



The Journal of *Providing Insight, Understanding and Community*
Healthcare
C O N T R A C T I N G

December 2023 Vol. 19 • No. 6

Women Leaders in Supply Chain

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Musings from 20 Years of Publishing



This issue concludes our 20th year of publishing *The Journal of Healthcare Contracting*. The world has changed greatly these past two decades, but the mission of this magazine has never been more poignant.

It's crazy to think of the seismic challenges that have been thrown at us the last two decades: natural disasters like Hurricane Katrina, the financial crisis in 2008, the COVID-19 pandemic in 2020, global wars, social unrest and what seems like an ever-dividing political landscape.

Our healthcare industry has seen its share of challenges as well, including healthcare reform with the passing of the Affordable Care Act, industry consolidation, the evolving care setting, the growth and empowerment of payors and the emergence of many disruptors.

I can't think of a more complex business than running an integrated health system in the best of circumstances, but when you pile all the above issues on top of the way providers are being graded and paid (more and more based off patient evaluations and outcomes) – the challenge is staggering.

And this brings me to what these past two decades have meant to our nation's supply chain leaders. I'd contend during these unprecedented times that our corner of the world has more answered the call to supply our nation's hospitals, facilities, and providers with what they need to give world class care.

I've had a front row seat to observe our nation's most forward thinking and operating Supply Chain teams, and am always amazed at how they have evolved these past 20 years. Supplying our health systems has gone from an activity to a true discipline, from many lone soloists to finely harmonized symphonies.

One could make the argument that this growth has come from advanced technologies, progressed academia, or shared best practices, but there is no doubt in mind it is because of the people that lead and are in these supply chain teams.

For 20 years now our tagline has been *Providing Insight, Understanding and Community*. This has been our calling and mission so we can play our part in the continued evolution of the U.S. Healthcare Supply Chain. It has been an honor to cover the great people in our nation's health systems supplying their communities enabling world class care. And this is all enabled by all the readers of *The Journal of Healthcare Contracting*, so a heartfelt thank you for reading this magazine so we can play our part!

Cheers! Here is to the next 20 years!

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Tackling Bill-Only Challenges

More visibility for its implant device purchases helps Northwestern Medicine eliminate waste.



Some one in 10 Americans will have a medical device implanted into their bodies at some point in their lifetimes, according to the American Medical Association. But one size does not fit all for implant devices.

So, health systems are unable to stock patient-specific implants because most patients require implants specifically suited for them, making procuring and paying for patient-specific implants burdensome.

The process is referred to as “Bill-Only.” But what does the Bill-Only process mean to a health system’s bottom line?

“I think a lot of people’s first question would be ‘what are Bill-Only’s,’” said Alisha Beringer, director of supply chain for Northwestern Medicine. “I call it invisible dollars. It’s such a pain point on the hospital side. But when you tell people how much health systems can spend in product brought in by vendors, it’s staggering how much money can flow through a system without visibility or tracking.”

Northwestern Medicine and Casechek partner to co-develop a solution

It’s a topic that Beringer, Northwestern Medicine and Casechek are trying to get more people to pay attention to in healthcare.

Northwestern Medicine and Casechek were named the recipients of the 2023 SMI Tom Hughes Collaboration Award, recognizing exceptional efforts of industry thought leaders collaborating to bring innovation, discovery and improvements to the healthcare supply chain for their partnership to co-develop a solution to the industry-wide challenge of processing and managing Bill-Only payments. Northwestern Medicine and Casechek worked together to uncover and solve

root problems through data analysis, user interviews and process mapping.

Casechek’s platform automates workflows for all of a health system’s vendor-supported procedures. It targets the implant supply chain with the same automation as stock supplies. With over 2 million surgical cases managed, it has a 97% average rep process compliance with an 80% reduction of manual labor during the process.

By specializing in healthcare’s complex implant supply chain, Casechek tackles Bill-Only challenges. Selecting the correct implant for a patient requires numerous considerations by the surgeon based on their clinical judgement, training and experience. Surgeons often prefer specific brands or models of implants based on factors like clinical outcomes, longevity and ease of use.

Surgeon-driven implants can lead to higher costs and variation. A health system supply chain team can work with surgeons to accommodate their preferences while also valuing cost, standardization and patient safety. But procuring implants can be left to the vendor and surgeon, which leaves little oversight of implants for the hospital and supply chain.

Casechek developed the solution for Northwestern Medicine after approaching Northwestern Medicine to help solve its Bill-Only problems. They wanted to build a tool for a customer, with a customer.

“That was music to my ears,” Beringer said. “Casechek was willing to give us the resources and look at all of

our data in its current state. They wanted to understand us and build a certain tool for us. We said absolutely.”

Digging into the data, building the platform and going live

The COVID-19 pandemic hit soon after Northwestern Medicine started the process, but they didn’t stop.

“Procedures were down because of COVID-19, so people had more time on projects,” Beringer said.

Casecek gave Northwestern Medicine a team of people and spent time with all of the positions and departments involved in Northwestern’s Bill-Only process to help build a baseline. They dug into the data and led the conversations between IT and the stakeholders.

“Casecek led the meetings, the project planning and the follow up with support from our team,” Beringer said. “That was a huge win.”

Supply disruptions slowed the implementation, but Northwestern Medicine went live

with Casecek in January 2022 after using much of 2020 and 2021 digging into data and building the platform. The health system wanted it built so that data from the initial usage would lead them to improve.

Beringer said they wanted the data to answer key questions like:

- ▶ Is there a mismatch of data internally?
- ▶ Is there documenting during cases?
- ▶ Is the vendor putting wrong information in bills to begin with?

“In 2021, our baseline was 8% in what we were seeing in our purchase order spend that wasn’t in the EHR,” she said. “We’re now down to 0.25%.”

Some examples of savings include reusable products or products that can be sterilized multiple times but were being used one time. The amount of fees to vendors – to cancel a case or to use an item a vendor brings in, for example – are also tracked.

“We started asking how much money we are paying in fees,” Beringer said. “Are they contracted? Are we paying the right price? Those are visible costs we don’t document in EHR. Vendors could add a fee and we didn’t question it, we would just pay it. But now we have this tool, the visibility and the data.”

On average, Casecek says it finds \$8.5 million in potential savings and errors from items undocumented in the EMR, unnecessary vendor fees and excessive ordering of reusable accessory items.

Casecek is consistently pushing Northwestern toward opportunities, Beringer explained. If a clinician is using a reusable item and spending a certain amount, for example, the health system should go back to that vendor and find a credit or rebate.



Getting vendors on the same page

Plus, auditing and processing Bill-Only purchasing requests is time consuming and error prone. Since vendor bills are received after the surgery, the bill and purchase orders must be reconciled against the hospital's EMR and ERP. Managing that process is complex and manual for most hospitals.

Beringer said there was nothing in previous contract language limiting a vendor from submitting bills six months after a case. Northwestern Medicine posts charges within a certain number of days.

If a vendor submitted after that time period, it created more work for staff and it wasn't charged if it wasn't in the EHR. Now, those downstream impacts can be addressed directly with vendors.

Northwestern Medicine has conversations with vendors about expectations and policies. If their reps are not serving Northwestern Medicine well financially or in time spent, they may not be invited to support cases any longer.

"Casechek already had vendor relationships, which was big," she said. "A lot of our implant vendors already knew Casechek because of their other procurement

platform and they were already set up with it. And we already had some interfaces with Epic because of that platform, so it didn't seem like we were starting from ground zero. There were some big wins by partnering with them."

The Bill-Only solution has expanded to other IDNs. To ensure it delivered value to both IDNs and suppliers, Casechek and Northwestern Medicine requested feedback from executives at over 25 IDNs and over 10 device suppliers. The automated solution has significantly impacted the Bill-Only process and led to several cost-related improvements aligning clinical and financial data. ■

SMI announces Northwestern Medicine and Casechek as 2023 Tom Hughes Collaboration Award Recipients

SMI, a nonprofit, member-driven community of healthcare provider and industry partner organizations, awarded Northwestern Medicine and Casechek as the recipients of the 2023 SMI Tom Hughes Collaboration Award. The announcement and presentation of the award took place at the SMI Fall 2023 Forum in Nashville, Tenn.

The SMI Tom Hughes Collaboration Award is in honor of the late Tom Hughes, SMI Executive Director from 2004 to 2021. The Award Steering Committee chose SMI members Northwestern Medicine and Casechek for their collaborative partnership to co-develop a solution to the industry-wide challenge of processing and managing Bill-Only payments.

"Having known Tom Hughes for many years, this award is truly an honor for Northwestern and for our supply chain team," said Gary Fennessy, vice president and chief supply chain officer at Northwestern Medicine. "This award demonstrates the power of collaboration when two partners work together to solve a complex problem and what can be accomplished when you persevere through a difficult and challenging process."



Casechek CEO Matt Brandt added that this isn't a problem any one organization can solve itself. "We believe that great products aren't built in isolation and could not be more thankful for our fantastic collaboration partners at Northwestern," he said. "Together, we improved accuracy, eliminated errors and wastes, and streamlined processes to drive down administrative and supply costs to deliver procedural care."



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Walmart Health's Big Push

The retail giant is quickly expanding its health centers and offering virtual care to its employees.



With its stated goal of becoming America's neighborhood health destination,

Walmart Health opened its first center, a 10,000-square-foot facility in Dallas, Ga., in 2019. The large retailer acquired a telehealth provider in 2021 called MeMD and inked a 10-year deal with UnitedHealth Group in 2022 that aims to drive value-based care adoption for Walmart's clinicians and launch a new *Medicare Advantage* plan. By the end of 2022, it had 32 Walmart Health locations.

As competitors Amazon, CVS Health and Walgreens began to acquire physician offices, Walmart Health announced a deepening presence in Florida and Texas, and expansion into new states Missouri and Arizona. By the end of 2024, it will

have almost 80 Walmart Health centers in seven states. Additionally, Bloomberg reported in September that Walmart is in preliminary talks to acquire ChenMed, a primary care provider for seniors. The deal would be worth billions of dollars.

ChenMed is a prized asset

ChenMed operates over 100 centers across 15 states primarily in the Southeast and in regions where Walmart already operates health facilities. It recently tapped UnitedHealthcare veteran and former CEO Steve Nelson as its president to lead its day-to-day management and operations. According to Rebecca Springer, lead healthcare analyst for PitchBook, ChenMed is the last scaled, multistate Medicare Advantage provider group that has not sold to a major retailer other than Cano Health, which has fallen into financial trouble.

A steadfast culture is considered to be one of ChenMed's biggest strengths. It's a privately owned medical and technology company delivering high-touch and personalized primary care for Medicare-eligible seniors. It's been named a Fortune "Change the World" company and twice named a "Most Loved Workplace" by Newsweek. Its concierge-style medicine aims to bring better health outcomes to the neediest populations.

ChenMed recently implemented a program to provide each of its patients with access to the services of a coordinated team. This coincides with the federal government's unwinding of the Public Health Emergency it established during the Covid-19 pandemic. ChenMed's patients are generally 65 and older and many live in underserved areas. Its care teams will ensure those who are eligible for Medicaid successfully re-enroll within their particular state's deadline and retain a variety of vital resources to support their health and wellness needs.

A deal for ChenMed would be Walmart's biggest move yet in healthcare. But ChenMed is a prized asset and other potential bidders could emerge, according to Springer, including Optum or a private equity consortium.

Virtual care expands to Walmart's employees

Walmart has announced virtual primary care options for its employees nationwide after a successful rollout in select states, including a \$0 copayment for virtual care visits. As Walmart's customers began to adapt to a new normal during the COVID-19 pandemic, so did its employees. Walmart partnered with Included Health for virtual care collaboration that has produced good

results for employees with diabetes, for example, who saw a 24% reduction on average in HbA1c levels.

Included Health CEO Owen Tripp told the HLTH23 conference in October that the pilot's results, which included people with hypertension seeing blood pressure reduced by 14% and total cost of care decreased by 11%, dispel the myths about virtual care that make employers hesitant. He said they found that 33% of those who used the services were over the age of 45. They also saw success in connecting to patients with chronic needs as about 30% of people were seen for either chronic condition management or preventive care.

Walmart partnered with Included Health for virtual care collaboration that has produced good results for employees with diabetes, for example, who saw a 24% reduction on average in HbA1c levels.

Expanding access in key markets

In November, Walmart Health announced it is entering into a relationship with Ambetter from Sunshine Health, which provides insurance to individuals through the Florida health insurance marketplace, and with Orlando Health, a private, not-for-profit network of community and specialty hospitals across Florida, through Care Coordination Agreements.

Ambetter from Sunshine Health now includes Walmart Health Centers as a preferred provider in Clay, Duval, Hillsborough, Orange, Osceola, Pasco and Seminole counties in Florida through the Ambetter Value Plan. "The

relationship, which is built on a shared vision to help Americans gain access to affordable health care options, will initially focus on patient engagement through care coordination and referral management," the company said.

This collaboration marks an expansion of the existing relationship between Walmart Health and Ambetter Health, the largest and longest-running carrier on the health insurance marketplace and one of the leading health care programs provided by Centene Corporation. The relationship started earlier this year as the companies collaborated to enhance awareness of Medicaid re-termination efforts and expand access

to marketplace health insurance within Walmart Health centers.

"We continue to look for ways to make health care even more accessible to the communities we serve," said Richard Fuchs, senior vice president, sales, strategy and innovation at Walmart. "Both Walmart Health and Ambetter Health share a focus on serving local communities, and this collaboration will enable more Floridians to access care. We're excited to offer Ambetter from Sunshine Health members quality care in one location, conveniently located adjacent to Walmart Supercenters where many members already shop for groceries and everyday essentials." ■

Amazon's Reach Extends to Healthcare

After many forays into the market, the e-commerce giant acknowledges it can't do it alone.

Amazon has tried different avenues in its quest to tap into the healthcare market in recent years. It acquired online pharmacy PillPack in 2018 and launched Amazon Care in 2019 as a primary care service for its employees that blended telehealth with in-person medical services. It unveiled Amazon Pharmacy in 2020 offering discounts to Prime members and free delivery. In 2021, Amazon Care expanded to outside employers and added in-person care options in multiple cities, but it shut down last August after struggling to get insurers on board and after Amazon's acquisition of primary care provider One Medical for \$3.9 billion.

Amazon Clinic was launched last November, which is available to people 18 to 64 years of age in all 50 states and Washington, D.C. Customers can use messaging to consult a clinician about common conditions like acne, migraine headaches and hair loss, among other conditions. It uses third-party vendors and does not accept health insurance, instead charging a flat fee, and customers can see their medical cost before their visit.

This January, Amazon introduced Rx-Pass for \$5 per month for Prime members to get all their eligible generic prescriptions through the e-commerce giant as companies are seeking to drive down the cost of generics by removing pharmacy benefit managers (PBMs) from the supply chain or manufacturing the drugs on their own.

Amazon partnerships

Amazon's Chief Medical Officer Sunita Mishra told *Yahoo Finance* that the company will be flexible with its healthcare strategy and won't go it alone.

Its acquisition of San Francisco-based One Medical last July points to Amazon just gearing up in the healthcare sector.

One Medical is a membership-based primary care practice offering comprehensive care in 19 major U.S. markets and 24/7 access to virtual care. It also works with over 8,500 companies to provide One Medical health benefits to their employees. Launched in 2007, it had 836,000 members by the end of 2022.

Senior Vice President of Amazon Health Services Neil Lindsay said Amazon is on a mission to make it dramatically easier for people to find, choose, afford and engage with the services, products and professionals they need to get and stay healthy. "Coming together with One Medical is a big step on that journey," he said in a press release announcing the acquisition. "One Medical has set the bar for what a quality, convenient and affordable primary care experience should be like. We're inspired by their human-centered, technology-forward approach and excited to help them continue to grow and serve more patients."

What's next for Amazon and One Medical

Amazon is a behemoth with nearly \$540 billion in revenue during the past

12 months. Healthcare has seemingly been its white whale in recent years. Is another healthcare acquisition next? Amazon's attraction to One Medical's human-centered, technology-forward approach could hint at further like-minded additions. Amazon was rumored to be in talks with home healthcare company Signify Health before CVS Health acquired Signify for \$8 billion in March.

"Together (with One Medical), we believe we can make the healthcare experience easier, faster, more personal and more convenient for everyone," said Amazon CEO Andy Jassy.

One Medical offers:

- ▶ Around-the-clock access through the One Medical app.
- ▶ On-demand virtual care services like 24/7 video chats and in-app messaging.
- ▶ Same and next day in-office or remote visits.
- ▶ Walk-in availability for on-site laboratory services.

One Medical memberships are separate from Prime memberships. ■

Work Smarter, Not Harder: Advancing the Healthcare Supply Chain with Contract Automation

Increased labor costs (46 percent) and labor availability (39 percent) are among the top overall operational/financial concerns for U.S. healthcare providers – with 1 in 4 calling these the largest risk factors for healthcare supply chains over the next year, according to Premier's 2023 Resiliency survey.

Increasingly, healthcare supply chain teams are working to automate highly repeatable, manual and burdensome processes for greater efficiency, boosted productivity and cost savings.

What's taking up the most time? What's tedious, inefficient and most frustrating for our staff and teams? We don't want to devote valuable resources to clicking the same things over and over again.

One key area ripe for automation is contract activations.

Research suggests that the average hospital has more than 1,200 group purchasing organization (GPO) and local contracts in its portfolio and activates contract pricing for more than 40,000 new line items every six months.

With a large volume of contracts, frequency of updates and changes, and new activations and additional contracts executed to cover new products, transforming this traditionally time-consuming, cumbersome process can deliver significant operational and financial benefits for healthcare organizations.

Enter AI-enabled robotic process automation.

Robotic process automation (RPA) is a technology that can emulate human actions interacting with digital systems and software.

RPA can do repetitive and lower-value work, like logging into applications and systems, moving files and folders, extracting, copying and inserting data, filling in forms, and completing routine analyses and reports. When coupled with advanced artificial intelligence (AI) systems, RPA can expand its ability to handle cognitive processes like understanding documents with semi-structured or unstructured data.



Trusted, best-in-class RPA solutions can help activate GPO contracts quickly and efficiently – acting as a digital employee to go through the tedious steps of repeatedly activating new contracts. This type of tool has the flexibility to include and automate contract tier information, comments and price, effective date for all activations, as well as choosing to move distributors, and adding a final approval if desired.

Reaping the benefits of RPA.

One large health system leveraged Premier's Nexera supply chain consulting arm and its RPA tool to activate more than **800 contracts** and save more than 30 hours of manual data entry. Since the health system started using this tool, the team has been able to reduce the time needed to activate new contracts by **95 percent**.

This solution is enabling contract stakeholders to automate what has historically been a highly manual process, helping to drive rapid synchronization, accuracy and employee satisfaction.

A complex and often untapped area for modernization, a now heightened sense of urgency around contract activations and management exists due to the costs and inefficiencies it adds for providers – and to healthcare overall.

Accurate contracts and pricing mean more cost-effective healthcare.

Healthcare providers also require innovative solutions to fill today's labor gap and enable the next generation of the supply chain workforce.

And when AI-enabled technology can tackle these types of repetitive, high-volume tasks, humans are freed to focus on the things they do best and enjoy more – innovating, collaborating, creating and pursuing high-impact work. Organizations, in turn, are rewarded with higher productivity, efficiencies, cost savings and resilience. ■





Women Leaders in Supply Chain

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Martha Bergstedt

Vice President of Strategic Sourcing and Contract Management,
Novant Health

Can you tell us about your role and responsibilities within your organization?

I am the Vice President of Strategic Sourcing and Contract Management for Novant Health. I have had this role for the last five years. I lead the team that's responsible for contracting, but at the end of the day, it's setting up the strategy for non-labor spend. We're trying to understand the value propositions for all our third-party spend, whether or not it's services, drugs, or supplies. My role is to empower my team to make the best decisions with their clinical and business owners. So, if they're working well and getting the best value, then I figure my job is done.

What are some leading market forces impacting your supply chain team?

We can't discount inflation. Then there are the post-COVID effects continuing to resonate within our health system.

Expenses need to come down, whether it's in labor, contract, supplies,

or drugs. In a normal timeframe, one of our goals in Strategic Sourcing is to reduce cost year over year. The unfortunate thing about the market forces we're dealing with is that most of our third parties are unwilling or unable to reduce costs unless there's some kind of value proposition for them, which we have been able to find in many areas, but not throughout the whole industry. They are suffering from increased prices and increased costs, therefore they're trying to make sure they remain relevant.

But we're trying to find that win-win, and not just in market share or growth year over year, which are the traditional levers. What are the key determinants for each one of those industries that is important for our third parties? It hasn't made our job more complex, just more time sensitive.

The other challenge is the constant internal pressure for resources. Layoffs are a reality for many health systems. We have to figure out a way to do what we do better. Picture a big river and a

small dam. The dam has always worked because it lets a little trickle in while you're constantly working on it, but what's coming in now is much more. You are so busy trying to fix the short-term cracks in the dam but don't have enough resources to handle the long-term, increased volume. It's important to keep the team engaged and flexible to address priorities and emergencies, while building long-term solutions to support a completely different delivery of care.

What projects or initiatives are you excited to work on?

ERP is something most healthcare systems are still trying to figure out. I was in manufacturing 15 years ago and we were going through an Oracle ERP implementation. In healthcare it seems like we're just catching up. That's what I think healthcare has been missing for a long time. There's been a lot of emphasis on clinical support systems, but back-office supplies, systems that allow



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Reference:

1. Kacik, Alex, "Supply Chain Shortages to Persist through 2024, Premier Says", "Modern Healthcare", June 15, 2023.

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“ **We launched a process that further refines the value equation of outcome improvements compared to cost. We call it Precision. The goal is to build on the success of clinical variation reduction and look more holistically at care variation with the aim of improving health and reducing cost.** ”

for efficiencies – whether or not that’s the basics of transactions, payments, purchase orders, etc. – all that has been neglected for a very long time for many of us.

So, automation and increased efficiency are top goals for us. We’ve spent the last six months to a year deploying a new ERP system that will consolidate our HR function, supply chain function, and financials. It should make things a lot more streamlined, reduce handoffs, and have less redundancies in the processes. It’s a short-term pain for a long-term gain. The go-live is next year, so we’ve got a little bit more work ahead of us.

In addition to technology, our next generation of clinical optimization excites me. We launched a process that further refines the value equation of outcome improvements compared to cost. We call it Precision. The goal is to build on the success of clinical variation reduction and look more holistically at care variation with the aim of improving health and reducing cost.

When you hear words like diversity and equity in the workplace, what does that mean to you, and how can they benefit an organization?

This needs to be at the forefront of most discussions. I think it’s best used to our advantage when we’re intentional about understanding it. Novant Health has done this for many years. We have used diversity and equity not as a program, but as a competitive advantage. This is the way we make decisions, by recognizing that everybody’s coming from a different place, and intentionally understanding what that means to help us make the best decisions for all parties.

Having practices to make sure I have diverse voices within my team when we’re talking about long-term planning, investing, or deciding what type of vendor we work with. Diversity and inclusion are permeated through most of the decision making we have.

It’s important to me because at the end of the day, as a woman leader, I want to be in a company that I resonate with,

where I see those values as important and we continue to talk about them, and that is certainly what we do.

How do you continue to grow as a leader?

Seeing the positive even in tough times. The incredible support I’ve gotten from my team and others has shown me that as a leader, it’s important to integrate their voice into decisions, and be transparent with the things I know and the things I don’t. This has catapulted us to be a lot better and more resilient. I grow and I take a lot of comfort out of having those individual conversations with team members, understanding where everybody else is.



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Jennifer Carlson

Senior Director of Strategic Sourcing, Sutter Health

Please tell us about your role/responsibilities within your organization.

As the Senior Director of Strategic Sourcing at Sutter Health, my team of 90 employees is responsible for non-labor expense management initiatives, product and service variation reduction, contracting for goods and services, purchasing, and capital sourcing.

In what ways has the market changed that makes supply chain more important to hospitals and health systems?

Supply chain teams were always valuable, but often went unnoticed or underappreciated until disruptions in available supply began to wreak havoc on the world a few years ago. We have had to adapt to a regular stream of back ordered and discontinued products and to find solutions that make sense clinically, financially, and hopefully can be implemented without too much disruption to care teams. Additionally, increased financial pressure has

shifted more attention to supply chains to deliver cost reductions and control the rate of inflation through creative negotiating and more standardization of products and processes.

What are some of the biggest challenges facing supply chain departments today?

From my perspective it is data. Other industries have had data standards like UPCs since the 1970s. In healthcare, we are so far behind on data standards. Even the EMR data we use to review physician utilization of medical devices isn't standard from one hospital to the next. Although we have access to tons of data, it is often inaccurate or incomplete. It's challenging to analyze and interpret data sets when you have to spend so much time normalizing them first.

When you hear words like diversity and equity in the workplace, what does that mean

to you? How can prioritizing these values contribute to the success of an organization?

I think of this in two ways:

First, diversity in our work force adds varied experiences and perspectives, which I believe translate into creative problem solving, better decision making, and employee retention. During my time in healthcare, I have reported to a number of strong female leaders, and I am grateful to have had them as role models. It was empowering to see other women succeed, and it helped me have confidence that I could move into management roles. Healthcare has a high rate of female leaders compared to other industries, but women are still underrepresented in top leadership positions. Supply chain was also historically very male dominated, and it is exciting to see more women, especially in top roles, over the last several years. Employees can really benefit from seeing themselves represented in the leadership roles of their organization. For some, seeing leaders they can

“Challenges present opportunities for growth and supply chains have had unprecedented challenges. Even projects that fail have something to teach us by reflecting on what we could have done differently or analyzing data points that we may need to factor into the next project, for example. It’s important to fail quickly and move on.”

identify with based on background, culture, ethnicity, gender, etc. can be very motivating and inspirational.

Second, when I started in Supply Chain Management, supplier diversity wasn’t widely acknowledged outside of government agencies. Now it’s become a global phenomenon. Supplier diversity can create a positive economic impact in our local communities by enabling job creation and capacity expansion, increase competition by widening the supplier pool, encourage innovation and entrepreneurship, and increase supply chain resiliency with more sourcing options. My team is actively working on building out a robust supplier diversity plan to grow our spend and measure the impact in the communities we serve. I have been spending time recently connecting with peers, resources, and various councils to learn best practices that my team can adopt rather than re-inventing the wheel. I am also currently pursuing ISM’s Certified Professional in Supplier Diversity to strengthen my own understanding of the concepts.

What is a recent project or initiative you’ve been excited to work on?

When I came to Sutter there was no established Value Analysis structure at the system level; however, a few hospitals were running local product approval committees that Supply Chain was supporting. With executive leadership support and partnership with the clinical service lines, we implemented CTAC, or the Clinical Technology Assessment Council, which has become a centralized Value Analysis governance structure. The subcommittees are service line focused and made up of physicians who review and make approval recommendations for all new medical devices requested in our system. The physician chair from each subcommittee also sits on the governance committee, along with other clinical and non-clinical leaders, where final decisions are made to approve all new devices. My team facilitates by processing all requests, prepping agendas and providing cost, revenue, and contractual impacts. We developed

a charter that defines everything from decision criteria to attendance expectations. We have excellent engagement from physicians and I am really proud of how successful this endeavor has been though we continuously look for ways to improve our processes.

How do you focus on your growth as a leader?

As they say, “knowledge is power,” and although I have been in healthcare for 25+ years, I am always learning something new and it’s critical to my growth. Whether it is through formal education courses or more informal avenues like listening to a podcast on healthcare reform, there are so many ways we can grow by acquiring information and applying it to the work we do.

One of my new favorites is LinkedIn Learning. There is a huge library of topics to choose from, including a lot of supply chain focused content that I am very excited about for me and my team.

The other thing I often think about is a quote from the movie “A League of their Own” when Tom Hanks says “It’s supposed to be hard. If it were easy, everyone would do it.” I often prefer to tackle the hard stuff. Challenges present opportunities for growth and supply chains have had unprecedented challenges. Even projects that fail have something to teach us by reflecting on what we could have done differently or analyzing data points that we may need to factor into the next project, for example. It’s important to fail quickly and move on. The pandemic has taught us that we have to be bold, adaptable, and creative; all things I associate with growth.



Karen Niven, MS, BSN, CVAHP

Senior Director, Performance Group and Value Analysis, Premier, Inc.

Please tell us about your role/responsibilities within your organization

As Premier's Senior Director of Clinical Value Analysis, my primary responsibility is to support our members in selecting high-quality products and services based on the best value they bring to an organization and its patients. I lead and facilitate our National Value Analysis Committee, Kiindo™ Pediatric Value Analysis committee, and use value analysis to support the clinical process within the Premier's Performance Groups, including the committed SURPASS® and AscenDrive™ programs.

I utilize an ongoing Value Analysis process to identify and articulate market requirements that define a product category's attributes for all medical and surgical product categories across our national portfolio. As a clinical expert, I understand and have medical expertise to analyze current and future market technology trends while prioritizing a healthcare facility's clinical needs.

Using our Value Analysis program and process, I work with both members and

suppliers to identify and develop strategies to introduce new technology and improve product utilization – considering care delivery, safety and outcomes as well as total cost.

In what ways has the market changed that makes supply chain more important to hospitals and health systems?

In a post pandemic world, I believe Value Analysis has found renewed purpose. Ongoing Supply Chain disruptions, cost pressures and an evolving reimbursement environment have more organizations turning to process improvement and lean strategies for ways to find savings, while simultaneously driving supply chain resiliency and strong clinical outcomes.

During my career, I have had many opportunities to lead from the front, middle and the back. I continue to cherish these opportunities and look for ways we can continue to share knowledge, expertise and insights across our industry for the benefit of all.

I have worked with IDNs across the country to plan, implement and evaluate their structure and Value Analysis programs and processes. And these processes have evolved and matured – innovative Supply Chain teams today are purchasing products and services at the right time and the right price, based on the total value of care delivery.

For example, and working closely with our Value Analysis committees, we developed a priority rate for products and categories that are determined to be critical to operations for patient care. This vital member feedback coupled with robust data informs Premier's product watch list – to provide insights on backorders and potential shortages, and advocate for prioritization of critical products. This list is shared with our members as well as the White House, FDA and other government supply chain stakeholders for their reference and to help prevent product disruptions in healthcare. I also recently engaged with a team of industry experts who published the Premier 2023 Supply Chain Resiliency Guide that offers

market-informed strategies to address supply chain challenges, mitigate risks to patient safety, and enable long-term success for providers.

What are some of the biggest challenges facing supply chain teams today?

Today, clinicians and Supply Chain leaders must work more closely across departmental lines to understand broader impact and reduce siloed decision making. And Value Analysis professionals should have a seat at the table.

During times of product disruption, product conversions and for every-day, high-quality patient care, the ability for supply chain to get clinical expertise and perspective, especially in specialized categories, is vital. This can really speed up the process for organizations and create efficiencies – and it engenders trust between Supply Chain and clinicians as well as other key departments throughout an organization.

An evidence-based Value Analysis process can balance issues related to quality, safety, revenue enhancement, and reimbursement optimization across the care continuum. It can drive appropriate utilization and standardization, price optimization and savings, and waste reduction without sacrificing quality.

When you hear words like diversity and equity in the workplace, what does that mean to you? How can prioritizing these values contribute to the success of an organization?

When we approach work and life with a diversity, equity, inclusion and belonging

mindset, it helps make us as individuals, and collectively, more resilient – and it helps spur innovation.

I am a big believer in the “wisdom of the crowd” – and to accomplish this, we must invite everyone to the table and give space for everyone to have a voice and share their perspectives.

Our mission is to improve the health of communities and enhance the delivery of patient care. Building a diverse workforce is vital to fulfilling that mission. Diversity of ideas and input is crucial for healthcare to thrive today and for the future.

What is a recent project or initiative you’ve been excited to work on?

The development and financial support of the Niven Education Advancement Scholarship through the Association of Healthcare Value Analysis Professionals (AHVAP) is a true example of my personal and professional commitment to lifelong learning. I’m thrilled and honored to see this scholarship come to fruition to encourage and support students in our value analysis field.

I have also recently completed the two current AHVAP micro-certifications: TeamSTEPPS and Medical Device Value Analysis Safety Specialist. I maintain my CVAHP Certification and serve on the organization’s national Board of Directors, which is charged with promoting board certification across our specialty.

I am constantly seeking to learn, develop myself, and grow those around me. My current professional goal is to complete my requirements to be eligible to become a Fellow in the American

College of Healthcare Executives, so that we can advance our specialty with this critical stakeholder group at the C-Suite level.

How do you focus on your growth as a leader?

My career and expertise have led me to continuously leverage my clinical experience, value analysis knowledge, understanding of clinical and operational data, and establish relationships with a wide variety of stakeholders. These skills empower me to remain constantly curious and always learning – and to continue to support other value analysis professionals in implementing progressive improvements across the entire healthcare continuum.

Each interaction, every collaborative effort, and the shared expertise collectively contribute to the ongoing enhancement of healthcare value analysis. With deep appreciation and a sense of purpose, I’m committed to the relentless pursuit of progress, both in my own professional journey and in the advancement of the broader healthcare industry.



Danielle DiBari

Senior VP of Business Operations and Chief Pharmacy Officer,
NYC Health + Hospitals

Please tell us a little bit about your role and responsibilities within your organization

My role at NYC Health + Hospitals is to unify and coordinate the health system's business operations, pharmacy and supply chain pillars. My main goal is maximizing the health system's ability to positively impact the health and well-being of our patients and the communities we serve.

Being positioned at the critical intersection of business operations and pharmacy with supply chain brings a unique perspective on key business needs. It facilitates our ability to identify opportunities for strategic innovation and find cost-effective solutions to the variety of challenges facing our health system today. In the end, it enables us to have a significant impact on organizational productivity and support long-term success.

Our strength comes from building multi-functional teams and executing complex implementations using well-developed project plans. My team and I focus on every aspect of the businesses including strategic planning; business unit

development; project and product management; marketing and branding; system strategies; training and development program management and delivery; the management of multi-functional work teams; and customer service. This vision-driven approach has uniquely positioned us to impact our organizations' productivity and long-term success by bringing purpose into the people equation and promoting healthy, productive and meaningful work cultures.

What are some of the biggest challenges facing supply chain teams today?

The importance of the supply chain in healthcare has taken on a whole new meaning in the last several years. COVID and its challenges shed a bright light on the prominent role that supply chain plays in our ability to deliver safe patient care while managing increasing patient volume and keeping costs to a minimum.

One of the greatest difficulties facing healthcare supply chain teams today is ensuring organizational resilience in the

face of unexpected disruptions. The ability to strike the delicate balance between preparedness and fiscal responsibility is a necessity for an organization's success. It's become more and more challenging as the availability of raw materials, the products themselves, and even the ability to transport them is interrupted.

Another significant issue for supply chain teams is managing the increasing complexity of the supply chain itself. The industry is known to have the greatest expenditure on R&D, and achieving the best possible outcomes for our patients is dependent upon staying abreast of the very latest technology and newest medications. These rapid advances in medical technology and therapies are creating new and unexpected challenges to supply chain efficiency in many forms – specialized storage and shipping requirements, hidden costs, or additional regulatory and compliance requirements – to name a few. This added pressure requires organizations and their supply chain teams to have a new type of agility and to stay current with evolving industry standards

“ Our workforce is truly a mirror image of the diverse community we serve. It affords us a unique opportunity to address disparities and reduce discrimination by bringing a range of opinions and perspectives to problem-solving and helps us achieve our mission. ”

while solving these novel problems and continuing to maintain accuracy.

When you hear words like diversity and equity in the workplace, what does that mean to you?

I think of our mission and our workforce at NYC Health + Hospitals. The concepts are baked into the core and mission of our health system: “We provide care to everyone, for anything, at all times, regardless of their immigration status or ability to pay.” Our mission recognizes the equal value of every race, gender, ethnicity, age, sexual orientation, and ability in NYC; the members of our health care teams are proud representatives of the same communities they are honored to serve. Diversity benefits everyone, caregivers and patients alike, because it recognizes and values the unique perspectives, experiences and contributions that each employee brings to the table. In doing so, it brings us all a step closer toward the equity that we strive to achieve.

Equity goes beyond just diversity by addressing systemic barriers and biases that

may exist within the workplace. It goes a step further, ensuring access, for both patients and our team members, to the same resources, opportunities and support to allow them to thrive in their respective situations. At NYC Health + Hospitals, we strive to be proactive in identifying and eliminating disparities to foster a workplace culture and care environment that allows all individuals to flourish.

How can prioritizing these values contribute to the success of an organization?

Diversity and equity are included in the strategic pillars of NYC Health + Hospitals and are an enormous area of focus for the organization. As an organization, we believe that prioritizing diversity and equity in the workplace will significantly contribute to our success.

Our priorities are to bring equity to the healthcare landscape by providing care to everyone and fostering a work environment that is free of discrimination or bias and is welcoming to both staff and patients.

Our workforce is truly a mirror image of the diverse community we serve. It affords us a unique opportunity to address disparities and reduce discrimination by bringing a range of opinions and perspectives to problem-solving and helps us achieve our mission. It enhances our ability to connect with and understand our patients and improve patient outcomes.

Finally, organizations that champion diversity have been shown to have a stronger reputation. They are better able to attract top talent, helping with recruitment efforts, and leading to a more competitive advantage in the market. Overall, embracing diversity and equity isn't just a matter of social responsibility, it's also a strategic imperative for achieving sustainable success in today's increasingly diverse and dynamic healthcare landscape.

What is a recent project or initiative you've been excited to work on?

Since I joined the health system in January 2020, the Supply Chain team at NYC Health + Hospitals has placed a major focus on developing diversity and equity in our vendor selection. We've significantly grown our utilization of M/WBE vendors, increasing contract spend to vendors who meet the qualifications to over 30%. We are partnering actively with our suppliers to establish a Diverse Supplier Council to increase interest and participation in our program and are taking steps to support our M/WBE vendors in expanding their businesses. I'm proud to share that we received the 2022 Premier GPO Supplier Diversity Award for our community involvement, diversity business outreach initiatives, and benchmarking and sharing of best practices.



Jennifer Garvin

Independent Healthcare
Supply Chain Consultant

Please tell us about your role/responsibilities within your organization.

I am a supply chain leader that has had the opportunity to work across multiple industries – allowing me to bring forward expertise and best practices from those industries into the healthcare setting. My responsibilities have focused on leadership over all aspects of the supply chain, both contractually and operationally, that has resulted in clinician-integrated initiatives. I view my role as helping to turn supply chains into strategic partners – instead of a transactional department – through technology implementations that revamp the full contracting and operations processes for greater efficiency, savings and long-term resiliency.

In what ways has the market changed that makes supply chain more important to hospitals and health systems?

The importance of the hospital supply chain became evident during the COVID-19 pandemic due to pervasive shortages and backorders. Because of that,

everyone now knows what PPE stands for. Since the pandemic's early days, the importance and prominence of supply chain has only risen due to the increase in labor expense that all hospitals witnessed alongside inflation. When labor expense rose, the financial ask was how to counterbalance and reduce non-labor expense. This falls within the supply chain through strategic negotiations and strong vendor partnerships.

What are some of the biggest challenges facing supply chain teams today?

One of the biggest challenges facing supply chain teams today continues to be shortages and backorders. More transparency from our suppliers on manufacturing sites and capacity can help supply chains strategically plan from both a contracting and inventory perspective. We need to ensure continuity of supply, but can only do so when we understand the full end-to-end supply chain starting with the raw materials that begin the manufacturing process. This is standard practice in other industries, and

we need to incorporate that thinking into the healthcare supply chain as well.

When you hear words like diversity and equity in the workplace, what does that mean to you? How can prioritizing these values contribute to the success of an organization?

Being in supply chain, the opportunity to drive diversity and equity in the vendor base allows for extending diversity and equity beyond the walls of the workplace and into the communities. Early in my career, I had the opportunity to work alongside leaders that drove a successful Supplier Diversity program. And through this, I was able to see and experience how diversity strengthened not only the supply chain, but the communities that we serve. That has resonated with me to this day, and I continue to support initiatives that will build strong programs.

What is a recent project or initiative you've been excited to work on?

Throughout my career, I have had the opportunity to implement multiple supply chain technology and software systems. While this can be a big lift, it also allows for innovation and continuous improvement as markets develop and mature. New solutions bring the opportunity to implement change to an organization. Historically, systems were designed to be stagnant, but with advancements in technology happening daily and changes with market pressures, supply chain solutions also need the ability to quickly adjust and adapt to reflect those changes. Designing an agile, flexible and highly beneficial solution in an industry that historically has been inflexible is very invigorating.



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

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

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



Redefining partnerships

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



Redefining patient-focused solutions

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



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

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

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Roz Holloway

General Manager of Resource Optimization & Innovation, LLC (ROi)

Please tell us about your role/responsibilities within your organization.

As General Manager of Resource Optimization & Innovation, LLC (ROi), my primary role revolves around strengthening supply chain stability and mitigating global supply chain challenges. I achieve this with the invaluable support of an exceptional team of healthcare professionals, each possessing expertise in various aspects of supply chain management, clinical practice, regulatory compliance, manufacturing, data utilization and global sourcing.

My responsibilities encompass the oversight of our three distinct brands: Regard[®] Medical Supplies, Regard[®] Clinical Packaging Solutions, and ROi Supply Chain, in addition to my role in global sourcing through our international office. In this capacity, I am entrusted with ensuring the delivery of end-to-end supply chain solutions and anticipating disruption and regulatory impacts on our customers. This requires orchestrating a comprehensive approach that not only addresses their immediate needs, but also positions them for long-term success in the

ever-evolving healthcare landscape or during disruptive periods. I often say, 'Data should tell the story so we can help find a solution.' My primary responsibilities focus on product companies, but we also use data to positively impact care at the bedside for caregivers.

In what ways has the supply chain changed what makes value analysis more important to hospitals and health systems?

I draw a clear distinction between value analysis and clinical operations. While many view value analysis as simply the introduction of new products, we perceive it as a journey that involves data, information, clinical expertise and the global supply chain to ensure we deliver the right solutions.

We regard value analysis as a core responsibility of clinical operations, emphasizing its crucial role in the healthcare supply chain and patient care. As a provider-owned company, ROi is focused on making healthcare missions possible. Fundamental to that is ensuring clinicians

and physicians have the necessary resources to provide the best care for their patients. We do this by taking a unique perspective that combines operations, clinical information and data.

Clinical operations continuously strengthen the link between products, usage, clinical efficiency and patient care. We've observed a growing interest among healthcare systems in engaging in discussions that go beyond individual products. Their focus is on finding ways to enhance clinician satisfaction and efficiency to elevate the overall patient experience. We are enthusiastic about our well-positioned role in these discussions and playing a vital part in the continuum of patient care.

When you hear words like diversity and equity in the workplace, what does that mean to you? How can they contribute to the success of an organization?

When I hear words like diversity and equity in the workplace, I think of two fundamental principles essential for fostering an

“ **The most satisfying reward for us is when we hear from our healthcare partners that the solutions we have jointly collaborated on have been implemented, resulting in increased clinician and/or patient satisfaction at their facilities.** ”

inclusive environment. Diversity involves recognizing and celebrating differences among teammates, creating a mosaic of talents and ideas. Equity ensures equal access to opportunities, breaking barriers and acknowledges that fairness means providing what each person needs to thrive. These principles drive organizational success through innovation, diversity of thought, well-rounded decision-making, engaged employees and ultimately stronger customer relationships. Embracing diversity and equity is not just a moral imperative, but also a strategic advantage for achieving organizational excellence. Embracing diversity of thought is a distinction I push within my organization.

Has anyone come alongside you to mentor you during your career? If so, can you tell us about that?

I have been very fortunate to be surrounded by a supportive family, friends, great leaders and inspirational colleagues and peers throughout my career. I have

truly had a wonderful support structure throughout my life, from the classroom to the factory floor, then the office, and eventually the boardroom. I remember the line lead who taught me how to run a CNC machine at my first job out of college, and I am grateful for my current team and leaders whom I sincerely respect and appreciate. I fundamentally believe that people want to help each other, which I find inspirational. So, in turn, I carry this philosophy forward in all that I do to inspire those I work with.

If I had to pick one mentor, it would be my husband. We've been together since college, starting a family, going through life overseas and raising our two children into thriving adults. We've had many laughs and fun moments along the way. He is a great role model, and without his guidance, nothing would have been possible.

How do you focus on your growth as a leader?

As a thought leader, I focus on continuous learning, self-awareness and collaboration.

Staying well-informed about supply chain and environmental trends, as well as industry developments, is a priority and helps me adapt and lead effectively. However, a significant part of my growth comes from my team and colleagues. We have a brilliant group of individuals who are willing to share, collaborate and mentor. Frankly, they are the most important aspect of my growth, as they bring different perspectives to the table, leading to better decisions overall.

What project or initiative are you looking forward to working on in the next 3-6 months?

ROi has a unique culture and a team of professionals from both within and outside the healthcare industry. Our passion lies in solving supply chain challenges. The most satisfying reward for us is when we hear from our healthcare partners that the solutions we have jointly collaborated on have been implemented, resulting in increased clinician and/or patient satisfaction at their facilities.

We have several exciting projects in progress, but the one that excites me the most is our collaboration with the value analysis teams at key facilities. This collaboration aims to implement a more efficient and repeatable way to kit products aligned with the clinical approach to treating patients in emergency situations. Through our distribution channel to the hospital, we can leverage all aspects of our capabilities, spanning from products to clinical and regulatory expertise. This enables clinicians to provide care to our loved ones during their most vulnerable moments. I can't think of a more exciting and rewarding initiative to be a part of.



Cristina Indiveri

Vizient Associate Vice President, Core Tenet Programs,
Environmental Sustainability

Cristina Indiveri guides the strategy of Vizient's Environmental Sustainability Program while accelerating Vizient's leadership in sustainability practices across healthcare. She collaborates across a wide set of functions to employ solutions and insights to reduce negative human and environmental health impacts while empowering smart, sustainable, resilient choices. Indiveri also has the honor of facilitating the Environmental Advisory Council, a group of healthcare sustainability leaders who offer critical strategic guidance in support of Vizient's broad Environmental Sustainability objectives and key results.

In what ways has the market changed that makes supply chain more important to hospitals and health systems?

In the current market environment, supply chain and spend management have the ability to drive holistic value to provider organizations by making every single dollar go farther. Instead of solely focusing on up-front cost, healthcare organizations can influence and drive performance through additional value drivers such as supply assurance, supplier diversity and environmental sustainability which improve the health of patients and communities.

What are 1-2 of the biggest challenges facing supply chain teams today?

One of the greatest challenges facing supply chain teams is the inflationary market along with ongoing supply disruptions which are driving up expenses and creating new economic pressures. Approximately half of the hospitals in the U.S. finished 2022 with a negative margin as increased expenses outpaced revenue. While there have been many improvements toward stabilizing the supply chain, the rising tide of expenses will continue to be a challenge.

Secondly, the call to prioritize environmental sustainability and decarbonization

efforts are additional global challenges which will require sector-wide collaboration. Partnership across the healthcare ecosystem is taking shape. Providers, suppliers, group purchasing organizations and non-profit organizations are leaning in because sustainability offers a robust value proposition by yielding cost savings, increasing supply resiliency, improving efficiency and is essential for public health and safety.

When you hear words like diversity, equity and inclusion in the workplace, what does that mean to you? How can prioritizing these values contribute to the success of an organization?

It means all workers can flourish within the workplace. For me, diversity, equity and inclusion equates to showing up authentically, growing and becoming my best self and having the flexibility to fail forward. Diversity, equity and inclusion are critical because in addition to improving employee

“As a sustainability professional, I view myself as a change agent within the global healthcare community. My role is to question decisions and evaluate how they will play out in the future. Not only is it essential to focus on current initiatives, but to explore new possibilities and advance towards the “purple unicorn” or imagined, ideal future states.”

satisfaction and retention, these are drivers of collaboration, creativity, empowerment, resilience and adaptability.

Harvard Business Review found that every 0.1 improvement in DEI ratings for a company (on a 5-point scale) was linked to a corresponding 13% increase in the change-power score (ability to change) on average. If organizations want to increase their ability to change (I don't know one company satisfied with the status quo), DEI are non-negotiable elements of workplace culture.

What is a recent project or initiative you've been excited to work on?

To accelerate climate action across the health care sector, I'm representing Vizient as an advisory council member in a new, emerging independent decarbonization coalition that will include providers, suppliers, and non-governmental organizations. The objective is to reduce greenhouse gas emissions through broad-scale collaboration,

data transparency and commitment to improving public health and safety. Sustainability and decarbonization require commitment from the entire healthcare ecosystem and by participating in this project, the sector is partnering to ensure the health of patients, communities, and future generations while benefitting from social and economic rewards.

How do you focus on your growth as a leader?

I try to keep in mind a multi-pronged approach by focusing on the big picture, on others and myself. As a sustainability professional, I view myself as a change agent within the global healthcare community. My role is to question decisions and evaluate how they will play out in the future. Not only is it essential to focus on current initiatives, but to explore new possibilities and advance towards the “purple unicorn” or imagined, ideal future states.

Focusing on others is rooted in building relationships, emotional intelligence

and empathy. I try to understand the needs of others in hopes of creating win-win scenarios and aligned priorities.

Focusing on myself equates to self-awareness and reflection. It means listening to my gut to judge decisions. While I can attest this method is not always foolproof, it can certainly assist in better decision making and lessons learned for the future. I try to uphold these principles to grow – as a leader and a change maker.



Carmen Winfield

VP of Supply Chain for McLeod Health

Carmen Winfield's role as Vice President of Supply Chain at McLeod Health is to provide strategic leadership that drives value and increases resiliency and agility. She is a mentor to her team and responsible for their professional growth. Winfield's responsibilities include the distribution of medical and surgical supplies, contracting, purchasing, value analysis, strategic sourcing, and retail food services. Her responsibilities also include the Supply Chain Information Systems team, McLeod Health's courier program, and an on-site laundry service and print shop.

“**Surrounding yourself with different perspectives sparks creativity and helps retain talented employees.**”

In what ways has the supply chain changed that makes value analysis more important to hospitals and health systems?

Healthcare organizations cannot afford to work in silos any longer. Our industry has been negatively impacted by global supply chain disruptions and high inflation. Our value analysis teams have been forced to function as an interconnected network, meaning we must partner and collaborate internally and externally, including our competitors. McLeod's approach to value analysis is physician led, evidence based, and data driven. Value analysis has been called upon to guide us through the complexities and volatility. They will have to innovate the way we

supply existing products and services to our customers, as well as the new and continue connecting cost, quality, and outcomes for better decision making. Multidisciplinary value analysis teams are essential to decision making that will impact our financial health along with the patient outcomes.

When you hear words like diversity and equity in the workplace, what does that mean to you? How can they contribute to the success of an organization?

Diversity means employing people of different ages, genders, and cultural backgrounds. Diversity and equity provide different perspectives in decision making and problem solving and promote collaboration across functional work groups. Surrounding yourself with different perspectives sparks creativity and helps retain talented employees. Supply chain is in a constant state of change; therefore, supply chain professionals must have an

“As a supply chain leader, you must make learning a priority and have a plan for professional development. I stay up to date on supply chain and leadership principles and practices by attending and speaking at conferences. Participating in user groups and forums is another avenue for professional growth.”

entrepreneurial spirit, be creative, seek change, go against the grain, take initiative, and have strong opinions. Not everyone has these attributes, but a diverse team allows you to balance the strengths and weaknesses of each other.

Has anyone come alongside you to mentor you during your career? If so, can you tell us about that?

I had the privilege of working with Dale Locklair for 15 years. He was instrumental in my success as a supply chain leader and taught me to be a strategic and innovative thinker. Dale and I came to McLeod from different industries, but we shared results-oriented leadership traits. We had a desire to change the way our organization viewed supply chain and we did this by thinking outside the box. We challenged and questioned the status-quo internally and externally. Dale empowered me to ask questions, to take initiative and test limits, and seek change. He embraced my strong opinions and

taught me to see the bigger picture. Dale understood the organization's complex operations, which allowed him to cut through bureaucracy. He taught me to lead with confidence.

How do you focus on your growth as a leader?

As a supply chain leader, you must make learning a priority and have a plan for professional development. I stay up to date on supply chain and leadership principles and practices by attending and speaking at conferences. Participating in user groups and forums is another avenue for professional growth. I believe in relationship building and networking with internal and external stakeholders, such as suppliers, colleagues, healthcare organizations, and strategic partners. Reading supply chain publications and leadership books is another way I focus on growth.

What project or initiative are you looking forward to working on

in the next 3-6 months?

Since 2022, McLeod Health has implemented a new ERP, EMR, and POU. Our primary focus the next 3-6 months will be system optimization. Optimization involves visibility, analytics, and planning. We must gain visibility to what our customers need, what they are consuming in real-time, and what our suppliers are producing or not. We must be working proactively to maximize every opportunity. We are drowning in data; we must leverage the data we have to make better decisions and understand the true cost of ownership. And lastly, we must improve our ability for accurate demand planning and for inventory, capacity, and logistic optimization.



Georgia Denise Robson

**Clinical Supply Program Senior
Director, Supply Chain Services
Clinical Alignment Team,
Banner Health**

Please tell us about your role and responsibilities within your organization

As the Senior Director over the clinical team, I provide clinical leadership to drive supply chain cost reduction across the system assuring achievement of the Supply Chain Strategic Initiative goals of making healthcare easy, affordable, and reliable.

I direct and lead the overall strategy, development and implementation of all clinical cost improvement and value analysis work. I oversee the teams that lead multi-disciplinary supply chain services standards teams to decrease product use variation and costs through the development of consensus supply utilization programs and initiatives.

I also oversee the development of clinical and related operational financial performance improvements and outcomes in the areas of Perioperative Services, Cardiology, Cardiac Cath/EP Lab, Women's and Infant Services, Interventional Radiology, and various procedural areas.

Finally, I lead and support the new product and technology review process.

What are some of the biggest challenges facing supply chain departments today?

Rising supply costs and continued product disruptions are something we will continue to deal with. These issues have placed supply chain in a very visual position, and we must work side by side with our clinical stakeholders to ensure we are providing safe care for everyone.

When you hear words like diversity, equity, and inclusion in the workplace, what does that mean to you?

We value and celebrate diversity, equity, and inclusion by promoting and cultivating a culturally rich workforce honored to serve, support, and provide services to our diverse communities. At Banner we are a tapestry of cultures, experiences, and expressions, and we are HERE FOR EVERYONE.

Banner Supply Chain Services employs a diversity program manager and has an inclusion and outreach program. We are a member of Healthcare Anchor

Network (HAN), Women's Business Enterprise National Council (WBENC), and have participation from our board of Directors on the Pacific Southwest Minority Supplier Development Council (PSWMSDC) and the Arizona Hispanic Chamber of Commerce.

In FY22, 99.8% of Banner Health's diverse spend was with MBEs and WBEs. This is more than twice the Healthcare Anchor Network (HAN) reported average of 38.6%. Banner is also one of 15 IDNs in the country to sign the impact purchasing commitment (IPC).

How can prioritizing these values contribute to the success of an organization?

By working with local diverse suppliers, we can have a positive impact on our local economy and community. This fosters greater collaboration with suppliers and can lead to increased positive outcomes.

What is a recent project or initiative you've been excited to work on?


Helping our system move further down the Value Analysis maturity cycle. This will lead to increased clinician and physician engagement in our processes that supports our One team approach and our Banner Values of Cost Quality and Performance.

The Value Analysis process is an integral piece of the process that the clinical team in Banner Supply Chain Services uses to determine how we obtain supplies, services, and equipment. The process strives to balance issues related to quality, patient and staff safety, revenue enhancement, and reimbursement optimization across the continuum of care. ■

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 - ✓ **Customer Service Excellence**

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

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



Partnering for Optimal Supply Chain Performance

If the pandemic ushered in the worst of times for hospital supply chain managers, would a decline in COVID-19 cases bring about the best of times? The reality is that hospitals are still being challenged by ongoing – and unabating – pressures, including raw material and pharmaceutical shortages, declining patient volumes and inflation.



By Jon Pruitt,
Senior Vice
President,
CHC Supply Trust

curb supply chain costs has altered how hospitals approach GPO partnerships.

Hospitals hit by supply shortages during the pandemic now tend to ask what a GPO delivers besides cost savings. Does the GPO have a diversified product contracting strategy, for example? Will the GPO go the extra mile to help hospitals of all sizes procure alternatively sourced supplies in times of scarcity?

scrutinizing new contracts to ensure the best possible terms for the hospital. Supply and service contracts are also figured out with automatic annual changes and price hikes built into their terms.

Contracted purchased services also represent savings potential. Often, service purchasing is a decentralized process, with departments contracting on their own with different providers and missing out

Often, service purchasing is a decentralized process, with departments contracting on their own with different providers and missing out on volume-based discounts.

Supply chain teams are partnering with hospital leaders and their GPO partners to create a proactive plan for supply chain disruptions and shortages. A key element is creating a core list of products that must be available. One example is an IV catheter. This clinically sensitive product is critical to patient care.

Our client hospitals are convening clinical committees to evaluate alternative products, adding two selected alternatives to the hospital item master, and moving ahead to train staff to use the alternatives – all before any shortage occurs. This effort has become part of daily operating procedures for hospitals in the post-pandemic environment.

Even as hospitals address ongoing shortages, financial pressures remain. Supply contracts are an area to identify potential relief. Many hospitals lack the resources to monitor contract pricing compliance and rely on us to ensure contract adherence while continually

on volume-based discounts. Hospitals often overpay for laundry and courier services, for example, due to a lack of centralization and aggregation in the procurement process.

Faced with escalating supply chain costs and lingering pandemic-related apprehensions, some hospitals have taken a noncommittal approach to GPO membership, with some going so far as to “play the field” by joining multiple GPOs in an attempt to cherry-pick savings on specific items. This is seldom the best way to leverage group purchasing power and maximize savings. Instead, this practice can snarl rather than streamline the procurement process and potentially worsen cost-control inefficiencies.

Likewise, hospitals that don’t fully integrate with a GPO and continue to make large purchases on their own might be missing out on significant cost savings, as well as putting supply chain consistency at risk – especially in times of uncertainty and scarcity. ■

That’s why strategically minded supply chain leaders are focused on resilience – due to the pandemic’s exposure of supply chain weakness – without losing sight of cost-saving opportunities.

Looking to group purchasing organizations (GPOs) for greater stability and savings makes sense as a first step. After all, a GPO, by definition, leverages the collective purchasing power of member hospitals to secure discounts on goods and services. However, the pandemic changed how hospitals evaluate GPOs, and the need to

Urgent Care Rollup

More urgent care chains have a triple-digit number of locations than ever before

The number of urgent care centers continues to rise. According to the Urgent

Care Association, there are over 14,000 such centers in the U.S. (not including retail clinics), and the current growth rate for new ones is 7%. Over 78% of the U.S. population lives within a 10-minute drive of an urgent care center. As such, they represent a growing opportunity for distribution. And they're getting bigger – through consolidation – all the time.



Telemedicine and urgent care

Urgent care centers' usage of telemedicine is growing. In the Urgent Care Association's 2018 Benchmarking Report, only a small fraction of respondents (2%) stated that they offered telehealth services. Just one year later, the 2019 Benchmarking Report released in January 2020 showed the percentage of healthcare centers providing telemedicine grew to 29%.

The pandemic acted as a catalyst for the rapid adoption of telemedicine. In June 2020, 87% of healthcare centers were offering telemedicine services. By 2022, 94% were still offering it as a service. Patients have come to expect this service, according to the association. It is offered not because it is profitable, but to meet patient expectations and stay competitive. The dramatic increase clearly demonstrates the transformative impact of the pandemic on the widespread adoption of telemedicine within the healthcare industry, says UCA.

Urgent care bridges the gap between primary care and emergency care, providing evaluation and care for urgent, but not emergent, conditions, according to the UCA. This includes treating minor burns, scrapes and cuts, but also treating conditions such as allergic reactions, ear infections and strep throat. Care volume can be seasonal, typically spiking during late fall and winter, during the respiratory season, correlating to the intensity of the flu, COVID-19, RSV and other respiratory illnesses.

Most centers stabilize and treat fractures and offer onsite X-ray, laboratory and lab services. Where allowed by state law, many centers dispense commonly prescribed pre-packaged medications. They do not care for life- or limb-threatening situations but do stabilize patients while securing emergency transport. The majority of urgent care centers employ family practice and emergency medicine trained physicians, as well as licensed healthcare professionals, including physician assistants, nurse practitioners, registered nurses and radiology technicians.

Urgent care centers provide laboratory testing both onsite as well as those that can be sent out to regional or national laboratories, says UCA. Examples of available testing may include blood testing services such as Complete Blood Count, Comprehensive Metabolic Profile, diabetic testing (hemoglobin A1c, fingerstick glucose), urine pregnancy, urinalysis, rapid strep throat cultures, and rapid influenza

The ‘megacompanies’ owning urgent care is a relatively new phenomenon.

testing. Centers also routinely offer tuberculosis testing; drug screens from urine, hair and saliva; and cultures for STIs and urinary tract infections.

Ownership trends

The urgent care industry’s ownership mix is in a constant state of flux, says UCA. These centers emerged largely as a physician or physician group strategy. In 2008, 54% of centers were physician-owned while hospitals represented 25% of the total. By 2014, physician ownership had dropped to 40% and hospital ownership increased to 37% of respondents.

In 2022, ownership by a physician was reported at 27%, while hospital owned/joint venture centers made up 53%. Corporate entity (private equity, insurance companies or majority shareholder ownership) was at 15%. One year later, sole

ownership increased to its levels of nearly 15 years ago, at 52%. Hospital owned/JV growth dropped sharply, from 52% in 2022 to 33% in 2023.

Consolidation is growing in urgent care. “The ‘megacompanies’ owning urgent care is a relatively new phenomenon,” says Samantha Wulff, communications director for UCA. “What made it all possible was private equity interest. Scaling up in the industry requires a degree of standardization – everything from clinic layouts to staffing levels, and even where various supplies are stored. But it is a trend, with more urgent care chains having a triple-digit number of locations than ever before.” As far as integration goes, according to a 2019 UCA survey, nearly 60% of urgent care centers that are part of a larger health system said they intended to use the same electronic health record system as the hospital, she adds. ■



Urgent care and the primary care doctor

Urgent care appears to be a young persons’ game, raising questions about the continuing role of primary care doctors in the health and well-being of Gen Z and Millennials.

Use of urgent care centers is much higher among Gen Z and Millennial consumers vs. other generations, with approximately 36% of them reporting having used urgent care services in the past six months, according to the Urgent Care Association. In comparison, only 19% of Boomers and members of the Silent Generation used urgent care during the same period. Meanwhile, Gen Z and Millennials have visited urgent care centers more frequently, with 56% and 45%, respectively, having visited more than three times in the prior 12 months, compared to only 26% and 22% of Boomers and Silent Gen.

“The goal of urgent care is not to replace primary or other specialized care,” says the UCA. “Urgent care centers are a perfect complement to the [patient-centered-medical-home] model, and they support primary care practices as an extension of the patient’s clinical team.”

Urgent care growth trends

COVID introduced many patients to urgent care for the first time, according to the Urgent Care Association. Pre-COVID, a single center saw 32 patients per day, on average. From 2019 to 2020, centers across the United States saw a 60% increase in per-center patient visits. Post-COVID, patients continue to recognize the importance of urgent care, says UCA. The median number of daily visits to a center was 40 in 2022. In fact, year-over-year urgent care center growth continues, as it has since 2014:

- ▶ **2014:** 7,220 centers
- ▶ **2015:** 7,983 centers
- ▶ **2016:** 8,676 centers
- ▶ **2017:** 9,553 centers
- ▶ **2018:** 10,484 centers
- ▶ **2019:** 11,481 centers
- ▶ **2020:** 12,392 centers
- ▶ **2021:** 13,306 centers
- ▶ **2022:** 14,075 centers
- ▶ **2023:** 14,382 centers

Personalized Virtual Care

Leading health systems partner with consumer-focused platform for self-insured employers to expand access to patients.

The healthcare industry continues to develop and innovate to meet consumer preferences and needs. The pandemic led to wider access to virtual care services, and technology has enabled new entrants into the healthcare industry to profit.

One of those companies, Transcarent, has partnered with 10 health systems across the nation to form a virtual provider ecosystem. Transcarent is a consumer-directed healthcare platform for self-insured employers. With an ecosystem of virtual point solutions, care professionals, and local healthcare facilities, Transcarent aims to make it easier for patients to have access to healthcare right from their phone or laptop.

Employers using Transcarent as their companies' healthcare provider receive competitive pricing previously only reserved for narrow networks. For the first time, members can access virtual care that works together with complex care services delivered locally at hospitals, according to Transcarent.

The brand connects consumers with healthcare information, allowing them to get care on demand, find in-network providers, locate prescription savings, explore care benefits, view lab results, and access educational content. Transcarent offers resources that support patients with everyday care, surgery, at-home physical therapy, comprehensive case reviews, support for oncology care, behavioral healthcare, pharmacy, and more.



Transcarent announced the National Independent Provider Ecosystem that includes health systems such as:

- ▶ Advocate Health
- ▶ Atrium Health
- ▶ Baylor Scott & White Health
- ▶ Corewell Health
- ▶ Hackensack Meridian Health
- ▶ Intermountain Healthcare
- ▶ Mass General Brigham
- ▶ Memorial Hermann Health System
- ▶ Mount Sinai Health System
- ▶ Virginia Mason Franciscan Health

“We are proud to be collaborating with Transcarent as we accelerate the innovation of care delivery models that are transforming health care,” says Ketul J. Patel, CEO of Virginia Mason Franciscan Health and president of the Pacific Northwest division of CommonSpirit Health. “This alignment expands our commitment to serving our communities by further integrating care

across our continuum, in part, by pioneering a range of digital experiences that will make health care easier to navigate, more affordable and more easily accessible for patients across our region.”

Transcarent's comprehensive care model will offer employers and their employees a personalized care experience in the virtual platform in collaboration with each health system. Consumers will also have access to expert clinical opinions, virtual physical therapy, orthopedic consultations, a pharmacy marketplace, access to immediate care quickly (or at home); and a cost effective same-day payment feature unique to Transcarent.

Payment works through a direct-to-employer system that pays providers on the same day care is delivered. Value-based incentives allow employers receive competitive pricing previously reserved only for narrow networks, while maintaining access for members. Employees benefit from waived co-pays and co-insurance for making better decisions about care.

“We are excited to partner with with Transcarent to provide employers across our region with better, more convenient access to high-quality, value-based care options for their employees,” said David L. Callender, MD, President & CEO for Memorial Hermann Health System. “We know that business leaders are a catalyst for improved outcomes in health care, and by collaborating to enhance their employees' wellness, we can work to improve the health of our communities together.” ■

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

Supply Chain By the Numbers

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

Hospital merger sizes are getting bigger

Analysis of Kaufman Hall data shows that the smaller sized merger partner in transactions from 2012 to 2022 have grown at a **11.9%** Compound Annual Growth Rate.¹



Use of migrant children in dangerous jobs continues

According to *The New York Times*, more than **250,000** unaccompanied migrant children entered the United States in the past two years.² Many of these children are forced to work full or part-time jobs in dangerous conditions while still trying to go to school. Now, Perdue Farms and Tyson Foods find themselves under federal investigation for using contractors who allow these children to clean and disinfect dangerous meat processing equipment at night.

Healthcare providers who care about social justice need to carefully examine who they spend money with, and let these large companies know they will not tolerate this practice in the name of higher profits.

Drug diversion: A significant national problem

The recent “The State of Drug Diversion Report” found that **98%** of healthcare executives agree that drug diversion occurs in hospitals and **79%**



believe that most drug diversion goes undetected.³ The report notes that the problem negatively impacts the quality of patient care and patient safety, as well as negatively impacting finances. Diversion costs real money.

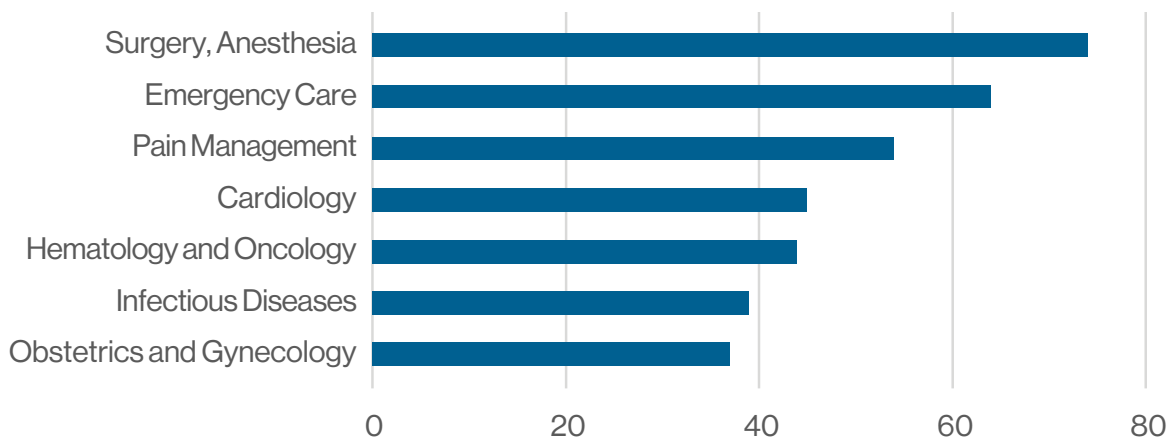
Because of shortages, data from Premier, Inc. shows that hospitals spent more than \$1.1 billion on substitute products.⁴

Drugs are not the only things in short supply

Unpredictable spot shortages of essential medical supplies continue to plague healthcare supply chains and are not expected to ease for at least **1 year**, according to an Axios report.⁵ Among products that are in short supply are surgical mesh, tissue mending products, tourniquet cuffs, body fluid warming solutions, balloon catheters, fetal monitoring devices, chest drains and suction cannisters.

These shortages are a cause for real concern, according to a recent report by ECRI and are causing harm in a variety of key areas.⁶ The accompanying chart includes drugs, single use supplies and other medical devices during a six-month period prior to the survey (n=200 respondents). Quality is broadly affected by these shortages in many key areas.

Percent of Respondents Reporting Problems



Kaufman Hall's recently released "2023 State of Healthcare Improvement: Signs of Stabilization Emerge" notes that **distribution delays (71%)** and **raw product and sourcing availability (55%)** are the only two supply chain issues over 50% at the present time, based on a recent survey.⁷

82% of respondents identified **approved vendor product substitutes** as the leading way to mitigate supply chain shortages.

Unfortunately, **increasing inventory levels** were identified by **57%** of respondents as well. More hospitals also reported **moving to direct purchasing (38%)** versus using distribution partners.

305 drugs were in short supply in the third quarter of 2023. According to manufacturers, **56%** were for "unknown or refused to provide" reasons by suppliers.⁸ It's time we find out what the real reasons are behind short supplies of both medical products and drugs, so that they can be resolved.

¹ Kaufman Hall and Associates

² "As Migrant Children Were Put to Work, U.S. Ignored Warnings," The New York Times, April 17, 2023

³ "The State of Drug Diversion 2023 Report", Wolters Kluwer, September 12, 2023

⁴ Premier, Inc., February 20, 2023

⁵ "Health Systems Plagued by Shortages Scramble for Essentials," AXIOS, June 29, 2023

⁶ "Medication, Supply, Equipment Shortages are Harming Patients," ECRI.org, October 13, 2023

⁷ "2023 State of Healthcare Performance Improvement: Signs of Stabilization Emerge," Kaufman Hall, October 2023

⁸ ASHP: Drug Shortages Statistics through Sept. 2023



**ACCESS STRATEGY
PARTNERS INC**

accessstrategypartners.com

How your distribution strategy impacts respiratory season stocking



During respiratory season, unsteady demand and the erratic nature of seasonal viruses and illnesses makes demand planning and inventory management of critical products such as diagnostic tests a major challenge.

With high demand and limited supply of these products, many providers need the same products at the same time, and issues like supply constraints, backorders and product allocations can run rampant. Secondary issues like lot number tracking and product dating can also be a risk, as organizations that bring in extra inventory during respiratory season face the possibility of having to throw away expired product.

According to Paul Farnin, Director of Customer Solutions Team at Cardinal Health, unpredictable seasonal planning takes collaboration between providers, labs, supply chain, and distributors using historical data to identify potential patient volumes and formulary needs for the season.

“In this age of data, a major component to respiratory season is both access to data and ability to convert that data into information. Hospitals are investing money into technology and automation, and on the other side of the equation, customers are getting more savvy in understanding data usage,” said Farnin.

“There is an art that goes with the science when it comes to anticipating needs.”

Some hospitals and health systems have made the decision to self-distribute in the pursuit of greater control and resiliency. Self-distribution, which encompasses anything from buying select products directly from manufacturers to the use of consolidated service centers (CSC) and even sophisticated distribution facilities, is an established trend that gained heightened visibility during the pandemic, as many organizations assumed distribution responsibilities and the related costs to ensure critical supply of products like personal protective equipment (PPE).

Benefits of self-distribution include consolidation of supply chains, quick

vetting of new suppliers, space savings, and reduction in transport costs. However, with the advantages of centralized supply come the risk of the CSC being a single point of failure, as well as the many challenges that come from managing your own distribution. Disadvantages of self-distribution include the initial capital needed, lack of in-house supply chain talent, and the time and complexity required for implementation.

According to the Health Industry Distributors Association (HIDA)¹, organizations considering self-distribution strategies should ask questions including: Will self-distribution add to or detract from patient care? What savings are possible, and does the return offset the cost and risk of such a major initiative? How much risk is the organization willing to assume? And can your organization commit the needed resources for 5-10 years?

Farnin stated, “Since bringing distribution in house, some health systems have discovered that distribution is



a thankless business, not cheap, and requires investment over time including the startup costs of building a warehouse and investing in labor, technology, and transportation that can quickly grow and become more expensive.”

For organizations considering self-distribution or alternate distribution strategies, your distributor can help you understand all that this decision entails. Because distributors like Cardinal Health maintain a broad view of the complex ecosystem of hospitals, integrated delivery networks (IDNs), group purchasing organizations (GPOs), and suppliers, we can help healthcare providers leverage data

and our distribution capabilities to add value while managing costs.

To further help our customers navigate unpredictable demand and get the critical products their patients need, Cardinal Health is continuously investing in distribution solutions like Kinaxis® that enable intelligent demand planning and forecasting. We also have solutions like the Reserved Inventory Program, a unique offering that helps ensure customers have an identified level of seasonal diagnostic testing inventory available. Ask your Cardinal Health Laboratory Representative how your organization can start planning smarter for respiratory season. ■

¹ Evaluating Self-Distribution: A Guide for Healthcare Executives | White Paper. www.hida.org. Accessed November 8, 2023. www.hida.org/distribution/resources/white-papers/Evaluating_Self-Distribution.aspx



Distributors Partner with State and Local Preparedness Officials

As a proponent of public-private partnerships, HIDA continues to link stakeholders in the medical supply chain with relevant government agencies focused on preparedness. Recently, HIDA has deepened this commitment with outreach to state and local preparedness and public health officials. These relationships have resulted in the development of useful tools for providers and distributors alike.

Medical product distributors are the essential link between global healthcare supply manufacturers and local care providers. HIDA members operate more than 500+ distribution centers to bring critical products, supplies, and services to more than 560,000 healthcare settings across the U.S., including hospitals, long-term care, physician practices, home care, and laboratories. These critical products such as PPE, needles and syringes, lab testing products, infection prevention products are needed in virtually all public health emergencies.

- ▶ Healthcare distributors were key in last mile delivery to get PPE and other supplies to providers during the COVID-19 response.
- ▶ Healthcare distributors collaborated directly with federal partners during COVID-19 in a data-sharing initiative known as the Supply Chain Control Tower.
- ▶ Healthcare distributors provided subject matter expertise on the following tools that assist providers in planning for emergencies and assessing their supply chains.



Linda Rouse O'Neill; Senior Vice President, Supply Chain Policy, Health Industry Distributors Association



The private sector is scaled to make, source, and distribute medical products to our nation's healthcare providers across the care continuum. Public partners can provide the planning, funding, and prioritization to create a cohesive response.

HIDA has taken the lead in facilitating relationships between the medical supply chain and government agencies at the local, state, and federal levels. The second annual HIDA Preparedness Summit convened a record number of government partners from key agencies with leaders in the healthcare distribution industry to discuss efforts to

build greater resilience into the medical supply chain. In addition to federal leaders from the Administration for Strategic Preparedness & Response (ASPR) and the Strategic National Stockpile, the 2023 Summit included leaders from the Association of State and Territorial Health Officials (ASTHO) and the National Association of County

and City Health Officials (NACCHO).

Furthermore, HIDA is collaborating with stakeholders to produce useful resources to advance preparedness goals.

- ▶ HIDA has developed a checklist for coordinating with federal, state, and local authorities to ensure access during a disaster. This checklist urges suppliers and distributors to collaborate with providers as well as state and local authorities to identify their needs.
- ▶ HIDA provided subject matter expertise to ASPR TRACIE for the Disaster Available Supplies In Hospitals (DASH) tool. This is an interactive tool that helps hospital emergency planners and supply chain staff estimate supply needs during various public health scenarios.
- ▶ In collaboration with ASPR, HIDA published a *Preparedness Playbook* to monitor the medical supply chain and coordinate production and distribution during a public health emergency. Public and private stakeholders developed criteria to determine when the supply chain is in one of three conditions – Steady State (Condition Green), Potential Disruptions (Condition Yellow), or Overwhelmed Supply Chain (Condition Red).

Neither the private sector nor public sector alone possess the full scope of capabilities, infrastructure, funding, nor expertise needed to adequately provide for pandemic preparedness and response in the United States. Instead, supply chain collaboration can highlight the complementary roles of the commercial supply chain and all levels of government. The private sector is scaled to make, source, and distribute medical products to our nation's healthcare providers across the care continuum. Public partners can provide the planning, funding, and prioritization to create a cohesive response. ■



Access to Medications

How GPOs prevent and mitigate drug shortages, while providing policy solutions to help combat them.

Drug shortages are an ongoing crisis affecting healthcare providers and patients across the country. Hospitals and patients nationwide are dealing with shortages of critical, life-saving medications and some providers and patients are now being forced to ration necessary medication. In 2022, the University of Utah Drug Information Service (UUDIS) identified a total of 160 national drug shortages. This figure is likely an underestimated amount, however, as many shortages go unreported and may occur in smaller geographic areas. A survey of manufacturers by UUDIS provided insight into the causes of drug shortages, and more than half of the survey respondents (56%) either did not know the cause of the shortage or wouldn't provide this information.

The U.S. Food and Drug Administration (FDA) identifies manufacturing quality control issues as the primary cause of drug shortages, along with production delays, lack of raw materials, and manufacturer business decisions to discontinue products. As the sourcing and contracting partners to most hospitals, long-term care facilities, surgery centers, clinics, and other healthcare providers across the country, traditional healthcare group purchasing organizations (GPOs) play an important role in the healthcare supply chain and are leaders in preventing and mitigating drug shortages.



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

GPOs utilize several strategies to mitigate and prevent drug shortages

Despite limitations with existing data, GPOs track all available data on shortages and raw materials, including active pharmaceutical ingredients (API). GPOs track this data on a global scale to anticipate any potential supply disruptions and provide suppliers with notice to plan for production capability. GPOs identify and help bring to market additional manufacturers of critical medications and ensure that there are auxiliary suppliers of essential medications and products.

GPOs identify and source high-quality products at the best value, providing stability and savings across the industry, and work diligently to ensure a robust, competitive, market for healthcare products by expanding the number of suppliers of essential products and life-saving medications.

GPOs help create a fair, open, and competitive marketplace and compete for business based on a variety of factors including, but not limited to, supplier product pricing, strength of GPO supplier contract terms, breadth of contract portfolio, supply chain and clinical analytical assistance, and customer service. GPOs encourage competition among suppliers, work to expand the number of suppliers in the market and incentivize them to continue producing essential products and life-saving medications. Competition among GPOs is essential to preventing drug shortages.

As part of its advocacy approach, the Healthcare Supply Chain Association (HSCA) and its member GPOs provided a series of recommendations to Congress to further mitigate and prevent drug

shortages affecting the healthcare industry. The recommendations included:

▶ **Investing in quality and building secondary supply lines.** HSCA and its member GPOs recommended that Congress should not only incentivize production, but also investment in quality and capacity, including the addition of secondary supply lines and having alternate or backup sources of API to support long-term access to generic medications.

GPOs encourage competition among suppliers, work to expand the number of suppliers in the market and incentivize them to continue producing essential products and life-saving medications.

▶ **Maintain and/or require buffer inventory.** HSCA and its member GPOs recommend that the federal government, through the Administration for Strategic Preparedness and Response (ASPR) and the Strategic National Stockpile (SNS), create, maintain, and/or require buffer inventory for critical medications and devices so there is always an auxiliary supply available.

▶ **Create incentives to increase domestic manufacturing.** HSCA recommended that if Congress elects to create incentives related to domestic manufacturing, that the incentives be tied to quality and the amount of product sold in the U.S. For incentives to tangibly impact pricing dynamics, they must align with quality products being made and sold in the U.S.

▶ **Increasing transparency.** Healthcare GPOs are leaders in transparency.

HSCA recommended transparency regarding buffer inventories and that input from GPOs and other private industry stakeholders be used to determine which drugs, and if possible, which products, should be considered for buffer inventory.

▶ **Mitigating product delays.**

HSCA recommended that Congress encourage FDA to provide 503B compounding facilities with more flexibility to meet provider demand

and loosen restrictions to allow 503B compounders to make certain high-risk products in anticipation of a potential shortage, rather than only in response to an existing shortage.

▶ **Increasing facility inspections.**

HSCA recommended that Congress increase funding for and encourage the FDA to increase the number of inspections. HSCA further recommended that Congress encourage FDA to begin unannounced foreign inspections for API suppliers and drug product manufacturers.

HSCA and its member GPOs are committed to mitigating and preventing drug shortages and continuously work to determine effective strategies to ensure that healthcare patients and providers can access the medications they need. ■

Industry News

Cleveland Clinic announces expansion of Community Health Workers Program

Cleveland Clinic announced plans to expand its Center for Community Health Workers by doubling its staff over the next month.

Cleveland Clinic's Center for Community Health Workers is one of the first programs of its kind at an academic medical center, and the only one to be led by a certified community health worker.

Community health workers collaborate with patients who experience barriers to accessing medical care and daily essentials such as food, housing, employment and childcare. They play a valuable role as facilitators, translators and advocates, connecting individuals to needed resources.

Cleveland Clinic's community health workers are part of the clinical teams within emergency medicine, primary care and women's health.

Established in November 2021 by a multimillion-dollar gift from the Jones Day Foundation, the program continues to sustain and grow with support from philanthropic gifts of all sizes. The program has trained 10 community health workers and aims to recruit an additional 10 people from the community to meet the needs of more patients.

Premier joins alliance to end drug shortages

Premier, Inc. announced it has joined the End Drug Shortages Alliance, a coalition of diverse stakeholders to address drug shortages in the United States.

The Alliance provides a forum for key stakeholders to take strategic aim at one of healthcare's more pressing and enduring issues: drug shortages that disrupt patient care.

The End Drug Shortages Alliance was launched in late 2021 to bring together industry stakeholders, including providers, group purchasing organizations, manufacturers, distributors and other industry thought leaders and champions. Efforts will focus on improving access to medications through greater transparency across market participants, leading to improved quality manufacturing of medications and production of additional supply.

For more than two decades, Premier and its members have been leaders in preventing and resolving drug shortages. Through commitment and aggregated demand, Premier's drug shortage programs give manufacturers proper demand signaling, predictable revenue and the surety needed to ramp up and maintain production. As a result of Premier's innovations, the company has successfully contributed to the resolution of 15 drug shortages,

resulting in their removal from the FDA shortage list.

UPMC announces Heart Institute expansion

UPMC will construct a new Heart Institute at UPMC Children's Hospital of Pittsburgh, elevating care and technology in pediatric cardiology for patients and their families.

The Heart Institute will be home to state-of-the-art clinical space with new cardiac catheterization labs, an interoperative MRI, inpatient and outpatient procedural and diagnostic and consultation spaces, plus waiting and reception rooms. The new 50,000-square foot, three-story addition will be built on the UPMC Children's Lawrenceville campus.

UPMC Children's is a leader in cardiology and heart surgery, ranking in the top 10 by U.S. News & World Report. Each year, UPMC Children's provides comprehensive care to over 18,000 patients with congenital conditions throughout their lives, from prenatal through adulthood. As a comprehensive pediatric heart transplantation center, and a national leader in the use of pediatric heart-assist devices, the Heart Institute at UPMC Children's continues to advance the field of cardiovascular medicine. ■



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