. "[February's] event was fast and furious. But we applied lessons learned from last year." ■

We've learned from the pandemic to stick to the process. Don't take shortcuts. Accuracy is king.

Doing Business Differently

How we built a Clinical Supply Optimization program at The University of Kansas Health System

BY JANIE OTT, MBA, SYSTEM VP, SUPPLY CHAIN



From left: Damien Martell, Respiratory Therapist RRT II, Andrea Bullard, Clinical Nurse II, Alex Mediavilla, Clinical Nurse II, Heidi Ratzlaff, Unit Coordinator

At The University of Kansas Health System, "proud but never satisfied" is an ongoing, powerful statement we receive from Bob Page, president & CEO and Tammy Peterman, executive vice president, COO, CNO & president of Kansas City Operations. This statement is also the title for their newly released book of the same name. As vice president of supply chain, I am consistently working through ways in which we can perform at the highest level. I am very proud of the work we have accomplished; however, we always have areas in which we can grow, improve, be more efficient, etc.

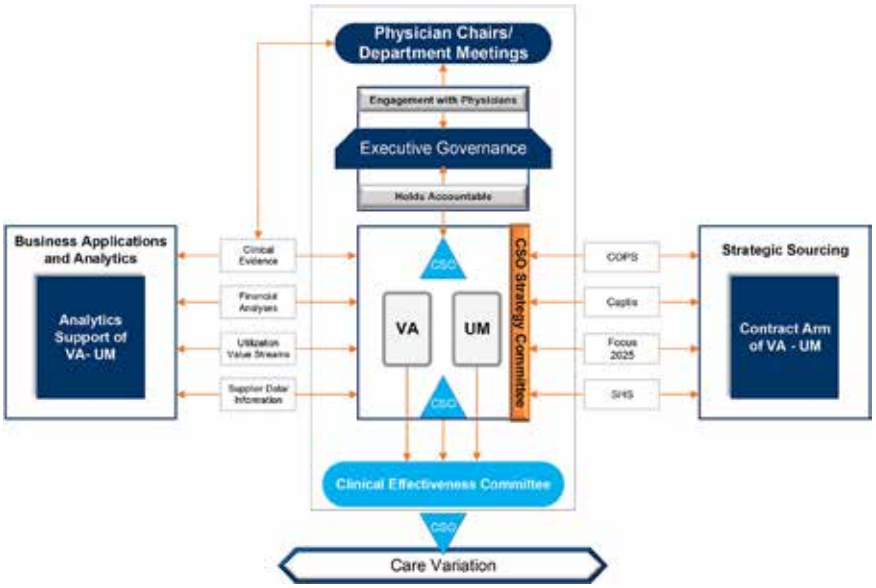
The recent COVID-19 pandemic presented to us an opportunity to really dig deep into value analysis and strategic sourcing based on the immediate need to do business differently to provide crucial supplies for our healthcare system. As we explored our vision, we evolved our program. This is how the Clinical Supply Optimization (CSO) program was born.

My experience having worked over 20 years in the cardiac cath lab and in healthcare supply chain 20 more has taught me that clinician engagement with supply chain is critical. Accomplishing this goal requires a strong team armed with financial data, clinical outcomes and operational data. Once our teams were in place, we implemented an Enterprise Resource Planning (ERP) program system-wide and engaged with a clinical evidence engine that doubles as our project management tool. Our program is a heavily data-driven process which is essential when making supply decisions. It is important to mention that part of our program encompasses a succession plan. We want to leave a legacy and we want most of all to have programs in place that ensure the safety of our patients and staff.

The need for CSO

We had a traditional Value Analysis (VA) program that identified ways in which new products would come into the health system. The focus was to purchase products at the right price, though we felt we could do more. As such, we added value streams

and implemented a Utilization Management (UM) program that would review purchasing the right products at the right price and at the right time. Once we knew the significant impacts of having both VA and UM programs, we needed a name that was reflective of the total program and its ability to effectively and consistently engage our health system's clinicians, incorporating clinical evidence into our workflows, and acquiring key financial and operational data to drive decisions. CSO was born out of this work. With this foundation, our CSO team can provide the necessary knowledge to our end-users to make the best decisions on the supplies and medical devices we use to care for our patients today and into the future – all while sustaining healthy business practices to keep our organization in a viable place.



Up and running

Getting the program up and running involved several components:

People. We took time to get the right people in the right role to execute on this work. We moved existing people into open positions. We then created a few new positions and hired for those specifically. Under the direction of Mark Walterbach, system senior director of Supply Chain Management & Administration, these are the members who make up our CSO Team:

Angie Bruns, system director, Clinical Supply Optimization (CSO)

- Chad Derdich, system manager, Value Analysis
  - Shannon Maize, system analyst, Value Analysis
  - Kim Dyer, system analyst, Value Analysis
  - Marissa Muchow, system analyst, Value Analysis
  - Lisa Love, system analyst, Value Analysis
- Chris Heath, system manager, Utilization Management
  - Jennifer Pellatz, system analyst, Utilization Management
  - Erika Mohler, system analyst, Utilization Management

Processes. We created many new policies and procedures to support the advanced program strategy. We then illustrated how each of these processes interweaves within every segment of supply chain.interweaves within every segment

Systems. The University of Kansas Health System spreads beyond just

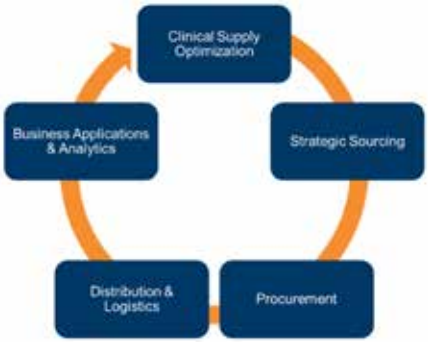
Added value streams through the UM program:

Utilization	Disease Bundle	Patient Satisfaction	Clinical Pathways	Product Life-Cycle Costs
Procedure & Episode Initiatives	Standardization	Physician Satisfaction	Education	Identifying Preventable Harm
Waste Management	Supply Formulary	Care Pathways	Cost Avoidance	Price Leveling
Employee Health	Infection Prevention	Safety	Length of Stay	
Environmental Sustainability	Antibiotic Stewardship	Readmissions	SKU reduction	

our Kansas City division. In keeping with the Health System's "One Team" concept, we needed to implement these programs within our Greater Kansas facilities. We implemented Workday for our ERP, ECRI for evidence-based medicine, value analysis and utilization management. We are also using Vizient procedural analytics and clinical database tools.

Communication is paramount

Communication is paramount for any program. Launching the CSO program mandated a complete cultural shift. The key was in fostering a strong, trusting relationship with our clinical leadership. This involved countless meetings with our leadership teams system-wide. We created committees to address solutions for their specific areas. We reached out to multiple venues with multiple people, multiple times to really drive home the need for the program and its advantages. The support we received across the health system was astounding.



Clinical Supply Optimization (CSO) is an ongoing, interdisciplinary strategy that informs decision making to optimize utilization of products or services while eliminating harm, improving outcomes and lowering costs.

Throughout the COVID-19 pandemic we were forced with having to be creative and innovative as we faced challenges with supply shortages and needed to source PPE outside of our traditional supply allocations. This meant we would be bringing in PPE that we hadn't used previously, and we needed a way to engage our clinicians in finding a suitable solution while maintaining our standards of care.

One of the developments from our CSO program was to create a product formulary of PPE for future PPE shortages. We formed a PPE Test Group with leaders from inpatient units, ED, transport, pharmacy, EVS, RT/PT/OT and procedural areas system-wide. This group takes samples of non-formulary products, such as, ear loop masks, gowns and gloves to front-line staff to trial and provide feedback. Products receiving positive reviews will then go through our Strategic Sourcing team who determines the ability to source these products in bulk as well as review any contracting and financial obligations before moving forward.

Goals and hopes for the program

We want to be a true clinically integrated supply chain, evolving beyond a transactional supply chain. We want physicians at the table making supply chain decisions and we want to have a culture that is mindful of all costs within the organization. ■

"The best part of building the CSO Program has been the transformation from a small group that had to focus on daily operations, to our current group that is approaching value from all angles while moving towards full clinical integration. The team has taken a blank slate and started to develop a strategy that is truly unique for our Health System."

– Mark Walterbach, RN, System Senior Director, Supply Chain Management & Administration

"Emphasizing a collaborative approach between Supply Chain and physician representation allows for the ability to be innovative as an academic institution as well as financially responsible."

– Sean C Kumer, PhD, MD

"Our Clinical Supply Optimization (CSO) program has spent its first two quarters aligning the right people, the right processes and the right systems to achieve our goals. This will require a cultural shift for our organization that we will continue to measure and continuously improve over time."

– Angie Bruns, MHS, System Director, CSO

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Temperature Checks

Demand for thermometry products spiked amid the pandemic. How the nation's leader worked to balance critical orders with traditional supply.

The thermometry business has long been a staple of a healthcare provider's product needs, whether it be hospital departments or alternate site offices. Hillrom, the market leader in the United States, has built up a solid customer base fulfilling product orders – replacements for older thermometers, orders for a new office or hospital wing, etc. Traditionally, the demand has been predictable and easy to forecast.

However, COVID-19 turned all that upside down. Within a short period of time, calls came in for rush orders, preparedness orders, and requests from regular customers who wanted an unprecedented amount of product. "In some of our categories, we ended up getting 10 years' worth of orders in a matter of a couple weeks," said Sean Karla, director, Marketing – Physical Exams and Diagnostics, Hillrom.

Hillrom was determined to get all available product to healthcare providers as quickly as possible. The challenge was determining which orders coming in were critical, and which were simply for preparedness.

First, the manufacturer relied on its field sales force to gauge the needs of its customer base through proactive outreach. Next, instead of its automated process, Hillrom went to manual allocation, making tough choices of how the product and supply would be divided among a global customer base. There was also increased communication with distributors so each part of the supply chain could have better visibility into the needs of end users.

For existing customers, Hillrom used historical run-rates to fulfill orders. The manufacturer also wanted to be agile enough to expedite requests from hotspots, such as New York, Arizona and California. Each week – practically each day – was different. Its operations and sourcing teams worked around the clock to fill all types of requests, including an unprecedented number of drop-ship orders coming via distributors. "More often than not, we were able to put out fires and help customers when they were in really critical situations," Karla said.

Indeed, the pandemic really pressure-tested Hillrom's supply chain. As a result, the company now has more duplicate sourcing options for certain product components, and a better forecast for demand overall. The company also developed and refined new systems and internal tools to safeguard against situations similar to what the healthcare industry went through in 2020.

"Our supply chain is more robust than it's ever been," Karla said.

It will need to be, as the market for thermometry products has expanded. While the company's focus in the early days of the pandemic was on its traditional healthcare customers, non-healthcare customers from businesses such as hospitality and restaurants have been inquiring about thermometry products and supplies. Facilities, schools, airports, warehouses, factories – the list of settings that will now need temperature checks is nearly limitless.

"That's a good thing for community public health purposes," said Karla, "and it poses an opportunity for us to make future-focused changes within our business to make sure we're able to help those customers, while meeting the needs of our traditional healthcare partners."

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Supply Chain's Future Leaders

Who's going to shape the future of the health care supply chain? The smart, energetic and creative people who work for you and with you. The following supply chain leaders have exhibited hard work and dedication leading innovative strategies and ensuring their frontline workers have the supplies they needed amid a pandemic.

Kyle Brauer

PharmD, MBA, pharmacy supply chain manager

BAYCARE HEALTH SYSTEM

JHC: **What is the most interesting/challenging project you've worked on recently?**

Kyle Brauer: The most challenging project has been the ongoing efforts with centralizing the system-wide pharmacy purchasing operations. Centralized buyers were hired and on-boarded in mid-2019 which provided the ability to transition all of the 14 BayCare hospitals to a central model by the beginning of 2020. Since that time, the focus has been on standardizing inventory management practices, communication pathways, and product selection across the health system. The culture shift towards off-site procurement and standardized practices has tested my change management skills. The conversion proved to be well-timed. I attribute a lot of our success in maintaining inventory during the COVID-19 pandemic to the ability to think and manage from a central standpoint.

JHC: **What projects are you looking forward to in the next six to 12 months?**

Brauer: I anticipate the biggest project over the next six to 12 months will be optimizing pharmacy inventory to a new normal. The COVID-19 pandemic has put a large strain on supply chains, which has created the incentive to maintain a higher level of safety stock. As operations trend back to a pre-pandemic baseline, it will be important to reset some of these inventory measures. There will need to be a balance between maintaining some of the resiliency currently built into the system while also paring down stock to get closer to a just-in-time model.

JHC: **What is the biggest challenge/change facing health care supply chain professionals in the next 5 years?**

Brauer: The COVID-19 pandemic uncovered an overdependence on foreign supply chains. I believe there will continue to be a focus on internalizing more manufacturing in the United States. I view this as a positive direction; however, we need to be mindful about going too far and creating an overreliance on internal supply chains. In the next 5 years, we will be facing some dynamic changes in the supply chains that will require increased focus on aspects that may have been less important beforehand and the adaptability to meet these new changes.

JHC: **What are your current professional goals?**

Brauer: My current professional goal is to continue to climb my professional career ladder and become a chief supply chain officer for a health system. I am eager to continue learning more about supply chains outside of my current scope of pharmacy. I want to make sure I continue to challenge myself with new and interesting projects.

JHC: **What one thing makes you most proud?**

Brauer: During my post-graduate training in pharmacy leadership, I had the opportunity to manage a transition from one group purchasing organization (GPO) to another. The project forced me out of my comfort zone and presented me with a lot of unique experiences. I had the pleasure of communicating with pharmacy leadership across the health system to prepare for and implement changes coming from the GPO transition. That project sparked my passion in supply chain management. I am very fortunate to have had the opportunity to work on such an impactful project early on in my career. ■

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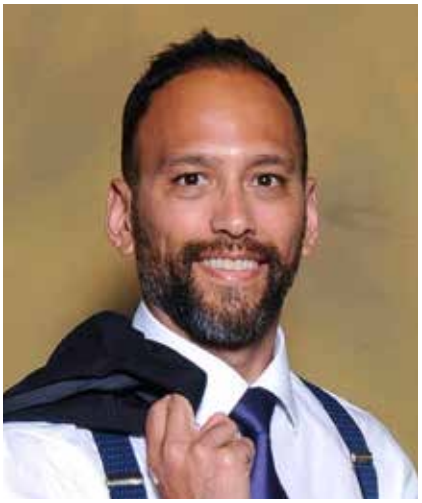

Patrick Broos

Director, supply chain management

CATAWBA VALLEY HEALTH SYSTEM

JHC: **What is the most interesting project you've worked on recently?**

Broos: Catawba Valley Health System (CVHS) recently upgraded their IR/Cath lab imaging equipment to a new manufacturer where we had been with a previous company for 13-15 years. As one can imagine, the relationship and partnership between companies ran deep. From the field service tech to CVHS' Clinical Tech staff, and from the physician/clinician to the field engineer and account manager – they were all very close.

As CVHS opened the opportunity to upgrade the equipment, I was tasked to lead the business aspect, whereas my colleague Carl Becker, Director of Heart & Vascular at CVHS (no longer at Catawba) and Dr. Rhodes from Catawba Radiology led the clinical aspect, and Chad Cook, Director of Clinical Technology led the technical aspects of the project. We also had extensive input from IT/IS regarding compatibility to our infrastructure. The collaboration between all departments was unbelievably remarkable; we respected each other's position and left "titles at the door" when discussing the various parts of the project. We were very deliberate in our conversations while being transparent and candid. Through this concerted effort, the team knew what was important to each other. This compromise guided the team to select the best equipment to offer enhanced treatment to our patients.

We were very deliberate in our conversations while being transparent and candid. Through this concerted effort, the team knew what was important to each other. This compromise guided the team to select the best equipment to offer enhanced treatment to our patients.

JHC: **What projects are you looking forward to in the next six to 12 months?**

Broos: One significant project CVHS is about accomplish is an upgrade to our

ERP systems from Meditech 6.0 to Meditech Expanse. Although SCM is not encountering significant changes with the upgrade, SCM processes impact the areas that are. My team has been elite throughout the build that the upgrade has required. Although 2020 delayed the go-live, my team stayed laser focused to ensure that the modules that were changing would not be delayed.

The other project is the launch of an E.R. and Heart & Vascular expansion. CVHS continues to see record visits through the E.R. and an increase in heart & vascular therapy treatments. The expansion will roughly double the size of the E.D. and allow for a more efficient flow of patients. And with the Heart & Vascular expansion, it will put the department adjacent to the E.D. to provide nearly instant access to the equipment for patients with heart and vascular ailments. What excites me about these projects is that it illustrates our mission and why we are a 5-time Magnet® facility. Our absolute focus on the patient drives the decisions our leadership makes.

JHC: **What is the biggest challenge/change facing health care supply chain professionals in the next 5 years?**

Broos: The biggest challenge I foresee is the health care supply chain profession eroding. Talent constraints will plague our industry if we cannot find passionate human capital to feed the pipeline for our next generation of supply chain leaders. Upcoming leaders must be patient and put in time and even learning 'hard lessons'. This will help build versatile supply chain leaders … and if our front-line staff aren't given opportunities to lead – or, at a minimum, expose them to leadership and growth opportunities, we will not fill the pipeline of our successors. Although in the next five we aren't likely to see a mass exodus of supply chain leaders retiring or moving on, it's the talent pipeline we're not filling (in that 5 years) that will have the greater impact.

Talent constraints will plague our industry if we cannot find passionate human capital to feed the pipeline for our next generation of supply chain leaders. Upcoming leaders must be patient and put in time and even learning 'hard lessons'.

JHC: **What are the most important attributes of successful leaders today?**

Broos: Engagement and flexibility. Emotional intelligence (EI) and relatability. As a leader – it's critical we be engaged, no matter the circumstance. We don't need to be entrenched in the situation but we need to have a baseline understanding of circumstance. This allows us to be flexible; we're able to pivot and redirect efforts and respond. Flexibility also stems creativity and empowerment.

Our profession is made up of many categories and sub categories, i.e. Receiving, Distribution, Contract Management, Purchasing/Sourcing, etc. Each person filling these roles talks their own language, has their own acronyms and processes. Each has to execute a specific plan with the ultimate goal of ensuring the clinical team has what they need to take care of the patient. If we have EI, we're able to significantly increase our abilities; our performances; enhance decision making, and so much more. All of this has to happen with a level of relatability to your team members and the organization. ■

Matt Burns

Director, eCommerce Solutions

PREMIER INC.

JHC: **What are the most important attributes of successful leaders today?**

Matt Burns: First and foremost, I believe the ability to adapt and keep an open mind is critical to a leader's success. As concepts, technology, products/services and the workforce all continue to rapidly evolve, leaders are challenged to stay ahead of it all and to serve as forward thinkers in this environment.

Today's leaders should also focus on proactively building a strong team culture – and one that supports an environment of shared goals and successes as well as diversity and belonging. So much of what a leader accomplishes is a result of the passionate and talented people around them, and individuals perform their best with a leader who creates a space of belonging, challenge and purpose for the team.

Last but not least, today's leaders must be able to interpret and analyze data. Data-driven strategies will continue to shape the health care purchasing landscape of tomorrow.

The best and most impactful ideas are generated in a collaborative environment – and here at Premier, a passionate, dedicated and talented team is constantly brainstorming and testing solutions that will bring the greatest positive impact for our members.

JHC: **How do you continue to grow and develop as a leader?**

Burns: Listening to the ideas and the needs of others enables me to grow and develop as a leader. This gives me a better, deeper understanding of my teams, colleagues and clients as well as the unique challenges and opportunities with respect to achieving shared goals.

Investing in experiences wholly outside of my professional sphere also drives my growth and development. Giving time, energy and thinking to areas outside of work (i.e. hobbies, volunteering in your community, etc.) diversifies my exposure to people,

situations and perspectives – and allows me to sit in other team roles than the one I sit in professionally.

***JHC:* What's the most important risk you took and why?**

Burns: The most important risk that I have taken in my career was to leave a well-established project and company strategy for one that was, at the time, emerging and unestablished. This experience empowered me to step out of my comfort zone and into a leadership role, showcase my skills, make mistakes, and find my own professional voice and path.

In my personal experience, the challenges and investments that ask the most of us bring out the best in us.

***JHC:* How do you generate great ideas in your organization?**

Burns: The best and most impactful ideas are generated in a collaborative environment – and here at Premier, a passionate, dedicated and talented team is constantly brainstorming and testing solutions that will bring the greatest positive impact for our members.

Innovation is not driven by one single individual, or even by one single company. Listening to the feedback of our members as well as ideating and testing solutions alongside them, and through a data-driven approach, is vital. With the right infrastructure, team and data analytics in place, great ideas and solutions tend to follow.

I also believe that finding the right balance of staying organized, understanding strategy and the impact of what you're trying to accomplish, and remaining patient are key components to success.

***JHC:* How do you stay motivated despite conflicts and obstacles?**

Burns: I stay motivated through collaboration and connection with those around me. Next to the mission of the organization itself, the team that is building and driving this vision every day is the greatest motivation and resource.

When you care about the people you work with as well as the mission of your organization and your members, and are invested in their success, you work with passion and purpose to see the collective succeed. ■

What his peers are saying

Matt Burns directs operations for Premier's eCommerce strategy, Stockd – an online marketplace that provides convenient, 24/7 access to high-quality PPE and wellness supplies for health care providers, essential businesses and consumers.

As e-Commerce is riding a wave of growth in the health care sector alongside a sharper focus on direct-to-consumer capabilities, Matt has been instrumental in building and growing stockd. The platform has closed a critical gap in the traditional med/surg supply chain and serves as a resource to easily access vital PPE, including N95s, gloves, hand sanitizer and other critical products. In June 2020, 83% of alternate site providers reported not having their PPE needs met by traditional med-surg distributors due to allocations, with a significant percentage looking to online retailers and other channels for product.

Under Matt's leadership, stockd is seeing significant growth with visitors up 3X, sales up 27X and the monthly number of orders up 6X since March 2020, as compared to the pre-pandemic baseline.

Matt and the stockd team also built the trusted online platform with transparency and strong consumer protections in mind. Through its stringent vetting policies, for instance, stockd safeguards buyers and ensures that they're purchasing from reputable manufacturers and distributors, not third-party sellers who may price gouge or make suspect product claims based on market demand. Matt's focus on quality control has helped thousands of buyers avoid gray market products as well as potential safety, legal and financial risk.

Matt's foresight, passion and hard work are helping to transform the health care purchasing landscape, fill a critical supply chain gap and aid organizations across the country in getting the vital products they need, when they need them – protecting patients, staff and families amid the pandemic – and beyond.

Jennifer Chenard

Director of strategic sourcing

TRINITY HEALTH

***JHC:* What is the most interesting/challenging project you've worked on recently?**

Jennifer Chenard: The most interesting and challenging project I have worked on recently is most likely not much different than other health care organizations – to locally source PPE during the pandemic. I was tasked with finding local and U.S.-based sources for masks, disinfecting wipes, hand sanitizer and face shields; And we needed quick turn-around times.

Understanding the specifications for the products we needed from my manufacturing background, I was able to quickly reach out to local sewers to make cotton masks. I made a phone call to Detroit Sewn, and luckily, the owner called back the very next morning. We met at Detroit Sewn with a sample, reviewed specs online, and the owner was quickly able to manufacture prototypes. We were able to gain clinical use approval, and from there, they began manufacturing. We now not only have masks, but reusable gowns as well.

For disinfecting wipes, we were able to call on PAK Technologies to supply Trinity Health when were in need. PAK technologies is a U.S.-based manufacturer for disinfectants. They came to our rescue by answering our call and supplying wipes on a monthly basis.

Vaughn Hockey out of Oxford, Michigan began manufacturing reusable gowns based upon samples we were able to provide.

And last, but not least, we partnered with Technique, Inc. from Jackson, Michigan, for reusable face shields.

***JHC:* What projects are you looking forward to in the next six to 12 months?**

Chenard: I am looking forward to continuing to support local manufacturing and U.S.-based manufacturers as we find new and creative ways to serve our health care systems.

***JHC:* What is the biggest challenge/change facing health care supply chain professionals in the next 5 years?**

Chenard: I believe the biggest challenge facing health care supply chain professionals in the next 5 years is business continuity. We need to build resilient relationships with our suppliers and push to have an understanding of the supplier's business continuity and redundancy plans. Manufacturers ask this of their raw material suppliers, therefore in health care supply chains, we need to ask the same of our supply partners. With this information, we can then make more informed decisions related to supplies, continuity and in the long run, it will ensure that if a pandemic or a supply disruption occurs, we can still continue to take care of our patients and we can help other hospitals do the same instead of fighting over the same supply base.

***JHC:* Who do you look up to for inspiration or mentorship?**

Chenard: I continue to look for inspiration from those that foster a collaborative approach; those that have a purpose-driven outlook for the greater good. I look to mentors that know taking a risk and supporting it is the best motivator. I look to those who have been in the health care industry long enough to know that change is needed to continue to lower the cost because we need to keep the doors open so that we can take care of all people.

***JHC:* How do you continue to grow and develop as a leader?**

Chenard: I believe staying grounded in my purpose allows me to continue to grow as a leader. Being a leader is not about "I" or "ME", it is about what impact can be made to those on my team, those around me, and the community. If I'm able to keep that purpose in the forefront, I believe that I will able to help others grow into leaders. As a leader, it's about growing others and giving them the opportunity to do what they thrive on, not to fall into a mold that was preset. ■

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References: 1. Nelson R, Samore M, Smith K, et al. Cost-effectiveness of adding decolonization to a surveillance strategy of screening and isolation for methicillin-resistant *Staphylococcus aureus* carriers. *Clin Microbiol Infect.* 2010;16(12):1740–1746. **2.** PDI *in vivo* Study 0113-CTEVO.

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Chad Mitchell

Senior director, contract services

VIZIENT

***JHC:* What is the most interesting/challenging project you've worked on recently?**

Chad Mitchell: Without question, 2020 brought its own set of obstacles. I was fortunate to be involved in standing up a COVID-19 Response Team. The team of nearly 70 worked tirelessly to provide real-time information, alternative sourcing options, conservation strategies and a number of other related services to our members and field teammates. One of the most satisfying aspects of this work was the way so many people from different departments, companies and industries came together, prioritizing those on hospital front lines, to bring solutions during the most trying of times. Whether it was internal business units aligning and strategizing or competitive manufacturers working together to offer alternative products, the teamwork we saw was inspiring.

The work is far from over as we pivot with each new phase of the pandemic. What began as a sourcing strategy has turned into a broader resiliency strategy. Not only are we responding to what is happening today, but we're working closely with providers, government agencies and supply chain partners to proactively address what's likely going to impact us next month.

I'm so proud of the way we've collaborated with existing partners while creating new partnerships along the way. I'm also encouraged to see new suppliers entering the health care space – driving innovation and expanding opportunities.

***JHC:* What projects are you looking forward to in the next six to 12 months?**

Mitchell: Throughout 2021 we'll be actively engaged in a competitive RFP for medical/surgical distribution. This bid has been delayed due to the impact of COVID; however it's given us an opportunity to reflect on the parameters while seeking feedback from our members to amend the contractual requirements. COVID has had such a dramatic effect on the health care supply chain – knowing that we can have the opportunity to begin to address the issues COVID has exposed and begin to bring greater transparency and accountability to the market is energizing.

As our members look to their suppliers to provide greater transparency around the origin of manufacturing, redundancy of supply and resiliency plans for future supply disruptions, we see a unique opportunity to improve on these factors through the bid process.

***JHC:* What is the biggest challenge/change facing health care supply chain professionals in the next 5 years?**

Mitchell: It will be fascinating to see how quickly the market responds to the changing demands of the health care supply chain. This is an inflection point for health care providers and really the industry. Supply chain concepts like "just in time inventory" and "low unit of measure ordering" are being reconsidered for options that include "bulk purchasing," "stock piling," and "self-distribution" for some types of supplies. While the optimal model will differ for each health system, the one thing that is apparent is that emergency preparedness will look different in the future.

Many commonly discussed concepts, such as transparency into source of raw materials and redundancy in manufacturing locations or inventory, help support the broader topic of resiliency, but its

achievement will not be met without consequences (both intentional and unintentional). Containing cost while mitigating expired and outdated product will be paramount. I believe the winners will be those who are able to stay nimble while maximizing output. Whether this relates to a manufacturer managing idle production in order to diversify their manufacturing footprint, a provider determining how best to store and manage critical supplies without impacting revenue generation, or a distributor delivering high fill rates while managing overhead costs – all of these strategies will need to be contemplated against the value of the desired outcome.

JHC: **How do you stay motivated despite conflicts and obstacles?**

Mitchell: Several years back, I found myself in an unhealthy pattern of working long hours and stressing over what I couldn't get accomplished. Conveniently, I would then make the excuse of not having time for physical fitness. That changed when a team leader encouraged me to carve out personal time (regardless of when) on my calendar. It was the push I needed to release myself from the stress or obstacles of the day. I believe this small change helped me become a more effective employee, teammate and leader.

Though it can be challenging, it's important to create personal time. For me, it puts me in a better headspace. I listen differently, become more present and laugh easier. What we do isn't easy. We're all in a fast-paced, high-pressure industry and the result of our work impacts patients' lives. It's important to give ourselves grace and remember that we are people looking for alignment with other industry stakeholders to serve our common interests.

JHC: **What are the most important attributes of successful leaders today?**

Mitchell: I wouldn't have answered this the same way 10 years ago, but without question I'd lead this list with "humility." It's easy to be critical of the things you should have or could have done. However, the most authentic people I meet are those who admit when they're wrong and aren't afraid to take a chance or make a mistake in order to make an impact. I believe the more you're willing to lean in and put your ideas out there, the quicker you can recover if you make a mistake along the way. A phrase comes to mind: "Get back up … just don't forget to laugh and forgive yourself."

Another attribute I admire is an overall passion and drive for something that motivates you. Whether it's family, sports, financial success, learning, winning, collaboration… whatever it is, I ask, does this passion motivate you every day to be the best you? Does it drive you to open the door and make that sales call, or pick up the phone and close that deal? My passion is people. I get motivated when being around others and building off their energy and ideas.

Finally, I'd include the trait of "collaboration." A few years back a VP of supply chain made a comment that still sticks with me. He said, "Why don't suppliers work behind the scenes to strategize together, for the benefit of the provider, on ideas and concepts that can bring mutual benefit to all parties involved?" He went on to discuss his frustration around being put in the middle of competing value proposition only to say to both organizations, "I want to support both of you … don't make me have to choose one." This exchange emphasized the importance of finding mutual agreement with your customers and business partners. I try to treat each exchange in a way where everyone benefits. ■

We're all in a fast-paced, high-pressure industry and the result of our work impacts patients' lives. It's important to give ourselves grace and remember that we are people looking for alignment with other industry stakeholders to serve our common interests.

Katie Dean

Administrative director of business operations & transformation supply chain

STANFORD HEALTH CARE

JHC: **What is the most interesting/challenging project you've worked on recently?**

Katie Dean: I have had the pleasure of being a part of several major projects in supply chain, including: the opening of both a children's and adult hospital, leading a change in distribution partners, and responses to both the Cardinal gown recall and COVID PPE shortages. All these projects have been uniquely challenging in their own ways, but each time, through hard-work, dedication, and a commitment to continuous improvement, the supply chain teams came out stronger for the experiences in tangible metrics (efficiencies, service metrics, and customer surveys). This team of supply chain professionals are second to none, and there's really no one I would want to go through this type of disruptive change with.

Currently, I am leading the development of the supply resiliency for Stanford Health Care Supply Chain. We were just recognized by Gartner for our process and structuring of the program. Health care is behind other industries, such as automotive and technology companies, in this arena. It is both exciting and humbling to have been given the opportunity to lead this venture. As COVID-19 came with intense dependencies on PPE and corresponding supply shortages, supply chain and our clinicians have strengthened our partnership. Collectively, we are ready for the cross-functional collaboration needed to build resiliency to future supply disruptions, and I look forward to where we can take the program over the next couple of years.

I see the future being full of leaders who embrace the technology for what it's best at, but also knowing that technology can't replace a highly skilled and well-trained workforce.

JHC: **What projects are you looking forward to in the next six to 12 months?**

Dean: This spring we are going live with the systemization of our physician clinics by supporting over 70 sites with the supply chain functionalities of our ERP (Lawson) and expanding our purchasing and category management divisions to support the network as well. This project will drive both standardization of processes across the enterprise and generate cost savings. In fact, the category management team has already identified enough savings to cover the cost of the transition. This project is unique in that its success is dependent on the end-users adopting the system and using it correctly, allowing us to use this as an opportunity to launch the newly formed training arm of our supply chain project management team. The project team that includes supply chain, accounts payable, information systems, and clinic leadership has come together to

be ready for this go-live; due to the expertise and preparation this team has put into the project, I am highly optimistic that the launch will go smoothly.

***JHC:* What is the biggest challenge/change facing health care supply chain professionals in the next 5 years?**

Dean: Without a doubt, that market disruptions will continue. COVID has shined a light on the vulnerability of the health care supply chain and I would expect to see an exponentially growing focus on this over the next couple of years.

The other thing I see coming is technology integration becoming a bigger part of health care in general, affecting the supply chains. Some of this has already begun within the hospital footprint: autonomous guided vehicles moving carts of supplies across large health care footprints, RFID being used for inventory management, and data warehouses and analysis tools being used to track trends and usage in new ways. As health care moves more and more into the home (technology to monitor health, tele-health visits, etc.) health care, and thus supply chains, will expand out of hospitals and clinics and into the homes of our patients. I see the future being full of leaders who embrace the technology for what it's best at, but also knowing that technology can't replace a highly skilled and well-trained workforce.

***JHC:* What one thing makes you most proud?**

Dean: The incredible group of supply chain professionals that I get to work with daily. Together we have been through a lot of change over the last three years, and I could not be prouder of the results they have achieved. It's inspiring to work with a team of professionals who are consistently and actively working towards becoming a best-in-class supply chain, while simultaneously truly working as a team and lifting each other up. The culture that exists within the supply chain teams at Stanford Medicine is second to none. I am grateful that I get to be part of the team who enhances that culture by developing communications for cross-departmental communications, launching a new training arm of supply chain to invest in our employees and create a strong career ladder for our staff, and continuously highlighting the great work and achievements the team has earned.

It's inspiring to work with a team of professionals who are consistently and actively working towards becoming a best-in-class supply chain, while simultaneously truly working as a team and lifting each other up.

***JHC:* What's the most important risk you took and why?**

Dean: Joining the supply chain team 3+ years ago was a huge risk for me. I had over 10 years of experience in facilities management, and I had not planned on a career shift. I am also a single mom, and the sole bread winner in my family, so failure was not an option. Working with supply chain was a unique opportunity as they were looking for a leader who was process-driven and could strengthen the relationship with the clinical partners. The career change forced me to also change my leadership style, as I often did not have all the answers, and I was learning supply chain from the team that I was simultaneously leading.

This career shift taught me multiple valuable lessons: first and foremost, to lean on the strengths of my team members and point them in the right direction while not getting in their way; also, that there is value in learning from the folks who do the work every day, to see the work being done in person, and to drive engagement by involving them as active participants in changes and improvements to the work of the organization; and finally, that when your teammates understand the reasoning behind your decisions, they are more likely to approve and support them.

The career change was a risk and taking on a brand-new team of leaders mere weeks before the opening of a hospital was an even bigger risk, but it is a decision I would make again any day of the week. The team and work in supply chain are home in ways I never could have imagined before. ■

Elizabeth Sanchez

MS, system manager, supply chain operations

SINAI CHICAGO

JHC: **What is the most interesting/challenging project you've worked on recently?**

Elizabeth Sanchez: In early 2020 I was tasked with evaluating our south campus central supply department to identify areas of opportunity. I quickly noticed there was room for improvement to eliminate excess inventory, reduce purchase order costs, retrain/cross train staff and reset PAR levels for our A, B, C items. I had a timeline of three months so we would be ready for our annual physical inventory. Then, COVID-19 began to peak and I immediately realized this would be a challenge because our focus was now on securing PPE and managing the panic and uncertainty that came along with it while still proceeding with the intended timeline for physical inventory.

Many hospitals did not foresee the plethora of supplies and equipment that would be impacted by the pandemic. It was not just respirators and PPE that were in short supply. Even now, we continue to see supplies such as needles and syringes on MBO due to COVID.

JHC: **What projects are you looking forward to in the next six to 12 months?**

Sanchez: The implementation of a new ERP system. A new ERP system will introduce some much-needed benefits to the organization such as improved order accuracy, better invoicing and collection tools to increase revenue faster and real-time information for superior reporting and planning. I have been a part of other ERP system implementations in the past and though they can be a lot of work and mentally draining the benefits are well worth it.

JHC: **What is the biggest challenge/change facing health care supply chain professionals in the next 5 years?**

Sanchez: Massive disruptions in the chain and being able to build resilient

supply chains. The COVID-19 pandemic deeply challenged supply and demand on an immense scale everywhere. Many hospitals did not foresee the plethora of supplies and equipment that would be impacted by the pandemic. It was not just respirators and PPE that were in short supply. Even now, we continue to see supplies such as needles and syringes on MBO due to COVID. These extreme demand spikes really stressed, and in some cases broke, supply chains. It quickly made clear what needed to be examined and remedied. Supply chain professionals now must make it a priority to build strong vendor relations, have accurate visibility into the chain and be able to change their strategies if necessary in order to overcome unexpected challenges.

***JHC:* What are the most important attributes of successful leaders today?**

Sanchez: Having excellent communication skills, being open minded to change and having integrity. Successful leaders must communicate effectively on all levels of an organization, whether it's having a 1-on-1 conversation with direct staff or addressing an entire department. They need to get their point across by being clear and concise. By being specific, the end receiver understands exactly what the expectation is. This leaves little to no room for ambiguity.

They also need to have an open mind and embrace change. Too often, leaders fail to see that their industry is evolving or changing, and before they know it, it's too late for them to steer direction and keep up with current trends. That's why it's extremely important for leaders to be adaptable and prepared should they need to adjust their strategies in order to take advantage of emerging trends and opportunities as well as tackle unexpected challenges.

Finally, successful leaders must possess integrity. I believe this is too often forgotten, but it's so essential to have. If you are leading people, then you are being looked up to for direction and to set the example for those reporting to you. In order to lead teams in the right direction, the leader must hold themselves accountable and responsible for whatever faults or short falls that may occur. They must own up to their mistakes and always be consistent. This will help build credibility and ultimately help them gain the respect and confidence of their employees and peers.

***JHC:* How do you continue to grow and develop as a leader?**

Sanchez: By taking on challenges and not being afraid to take risks. I know it can be a bit frightening to step outside one's comfort zone, but I realized that every time I did, I not only gained knowledge from the experience but also built confidence and resilience. Of course, taking risks and pushing the envelope means that there may be room for failure and mistakes to occur, but as long as you learn from the mistakes and remedy them, then the experience being gained is only helping you grow as a leader. ■

By taking on challenges and not being afraid to take risks. I know it can be a bit frightening to step outside one's comfort zone, but I realized that every time I did, I not only gained knowledge from the experience but also built confidence and resilience.

Jordan Scott

Supply chain – IT program manager, Supply Chain Shared Services/Category Management

HONORHEALTH

***JHC:* What did you learn about yourself and your team in 2020?**

Jordan Scott: I learned I'm surrounded by an incredible community of family, friends and colleagues who provided a sense of normalcy during moments of uncertainty. Last year taught me how to be comfortable with being uncomfortable and how to persevere through adversity. Overall, our team has acclimated well to the new "normal" as we work remotely. We continue to discover new and efficient ways to solve problems, identify cost savings opportunities and improve best practices. Despite the circumstances, we remained aligned with our team goals and embraced the changes within our workflows.

***JHC:* What is the most interesting/challenging project you've worked on recently?**

Scott: While standardization remains a key initiative for the organization, the contract category that garnered a lot of interest was the sourcing and functionality of our survey tools. The variety of use cases for surveys provided a plethora of valuable business insights and confidential information on various topics of interest. Partnering with stakeholders and end users, it became evident that investing in a platform that can efficiently gather individual sentiments and feedback from staff, secure protected health information (PHI) and assess organizational health will continue to advance our employee engagement.

***JHC:* What projects are you looking forward to in the next six to 12 months?**

Scott: In the next six to 12 months, as we hopefully begin a gradual return to normal business operations, I look forward to collaborating with our Legal and IT departments to streamline and optimize HonorHealth's contract intake process. Visibility from an IT perspective into new contract submissions, while creating additional safeguards, will ensure supplier technology integrates with our IT infrastructure and prevent software redundancy.

Currently, I'm a member of the Group Purchasing Organization's (GPO) IT Service Committee where we evaluate, vote and award new suppliers and services that will be utilized by participating GPO member hospitals. The opportunity to participate and learn about next-gen technology and systems will allow for new solution recommendations to keep HonorHealth at the forefront of transformative health care.

***JHC:* What is the biggest challenge/change facing health care supply chain professionals in the next five years?**

Scott: As health systems continue to adapt to the COVID-19 pandemic, the biggest challenges will continue to revolve around supply chain's preparedness of personal protective equipment, realizing cost savings to combat decreased hospital revenue and the management of supplier relationships. Operational analytics produced from the current pandemic will provide valuable insights for supply chain departments to refine emergency preparation resources.

***JHC:* How do you continue to grow and develop as a leader?**

Scott: I believe it's important to identify your purpose and what type of leader would you like to be. Personally, the characteristics of a servant leader align with my philosophy to put others before myself. Success in my leadership journey will be guided by my ability to learn from others who have more experience, embrace failures, step outside my comfort zone, and increase my emotional intelligence and self-awareness. Focusing on the journey and not the destination will allow for establishing meaningful goals and developing a solution-focused mindset. ■

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Nicholas M. Trzeciak

CMRP, administrative director of distribution & logistics – supply chain

STANFORD HEALTH CARE

***JHC:* What is the most interesting/challenging project you've worked on recently?**

Nicholas Trzeciak: The most challenging project we've worked on recently has been our overall pandemic response work. It's not necessarily a project in the traditional sense, but it brought to light the gaps within the global supply chain.

When faced with the reality, we saw that beyond firefighting in the moment, that we needed to respond in a project management mindset to not just put out the flames, but also build a better house. We designed into the system a governance model heavily weighted toward clinical engagement in which we pulled together all departments (employee health, infection control, supply chain, nursing, OR, emergency management, etc.) to ensure we had all players at the table. This committee was responsible for all PPE recommendations, educational document creation, conservation efforts, and clinical practice changes. This group then linked with our physician-led group for final approval and roll out.

We created a technology integrated model by leveraging our intranet site and posted over 100+ educational documents & videos for training that garnered over 579,000 views from frontline team members. This team also stood up a reprocessing & n95 requesting process, rolled out anchored CAPR/PAPR hardware to direct front-line COVID units, and assisted with numerous community engagement activities (testing sites, vaccine rollouts, and clinical trials). The results from all this work have been incredibly humbling to see what a diverse, clinically integrated team can put together to help serve our clinicians, patients and communities safely and effectively. This is a model that has paid dividends, not only in terms of pandemic response, but also in terms of solving extant process issues that preceded it.

***JHC:* What projects are you looking forward to in the next six to 12 months?**

Trzeciak: I am looking forward to our continued expansion of our RFID tracking and ordering system. The efficiencies it will bring for not only our team, but our end users are incredible. One of the biggest issues facing distribution these days is this: How do you know when your supplies at point of use are at risk? Not just from the external market, but just from day-to-day utilization patterns. We think these patterns are flat, and for

I hear a lot of times that our current model is as good as it can be, but for our patients and clinicians, I choose not to accept good enough as good enough. By looking at each step within the process you find hidden, non-value-added steps.

those outside of health care this remains relatively true, but within health care our utilization is inconsistent at best. Whether it's days of the week aligning with clinical rotations for things such as line change day, a service lines block in the OR, and more, each scenario has a unique subset of products associated to it. These patterns make us more reactive, especially in today's environment.

RFID has the capability to give us in real time utilization patterns set at specific supply levels. Whether this is by PAR style design (Min/Max) or by criticality of the product, we can set predetermined alerts to align better with supply pulls than only relying on our normal cycle time of replenishment. For our teams, this means a more responsive, proactive, and value-added process. I hear a lot of times that our current model is as good as it can be, but for our patients and clinicians, I choose not to accept good enough as good enough. By looking at each step within the process you find hidden, non-value-added steps. By looking at an entire process, that on the surface is seen as value add, but actually takes time away from other areas that need supply chain support. These small but crucial steps can move us from a reactive mindset to a proactive replenishment supply cycle creating value and maximizing our resources. By leveraging RFID to provide this extra level of supply replenishment support, we truly move the needle in becoming a more clinically integrated supply chain.

***JHC:* What is the biggest challenge/change facing health care supply chain professionals in the next 5 years?**

Trzeciak: To me the biggest challenge is we can not think that we will go back to "business as usual" in the post pandemic world. This is simply not possible. The pandemic has and will forever change the way we look at everything we do from product sourcing to the resiliency of our distribution and logistics processes.

We have seen how fragile most distributors and supply pipelines are when faced with a global disruption event. The initial global response was almost a case of denial at how much disruption would even occur, but the sobering reality was tough for groups that run very lean LUM programs, track only to high inventory turns, or focus on lowering holding costs for savings.

The way forward will require the discipline to answer the following: How will we view the importance of resiliency within the overall supply chain? More importantly, how do you improve your internal processes to be able to absorb future supply disruptions with minimal impact to the end users?

When this is all said and done, I think more people will be focused on a value equation of balancing product multi-sourcing, 3PL strategies, pre-determined substitute products coupled with a deeper review of where and how products are manufactured around the globe. This later point really speaks to the balance between lowering the cost of goods when manufacturers outsource the work versus a full understanding of the risks this can pose to health care.

***JHC:* How do you stay motivated despite conflicts and obstacles?**

Trzeciak: Knowing that every day I get to go into work with this amazing and inspiring team all focused on the mission of helping people is the best way I know of to stay motivated. As the leader of a large team, it's important for me to be with the team supporting them however is needed. How can I ask someone to do something I am not willing to do myself?

At times it may seem like what we do gets overlooked, but our work touches every facet of almost every industry. We have a motto at Stanford Health Care: "One Team, One Dream."

The supply chain team is very much an unseen but vital part of every health care institution. At times it may seem like what we do gets overlooked, but our work touches every facet of almost every industry. We have a motto at Stanford Health Care: "One Team, One Dream." This is personified by every single one of our team members. They meet every challenge with a smile and a positive attitude that cannot be beat every single day. Their work helps clinicians provide world-class care to our patients and the communities we serve. If this is not motivating, then I do not know what is. ■

2021 Physician Fee Schedule Raises Smiles, Frowns, Among Doctors

Primary care physicians are pleased they will be rewarded for the time and energy spent on evaluating and managing their patients, especially those with chronic conditions, per the 2021 Medicare Physician Fee Schedule (PFS), which became effective Jan. 1. But doctors who bill more surgical and procedural services and fewer E/M services have less to smile about.

The Centers for Medicare & Medicaid Services says the new fee schedule reflects the agency's investment in primary care and chronic disease management and will cut some of the red tape traditionally associated with reimbursement. The rule also addresses telehealth and remote patient monitoring, and nails down new responsibilities for non-physician practitioners.

Under the schedule, some physician specialties will likely see a rise in Medicare reimbursement, including endocrinology, rheumatology, family practice and hematology/oncology. Other specialties, including anesthesia, emergency and surgery, won't.

"The payment improvements will go a long way to helping physician practices over the next year as we continue to deal with COVID-19, and in the future," said Jacqueline W. Fincher, M.D., MACP, president of the American College of Physicians, in a statement issued on Dec. 2, one day after CMS released the final schedule. "We need to ensure that practices across the country are able to continue to operate and provide front-line care in their communities."

On the other hand, the American College of Surgeons said the new fee schedule "will harm patients and further destabilize a healthcare system already under severe strain from the COVID-19 pandemic." The organization said that a survey it conducted in September showed that proposed payment cuts would harm patients by forcing doctors to make extremely difficult decisions, such as reducing Medicare patient intake, laying off nurses and administrative staff, and delaying investment in technology.

Since 1992, Medicare has paid for the services of physicians and other billing professionals under the Physician Fee Schedule. Payments are based on the relative resources typically used to furnish the service. Relative value units (RVUs) are applied to each service for physician work, practice expense, and malpractice. These RVUs become payment rates through the application of a conversion factor. Payment rates are calculated to include an overall payment update specified by statute.

To account for the increase in RVUs for E/M services and still maintain compliance with a budget neutrality adjustment, CMS decreased the 2021 conversion factor to $34.89, down $1.20 from the previous year's conversion factor of $36.09.

Projected winners, losers from 2021 Medicare Physician Fee Schedule

Winners

Specialty	Impact
Endocrinology	14%
Rheumatology	13%
Hematology/oncology	12%
Family medicine	12%
Nephrology	11%
Clinical social worker	9%
Physician assistant	9%
Nurse practitioner	9%
General practice	8%
Psychiatry	8%
Interventional pain mgmt.	8%
Clinical psychologist	8%
Allergy/immunology	8%
Urology	8%

Losers

Specialty	Impact
Anesthesiology	-1%
Vascular surgery	-1%
Cardiac surgery	-2%
Chiropractor	-2%
Interventional radiology	-2%
Physical/occupational therapy	-2%
Pathology	-2%
Radiology	-3%
Nurse anesthetist/assistant	-3%

Somewhere in between

Specialty	Impact
Obstetrics/gynecology	7%
Pediatrics	7%
Internal medicine	6%
Geriatrics	6%
Otolaryngology	6%
Podiatry	6%
Dermatology	5%
Cardiology	4%
Pulmonary disease	4%
Gastroenterology	2%
General surgery	0%

Source: American Medical Association. (For a complete list of specialties, see: American Medical Association)

Telehealth Expansion is Part of 2021 Fee Schedule

What COVID-19 kick-started, the Centers for Medicare & Medicaid Services endorsed in the 2021 Medicare Physician Fee Schedule, adding a list of reimbursable telehealth services.

"The American College of Physicians is pleased that CMS has made the expansion of telehealth a priority in the physician fee schedule," says Brian Outland, the College's director of regulatory affairs. "The flexibilities that were put in place earlier in the COVID-19 pandemic have been important for patients to access care, and important for physicians to keep their practices open and operating. Many physician practices have faced dire financial situations while we have been dealing with the COVID-19 pandemic. While telehealth visits won't make up for that entirely, they do help to keep practices open and help patients who would avoid in-person visits to access care."

Before the COVID-19 public health emergency (PHE), only 15,000 fee-for-service beneficiaries each week received a Medicare telemedicine service, according to CMS. Under a special waiver for the PHE in March 2020, Medicare was authorized to pay for office, hospital, and other visits furnished via telehealth, including those originating in patients' places of residence. Preliminary data shows that between mid-March and mid-October 2020, over 24.5 million out of 63 million beneficiaries and enrollees received a Medicare telemedicine service.

Services added to the Medicare telehealth list in the 2021 Physician Fee Schedule include "domiciliary, rest home or custodial care services," home visits with established patients, "cognitive assessment and care planning services," and "visit complexity inherent to certain office/outpatient evaluation and management (E/M)." Additionally, CMS created a temporary category of criteria – called Category 3 – for services added to the Medicare telehealth list during the public health emergency that will remain on the list through the calendar year in which the PHE ends.

Despite some disappointment around CMS' decisions regarding remote patient monitoring, the American Telemedicine Association believes that overall, the final rule is a positive step, says Kyle Zebley, director of public policy. "CMS has gone out of its way to think creatively." Still, some roadblocks to fuller implementation of telehealth exist, he says.

For example, CMS lacks the authority to permanently permit reimbursement for home-based telehealth. "As it stands, you have to be at a provider's location in order to have reimbursable telehealth," says Zebley. "That is an outdated law written decades ago, and it needs to be changed." But only Congress, through legislation, can make that happen. Likewise, only Congress can change existing law that (but for the public health emergency) restricts reimbursable telehealth services to patients in defined rural geographic locations, he says. "Of course, we believe telehealth should be available to those in rural areas, but we also think the law should cover telehealth services for Medicare recipients no matter where they live." ■

Preventive Care Guidelines

Researchers suggest it might be time for some 'de-intensification'

Does anybody actually oppose the concept of preventive medicine for kids and adults? Ask yourself: How many people do you know who believe that regular blood pressure checks at the pediatrician's office or annual well-woman visits are bad?

Yet in a research report and accompanying editorial in *JAMA Internal Medicine* this fall, clinicians from the University of Michigan and elsewhere raised a red flag: They ask, Have we reached a point where providers have too many guidelines to keep track of, including those pertaining to preventive care? When professional societies or governmental agencies add recommendations to their guidelines, do they remove others of lesser value? Is it time to "de-intensify" preventive care guidelines?

"Much of health care involves established, routine, or continuing use of medical services for chronic conditions or prevention," write the authors of "Identifying Recommendations for Stopping or Scaling Back Unnecessary Routine Services in Primary Care." "Stopping some of these services when the benefits no longer outweigh the risks (e.g., owing to older age or worsening health) or when there is a change in the evidence that had previously supported ongoing treatment and monitoring, presents a challenge for both clinicians and patients and is rarely done successfully even when evidence favors cessation."

Personalize preventive care

"If we don't work to get healthier as a nation, we will not be able to afford our healthcare," says Eva Chalas, M.D., FACOG, FACS, president of the American College of Obstetricians and Gynecologists. "The steady and rather dramatic rise in healthcare cost is unsustainable.

"Prevention is truly worth a pound of cure," she says. "Unfortunately, most Americans take better care of their cars and pets than their health. The obesity epidemic – which is responsible for the development of many other conditions, including hypertension, heart disease, type 2 diabetes, cancer and musculoskeletal diseases, amongst others – continues to be on the rise. We must convince our populations to engage in healthier lifestyles, and that medications are not a substitute for lifestyle changes."

Preventive care guidelines can help, but "we should not practice 'one size fits all' medicine," says Chalas. "I believe that preventive care should be personalized and as such, based on each patient's risk factors to develop a particular condition." In this, she agrees with the JAMA researchers, who advise against performing annual cardiac testing in individuals at low risk for cardiovascular disease.

"Gaps in health care of our patients continue to exist, and we need to find ways to engage them in their healthcare to minimize risk of development of chronic diseases, such as obesity, type 2 diabetes, hypertension, heart disease and cancers related to inherited deleterious mutations. Because obstetricians and gynecologists care for their patients across their lifespan, we are uniquely positioned to predict the risk of development of these conditions, since many initially occur in pregnancy, and help patients mitigate these risks.

"I believe that in the future, we will be using genetic information to identify risk factors for chronic diseases at birth, and working with parents and pediatricians on mitigation strategies," she says.

'Clear and unambiguous'

Suzanne Berman, M.D., a pediatrician in Crossville, Tennessee, and chair of the American Academy of Pediatrics' Section on Administration and Practice Management, agrees with the JAMA authors that subtracting one preventive care guideline for every new one that's added isn't a bad idea. But it's not always possible, particularly with pediatrics. It's difficult to

characterize any pediatric preventive-care guidelines as non-essential, as they may add decades – not merely months or years – of healthy living to kids' lives, she says.

But like the JAMA authors, Berman believes that guidelines – whether for prevention or therapy – must be clear and unambiguous. "A guideline that says 'Avoid use of drug X for condition Y' is too vague," she says. "What does 'avoid use' mean?" Does it mean never use the drug for that condition, or does it mean only use it under certain circumstances? And are those circumstances clearly defined?

AAP policy-writers of the organization's Bright Futures preventive care guidelines strive for precision, she points out. First launched in 1994 and updated regularly, Bright Futures offers a schedule of recommended preventive services for children, and it forms the basis for Medicaid's Early and Periodic Screening, Diagnostic and Treatment (EPSDT) program.

Berman points out one more difficulty associated with guidelines: It can take a long time – years, in fact – for new ones to become standard practice. For example, a study may show incontrovertibly that early supplementation of iron for babies with anemia improves outcomes, yet years may pass before the majority of pediatricians are onboard. Perhaps it's force of habit on the part of physicians or even insurers, or simply the fact that it takes time for the majority of clinicians to become aware of new guidelines, let alone integrate them into their practices.

At the same time, years may pass before the majority of doctors finally abandon practices that have been discredited. "We sometimes shake our heads and ask, 'How can people still be doing that?'" she says. "After all, we are supposed to learn how to continually evaluate medical evidence." But doctors are busy, they have their families and friends, or they may simply fail to stay current with certain protocols if they rarely see patients to which they apply.

Evidence-based medicine

"Preventative care is an integral and important part of family medicine," says Amy Mullins, M.D., medical director for quality and science, American Academy of Family Physicians. "Screening for disease, then altering the course of that disease if needed, is life-changing for patients and ultimately saves the health care system dollars.

AAFP supports the use of evidence-based medicine, she adds. "This involves all aspects of medicine and is necessarily complex, complicated, and requires the use of many different guidelines."

The AAFP reviews recommendations put forth by the United States Preventive Services Task Force (USPSTF) and the CDC's Advisory Committee on Immunization Practices (ACIP), and either chooses to agree or disagree with their recommendations, says Mullins. "We also review guidelines from other medical organizations and either endorse, provide an affirmation of value, or do not endorse.

"Guidelines are routinely updated, and some are retired, as are the quality measures that are typically developed using the guidelines. The USPSTF and ACIP recommendations are also routinely updated. The AAFP utilizes a specific methodology for developing clinical practice guidelines based on available evidence and patient preferences."

Preventive care guidelines: Resources

- Advisory Committee on Immunization Practices (ACIP), Centers for Disease Control and Prevention, www.cdc.gov/vaccines/acip/index.html
- Bright Futures, American Academy of Pediatrics, brightfutures.aap.org/Pages/default.aspx
- Clinical Preventive Services Recommendations, American Academy of Family Physicians, www.aafp.org/family-physician/patient-care/clinical-recommendations/clinical-practice-guidelines/clinical-preventive-services-recommendations.html
- Comparative Guideline Tables, American College of Physicians, www.acponline.org/clinical-information/guidelines/comparative-guideline-tables. (Summaries of recommendations from a variety of U.S. and international organizations regarding controversial topics in screening, prevention and management. Available to ACP members.)
- Women's Preventive Services Initiative (WPSI), American College of Obstetricians and Gynecologists, www.womenspreventivehealth.org/about
- U.S. Preventive Services Task Force, www.uspreventiveservicestaskforce.org/uspstf

The Importance of a Multi-Disciplinary Approach to the Evaluation of Service Contracts

Supply chain is focused on driving down costs and improving efficiencies, and that focus is crucial for health systems, hospitals and their communities. At the same time, medical devices purchased need to demonstrate consistent levels of quality and performance to facilitate positive patient outcomes and patient safety. Hospitals and healthcare systems are increasingly relying on Supply Chain to lead their organizations in balancing these two objectives when making critical purchasing decisions.

So how do you meet your institution's economic goals while keeping the needs of end users and patients in mind? One technique is to drive your suppliers to provide a comprehensive review of their product and service offerings while including a broad collection of stakeholders. A great occasion for testing this technique is in the evaluation of service contracts.

From clinical to biomed, to infection prevention and risk management, representation across the health system provides different perspectives on the value being offered and how it fits, or doesn't fit, into your organization's long-term interests.

Involving the Physicians in Decision Making

In a study quoted in *HealthLeaders*, Navigant recommended involving physicians in decision making up front to ensure a reduction in wasteful spending on supply chain operations, which was reported to be as much as $25.7 billion in 2018. Yet, according to another survey conducted by *Healthcare Purchasing News*, 29% of healthcare facilities say they do not include physicians in supply chain decision making. Given this insight, some supply chain departments can do better.

Physicians are obvious partners for identifying those opportunities to reduce unnecessary spend. In the case of service contracts, physicians will want to ensure equipment uptime (the percentage of time equipment is patient and procedure ready) is prioritized, and so your discussions with physicians should factor uptime along with cost containment.

Physicians are data driven and focused on concerns such as healthcare reform, reimbursement pressures, legal exposure and, of course, patient care and patient safety benefits. Include these considerations in your conversation with them, perhaps referencing health economics studies that support purchasing decisions to attract patients, improve outcomes, reduce healthcare waste elsewhere in the healthcare network, or retain patient loyalty. These improved discussions will translate more effectively to physicians and facilitate communications overall.

Beyond physicians, BioMed, Sterile Processing, Infection Prevention and Risk Management should be included in the purchasing decision. These groups will have unique concerns, and like physicians, they'll be open to your goals. Healthcare costs need attention, for both the healthcare system and the communities being served.

Be transparent about your goals and talk in terms of the "three-legged stool:" efficacy of procedures, safety for patients and staff, and cost effectiveness/utility for the health system.

Additional Functions to Bring to the Value Analysis Committee

1 BioMed Department

BioMed will be an important asset to controlling overall maintenance costs and equipment uptime. This team is the troubleshooting brains of the organization and have records of product reliability and the speed and quality of repair and maintenance services.

The supplier will need to communicate to BioMed how the medical devices will be serviced, how the supplier will work with the staff, what level of uptime can be expected based on recorded uptime provided to hospitals in the same demographic and how just-in-time availability of their devices will be handled. In advance of the meeting, ask them to share their record keeping for context.

Be transparent about your goals and talk in terms of the "three-legged stool:" efficacy of procedures, safety for patients and staff, and cost effectiveness/utility for the health system.

The BioMed team has a customer-centric mindset focused on the physician user. Supply Chain can leverage that solutions orientation, provided the issues are clearly spelled out and the opportunities for efficiency and cost containment are fully explored. Important topics for this portion of the discussion will be:

- Adherence to OEM specifications and use of 100% original OEM parts
- FDA regulation and registration status of the repair offering
- Reprocessing validation
- Loaners, whether on-site loaners or temporary loaners
- Repair reduction services

2 Sterile Processing Department

Sterile Processing management will be interested in knowing if support specialists will be available to address the reprocessing in-service needs of the facility's staff. Knowing that product training will be assured, current and documented makes all the difference in contract ROI.

The supplier should be happy to invite Sterile Processing staff, and to provide details on the training, protocols and expected levels of support every step of the way. This team is interested in knowing how the service team will be able to respond to interruptions in repair, such as the case with COVID-19 issues. This team will also have opinions, experience and record keeping on the risks of third-party repair relationships. And you'll want to ask them about the challenges they face juggling third-party repair arrangements from multiple vendors.

Sterile Processing professionals are creative in finding solutions and like to rely on data. They are loyal to the physicians, customer-committed to uptime and reliability, like BioMed, and interested in solving problems. They know that accountability is about both patient care and the health of the organization, and that smart buying is key to the health of both. For this team, you will want the supplier to cover what

professional development programs will be available. Medical devices can be complex and subject to frequent updates in line with new product development and regulations.

3 Infection Prevention

The infection prevention team will be interested in utilization rates, clinical trial results, and relevant observational data. The pressure on this team is extremely high – they are accountable for any infection issues and will need to show the comprehensiveness of their process should questions arise.

It will be important for the infection prevention team to have confidence in the quality management and complaint handling protocols of the service vendor they work with. In this way, they can be assured that any product related issues will be reported in a timely manner to the FDA and will be communicated to the market as required. Third-party repair providers are not held to the same standard and are not obligated to report complaints about repairs they have completed, and this loophole has the potential to create a lot of risk for your organization.

With this group, transparency is key, across functions. One infection prevention manager recently reported that, "Using an evaluation form that everyone looks at can be really helpful. It lets you see what IT, finance and clinical needs are – everyone has different priorities but seeing what's important helps with coming to useful agreements."

Infection preventionists have also indicated that prior to VAC discussions they find it useful to hear from infection prevention leadership at institutions or systems of a similar size to theirs.

Infection prevention leadership thinks innovatively and analytically. They are interested in using data to improve care prevention practices, forecasting and care delivery overall. The service contract will need to address these issues.

Supply chain has evolved rapidly as a function of hospitals and health networks, and a hallmark of the evolution is the ability to build consensus.

4 Risk Management

The risk management group will want to be involved with your service contract initiative. Before talking with risk management, get familiar with the latest JCAHO Guidance on the topic of servicing, as accreditation and standard of care will be priorities for this group. Know the difference between servicing and remanufacturing, and whether the health system has faced risks because of either. The FDA contends that some third-party repair organizations have characterized remanufacturing services as repair services and advises that the buyer inquire about and know what is being offered.[1]

Risk management will also want to talk about data – if equipment is leaving the healthcare facility for repair and service, what controls are in place to protect sensitive patient information? Like the infection prevention team, risk management will be aware of physician demand for reliable devices and will recognize their exceptional importance in delivering patient care.

5 Sales Reps

What about the rep? Many supply chain experts will believe that the medical device sales rep should not be included in the VAC, but it's important to realize that reps are necessary to the medical device adoption and can help in identifying value-added solutions for the team. Most physicians will tell you that a rep is essential in operating room environments, for the purpose of product familiarity that stays consistent even when other functions in the case may be trading out different staff members. Reps also provide step-by-step facilitation of the case and an education to new nurses and technicians and more. Supply chain leadership can complete the circle when it invites the rep to the table for at least part of the conversation.

Supply chain has evolved rapidly as a function of hospitals and health networks, and a hallmark of the evolution is the ability to build consensus. The service contract negotiation represents a valuable opportunity to identify cost and efficiency outcomes while also encouraging transparency, agility and strategic thinking. Along the way, the purchasing department is likely to gain advocates for smarter spending across the organization. ■

To learn more about Olympus Service, please click here.

[1] https://www.fda.gov/media/113431/download

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Visit **medical.olympusamerica.com/service** to receive the service information packet to learn more about OEM vs. third-party repair.

BY MARK THILL

Cracks in the System

Long-term care providers, payers and society can learn from the mistakes of COVID-19

Editor's note: *The report of the Coronavirus Commission for Safety and Quality in Nursing Homes can be accessed at https://sites.mitre.org/nhcovidcomm/wp-content/uploads/sites/14/2020/09/FINAL-REPORT-of-NH-Commission-Public-Release-Case-20-2378.pdf*

Ask Dallas Taylor, RN, "Why are there so many COVID-19-related deaths in nursing homes and long-term-care facilities?" and she'll ask you right back, "What do you know about long-term care?"

Taylor is director of nursing at the Village of St. Edward Community in Fairlawn, Ohio, and was a member of the federal government's Coronavirus Commission for Safety and Quality in Nursing Homes. She acknowledges the challenges nursing homes face, and the "cracks in the system" that the pandemic exposed. But after working in the field for 20 years, she wouldn't work anywhere else. And she believes that COVID-19 can bring about long-term improvements in nursing home care.

Ever since its appearance, COVID-19 has jeopardized the health and well-being of nursing home residents and staff. By the end of the first week of December, almost 82,000 nursing-home residents and 1,200 staff had died due to COVID-19, reported the Centers for Disease Control and Prevention.

Recognizing the problem, the Centers for Medicare & Medicaid Services in May convened a commission of experts to draw lessons learned from the early days of the pandemic and develop recommendations for future actions to

improve infection prevention and control measures, safety procedures, and the quality of life of residents in nursing homes. A call went out for people to participate in the Coronavirus Commission for Safety and Quality in Nursing Homes. Taylor heard about it and submitted an application. Ultimately, she was one of 25 people selected for the months-long task, which culminated with the publication of a 36-page report in September.

The Commission issued 27 recommendations and accompanying action steps organized into 10 themes. But its members also issued this caveat: "Unless accompanied by sustainable, systems-level change addressing the issues discussed in the report, these recommendations will likely be inadequate to enable nursing homes to prevent the next crisis." The question is, will systems-level change take place?

'We weren't designed for this'

"I wasn't expecting to be selected," says Taylor, who was director of nursing at Eliza Bryant Village in Cleveland, Ohio, when she submitted her application to be a member of the Commission. "Once you get involved in something like that, you realize that everybody – whether they're in Nebraska, Texas or California – is going through the same things you're going through in Ohio."

"When I got into long-term care, hospitals kept patients for weeks; we wouldn't get them until they were stable," she says. "Now, they may come three, four or five days after heart surgery. They have more complex illnesses. They require more care. We have people who can't breathe, people with diabetes who have to be monitored on a routine basis. Nursing homes weren't designed for this."

Funding hasn't kept pace with these new demands, says Taylor. "Nursing homes do not have the resources, funding or financial stability to allow one person to focus on one task," she says. "For instance, I am the director of nursing and the infection preventionist. The assistant DONs, in addition to their regular duties, also handle wounds and

'Those of us in long-term care believe in what we're doing, and we love it. We just need people to listen.'

Commission recommendations

In May, the Centers for Medicare & Medicaid Services convened the Coronavirus Commission for Safety and Quality in Nursing Homes to solicit lessons learned from the early days of the pandemic and develop recommendations to improve infection prevention and control measures, safety procedures, and the quality of life of residents in nursing homes.

In September, the Commission published 27 recommendations and accompanying action steps intended to respond to:

- Ongoing supply and affordability dilemmas related to testing, screening and personal protective equipment.
- Tension between infection control measures and quality-of-life issues associated with cohorting and visitation policies.
- A call for transparent and accessible communications with residents, their representatives and loved ones, and the public.
- Urgent need to train, support, protect, and respect direct-care providers.
- Outdated infrastructure of many nursing-home facilities.
- Opportunities to create and organize guidance to owners and administrators that is more actionable.
- Insufficient funding for quality nursing home operations, workforce performance, and resident safety.

The report can be viewed at https://sites.mitre.org/nhcovidcomm/wp-content/uploads/sites/14/2020/09/FINAL-REPORT-of-NH-Commission-Public-Release-Case-20-2378.pdf.

manage other programs, such as restorative care and staff development.

"We weren't designed to handle a pandemic. We didn't have ventilators; we didn't have the necessary medicine on hand." Nor did they have adequate PPE.

"What has been so different with COVID-19 is the constant use of PPE. Before, you may have had an outbreak of flu for a couple of weeks, twice a year. But when the whole building gets sick, that's something we couldn't accommodate." And because COVID-19 affected every area of the United States, nursing homes such as Eliza Bryant had nowhere to turn for relief. "We thought that because nursing homes are funded by CMS, we would not have a problem getting the supplies we needed. We never dreamed it would be such a struggle." What's more, prior to COVID-19, the reuse or decontamination of single-use PPE was unheard of, she says.

Game-changer

In the pandemic's early days, Holly Heights Nursing Home in Denver received N95 respirators, isolation gowns and face shields from a local construction company, says Executive Director Janet Snipes, LNHA, another member of the Coronavirus Commission. "Once we received these items, it was a game-changer in containing the spread of the virus.

"Now we have the ability to test our residents and staff; we have more PPE than we did when the pandemic started; and we understand that general community spread [of the coronavirus] leads to nursing-home spread," she says.

Staffing remains a challenge. "It's one of the things I think a lot about," says Snipes. The industry lacks sufficient numbers of RNs, LPNs and CNAs. "People have to be incentivized to go to school to learn these skills and then to work in nursing homes."

Fulfilling one of the Commission's recommendations – hiring an infection preventionist – remains a struggle for nursing homes across the nation, she adds. "When the pandemic began, our community had two full-time infection preventionists." But one had to remove herself from work because of comorbidities, and the other was diagnosed with COVID and had to isolate for 14 days. "Infection preventionists are so valuable in our day-to-day operations. We need a program that will help us obtain both IPs and nursing staff in general."

Given the emotional trauma of treating residents with COVID-19, long-term-care facilities have found it more difficult than ever to retain staff, says Snipes. "You hear a lot about PTSD; it's very real. We've had staff who say they'll never work in healthcare again. And to this day, some continue to seek counseling to help them cope."

But she looks forward to a different – and better – future for long-term care. The Holly Heights team is working on strategic planning now. "I see more private rooms in the future," which will help slow the spread of infectious diseases, she says. And the facility has made changes to its physical plant, such as installing HEPA air filters,

Reuse of N95s en masse

COVID-19 forced providers to do things they hadn't considered before, such as reusing single-use items. On March 28 – in the early days of the pandemic – the U.S. Food and Drug Administration issued an Emergency Use Authorization (EAU) for the use of the Battelle Critical Care Decontamination System (CCDS) for use in decontaminating compatible N95 respirators for multiple-user reuse. Shortly thereafter, Battelle got a $400 million federal contract to decontaminate N95 respirators and offer the service free to hospitals. Battelle is a nonprofit science and technology development company located in Columbus, Ohio.

Battelle had actually developed the decontamination process – which uses concentrated hydrogen peroxide vapor – in response to the 2014 Ebola outbreak, but only implemented it during the COVID-19 pandemic. At its peak, the company operated 48 decontamination facilities, but by the beginning of December, as the federal contract was winding down, that number was down to 21. At that time, the company had decontaminated more than 3 million N95s, according to a spokesperson.

air-purifying units and ultraviolet lighting to disinfect rooms.

Snipes says she sees a future in which federal and state surveyors serve as partners with nursing homes to improve patient's care and quality of life. And while infectious disease will always be a threat, COVID-19 has served as a valuable learning experience, she says. "I can't imagine not always having a three-month supply of PPE on hand or the training for how to use it properly."

Cautiously optimistic

Meanwhile, Dallas Taylor is cautiously optimistic about the future. "The Commission made a lot of good recommendations. But if our recommendations are pushed to the wayside, things will get worse before they get better.

"Nursing homes are expected to do things that they were never designed to do. Most of our workers are underpaid and underexperienced in dealing with a pandemic such as COVID-19, yet they have the incredible task of being responsible for someone whose life is in their hands while taking care of themselves. And the pandemic isn't going anywhere anytime soon.

"But I am hopeful. Those of us in long-term care believe in what we're doing, and we love it. We just need people to listen." ■

For nursing homes: A moment in time

"Everybody understands nursing homes are under siege," says Terry Fulmer, PhD, RN, FAAN, president of The John A. Hartford Foundation and a member of the federal Coronavirus Commission for Safety and Quality in Nursing Homes. "[COVID] exposed fundamental flaws in nursing homes in this country. Having the spotlight makes this a moment in time when we must act. Policymakers are paying attention, the sector is undergoing major upheaval."

The Foundation – a private philanthropy dedicated to improving the care of older adults – has several projects in the works to facilitate change, she says. It is working with the FrameWorks Institute to reframe the narrative around nursing home care – one based on "the actual story and science of long-term care, instead of the back-and-forth headlines we see every day."

The Foundation is also working with the Institute for Healthcare Improvement, the American Hospital Association and the Catholic Health Association of the United States to promote "Age-Friendly Health Systems," that is, systems that focus on what matters most to older adults, and that provide care aligned with residents' goals and preferences. The Age-Friendly approach has been adopted in 1,100 care sites, says Fulmer.

Additionally, the Foundation is the primary sponsor of an initiative by the National Academies of Sciences, Engineering and Medicine to examine how the nation delivers, regulates, finances and measures quality of nursing home care, including challenges brought to light by COVID-19.

Infection prevention training

In November, the Centers for Medicare & Medicaid Services recognized 1,092 nursing homes in which 50% or more of staff completed CMS training designed to help staff combat the spread of COVID-19. More than 125,000 individuals from 7,313 nursing homes completed the training, representing approximately 12.5% of approximately one million nursing home staff in the country.

The training modules for frontline staff include:

- Hand hygiene and PPE.
- Screening and surveillance.
- Cleaning the nursing home.
- Cohorting.
- Caring for residents with dementia in a pandemic.

The modules for management include those topics as well as:

- Infection prevention and control.
- Emergency preparedness and surge capacity.
- Addressing emotional health of residents and staff.
- Telehealth for nursing homes.
- Getting your vaccine delivery system ready.

The training is available on the CMS Quality, Safety & Education Portal at https://QSEP.cms.gov.

Staff Over Stuff

BY DEANNA LEONARD

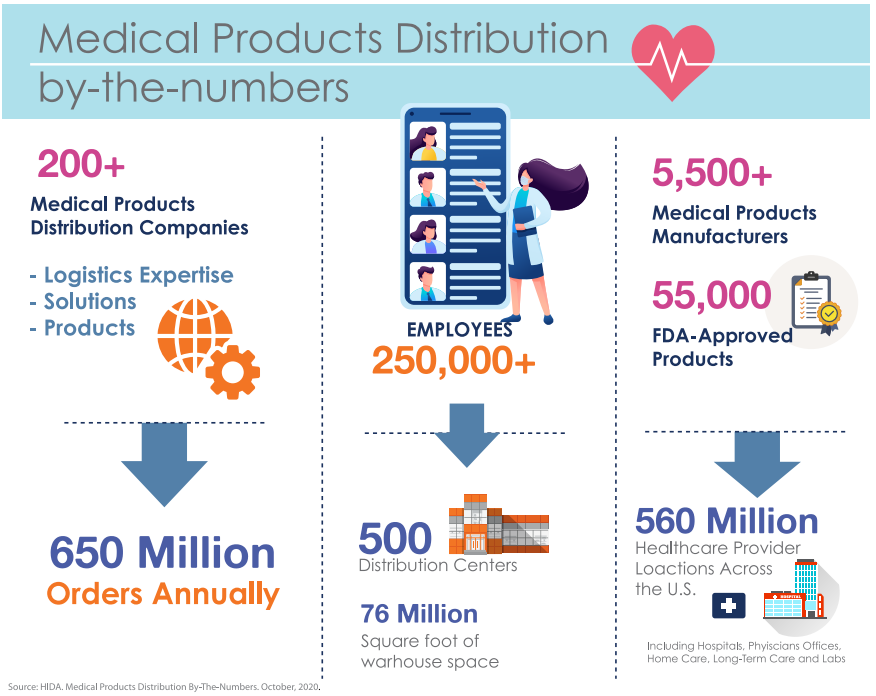
With 2020 in the rearview mirror, we have managed to navigate our way through Q1 of 2021. 'Unknowns, uncertainty, virtual meeting, unprecedented times and new normal' are words and phrases we'd rather not be familiar with, but they continue to crop up. 2020 provided quite an education to someone such as me who is relatively new to working in the healthcare sector. Having spent many hours in webinars last month, I heard multiple stories from purchasing managers and supply chain leaders that were truly impressive. Between the hours worked, the budgets managed, and the avenues taken to ensure the right 'stuff' was on the shelf for not only existing healthcare needs, but a whole new unknown crisis. Everything needed by the IDN, the facility, the acute care center – came through the supply chains and purchasing departments

As we all know, the demand for PPE during 2020 skyrocketed. Combine that with countries who focused on PPE manufacturing shutting down due to COVID-19, it left a void that somehow the healthcare heroes behind the scenes (global supply chain leaders) had to navigate through. Global shortages of PPE were felt strongly in the US and resulted in 152 new COVID-19 related trade export mandates.[1] By October of 2020, the Strategic National Stockpile had made new investments totaling $638 million in domestic facilities for pandemic-related supplies and equipment, including PPE.[2]

How does one predict and forecast what 2021 looks like when it comes to PPE? Put yourself in a supply chain leader's shoes and imagine your facility has five trailers full of PPE in your parking lot because there is no other place to store those supplies. You may or may not need them immediately. Imagine the flip side of running out of PPE in a matter of days. While unsure what the usage will be in the event there is another outbreak, you still forecast and manage it for the next 12-18 months. Again, truly impressive. I am by no means downplaying the frontline caregivers who gave it their all to ensure patients were well cared for – I am so unbelievably grateful for them – I'd have to write an entirely separate article to cover the impressive work done by them. I am however, in awe of those behind the scenes who kept the 'machine' moving, so that those frontline healthcare workers could do their job safely.

I do not use the word 'machine' lightly either. With over 250 thousands health care employees and 76 million square feet of warehouse space, getting the mass variety of medical equipment from point A to point B truly is a machine.

It probably goes without saying, but all of those involved with ensuring our healthcare systems kept moving forward in 2020 have earned our sincerest gratitude at Encompass Group. We appreciate all you do and know what a difference you and your teams make. We could not do this without you! If you'd like to prioritize Staff over Stuff contact Encompass. We'd be happy to discuss programs to motivate your staff, unify your brand and improve your patient satisfaction.



[1] Congressional Research Service. Export Restrictions in Response, The COVID-19 Pandemic. August 25, 2020
[2] U.S. Department of Health and Human Services, Office of the Assistant Secretary for Preparedness and Response. SNS 2.0: The Next Generation. October 21, 2020

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Heightened Vigilance

By identifying patients at high risk of SSIs, health systems can take the necessary precautions to reduce the chance of infection.

Editor's Note: *The participation of those in the following article does not constitute an endorsement of the sponsor's products or services.*

With surgical site infections (SSIs) on the rise, as well as the financial cost of treating them, finding evidence-based strategies to prevent infections for hospitals and health systems is critical. One of those evidence-based strategies involves identifying patients who may be more at risk of SSIs.

Diabetic patients in particular are at a "considerably" increased risk for developing surgical site infections (SSIs) while undergoing most types of surgeries, compared to non-diabetic patients, according to a study published in Infection Control & Hospital Epidemiology, the journal of the Society for Healthcare Epidemiology of America (SHEA).

"Diabetes has been recognized as a risk factor for infection following some surgeries, but has been a source of debate for other procedures," said Emily Toth Martin, PhD, lead author of the 2015 study and assistant professor of epidemiology at the University of Michigan School of Public Health.

The researchers conducted a systematic review and meta-analysis spanning 94 studies published between 1985 and 2015, and analyzed data based on estimates of diabetes, SSIs, types of procedure, blood glucose levels and body mass index. They found that diabetic patients undergoing surgery were 50% more likely to develop an SSI compared to patients without diabetes (6% vs. 4%). Previous studies had found increased risk for diabetic patients during several types of surgery, but the new research confirmed that a broader range of procedures had elevated risk of SSIs, including arthroplasty, breast, cardiac and spinal surgeries.

They found that diabetic patients undergoing surgery were 50% more likely to develop an SSI compared to patients without diabetes (6% vs. 4%).

"Hospitals routinely monitor glucose levels in surgical patients, but heightened awareness among healthcare professionals of infection prevention measures is warranted for diabetic patients before and after surgery," said Martin. ■

Facts about SSIs

According to the CDC, a surgical site infection (SSI) is an infection that occurs after surgery in the part of the body where the surgery took place. Surgical site infections can sometimes be superficial infections involving the skin only. Other surgical site infections are more serious and can involve tissues under the skin, organs, or implanted material.

SSIs occur in 2% to 4% of all patients undergoing inpatient surgical procedures, according to data from the Agency for Healthcare Research and Quality. Although most infections are treatable with antibiotics, SSIs remain a significant cause of morbidity and mortality after surgery. They are the leading cause of readmissions to the hospital following surgery,

and approximately 3% of patients who contract an SSI will die as a consequence. Although SSIs are less common following ambulatory surgery than after inpatient procedures, they are a frequent source of morbidity in these patients as well.

Q&A with Premier's Mike Alkire

Incoming Premier CEO Mike Alkire shares how the GPO has evolved during his career, plus how the past 12 months have changed the medical supply chain.

Premier (Charlotte, NC) announced in February that President Mike Alkire will succeed Susan DeVore as CEO and continue to serve as president and a member of the board, effective May 1.

Alkire participated in a Q&A with *The Journal of Healthcare Contracting* (*JHC*), covering his 18 years at Premier and the past 12 months of the pandemic. Alkire also answered questions about transitioning to the CEO role and Premier's trajectory for 2021.


Mike Alkire

***The Journal of Healthcare Contracting* (*JHC*): How have GPOs changed during your 18 years at Premier?**

Mike Alkire: The way that Premier has evolved is three-fold: Driving higher-committed contracting strategies that result in best-in-industry pricing; technology-enabling supply chain to drive greater transparency and capture all non-labor spend of a health system; and creating strategies that vertically integrate the supply chain to drive opportunities for domestic manufacturing and reduce our health systems' dependence on China and other countries controlling certain markets.

Our members are now looking for Premier to aid them in evolving the supply chain away from an isolated, transactional purchasing activity and toward a strategic and technology-enabled, enterprise-wide function capable of helping providers deliver better care, improve outcomes, enable population health strategies and lower costs.

Using robust data analytics, it's clear that we can increase cost transparency for providers to identify savings and efficiency opportunities. But the most effective partners are those that are providing innovative solutions that set health systems apart in their local markets and enable them to be successful and sustainable into the future. In addition, it's now crucial that we stay on top of policy and regulatory developments and marketplace dynamics to help resolve drug shortages, mitigate supply disruptions and optimize purchased services spend, among other activities.

As one example, Premier's generic drug sourcing program ProvideGx gives members access to more than 150 drugs that are or have been recently designated as shortage drugs – and has successfully protected supply even as demand surged more than 150% during COVID-19. A unique model in the market, ProvideGx aggregates demand from U.S. hospitals and engages manufacturers in long-term committed buying contracts, providing the surety they need to increase production or move into new markets. We also continue to focus on meeting our members' personalized needs, including the development of purchased services, oncology and pediatric-specific GPOs.

Further, we are leading the value-based transition from the population health space into supply chain. As the market continues to incent healthcare providers to improve outcomes, suppliers are raising their hands to go at risk with hospitals and guarantee their products' performance. And hospitals, for their part, are looking for more value-based

contracting opportunities – 95% of integrated delivery networks are interested in and/or ready for these types of contracts, according to a November 2020 Premier survey. We actively work with our members to develop and deploy a data-driven value-based contracting approach that aligns with their priority needs and organizational goals.

Hospitals and health systems across the nation are also leveraging supply chain and performance improvement technology to drive organizational decision-making, standardize care and eliminate variation. For example, one prominent health system identified $80 million in savings per year over the next five years by minimizing care variability using Premier's platforms. This technology is propelling supply chain automation as well, from vendor sourcing and contract management to e-payable capabilities, which are poised to create significant efficiencies and save providers millions.

Alongside the continued evolution of health care, Premier has grown into a service-oriented partner and health care technology and improvement company with our industry-leading portfolio, advanced technology and data platforms, best-in-KLAS consulting team and member-driven collaboratives – delivering cutting-edge solutions for our members and enabling the transformation that drives the industry forward.

***JHC*: How have the past 12 months changed the trajectory of GPO priorities going forward?**

Alkire: I, personally, never want to see another scenario where health care providers can't get access to the vital PPE and supplies needed to protect their frontline workers and care for patients. A primary focus for us has, and will continue to be, ensuring that we have a much more resilient supply chain. That requires innovative strategies and creative partnerships that lower barriers to entry and drive stable supply. A resilient supply chain would reduce our dependence on China and other countries that have controlled the market in certain categories.

We are leveraging the power of data and ongoing dialogue with our members to drive greater supply diversity and capacity – increasing the production of masks, gloves and other PPE both globally and here at home. For example, when PPE demand surged in the spring of 2020, we identified seven global suppliers to secure 36 million masks and respirators and 16 million gowns from March to May 2020. Data also informs our approach to domestic manufacturing investments, including those with Prestige Ameritech and DeRoyal Industries Inc., leveraging insights that show supplies most at-risk and where we can scale up to meet member needs. The result was our members managed through the supply shortfalls far better than other hospitals.

The pandemic exposed other significant supply chain gaps, such as availability of supplies for the non-acute space. In June 2020, 83% of alternate site providers reported not having their PPE needs met by traditional med-surg distributors due to allocations. As a result, we are now thinking more critically about how we ensure product access across the broader health care spectrum – and trusted e-Commerce platforms are serving as a critical channel for providers that cannot consistently order from distributors. Premier's online health care marketplace stockd® has helped meet the need, offering an easy-to-use, accessible platform for providers and other industries to find vetted and reputable products.

Enhancing our AI and predictive technology capabilities is another key focus area. For example, early in the pandemic, we upgraded our technology to overlay predictive modeling with clinical surveillance and supply chain data. This enabled providers to predict caseload surge and model the supplies they would need to handle them. We're only scratching the surface, and technology and predictive analytics will be even more critical to supply chain operations moving forward.

Greater public-private collaboration is also vital, and Premier will continue to work closely with government stakeholders at the federal, state and local levels to build supply chain resilience. Specifically, we are engaged with the FDA to ensure supply chain transparency, from basic raw materials to finished goods. We are working with federal and state agencies to dynamically allocate products based on inventory levels and predictive usage patterns to stabilize the need for stockpiling. For U.S. Infrastructure 2.0, we are working with Congress to bring additional domestic manufacturing of PPE and generic drugs to the U.S. where it makes long-term sense. And we will continue to build out our syndromic surveillance capabilities using clinical data sets and natural language processing to interpret unstructured EMR data, flagging certain conditions or disease based on this data.

Our members need high-quality supplies, sourcing and expert supply chain management. They also need to efficiently manage costs, while simultaneously delivering safe and effective patient care or other services. Across the

Premier organization, we are continuously innovating and partnering with our members to meet these goals.

***JHC*: How does your role as President define your role as incoming CEO?**

Alkire: I am so honored and humbled to succeed Susan and look forward to leading Premier and its talented employees during such an important time for the health care industry. Susan's many accomplishments in her 18 years with Premier have left an indelible mark on health care – and I know we'll continue her legacy of strategic evolution and innovation with a member-focused mindset. I started with Premier back in 2003 and served as chief operating officer before assuming the role of president in 2019. We've been innovating and evolving our Performance Services business, and adding machine learning and AI into our analytics to embed insights into the EMR at the point of care. Additionally, we've launched our direct sourcing subsidiary as well as developed strategies around our Applied Sciences partnerships to target appropriate usage of innovation in both the pharmaceutical and medical device markets. We've created collaboratives that have helped our health systems outperform their peers. This on-the-ground work and collaboration with the Premier team and our members has given me the experience, passion and vision to lead and execute on the future.

As President and now incoming CEO, my dedication remains to propel our pioneering strategies and innovations to drive down pharmaceutical, medical device and supply pricing; technology-enabling and vertically integrating the supply chain; and enabling better patient care and outcomes. As I told the Premier employees when the CEO transition was announced, our vision, mission and values are strong. What we need to do now is execute and continue to innovate – and that's where my focus lies.

We are working with federal and state agencies to dynamically allocate products based on inventory levels and predictive usage patterns to stabilize the need for stockpiling.

At this point, I plan to accelerate value delivery to our members and partners. And I intend to do so in three principal ways, largely relying on technology enablement: I want to remove all the waste out of health care (up to 30% of today's costs). Evidence-based, AI-enabled guidance in workflows will ensure care is appropriate and that clinical, administrative and supply waste is removed.

Modernize and tech-enable the supply chain so that we have efficient automation of manual tasks, as well as visibility, transparency and resiliency baked into the system. Providing the technologies and expertise necessary to succeed in value-based care, including clinical decision support to ensure the highest quality outcomes demanded by payers, employers and patients alike.

***JHC*: What initiatives are you energized about for this upcoming year?**

Alkire: I'm excited that we have opportunities to leverage our unique data sets, technology and infrastructure to drive down prices of supplies for our members. And I'm particularly excited about, and focused on, our multifaceted technology investments that help our members deliver better care, lower costs and improve patient outcomes.

In today's health care environment, AI and machine learning are increasingly deployed to automate vital business functions and support complex clinical decision-making. Premier offers predictive analytics and clinical decision support in real time to serve member needs, ranging from clinical interventions to improving supply chains.

During COVID-19, for instance, we rolled out syndromic surveillance technology that leverages AI and machine learning to track disease symptoms and enable communities to predict hospital utilization, geographic surges and associated resources. We are working with coalitions of providers in various states to deploy this technology, which will be critical to both our continued management of COVID-19 disease spread as

well as streamlining the prior authorization process and improving health system performance overall.

We are also leveraging technology to better align health systems with employers and their health plans. Our subsidiary Contigo Health is focused on increasing engagement with employer health and wellness programs and delivering insights to clinicians through intelligent clinical workflow technology – guiding informed care choices with the latest evidence-based practices. There is significant opportunity looking ahead for health systems and employers to innovate together in harmony with their health plans.

Lastly, there is more work to be done on shoring up the supply chain and access to PPE and health care supplies. Together with our members, we currently have the two joint ventures under our belts for face masks and isolation gowns to help ensure that critical health care products are insulated from shortages. Moving forward, we're planning to address critical supply needs through similar partnerships with members in other product categories. Overall, this direct-to-manufacturer investment approach is primed for advancement as it supports the delivery of difficult-to-source, high-quality products while improving supply chain efficiencies and transparency.

Susan DeVore: A Legacy of Innovation

After nearly 18 years of service and 12 years as CEO, Susan DeVore is retiring from Premier and its board of directors, effective May 1. DeVore will remain with Premier through June 30 and continue as an advisor to the company for two years afterward. Premier President Michael Alkire will succeed DeVore and serve as president, CEO and a member of the board.

Under DeVore, Premier has been named as one of the "World's Most Ethical Companies" for the past 11 years, received the Malcolm Baldridge National Quality Award and earned the "Best in KLAS" title for Overall Healthcare Management Consulting.

DeVore participated in a Q&A with *The Journal of Healthcare Contracting* (*JHC*), reflecting on her successful tenure at Premier as well as how the company is positioned for 2021 and beyond.


Susan DeVore

***The Journal of Healthcare Contracting* (*JHC*): What one thing makes you most proud of your organization based on the past year?**

Susan DeVore: I am most proud of the ways our members have partnered with us to find truly innovative solutions to the biggest problems facing healthcare and our nation during the COVID-19 pandemic.

Shortly after the pandemic hit, Premier worked with our members to develop and roll out a COVID-19 early detection app. The app leverages electronic health records (EHRs) from 200,000 U.S. healthcare providers across more than 400 hospitals to provide early warning capability, forecast surges and help providers plan strategic, coordinated responses. Our quick deployment of this technology enabled our members to predict case surge, prioritize supply and adjust therapies for COVID-19 patients.

Another critical goal at the onset of COVID-19 was to source vital PPE and other much-needed supplies – and quickly – for our members, their front-line workers and patients. Our direct sourcing team works directly with suppliers to increase global PPE manufacturing and has continued to supply products for members at or above 100% allocation levels – securing sourcing for 130 million masks and 50 million gowns in 2020 alone.

We have fast-tracked supplier contracting for categories experiencing product allocation or shortage, brought on 100 new suppliers since the pandemic hit, and leveraged this expedited sourcing process to safely vet gray market solicitations on behalf of our members.

Our members are also partnering with us to pursue targeted investment opportunities in categories that lack adequate competition, geographic diversity or stable sources of contingency supply. Our syndicated model, backed by long-term purchasing volume, promotes market competition and offers domestic product options for providers where they did not exist previously.

For example, we and several our members acquired a minority stake in Prestige Ameritech, the nation's largest domestic producer of face masks. As of December 2020, the company is making 5 million masks per month and 52 million other PPE products annually. To expand domestic production of isolation gowns, we created a joint venture with our members and DeRoyal Industries Inc., and we expect this partnership to produce over 40 million U.S.-manufactured gowns annually. Through long-term committed buying contracts, our generic drug sourcing program ProvideGx is ensuring access to vital medications for our members, maintaining historic 100% fill rates for 10 critical pandemic drugs, despite 150% surge demand in some cases. We rely on a differentiated, data-driven approach to these investments, prioritizing those that will quickly satisfy the greatest needs, at scale.

I am tremendously proud of our nation's healthcare providers who have persevered through hardships over the past year, putting the personal safety of themselves (and often their family and loved ones) at risk to deliver on the mission of caring for our communities. And I am proud of Premier's partnerships with our members – providing them access to insights that help them avoid surprises, get needed supplies and develop long-term solutions to supply shortfalls that protect communities across the nation.

***JHC*: Looking back, what have been the biggest changes to healthcare during your tenure?**

DeVore: Data and technology have experienced the biggest changes. When I began my tenure as CEO 12 years ago, data and technology were in use, but providers were still learning how to mine it for opportunities. Now, with the proliferation of healthcare data available and technology optimized with artificial intelligence (AI) and machine learning, the healthcare landscape is changing significantly. For example, today, Premier members have access to data on more than 1 billion inpatient and outpatient encounters from over 1,000 hospitals and health systems as well as clinical decision support and real-time clinical surveillance at the point of care – all of which are enabling lower costs, enhanced quality and improved outcomes. These advancements will continue to shape healthcare well into the future.

COVID-19 has also served as a catalyst for positive and broad transformation in the U.S. health system. For example, telehealth was long described as a gamechanger in the delivery of care, yet its adoption remained underutilized in most markets due primarily to payment and policy restrictions – until last year, of course. Now, we are partnering with our members to broaden their telehealth strategies and using it to expand access, including into rural or underserved areas. It has been rewarding to watch this technology that has been long-talked-about, and slowly tapped, suddenly proliferate. And it shows that healthcare does has the ability to move and adapt quickly.

The growth in value-based care over the last decade has been exciting to watch and expand, and it is an area in which I also anticipate acceleration; COVID-19 has clearly yielded a greater propensity for providers toward risk-based models. During the pandemic, Premier found that participants in alternative payment models (APMs) heavily relied on population health capabilities to manage the pandemic, leveraging partnerships across the care continuum, as well as claims data, to coordinate patient care more rapidly than their counterparts.

Similarly, direct-to-employer contracting is a model the industry has been working toward over the last decade and is now on the rise. As health systems assume accountability for the health of their communities, a market has been born that is ripe for new partnerships between local health systems and national employers in their community to resourcefully and effectively manage wellness and overall healthcare costs. Together, they are bypassing traditional

It is shocking in an era of credit cards, wire transfers and Venmo, that well north of 80% of all healthcare purchasing is done manually, using paper checks.

third-party payers to pursue a new type of healthcare financing and delivery model.

And given the prevailing discussion about reforming the healthcare supply chain, a new change on the horizon in 2021 will be policy that incentivizes domestic manufacturing as well as efforts to gain upstream and downstream visibility into the supply chain.

***JHC*: What has remained the same?**

DeVore: As much as I have seen the healthcare system evolve, it is still plagued with manual, burdensome and expensive processes that lead to inefficiencies, higher costs and delayed care or patient harm. About a quarter of total healthcare spending in the U.S. is waste, according to studies, with failure of care delivery and care coordination accounting for up to $240 billion. The key to eradicating low-value healthcare is knowing exactly which interventions should be undertaken and those that should not.

Take, for example, prior authorizations (PAs). In today's tech-driven world, the PA process is still largely a manual one for payers, providers and patients alike. There are solutions that can solve for this, such as electronic PA, that streamline the approval process for imaging, reduce waste and improve patient access to care – and slowly, these technologies are beginning to spread.

As another example, research shows that automated invoicing and automated payments can improve transaction compliance and speed up how quickly providers are paid by their vendors. It is shocking in an era of credit cards, wire transfers and Venmo, that well north of 80% of all healthcare purchasing is done manually, using paper checks. And each one of those checks is expensive to process – $7 or more. Automating that process alone could save providers millions of dollars. As providers and payers look to gain efficiencies, I expect to see more technology-enablement across the healthcare setting.

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***JHC*: How do you think Premier is positioned to help members in 2021 and beyond?**

DeVore: Uniting an alliance of more than 4,100 U.S. hospitals and health systems and approximately 200,000 other providers and organizations, Premier and our members are transforming healthcare.

From supply chain solutions, integrated data and analytics, collaboratives, consulting and more, we have built a successful, mission-driven healthcare company that is focused on delivering innovative solutions to our members that help them deliver better care, improved outcomes and lower costs. Premier has a strong foundation, and the company is well positioned to advance these strategic objectives.

We have continuously proven our ability to innovate, evolve and move the ball forward to meet our members' needs and drive industry transformation. With research demonstrating the struggles with U.S. maternal health outcomes, we are partnering with the U.S. Department of Health and Human Services (HHS) Office of Women's Health to leverage our technology and data to analyze risk factors and develop plans to address. As the nation saw COVID-19 cases surge last spring, we rolled out a syndromic surveillance app that is now helping health systems more quickly identify community cases and spread. And as providers continue to struggle in accessing PPE, together with our members, we are making vital investments to bring more manufacturing back to America and meet the needs of hospitals, frontline workers and patients.

As President and now incoming CEO, Mike Alkire will continue to oversee Premier's ongoing strategic evolution with a member-focused mindset. Over his nearly 17 years with Premier, Mike has been instrumental in developing, building and executing Premier's strategy, and he has played a key role in driving the company's growth and success.

For me personally, it has been an honor and privilege to be a member of the Premier family. I am proud of all that we have accomplished, and I thank Premier's employees for their dedication, passion and focus on serving our members and other customers to improve the health of our communities. ■

Due to COVID-19 restrictions at press time some dates and locations may change.

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Aug. 9-11, 2021
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Red Flags to Avoid PPE Scams

Distributors, manufacturers, and healthcare providers all have a role in fighting PPE fraud

A year into the pandemic, the problem of counterfeit personal protective equipment persists, engineered by opportunistic vendors and profiteers taking advantage of the lengthy spike in demand. HIDA recently hosted a webinar, "Working with Your Supply Chain Partners to Avoid PPE Scams" to identify how distributors, manufacturers, and providers can all work together to combat fraud.

The presenters from 3M Healthcare, Medline Industries, and Sri Trang USA emphasized the importance of working with authorized, established distributors and original equipment manufacturers to ensure FDA-approved, quality medical products flow through the supply chain for optimum patient care. If the offer seems too good to be true, it is too good to be true. Here are key takeaways.

How distributors help

Distributors have been deluged with offers from unfamiliar brokers and vendors. In response, they have been using every tool available to meet the increased need.

- Identifying appropriate product substitutions when available
- Expediting shipping and delivery to hot spots
- Coordinating with current suppliers to ramp up production
- Vetting and onboarding new suppliers
- Using allocation systems to conserve inventory and maximize product
- Maintaining stockpiles

How manufacturers help

They manage supply and provide alternatives through short- and long-term strategic planning.

Short-term

- Reaching out to distributors to understand current challenges
- Reducing supply chain complexity (such as modifying a product so that it ships easier)
- Reducing niche products (do you really need that grape-flavored glove?)
- Suggest alternatives (innovative or nascent products)

Long-term

- Expanding or modernizing facilities
- Diversifying raw material sources
- Educating and raising awareness (seminars, social media campaigns)
- Engaging with regulators and standards organizations

How providers help

Healthcare providers can keep an open line of communication with their trusted distributor partners to help identify and solve pressing challenges created by COVID-19. The panelists recommended ways providers can be a positive part of a resilient supply chain.

- Being flexible
- Being open to evaluating product alternatives (For example, a new generation of latex gloves as a substitute for nitrile)
- Focusing on critical product requirements
- Recognizing the downsides of large stockpiles (puts products needed on the front lines onto back shelves)

The full webinar recording is available in the Events + Education section of HIDA's website, HIDA.org. ■

Unfamiliar sources may not offer vetted product

	Unfamiliar Suppliers	Distributors
Price	One-time deals for the highest price	Prices based on long-term relationships and contracts with manufacturers and healthcare providers
Safety	No guarantee that manufacturers were vetted or that brokers have experience in healthcare supply	Sourced from vetted and FDA-approved manufacturers
Quality	Only negotiate, with no guarantees of product delivery or condition	Take possession and ownership of products and deliver to healthcare provider

Industry News

Florida lawmakers consider PPE stockpile plan

In March, lawmakers in Florida were considering setting up a stockpile of personal protective equipment (PPE) that it would then make available for sale to healthcare practitioners during declared emergencies, according to CBS Miami.

Despite some concern from one lawmaker who cautioned the measure could turn a "government agency into an Amazon," the House Pandemics & Public Emergencies Committee on Tuesday unanimously approved its version of the proposal (HB 1353), sponsored by Rep. Clay Yarborough.

To ensure the state has enough respirators, gloves, gowns and masks to cover the potential need, the Division of Emergency Management would be required to complete an inventory of equipment "held in reserve" and procure additional equipment or arrange by contract for it to be sold to practitioners or their employers at cost.

Committee member Carlos Guillermo Smith, D-Orlando, noted that the state Division of Emergency Management has provided PPE free of charge during the COVID-19 pandemic to healthcare practitioners and asked whether there would be a policy switch to require providers to pay for the equipment.

Yarborough said that the bill's intent "is not to restrict it to where it can only be purchased, especially to other groups that aren't healthcare providers." However, concerns remain that the change would be a burdensome task for the government while also making it more difficult for smaller providers to access needed equipment during a crisis.

NewYork-Presbyterian Brooklyn Methodist Hospital opens new ambulatory care facility

NewYork-Presbyterian Brooklyn Methodist Hospital opened the Center for Community Health, a new, six-story, 400,000-square-foot ambulatory care center.

The new facility, located at the NewYork-Presbyterian Brooklyn Methodist Hospital campus on 6th Street between 7th Avenue and 8th Avenue in Park Slope, is the first major ambulatory care facility built in Brooklyn in 40 years, the hospital said.

The Center for Community Health offers a wide range of ambulatory care services, including oncology, digestive, and endoscopy services, as well as an infusion center, ambulatory surgery, diagnostic imaging center, and more.

Multidisciplinary teams of physicians from Weill Cornell Medicine work together to consider each patient holistically, whether they are being treated for digestive diseases, cardiovascular issues, cancer, or other conditions, or coming for outpatient surgery, interventional radiology, or diagnostic imaging.

GHX adds Steve Jackson as GM, Exchange Services to advance the clinically integrated supply chain

Global Healthcare Exchange (GHX) (Louisville, CO) welcomed Steve Jackson in the role of General Manager, Exchange Services.

In this capacity, Jackson will focus on co-designing solutions with providers and suppliers that lower the total cost of care and improve patient outcomes. Leveraging GHX's extensive reach, Jackson will be responsible for advancing the healthcare industry's adoption of a clinically integrated supply chain that enables greater precision and personalization of care.

Jackson joins GHX from National Research Corporation (NRC), an industry-leading voice of customer platform leveraged by more than 75% of the top 200 U.S. health systems. As president of NRC, the company's customer NPS and employee satisfaction scores more than doubled and its market capitalization grew from $330 million to more than $1.4 billion

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