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Healthcare
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Women Leaders in Supply Chain



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What Motivates Today's Leaders



As VP Supply Chain and Support Services, UAB Medicine, Laura Kowalczyk believes that leadership is her most important responsibility. She is both fascinated by and interested in studying what characteristics define a good leader. It's led her to read about leaders across many industries and to consistently seek feedback from other leaders, staff and experts formally and informally.

"I am always so thankful to be able to listen and learn from other leaders on how they manage the many challenges of leadership in our complex environment," Kowalczyk told us in an interview for *The Journal of Healthcare Contracting*.

Kowalczyk is one of 10 Women Leaders in Supply Chain we highlight in this issue. Each were gracious enough to share their thoughts and experiences on how the supply chain has changed over the pandemic, what projects they are invested in, and the main challenges their organization faces heading into 2023.

They also discuss how they intend to grow in their role and spheres of influence. For instance, Terri Nelson, MAHA, BSN RN, Senior Director Value Analysis, Mayo Clinic said she's always on the lookout for new ways to achieve better outcomes for the staff she has worked for. "Yes, a good leader works for the staff they support," she told us. "Over my career I have found that communication skills have the biggest impact. The ability to articulate what you do and the value you add to an organization is key."

Dameka Miller, Vice President, Strategic Sourcing & Value Analysis for Trinity Health said it's important for her to know how she is showing up and perceived by others, so she regularly asks for feedback from her own leader, who she trusts and respects. "I am purposeful about initiating the conversation to create space for honest, real-time observations." Miller also said mentoring emerging leaders keeps her perspective fresh and offers insight into what motivates the next generation.

We hope you enjoy the insights from these leaders and more in the December issue of *The Journal of Healthcare Contracting*.

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Striking a Balance

GPO partnerships with health systems, suppliers tackle inflationary pressures.



More than half of U.S. hospitals are projected to operate in the red through 2022, according to a report by Kaufman, Hall & Associates, LLC, and released by the American Hospital Association (AHA) in September. The losses are in

the billions of dollars, and rising expenses for supplies and workforce are elevating the pressures.

“Inflation’s leading to a lot of uncomfortable conversations between suppliers and health systems,” Peter Aftosmes, vice

president of strategic supplier engagement for Premier, told an audience at IDN Insights East in Philadelphia, hosted by *The Journal of Healthcare Contracting*, this fall. “We’re acutely aware of inflationary pressures due to all the data we have

on supply chain. It's a balance to strike. One of our primary responsibilities as a GPO is to protect our members from price increases."

As suppliers pass on inflationary costs to health systems, Meena Medler, vice president of supply chain management for UPMC, says health systems don't know where to pass it along.

"It's a tough situation no matter the health system," she told the IDN Insights East audience. "It's leading to cutoffs in service for some remote patients. For example, dialysis service was cutoff in remote locations during COVID. What happens to those renal patients? Where are those patients provided care? This is happening at a time when the industry is saying it's interested in population health."

How can suppliers bring a different kind of value

Medler is asking suppliers to take a step back.

"We lean on GPOs to fight the fight because we don't have time to fight it," she said. "When they don't win, we blame them. I'm asking suppliers to lose a little bit, but I can't demand it. If they pass the price down, we still need to use their products. But the time for true partnership is now."

Aftosmes agrees and says it is an accurate portrayal of the conversations Premier is having with its members.

"There's only two things we can cut – supplies or people," Medler added. "We're a service providing entity. There are already workforce shortages, so if we cut people or can't pay the salaries for clinically relevant individuals and can't keep ORs, our volume goes down. If we don't do volume, supply realization goes down. It's a vicious cycle."

Medler says suppliers can bring value in different ways and is also asking GPOs to do this.

"Look at it horizontally, not categorically," she said. "Cut the price on something and increase something else for an overarching offset. Because, when working at a small operating margin, a 20% price increase on top of 20% inflationary costs for nurses is a spiral."

GPOs like Premier are looking for a win-win-win – when the members win and the suppliers win, then they win.

As suppliers pass on inflationary costs to health systems, Meena Medler, vice president of supply chain management for UPMC, says health systems don't know where to pass it along.

"We need our members to see value first," Aftosmes said. "We're in business for our members and we're a representative of them. That's the top priority. But our members need suppliers' products, technology and services. So, it's a true partnership."

Quantifying technology outcomes

Aftosmes says the more suppliers can quantify the outcome of their technology, the better chance they have in bringing a different kind of value to health systems, and Premier is focused on labor augmentation technology that helps alleviate hospital staffing issues.

"We had a couple of suppliers that started quantifying their technology around the number of full-time em-

ployees (FTEs) not needed," Aftosmes said. "One specifically identifies at-risk patients in EMRs that haven't been in for recent testing, and it automatically reaches out to those patients. And it translates exactly how many FTEs that technology replaces."

He suggests suppliers tell a story.

"It's amazing technology," he said. "We can't get medtechs for lab right now and this reduces the demand for medtechs by X. Tell us the story and we'll get it out there. That gets attention."

Medler adds that sometimes sites can't remain open due to a lack of medtechs or even physicians at a certain level. So, technology like this helps suppliers provide value to health systems in a different way.

"They can help us train our internal staff because we can't outsource everything," she said. "We call it repurposing and optimizing our labor force so that our people can function at the highest levels."

Medler concludes change was already coming to healthcare before COVID with health systems aligning in strategic partnerships with GPOs and suppliers, but now hospital CFOs are moving away from transactional relationships between administration, supply chain and suppliers more than ever.

"Everyone must think differently," she said. "Because if we don't, it's going to kill us, and it's going to come back to hurt suppliers too. It all catches up." ■

A Healthcare Ecosystem

With high inflation and impediments to supply deliveries, industry must avoid siloes.

Clinton Hazziez sees healthcare as an ecosystem of relationships.

“The nurturers are the innovators and progressive organizations that are ready to share in the risk and reward for the sake of the ecosystem,” said Hazziez, vice president of supply chain and sourcing for Baylor, Scott & White Health. “Providers – those closest to the patients – are struggling because they can’t pay enough or keep enough people. Will those nurturer organizations do something for the greater good even if it means 5% off their bottom lines?”

Hazziez says most providers want to know what these organizations can do for them. Can they make a health system smarter or more efficient?



Every dollar made in the U.S. healthcare system

“For every dollar made in the U.S. healthcare system, 30% is estimated to go to non-clinical administrative tasks. That’s estimated to be \$1 trillion,” he said. “And now, that’s landed on supply chain’s front porch. That includes the cost of issuing a purchase order, the procure-to-pay cycle, the time spent on correcting invoices and managing the minutiae of contracting.”

While there’s an opportunity to improve, he’s concerned the industry is slowly regressing to pre-pandemic thinking.

“It seems like we’re going back to siloed thinking and taking our foot off the gas, but we’ve just shown that we can do this together. We can solve these problems for the greater good, but we have a challenge that’s real,” he said.

With a historical inflation rate and rising healthcare delivery costs, it’s a trajectory providers can’t keep up with, according to Hazziez. “Declining reimbursement rates and continued impediments to deliveries for health systems like increasing labor rates and sourcing raw materials have converged. We have to do something different to bend that 30% curve,” he said.

Symbiotic relationships

It takes a symbiotic relationship between all healthcare organizations to bend that curve.

“Do you know how many touches your organization has within my organization?” Hazziez asked an audience of suppliers at IDN Insights East in Philadelphia, hosted by *The Journal of Healthcare Contracting*, this fall. “Because when you have this one widget and you discount the other touches your organization has within my organization, we’re going to struggle with trust. As providers, we must make sure we remain efficient and mitigate our risk.”

He claims providers feel that 30% curve to non-clinical administrative tasks every day and that’s what drives them to have such firm positions.

“It’s frustrating to see suppliers not embracing their roles in the ecosystem. Our decisions and behaviors should have a common purpose. At the end of what they do is a life – whether it’s wound care, implants or consultant services. A patient is at the end of the value chain,” he said.

Hazziez explains value for healthcare suppliers can’t be tied to their bottom lines and board members when providers’ value is safe, quality patient care. “Redefine it. Identify core capabilities and leverage them. What can you offer us to get us closer to the patient?” he asked the IDN Insights East audience. “There’s so much redundancy for services in our ecosystem. But you all have the pieces. It just may challenge your organizational culture.” ■

Driving Value Through Clinical Education

B. Braun's Peripheral Advantage® Program optimizes clinical skills and product performance for improved outcomes.

B. Braun launched its Peripheral Advantage program in 2021, giving healthcare staffs the tools, training and insights needed to confidently deliver consistent PIVC (peripheral intravenous catheter) care and a better patient experience. The program is available to all hospitals nationwide.

PIVC restarts can subject patients to discomfort and greater risk of infection and other complications. Yet only 57% or less of nursing students receive any form of PIVC training.¹ Peripheral Advantage is designed to optimize clinical skills and product performance for better clinical outcomes.

The comprehensive program combines clinical instruction, data-driven insights, and advanced tools to empower nurses to achieve first-stick success and help prevent many of the complications associated with peripheral IV therapy.

This value-added program is one way B. Braun, an infusion therapy and pain management leader, is providing value to its customers.

"We're committed to helping our customers improve the overall patient experience," said Brett Sarnoff, Vice President of Marketing, Medical Device & Pharma Systems with B. Braun. "We know providers are challenged to deliver

optimal care, especially right now, without all of the resources they need. Our focus is getting them the resources, especially around convenience."

B. Braun develops KPIs with its customers so it can be held accountable to deliver on outcomes.

"We've always focused on value propositions and supporting our customers," Sarnoff added. "There are so many shortages in nursing and throughout hospitals today, and this program is about giving providers the right products and creating a differentiation for our products as well."

After implementation of B. Braun's Peripheral Advantage program, results may include hospital system improvements of clinical, operational, and financial outcomes.

"The program combines best-in-class training and curriculum with innovative products and technology designed to help hospital staff deliver safe and consistent peripheral IV care," said Aime Lenz, Group Product Director, Value-Added Programs with B. Braun. "The Peripheral Advantage Program, along with our collaboration with The Association of Vascular Access, creates an ecosystem for our customers to address peripheral IV

education in the hospital setting and in healthcare schools."

Lenz said B. Braun is concentrated on new advancements in virtual and online education to reach a broader audience.

"Healthcare providers want more options for online education and a better overall experience with it, so we're continuing our strategic alliances and adding new research and innovation alliances as well," she said. "Better IV education and technology addresses a critical gap across the healthcare continuum."

For example, B. Braun's vein visualization technology through its VeinViewer® product helps clinicians experience consistent first-stick success, helping to ensure the IV is placed correctly on the first try. This benefits patients at hospitals, ambulatory surgery centers, infusion clinics and anywhere patients need routine care beyond the acute care setting.

The Peripheral Advantage program includes professional on-site clinical instruction with B. Braun's PIVC clinical experts. Training is provided on a complete set of cutting edge tools like the Company's STEADY-CARE™ Extension Set Technology, which helps stabilize the catheter and maintain the insertion angle. ■

¹ Glover KR, Stahl BR, Murray C, et al. A Simulation-Based Blended Curriculum for Short Peripheral Intravenous Catheter Insertion: An Industry-Practice Collaboration. *J Contin Educ Nurs.* Sep 1 2017;48(9):397-406.doi:10.3928/00220124-20170816-05.

Building Resiliency

A new nonprofit healthcare supply chain association aims to champion standards and best practices.

From Jesse Schafer's vantage point as a senior manager of business continuity at the Mayo Clinic, supply chain resiliency is keenly needed in healthcare. "It's a complex issue too difficult to solve individually," he said. "There are cultural, operational, and economic barriers."



Jesse Schafer,
senior manager of
business continuity at
the Mayo Clinic, and
executive director of
the Healthcare Industry
Resilience Collaborative.

When asked what's missing in the supply chain regarding resiliency and transparency, Schafer said standards, incentives, and culture.

1. "There are too many solutions in the market. As such, trading partners cannot scale nor sustain the approach."
2. "Historically, price drives purchasing decisions. In a post pandemic world, providers are more often seeking to evaluate supplier resiliency as a key factor in sourcing decisions."
3. "There is a lack of trust when sharing resiliency data between trading partners, and a corresponding lack of clarity in how the data will be used."

To help break down those gaps, a group of healthcare supply chain provider and supplier stakeholders recently formed the Healthcare Industry Resilience Collaborative (HIRC), a nonprofit healthcare supply chain association that champions standards and best practices in supply chain resiliency.

The vision of HIRC is to create a more transparent and resilient supply chain through collaboration between providers, suppliers, and industry partners, said Schafer, executive director for HIRC. "We work as a community to develop and align to sensible standards and a one-to-many approach."

Members convene in a variety of monthly engagements, including: member calls to share best practices, key initiatives to develop industry solutions, best practice groups to share lessons learned, and online forums to enrich the community know-how. Monthly market watch articles and collaborative research are additional resources provided. "Membership provides access to a community of thought leaders focused on clear goals and deliverables in resiliency," Schafer said.

Focus areas

Resiliency is a common challenge across healthcare stakeholders, Schafer said.

"It's present at all stages of the supply life cycle. As such, the interface between providers and suppliers is critical to tackling opportunities and barriers. When problems and solutions are addressed collaboratively, the resulting solutions are far more effective. To solve for resiliency, it must be addressed as a common goal."

HIRC's focus areas include standardizing resiliency key performance indicators; creating a framework to measure attributes through scorecarding; and increasing supply chain visibility for

greater continuity of critical supplies. The organization also focuses on risk assessment and increased transparency through data sharing.

“Each standard offers a one-to-many approach that’s easy for trading partners to engage and enables discussions to progress to greater insights and actionability,” said Schafer. “Additional focus areas include resiliency KPI and resiliency technology.”

In 2023, key initiatives may include:

- › **Supplier resiliency certification** – an evidenced-based certification that demonstrates supplier business continuity management proficiency
- › **Resiliency database** – an AI and community curated platform to track critical healthcare items, supply disruptions, and suitable alternative products
- › **Supply disruption market watch** – an AI and community curated platform to identify the most relevant and actionable supply disruption intel across the industry.

Better outcomes for all

Tom Harvieux, chief supply chain officer at BJC HealthCare, and board member and chair-elect of HIRC, said healthcare supply chains have historically been built around low cost, which proved to be a significant weakness during the recent pandemic and subsequent global supply chain shortages. “Improving resiliency and end to end visibility is critical to not letting the past repeat itself,” he said.

Resiliency in healthcare is about delivering the right products and services at the right time and place, as well as delivering better outcomes for patients, said Joe Robinson, vice president, enterprise risk &

continuity at Medtronic, and board member of HIRC. Since the COVID era began, supply chains around the world have experienced a wide variety of challenges, shocks, and disruptions. “Now, more than ever, we need a community partnership focused on reducing these impacts to the medical supply chain,” Robinson said. “Medical providers and suppliers must work together to improve patient outcomes and drive improvements within the supply chain. That is exactly what HIRC is doing.”

HIRC was formed by Mayo Clinic and Spectrum Health before the COVID pandemic but gained broad industry support coming out of the challenges of the past three years. Jim Francis, chief supply chain officer at Mayo Clinic, helped drive the launch of HIRC. “Mayo Clinic Supply Chain Management Division is

pleased to support the efforts of HIRC and looks forward to participating in its mission of increasing the resiliency of the supply chain,” Francis said.

Lessons learned through the pandemic and on-going supply disruptions present the most opportune time to address transformational needs of the supply chain, he said. “This industry collaborative presents the best opportunity to address needed changes as an industry rather than on an individual provider and/or industry partner basis,” Francis said.

“HIRC is uniquely positioned to create a common place for suppliers, providers, GPOs, industry forums, and academics to work in transparent and open dialog,” Harvieux said. “This is how we collectively will change and improve healthcare resiliency.”

Key points

Tom Harvieux, chief supply chain officer at BJC HealthCare, provided several key components of HIRC’s mission:

- › HIRCs only motive is to improve healthcare resiliency. Having the interests of all stakeholders at its core is a tenant that sets the stage for real dialog and collaboration.
- › Suppliers, providers, GPOs, academics, and industry experts all have an equal seat at the HIRC table. All that is required is support of working together to improve healthcare resiliency.
- › Industry-wide change must be done at scale. This mandates that standards, formats, and guidance must be done in common manner. HIRC is about developing solutions that meet provider and suppliers needs while preventing development of hundreds of unique efforts.
- › HIRC supports commercial entities efforts to offer industry solutions and technology. HIRC seeks to drive standards that can be deployed in unlimited ways.



Robinson said HIRC is a true collaborative partnership that aligns suppliers and providers with the common goal of improving patient outcomes. “We focus on standardizing our approach to resilience, creating consistent and repeatable resilience expectations between suppliers

and providers,” he said. “Our members create scale for the healthcare community and this scale leads to a future of more consistent supply expectations, once again leading to better outcomes for patients.”

Harvieux said you can expect to see HIRC continue to grow membership and

to continue to develop well thought out, cross industry standards that are widely adopted as a common framework for resiliency discussions and formal improvement work between trading partners.

“While lots has been done, HIRC is really starting to hit its stride!” ■

Provider Members

Ann & Robert H Lurie Children’s Hospital of Chicago
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Aspirus, Inc
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BayCare
BJC HealthCare
Brattleboro Memorial Hospital
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Gartner
Global Healthcare Exchange (GHX)

Health Industry Distributors Association (HIDA)
Peer Supply
Premier, Inc.
Strategic Marketplace Initiative (SMI)

Supply Risk Solutions (SRS)
University of Arkansas - Sam Walton College of Business
Us Pharmacopeia (USP)
Walton College of Business
Vizient, Inc

The Evolution of Molecular Diagnostics

Detecting – and deterring – the next pandemic.

The COVID-19 pandemic has heightened public awareness about molecular diagnostics. While PCR testing has been the cornerstone of molecular diagnostics for years, there are a wide variety of molecular diagnostic solutions that provide faster results than traditional PCR-based methods. However, these solutions may not provide the same level of reliability and accuracy as PCR tests which analyze the presence of the actual virus' genetic material with high sensitivity and are the most effective means of detecting active infection.

“When sick patients come in the hospital, you want the most sensitive test, and that’s a PCR test,” said Dr. Dave Persing, Chief Medical and Technology Officer for Cepheid, a molecular diagnostics company based in Sunnyvale, Calif. “You don’t want to miss a case and then find out later that the patient is positive for COVID-19. Having a sensitive test at admission is important.”

Dr. Persing continues, “In the past, molecular testing made sacrifices in sensitivity and performance in exchange for speed. But today, Cepheid’s combination of best-in-class laboratory quality accuracy along with speed is unique.”

Additionally, Cepheid has a long and storied role in the evolution of molecular diagnostics in responding to global public health threats and emergencies over past two decades including anthrax in 2001, H1N1 influenza in 2009, Ebola in 2014, and Covid-19 in 2020.

“We were engaged early on after the anthrax scare to build a test cartridge that could test the mail for anthrax,” Dr. Persing explained. “In 2009, we built a test for H1N1 influenza and in 2014, we built a test for Ebola.”

Cepheid has a long and storied role in the evolution of molecular diagnostics in responding to global public health threats and emergencies over past two decades including anthrax in 2001, H1N1 influenza in 2009, Ebola in 2014, and Covid-19 in 2020.

Today, Cepheid’s Xpert® Xpress CoV-2/Flu/RSV *plus* (“4-plex *plus*”) PCR test provides actionable, rapid respiratory results to meet the challenges of the ongoing COVID-19 pandemic. It rapidly detects the presence of the SARS-CoV-2 virus, including emerging variants. In addition, it detects and differentiates between Influenza A, Influenza B, RSV and SARS-CoV-2 viruses, as well as identifying potential co-infections during the respiratory season.

“You want to know if the patient is eligible for an antiviral or if they need isolation,” said Dr. Persing. “How they are managed after admission is dependent on getting an accurate result.”

Cepheid’s 4-plex *plus* test is a single cartridge with an easy-to-use workflow, optimizing utilization of limited resources in healthcare settings.

Dr. Persing states, “Looking at the entire workflow – from sample collection to testing – is an important perspective for healthcare supply chain professionals to maintain.”

“Consider the versatility of the platform,” said Dr. Persing.

Dr. Persing says responding to the next potential pandemic is ideally based on a system already in place in hospital settings. “It’s important to build in a future proofed capability, enabling us to detect things that may not be on our radar yet and our 4-plex *plus* test already has the built-in capability of scalability and broad range detection of the respiratory viruses.” ■



Women Leaders in Supply Chain

GINGER HENRY
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Premier

MINA HOLLAND
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Corporate Supply Chain,
KPC Global Management

SANDRA MONACELLI
Vice President, End-to-End
Supply Chain, Value Analysis,
Nexara

MARGARET STEELE
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Vizient



LAURA JOHNS
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Cleveland Clinic

TERRI NELSON
Mayo Clinic, RN BSN, MAHA,
Senior Director Value Analysis,
Mayo Clinic

JENNIFER TAYLOR
Director of Sourcing,
UHS





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.**

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

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Ginger Henry

Vice President of Supply Chain at Legacy Health

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

As the Vice President of Supply Chain at Legacy Health, I oversee all functions related to supply chain for our six-hospital health system. We have a large ambulatory network including an urgent care company, a laboratory, a children's hospital, a behavioral health hospital, a level-one trauma center and we are an owner in a health plan. We call our division Supply Chain Solutions – this is part of our rebranding efforts to emphasize how all our team members are part of our “one supply chain” team and that we are driving solutions in our organizations as a strategic partner. Our teams oversee many functions, including clinical value analysis, strategic sourcing & contracting, procurement, decision support / analytics, operations and distribution, courier operations (including for our laboratory), and mailroom services. We have developed a governance structure for supply and services decision-making – this group is sponsored by Legacy Health's Associate Medical Director and has representatives from across the organization. This Steering Committee reports up through our senior leadership.

In what ways has the supply chain changed for the better over the last 2-3 years?

The pandemic has been so difficult for so many – our employees are exhausted, we have seen dramatic inflation, supply constraints and labor challenges. But there indeed have been some positive changes in our industry. Supply chain truly has been elevated – from the position we take in our health systems to the available career pathways. We are now seen more as strategic partners in our health systems than simply the people who move supplies. Our teams have learned a lot too – we are realizing the importance of resilience and being nimble. We've seen the benefits of partnerships with our key suppliers as well – the collaboration between providers and our suppliers is key to driving needed change and can directly impact how we can ensure the best care for our patients.

What about its challenges? What keeps supply chain leaders up at night heading into late 2022?

Inflation, labor challenges and backorders are expansive. Like most health systems, we are experiencing financial hardships. Despite these concerns, I am confident we can find ways to truly impact cost. I always say that we cannot let a good crisis go to waste! With the elevation of supply chain – and the need to impact spend – it is our time to advance how we support clinical integration and drive improvements in our structure and processes to ensure sustainable results. We have recently restructured our Clinical Value Analysis program and governance around supplies and services decision-making. Now is our time to elevate engagement with our physicians and clinicians, with all our customers.

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

At Legacy Health, DEI (Diversity, Equity, and Inclusion) is key to our strategy. We are to exemplify inclusiveness, and this starts within each leaders' departments. This goal therefore ties into how we manage supplier diversity as well as how we look at our supply chain team. Are we supporting a diverse employee workforce, one that mirrors our community and patient population? How are we supporting development of these employees? What about our suppliers? Are we ensuring the local economy is being impacted in positively? If we do the right thing for our employees, our patients and our communities, then we are doing the right thing for our business as well.

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

I am a lifelong learner and strive to continue to grow professionally and personally. Even if it wasn't a part of a traditional program, I've been fortunate to have many mentors during my career, some being direct supervisors and others peers or even friends and family. I believe that mentors do not need to be formal and that you can find mentorship in so many people, all at once! I also have been a mentor to others – it's amazing what I can learn when acting as a mentor to others!

My advice is to consider what you are good at and what you might want to improve upon – ask others for feedback too. Consider talking through a business challenge you are facing, even roleplaying scenarios with your mentor, a peer or a coach if you have one.

How do you focus on your growth as a leader?

I try to be aware of my areas where I have opportunities to grow and consider how I can work on these areas. I also realize that it's okay to not be the best at everything – it's just fine! I try to understand my strengths and know when I have team members with expertise in areas where I may not be as strong and let them shine. Leaders need to know when to listen, when to act and when to stand back and let others do their work.

As a learner, I also listen to business related podcasts, enjoy reading and audiobooks and networking, even outside the supply chain or healthcare industry. I also recommend leaning in on projects that may be completely unfamiliar to you. You can meet new people, learn different styles and see how other

parts of the organization work. This is how I ended up in supply chain (coming from operations)!

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

There is a lot going on within supply chain at Legacy Health. Here are some of the key initiatives:

- › **ERP upgrade.** I am leaning in to support our project team and am a key leader in our steering committee. We are trying to ensure that the customer experience is positive and that we address concerns with strong change management.
- › **Supporting financial resiliency.** Our service line and clinical value analysis teams are reprioritizing our work to focus on cost savings. We're also looking at how we can push the culture of being a clinically integrated supply chain. We need to change how we negotiate and manage our agreements and product categories. We must have clinical – including physician – alignment. Supply chain may be performing the tough negotiations, but we cannot do these in a vacuum. Supply chain is the enabler of our decisions, not the decision-maker.
- › **Customer relationship and engagement.** We are formalizing our executive rounding plan with leaders and front-line teams. The goal is to follow a CRM (customer relationship management) methodology. Providing transparency to our customers of our initiative roadmap is key for engagement and support. We are providing continued support of tiered huddles to align with the new lean journey that Legacy Health has been implementing. Our lean work is focusing on how we manage rapid problem solving at the lowest level in the organization, allowing for staff development and growth.
- › **Talent Management focus.** Ensuring we are monitoring local market pay trends for our teams is critical to recruit and retain talent. We also are revamping our internal governance structures to support standard work and problem solving. Having front-line team members on our process improvement journey – where we focus on process not people – supports our goal of employee engagement and allowing people to work at the “top of their licenses.” Our people are amazing, we want to let them shine.



Mina Holland

Vice President of System/Corporate Supply Chain,
KPC Global Management

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

My role at KPC Global is to manage the oversight of the Supply Chain operations at all seven acute hospitals. Besides managing the Supply Chain operations, I am also responsible for the contract negotiation of all product categories and purchase services, as well as the implementation of cost savings and standardization projects that come from the contract negotiations. I am also involved in the negotiation of capital purchases.

In what ways has the supply chain changed for the better over the last 2-3 years?

Our hospital executives' continuous collaboration regarding cost savings and standardization has improved drastically over the last few years. In the past, cost savings and standardization were not a top priority for hospital executives. However, since the COVID pandemic, the support we receive from hospital executives to improve the hospital's supply and service expenses has moved to the front of the line.

What about its challenges?

What keeps supply chain leaders up at night heading into late 2022?

Lack of supply availability continues to provide ongoing challenges. With that being said, availability has improved over the last six months. More supplies are available compared to those available to purchase during the previous 18 months. Another issue is the lack of available labor for our service needs from our vendors. This issue creates service delays.

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

As a woman Supply Chain leader, I think of opportunities when I hear words like diversity and equity in the workplace. I appreciate that diversity and equity allow others to share their knowledge and leadership skills. Diversity and inclusion are an integral part of KPC Global's mission to ensure its patients and their families "Enjoy Life in Great Health."

How can those things contribute to the success of an organization?

Diversity and equity in the workplace will ensure that the best possible individual is hired for a job they can manage and fulfill successfully for the organization. The benefit from this opportunity most likely drives a cost-effective, efficient operation for the organization, directly impacting the bottom-line.

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

I have had many mentors that have advised and guided me during my career. My top four mentors are my mother Margo Salari, Debbie Pease, Debora Turner,

and Mark Hess. All four have played an important and instrumental role in my career. They have guided me on my Supply Chain Leadership journey. I want to give a special thank you to each of them.

How do you focus on your growth as a leader?

One way I focus on my leadership growth is my willingness to be a great role model for my three sons, Anthony, Patrick III, and Christopher. I want them to know that the work is never done, and you must always keep working to improve yourself

and grow in your leadership role. Another focus I have is providing our Founder and Chairman, Dr. Chaudhuri, with my best efforts to be the greatest Supply Chain professional on his team. It is important to me that all KPC hospitals are led by a strong and efficient Supply Chain department. Lastly, my focus also comes from my love for being a Supply Chain Leader. I work hard and long hours in the office (thanks to my husband Patrick's understanding) to become the best Supply Chain Leader possible. I look forward to the next 20-plus years of growth and work within Healthcare Supply Chain.

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

I will continue working with the department cost-saving committee teams I have established since joining KPC. The top three goals of the committees are cost savings, standardization, and contract compliance. Besides the committee team initiatives, I will continue to implement the best practice Supply Chain operation improvements possible.



Laura Johns

Administrative Director for Supply Chain and Support Services, Cleveland Clinic

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

As the Administrative Director for Supply Chain and Support Services at Cleveland Clinic, I lead a team responsible for all aspects of our business operations, including budget and workforce management, communication, employee engagement, strategic planning, goal setting, project management and compliance, for our global department that spans sourcing, materials management, data and technology, and patient support services. I also lead our supplier diversity, sustainability and resiliency initiatives. My team thinks of ourselves as “the glue,” working closely with our CSCO, leadership team and stakeholders across the organization, and externally, we make connections and help the department achieve objectives.

In what ways has the supply chain changed for the better over the last 2-3 years?

I like that wording, “for the better,” because I think, when it comes to supply chain, we focus a lot on the negatives that have come out of the pandemic. When I think of things that are “for the better”, the renewed energy around resiliency comes to the top of my mind. As we come out on the other side of the pandemic those impacted have had time to regroup and think, “How do we prevent this from happening in the future?” It takes trust, transparency, and communication among the providers, suppliers, GPOs and distributors to find solutions together.

The goal of our resiliency program is to eliminate backorders – it’s ambitious and requires a different level of partnership with our stakeholders. We are embarking on a journey to understand exactly where our products are coming from and as far back in the network as we can, so we can predict disruptions, plan for how to handle them, and respond effectively. From the suppliers we have spoken to, nearly everyone has been willing to help us get there. They may not be able to commit right away, but they are willing to work with us and move toward that goal.

It’s not just Cleveland Clinic that is having success on this journey, in my position as a board member of the Healthcare Industry Resiliency Collaborative (HIRC), I get to see this happening all over the industry. I think it has the power to really transform care delivery and provide the best possible care to our patients.

What about the challenges? What are supply chain leaders worried about right now?

We’re still dealing with shortages. We’ve heard the time directly after the pandemic described as the “new normal,” and I think there was this undertone of, “eventually this will go away.” But the reality is we are still seeing back orders at 10 times of what we did pre-pandemic levels. Each shortage requires hours to resolve and it’s incredibly reactive – it puts a huge strain on our employees. Couple that with staffing shortages and you have an environment ripe for burnout. I worry about our teams and that one day the product a clinician needs won’t be there. It’s why we are so focused on building a strong resiliency program.

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

I look at this question from two lenses. In my role in workforce planning I think about the diversity of our employees and talent pipelines as well as how we are creating an inclusive environment for everyone to come to work fully as themselves. It is critical to the future of our organization to have different backgrounds and perspectives.

In my role as supply chain supplier diversity liaison, I think about the impact local and diverse purchasing can have on our community. Cleveland Clinic’s main campus is considered an anchor institution within an underserved area. When we are able to bring on a local, diverse supplier, we make a big impact on the community. I feel excited about these projects because they can create impact on a macro-level. Ultimately, a focus on diversity, equity and inclusion is about enabling us to better care for our patients, community, organization and one another.

What about mentorship? Have you had anyone who’s mentored you, come alongside you during your career?

I’ve had several incredible mentors throughout my career. Having somebody “in your corner” who believes in you and whom you trust is invaluable, especially when you’re trying new things or getting outside of your comfort zone. My mentors have helped to bolster my confidence and provide space that it’s OK to fail. Or as I heard recently,

“a first attempt in learning,” which I loved, because it’s so true. Trying new things is how you grow and mentors help provide guidance and guiderails to navigating new roads.

What are some ways that you try to grow as a leader?

In general, I have a growth mindset where I am always trying to learn new things and take on new challenges. It keeps things exciting and I feel fortunate to be in healthcare where the landscape is constantly changing and presenting new opportunities. Being a leader takes this to the next level because it’s not just “you” to think about – you have a team that’s relying on you to help them grow in their careers, too. As I take on new responsibilities, for example resiliency, I need to make sure I’m growing my team to take on new responsibilities so I can devote time to new initiatives. And as the team grows, you have to adapt your leadership style to their new skillset. It’s a constant evolution.

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

I am really excited about our resiliency initiatives. Next year, we are working to implement a multi-network solution, which is common in other industries but very novel in healthcare. It will enable us to better predict demand, match that to available supplier inventories, and understand potential impacts due to world events. It will give us the extra time needed to make inventory or substitute decisions and start to solve for the challenges I mentioned. I think it has the potential to completely change the industry.

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Laura Kowalczyk

VP Supply Chain and Support Services, UAB Medicine

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

I am responsible for the strategic direction of UAB Medicine's end to end Supply Chain; Environmental Services; Food and Nutrition Services; Guest Services; Patient Advocacy; Patient Transport; and Spiritual Health.

In what ways has the supply chain changed for the better over the last 2-3 years?

I am thankful for the attention that the COVID pandemic has placed on the health-care supply chain. All of us who have been in the profession for years have never doubted the supply chain's importance to our clinical operations, but the pandemic highlighted its level of criticality and importance to patient care. With this added attention, we are experiencing both internal organizational as well as external industry focus on what resources are needed to support our disrupted supply chains. These resources include labor, data analytics, industry transparency and broadened clinical attention and participation.

What about its challenges? What keeps supply chain leaders up at night heading into late 2022?

I continue to be concerned about our labor force from two perspectives. First, like our clinical counterparts, the supply chain teams have been and continue to be disrupted by the impacts of the COVID pandemic globally and locally. Disruptions continue to exist on a daily basis and this is taxing our teams resulting in burnout and increased turn-over rates. Secondly, I am concerned about where we will continue to find talented staff to

I am always so thankful to be able to listen and learn from other leaders on how they manage the many challenges of leadership in our complex environment.

join our supply chains. Our industry continues to compete with our retail, automotive and manufacturing counterparts who may be able to offer schedules and benefits that are not necessarily available in our 365, seven day per week healthcare environment. Additionally, the increased acceptance and movement toward a remote workforce in our corporate teams can be a double-edged sword. We find increased responses to openings in these areas; however, we are also competing nationally on salary rates which has added a new challenge to recruitment for these positions.

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

I am personally very passionate about this topic. I love how our Chief Diversity Officer defines these elements for us at my organization: Diversity is a fact, Equity is a choice and Inclusion is an action. These tenants are critical to developing a healthy, well-rounded team, but critical to creating a workplace that brings in differing perspectives, experiences and thought. In all my areas of responsibility, we are implementing a new recruitment and interview process that I am excited about. It is designed to bring an intentional focus on diversity, equity and inclusion which we believe will result in increased staff recruitment and retention.

Has anyone come alongside you to mentor you during your career?

I like to say that there has been a team that has mentored me along my career. I did not start my career in the Supply Chain operations so when I entered it through my legal positions there were many individuals who took the time to teach me and encourage my growth in this wonderful and diverse field. The greatest mentoring for me, however, has been from my own leaders and staff who teach and coach me every day and are the catalyst for continual efforts to improve my knowledge and my leadership.

How do you focus on your growth as a leader?

I sincerely believe that leadership is the most important responsibility that I have in my role. I have always been fascinated by what characteristics define a good leader. This fascination has led me to read about many leaders across many industries and

to consistently seek feedback from other leaders, staff and experts formally and informally. I also participate in any opportunities offered through our many leadership developmental educational sessions whether as a panelist, teacher, or student. I am always so thankful to be able to listen and learn from other leaders on how they manage the many challenges of leadership in our complex environment.

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

There are several projects that we will be concentrating on in UAB's Food and Nutrition and Environmental Services departments focused on patient experience and enhancement of our services. Now that we are moving away from COVID, we are getting some of these initiatives back on the table. In the supply chain, we are in the midst of several planning sessions to take a step back and re-look at multiple processes that either no longer serve our mission or have become over burdensome and need to be re-tooled. We are also looking at our supply chain roles and those functions that we thought were going to be temporary changes that now need to be hardwired and restructured to continue to meet the demands of our large organization.



Dameka Miller

Vice President, Strategic Sourcing & Value Analysis for Trinity Health, Livonia, Michigan

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

I have the privilege of working with a passionate and talented team of individuals committed to Trinity's vision of improving the health of our communities and each person we serve. Together we lead sourcing, value analysis, supplier quality and impact purchasing programs to manage over \$8 billion in non-labor expense across 25 states, 88 hospitals, 131 continuing care locations, the second largest PACE program in the country and 125 urgent care locations.

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

Value analysis is essential to delivering patient care right now. Product accessibility has not completely recovered post-pandemic. While PPE is available, shortages and backorders for a significant number of critical patient care items persist. The daily work of value analysis teams has shifted to addressing product shortages, providing guidance on utilization to conserve supply and verifying alternate items

that allow us to continue treating our patients safely.

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?

Attention to diversity, equity, and inclusion signals that an organization is striving to achieve a culture in which everyone is comfortable being themselves at work. Being biracial, my appearance frequently raises questions from colleagues about my ethnicity.

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We have been building an Impact Purchasing Program, which is the intentional use of our buying power to positively impact the communities we serve.

Often it is innocent curiosity; however, I have been subject to several offensive comments and behaviors by both peers and leaders. The creative energy and productivity lost navigating these types of distractions is not insignificant nor unusual for anyone perceived to be different in their work environment. Organizations get the best from their people when they do not feel guarded and judged simply based who they are.

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

My career began with three mentors that shaped who I am as a leader. They were my direct leaders and for them, leadership was about making others better. There was intentional focus on both my personal and professional goals, and they positioned me for opportunities for continued growth. Nearly 20 years later, one remains a mentor and when I thank her for the impact she has had on my life, she reminds me to pay it forward. I was incredibly fortunate to begin my career with people-focused leaders and aim to have the same impact on others.

How do you focus on your growth as a leader?

I study leaders across industries for reflection on leadership styles and philosophies that led to incredible successes and failures. I am most inspired by the podcast, “How I Built This,” featuring stories of entrepreneurs that built well-known brands and what they learned as they established their companies. It is also important for me to know how I am showing up and perceived by others, so I regularly ask for feedback from my own leader, who I trust and respect. I am purposeful about initiating the conversation to create space for honest, real-time observations. Finally, mentoring

emerging leaders keeps my perspective fresh and offers insight into what motivates the next generation.

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

Trinity’s vision of improving the health of our communities and each person we serve inspires me and my team. It gives our work purpose. We have been building an Impact Purchasing Program, which is the intentional use of our buying power to positively impact the communities we serve. The program connects Trinity’s supply chain to the organization’s DEI and Community Health and Well-Being strategies. Using a framework from the Healthcare Anchor Network (HAN), we started with supplier diversity. Over the next several months, we will be focused on local spend and sustainability to continue growing the Impact Purchasing Program.



Sandra Monacelli

Vice President, End-to-End Supply Chain, Value Analysis,
Nexera (a consolidated subsidiary of Premier)

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

I currently oversee Nexera's Clinical Supply Chain Integration offering, leading a team of clinicians, supply chain analysts and other experts focused on system-wide value analysis at a variety of healthcare organizations.

In a post-pandemic world, I believe that value analysis in healthcare has found renewed purpose. Today's value analysis enables decision making on high-quality supplies, services and equipment by first considering care delivery, safety and outcomes as well as total cost. It's looking at product evaluation and selection in the context of supply chain resiliency and disruptions, environmental sustainability and the continuing shift to value-based care, among other vital considerations. This is my personal passion, and the important work my team is focused on.

Our role is to connect and support multidisciplinary teams – including clinicians, supply chain and organizational leadership – to collaboratively identify both clinical and financial goals via the supply chain. We're helping healthcare organizations prioritize,

implement and monitor cost savings opportunities while maintaining or improving quality and outcomes.

In what ways has the supply chain changed for the better over the last 2-3 years?

COVID-19 has been a game changer for the supply chain. While we've seen significant challenges, the pandemic placed the supply chain front and center and has allowed our function to be increasingly proactive and collaborative with stakeholders across an organization.

We've seen the emergence of innovative sourcing strategies, deeper clinical integration, and technology and data for greater visibility and disruption mitigation, automation and efficiencies – and for cost savings.

The supply chain has and continues to evolve away from an isolated, transactional purchasing activity and toward a strategic function that's helping healthcare organizations deliver better care, improve outcomes, enable population health strategies and lower costs.

What about challenges? What keeps supply chain teams up at night heading into late 2022?

Throughout 2022, both Nexera and Premier have been laser focused on relieving the pain our healthcare organizations are feeling because of the lingering implications of COVID-19 and the resulting impact on supply chains, product shortages, labor challenges and rising costs.

And I believe our team's perspective is truly unique given our work over the last three years. Our embedded resources help members manage their supply chains on a day-to-day basis. We have the manufacturing perspective through S2S Global

and Premier's domestic investments alongside members. We've worked with New York City officials to determine the appropriate strategy for stockpiling and managing supplies throughout the pandemic. We're coordinating across the industry – partnering with providers, suppliers and the government – to drive greater visibility and transparency to help mitigate disruptions.

Now and looking ahead, healthcare organizations require innovative solutions around long-term resiliency and product availability. With providers and supply chain teams asked to do more with less, resiliency also means financial resiliency – and pursuing strategies that drive savings, enable margin improvement efforts and offset higher prices.

A clinically integrated supply chain presents a significant opportunity amid this backdrop, and with value analysis as a core operational mindset of how we do business. We're bringing all stakeholders to the table – looking comprehensively at cost, quality and outcomes to generate opportunities for improvement. We're also leveraging the value analysis process to vet and implement new technologies and ensure the right fit for an organization and its journey. My team views our role as critical to making sure everyone is heard and enabling strong partnerships across the supply chain.

For me, supply chain resiliency is about helping to ensure access to vital supplies and services providers need to care for patients, at the best possible prices and for the best possible outcomes. This is what we're here for.

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

Equity is achieved when every person can achieve their full potential, irrespective of socioeconomic status, race, ethnicity or other social circumstances. Diverse teams and inclusive cultures have proven to drive better outcomes, bringing new perspectives, capabilities and competition to the market. And it delivers broader societal benefits by generating economic opportunity for traditionally disadvantaged communities.

To support diversity, equity and inclusion (DEI) efforts, one key area healthcare organizations are turning to is the supply chain, which is uniquely positioned to expand social impact through inclusive sourcing strategies and diverse supplier partners.

Through education and support, hundreds of diverse supplier contracts and artificial intelligence (AI)-powered analytics technology, health systems today are leveraging Nexera and Premier capabilities to increase spend with diverse suppliers, meet broader DEI goals and support local economies by choosing local, qualified and diverse suppliers.

Has anyone come alongside you to mentor you during your career?

Throughout my career, I have been grateful to have had a number of supportive mentors who have left an indelible impact on me personally and on my career. To this day, I continue to learn from colleagues both past and present and other individuals who have been instrumental in my growth and success.

Upon reflection, my first and most consistent mentor has probably been my mother who always told me that respect and kindness are critical to engagement and a meaningful seat at the table. She used to say: “answer the phone with a smile on your face, and the person on the other end can hear it in your voice.” This advice

from her, and from others as well, has helped serve as a North Star for how I show up every day.

How do you focus on your growth as a leader?

As a leader, I'm just one person – but if I grow, then my whole team can grow, too. I'm also a non-traditional leader in that I'm consistently thinking and looking outside the box for new approaches, strategies and solutions that can enable improvement. I put myself out there and really try to immerse myself in different perspectives, and whenever I get the opportunity to grow both personally and professionally, I jump at it.

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

I don't think I can pick just one! Broadly speaking, I'm looking forward to my team's continued work with healthcare organizations and supplier partners to further advance a clinically integrated supply chain throughout our nation's healthcare system.

The projects I'm most looking forward to this year will support clinician engagement and integration, a multidisciplinary team approach, strong partnerships with suppliers for data and education, and technology for ongoing monitoring and identification of key opportunities.

The journey to cost, quality and outcomes improvement is long-term, and it requires us to make continuous improvement a core competency and priority. I'm looking forward to continuing to help drive reduced supply chain costs while maintaining quality and positive patient outcomes for our healthcare organization partners.

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Terri Nelson

MAHA, BSN RN, Senior Director Value Analysis, Mayo Clinic

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

My title is Senior Director of Value Analysis for the Mayo Clinic, a position I have developed over the last 20 years. I am responsible for managing the Clinical Quality Value Analysis (CQVA) Team. CQVA is a work unit with Supply Chain Management which focuses on three core competencies:

- › Category Management, the facilitation of clinical input into the category management contracting strategies
- › Operational Support, assisting campuses and service lines with product requests and/or conversions
- › Product Management, addressing product backorders, quality issues and recalls.

The ability to articulate what you do and the value you add to an organization is key.

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

Supply Chain Management is not just about acquiring and moving products. SCM has developed relations across the healthcare organization to proactively support the clinical practice. This includes the formation of Clinical Value Analysis (CQVA) work units. The objective for this unit is to proactively work with service lines in identifying



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Over my career I have found that communication skills have the biggest impact. The ability to articulate what you do and the value you add to an organization is key.

products which will support best practice and improve patient care outcomes. CQVA team is comprised of nurses with varied clinical backgrounds. The addition of clinical staff within Supply Chain Management provides a voice for the healthcare team in identification of products which are reviewed by using the defined value analysis processes. The value analysis process assures product request will be reviewed and approved by appropriate clinical users, conversions are completed in a timely manner and compliance is addressed based on strategies outlined in the contract.

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

Diversity provides a different perspective and insight into the functions of a team, department, and an organization. These insights will assist in making better decisions within CQVA. When I think of the term equity; everyone has an opportunity to voice their recommendations and opinions. It does not mean we all agree, but we listen to one another's voice which will provide a richer understanding and promotes better decision making.

How can they contribute to the success of an organization? Giving yourself the time to consider different voices and perspectives as part of the value analysis process may take longer, but the time will improve the outcomes for our patients and staff.

Has anyone come alongside you to mentor you during your career?

During my 45 years in healthcare, I've had several mentors, both internal and external. I looked for a mentor who was in a role which was part of my career goals. One of these goals was to become a nursing leader. My longest mentoring relationship was with a nursing administrator. When this individual talked, people listened, she was engaging and thoughtful in her comments. She had the skill to lift you up and you wanted to become the best at what every role you had within

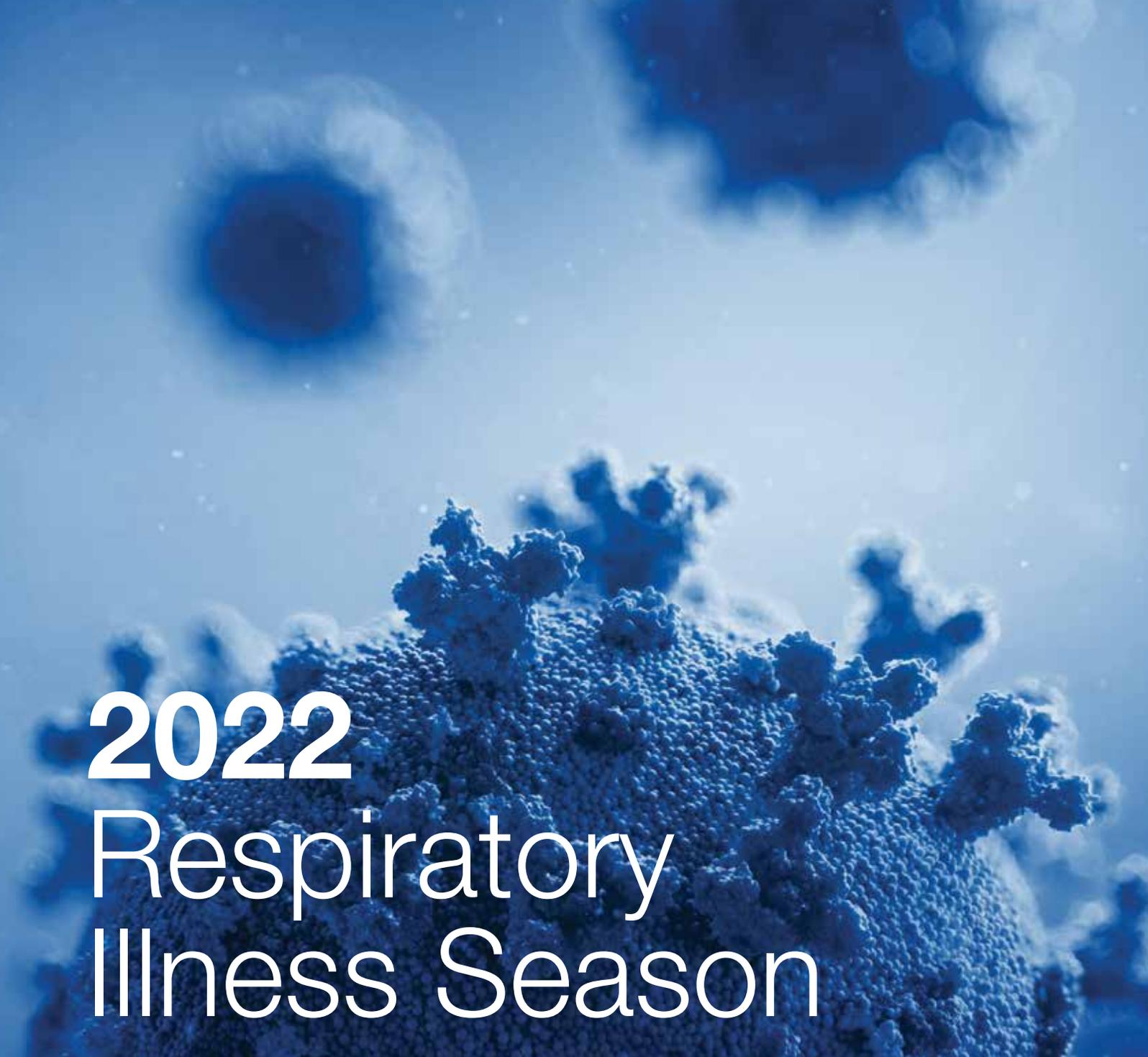
the organization. I respected her and wanted to learn from her. She shaped the professional I have become.

How do you focus on your growth as a leader?

I have always been interested in learning new ways to achieve better outcomes for the staff I have worked for; yes, a good leader works for the staff they support. Over my career I have found that communication skills have the biggest impact. The ability to articulate what you do and the value you add to an organization is key. The other area of focus for me is to step out of my comfort zone, take risks and try new approaches.

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

The last 24 months have been stressful on all of us. They have taken a toll on supply chain. We have learned a lot on what works and what can be improved on. Over the next 3 to 6 months, I am interested in improving our interactions and transparency with our key suppliers on product management solutions.



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Leann Spadaro

Director of Supplier Commercialization and Engagement,
Premier Inc.

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

I am currently the Director of Supplier Commercialization and Engagement for Premier's newly launched Remitra™, a cloud-based procure-to-pay technology that seamlessly automates supply chain financial processes – accounts payable (AP) for healthcare providers and accounts receivable (AR) for suppliers – to reduce waste and create efficiencies on both sides of the supply chain. In my role, I manage Remitra's supplier network, supporting suppliers as they leave paper-based, manual AR processes behind and helping them realize the advantages of digitizing invoices and payments.

In what ways has the supply chain changed for the better over the last 2-3 years?

Without question, it has been a challenging two to three years for healthcare supply chain as a result of the COVID-19 pandemic. Once a buzzword, 'supply chain resilience' became a top priority and today, is a sought-after business best practice. Resiliency today

also means financial sustainability – and pursuing strategies that drive savings and productivity for the long term.

At Premier, we're working with our health system members and suppliers in several key areas to address long-standing supply chain vulnerabilities and bolster resiliency. For instance, providers and suppliers across the nation are leveraging Remitra™ to mitigate workforce challenges, modernize AP and AR processes for better collaboration with one another and find savings opportunities all in one place.

Another way we are working with our members and suppliers is in the area of supplier diversity programs. Diversity programs broaden the pool of potential suppliers and promote competition, which can improve product quality and drive down costs. As a result of the pandemic, traditional supplier diversity programs within the supply chain are giving way to more strategic, collaborative approaches between providers and local small businesses.

We're focused on helping diverse suppliers achieve the same savings, workforce optimization and efficiency benefits as their larger, often more well-known counterparts. Another way we can support these suppliers is by helping them quickly become preferred vendors, with the possibility to earn more business from hospitals and health systems using automation over the long term.

What about challenges? What keeps supply chain teams up at night heading into late 2022?

Today health systems are faced with labor challenges, rising inflation in the cost of goods and services, and persistent supply chain disruptions. No doubt,

these market realities have healthcare supply chain leaders and their teams burning the midnight oil to find ways to improve margins and rebuild their organizations' financial stability.

One important catalyst not to be overlooked in regaining financial footing is efficiency in healthcare supply chain AP and AR. For providers, automating back-end processes like purchasing supplies, processing invoices and paying suppliers helps reduce labor costs and enables administrative efficiencies that ultimately lead to better care and improved patient outcomes.

AP automation helps to reduce the contracting, ordering and invoicing errors that can cause ripples in the supply chain, creating costly price discrepancies and match exceptions that delay payment to suppliers and delivery of critical supplies to the point of care. When healthcare organizations and suppliers conduct business on a common, standardized platform, data on pricing adjustments can be mined and flow freely between parties. Suppliers can easily upload pricing changes, then healthcare organizations can easily update their item masters, all of which helps to cut down on discrepancies and match exceptions.

AP automation also acts as a labor extender in a health system's supply chain, helping to increase staff productivity so that AP teams can do more with less and organizations can hold off on the expensive process of hiring additional staff. Time spent on manual, repetitive tasks is drastically cut when AP automation is utilized, which enables staff to focus on activities that contribute to the overall financial health of the organization. Resources can be reallocated to more strategically address errors and match

exceptions, build stronger supplier relationships, and source new prompt-pay discounts and rebates, for instance.

As the healthcare industry continues to transition into post-pandemic reality, removing inefficiencies in the supply chain procure-to-pay process will be paramount. AP automation is one of the few strategies health systems are utilizing to effectively create a competitive advantage and promote financial stability. It's time to shift healthcare AP and AR to an area of strategic importance so more providers and suppliers can reap the benefits.

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

Diversity and equity in the workplace, and an inclusive culture in general, are essential for employee retention and satisfaction as well as for an organization's long-term, sustainable growth. Diverse teams and inclusive cultures have proven to drive better outcomes, more effective problem-solving and greater engagement. We're fortunate at Premier in that we have a clear Diversity, Equity, Inclusion and Belonging (DEI&B) strategy that's driven by our company's mission – to improve the health of communities – and is a vital component of our cultural DNA.

With 400+ contracts with diverse suppliers (minority, veteran, women and LGBTQ+-owned and small businesses), Premier is fostering an environment rich in diversity where our members bring equity, distinct perspectives and strong outcomes to their supply chains.

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

Premier's former President and CEO, Susan DeVore led by example and is someone I aspire to be like – driven, innovative, humble, present, and the list could go on. I am also very fortunate to have been mentored by genuine, pioneering leaders such as Chaun Powell, Group Vice President of Remitra™ and Mike Wascovich, Vice President and Chief Pharmacy Officer for Ascension.

Over the years, they have provided guidance, encouraged me to take big leaps and been instrumental in my personal and professional development. I am truly thankful for their support. In all honesty, there's no shortage of thoughtful leaders at Premier, and I could name another handful of individuals who have helped shape my career.

How do you focus on your growth as a leader?

Career growth and developing my leadership skills are very important to me. To that end, I was nominated for and am currently participating in the Leadership Excellence at Premier (LEAP) program. Similar to a graduate-level program, the curriculum is mainly taught by Wake Forest University and focused on stirring passion for Premier, building leadership skills and bolstering career path opportunities. LEAP is enabling me to step outside my comfort zone and think differently about how I lead myself, my team and my organization.



Margaret Steele

Vizient Senior Vice President, Med/Surg, Lab and Blood, GPO Services & Delivery

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

I lead the Vizient medical, surgical, lab and distribution teams as well as a product standardization program, which helps our members recognize maximum value in exchange for commitment. Our team facilitates multiple Vizient member councils that support these areas as well. I also have the honor to serve as the network champion for Vizient's employee networking group, Dimensions, which promotes workplace awareness around the multitude of identities people have to engender a more inclusive environment.

In what ways has the supply chain changed for the better over the last 2-3 years?

Provider and supplier executives are more in tune with the importance of supply chain resiliency and the impact of

I try to surround myself with others who are comfortable providing their opinions and feedback.

supply disruption – specifically that last mile. We are starting to see more providers look for local suppliers to provide some insulation against the current transportation and labor challenges. Additionally, the last two years have sparked innovation to try to solve some of the most challenging issues. For example, we are seeing re-engineered products from manufacturers that reduce the use of raw materials, increased automation to mitigate labor force issues, recognition of the importance of a digital supply chain for end-to-end transparency and efficiency,

and collaboration with governmental agencies to better understand the impact and importance of keeping the healthcare supply chain flowing.

What about its challenges? What keeps supply chain leaders up at night heading into late 2022?

Supply disruption, inflation, and labor challenges. Almost every supply chain team is short staffed. They are also challenged by clinical teams being short staffed, which means solving for supply disruptions can be even more difficult, especially if the solution requires additional training. In addition, most providers are still tasked with finding savings, which based on current economic conditions will likely have to come from process improvements and conservation strategies.

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

How can those things contribute to the success of an organization?

It's abundantly clear that a more diverse workforce provides diversity of thought, which is necessary for true progress and innovation. Diversity means you must cast your net farther and with a bit more flexibility to find the best person for a given role. This requires changing your recruiting efforts to specifically target areas and schools that allow for a more diverse candidate pool.

Has anyone come alongside you to mentor you during your career?

If so, can you tell us about that?

I've been fortunate enough to have several mentors over the years. I'm a

firm believer that you need different mentors for different times in your career and specific areas of focus. I had an amazing mentor early in my career who taught me life lessons around business that I still use today. He taught me the importance of working through uncomfortable situations – sometimes going so far to push me into the deep end, way over my head – because those are the times that help you grow. He also taught me to extend grace during those uncomfortable situations instead of a harsh response, which is more reflexive. Basically, the *Art of War* (Sun Tzu) meets the *Management Methods of Jesus* (Robert Briner). These days I still have a handful of mentors that I rely on for strategy, feedback and navigating difficult situations. In turn, I mentor a handful of folks as well in varying stages of their career.

How do you focus on your growth as a leader?

I try to surround myself with others who are comfortable providing their opinions and feedback. I know it's cliché to those in management, but I always try to hire people who are much smarter and have different experiences than me. I've also benefited from ongoing leadership learning and Vizient's dedication to continued education. Some terrific programs include Professional Women in Healthcare, ELI Group – Executive Leadership Impact and Texas Women's Foundation: Leadership Institute.

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

We have so many exciting things happening at Vizient as we continue our transformation into an expense management organization. We continue to seek out like-minded companies to align with through strategic partnerships and investments and launch new solutions that round out our ability to serve our members as their needs continue to evolve.

Our focus right now is transforming how we serve our providers around medical, surgical, lab and distribution. While we have been focused on supply assurance and resiliency via our supplier committed inventory programs, we have also invested heavily into diversity and domestic supplier partners. Now, it is time to bring it all together through a digital supply chain, ensuring that our data and analytics inform our members in every step of the way.

Diversity means you must cast your net farther and with a bit more flexibility to find the best person for a given role.



Jennifer Taylor

Director of Contracts for Universal Health Services

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

As Director of Contracts for Universal Health Services (NYSE: UHS), my responsibilities include leading all aspects of sourcing and contracting for our 392 facilities spanning across the Acute Care, Behavioral Health and Independence Physician Management divisions with about \$2.5B in annual spend. I provide strategic leadership for the prudent sourcing of commodities, equipment and services, including evaluating alternatives, reviewing cost effectiveness, and soliciting competitive bids. I also lead the development and implementation of high impact, high spend sourcing opportunities and contracts. We are always striving to improve patient outcomes through overall product selection and efficacy. I provide oversight on overall supplier management and contract compliance programs, while ensuring adherence to our policies and procedures. I am responsible for the creation of the annual sourcing calendar to guide staff regarding contract priorities while managing expense reduction. I assist in administering the contract review process to validate the appropriate terms, conditions, pricing, vendors, and approvals.

What is unique here at UHS is that while I have my core job functions, I have had the ability to make the position my own and take on additional work that did not fall under my initial job description. One of those responsibilities is to run the Supply Chain internship program. Throughout the five years of developing this program, I have established relationships with multiple local universities which have served as our applicant pool for interns and full-time hires. The rotational project-based intern program I have developed ensures students have access to meaningful work, while focusing on their personal and professional growth. This summer (2022), we had our largest cohort yet with eight interns. This part of my role brings me great joy, being able to impact our interns and see them develop throughout the program. Over the years, we have even transitioned several interns to full-time hires on various teams within the department.

In what ways has the supply chain changed for the better over the last 2-3 years?

Over the last couple of years, I have seen the Supply Chain change for the better when it comes to overall resiliency and flexibility. The entire industry was challenged when the pandemic hit. Everyone had to find new ways of accomplishing the same task but now more efficiently and creatively. The disruption really allowed UHS Supply Chain team to take a step back and re-evaluate how we were conducting business. We were able to remain resilient by further diversifying our vendor portfolio through performing more rigorous onboarding, transforming our sourcing and procurement process and most important investing in our talent. By

being agile and adaptive, we improved our overall service impact and it has made us a stronger organization as a result.

What about its challenges? What keeps supply chain leaders up at night heading into late 2022?

I strive to focus on things I can control directly. With the uncertainties in the industry right now, one question we have been asking is: how do we remain strategically aligned with business partners as the market has continually evolved. One way we have done this at UHS is by having more strategic conversations to identify vendors with whom we can continue to build our relationships. Having these types of strategic relationships in place served UHS well during the pandemic. We were able to call on these vendors to assist us with getting product quickly and coming up with creative solutions to backorders and allocation issues. We are now having conversations on how we can continue with a more proactive co-development type relationship where we share data and collaborate on various projects.

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

As a black woman in a predominantly white industry, diversity and equity in the workplace is something that is very important to me. Having diversity in the workplace allows for variety of thought and leads to more creativity. We can truly learn from everyone's personal background and life experiences. These experiences are what set us apart from one another but also allow us to come together and solve complex problems.

A workplace should resemble what America looks like today to ensure we support and reflect the communities in which we operate.

Diversity and equity contribute to the success of an organization as it leads to a more extensive talent pool. When an organization expands its applicant base, they open themselves up to potential new employees. I also feel that it can lead to increased employee engagement and satisfaction. Employees of diverse backgrounds can see that their employer truly cares about expanding their company culture and want to see it continue to develop and thrive. It is very important for everyone to see people that look like them in advanced leadership and more technical positions to know that one day they can do the same thing.

According to the last Awesome Women in Supply Chain survey, women comprise 41% of the supply chain industry and of that, minority women make up 14%. This statistic is very low, but I have to say that during my time at UHS I have always felt supported in my role and development and within our department, women comprise about 57% of the positions both at the employee and leadership level. My managers, Steven Reilly, Sr. Director Sourcing and Contracting, and Raymond Davis, VP of Supply Chain, have done a great job in ensuring I have access to the tools and resources that I need to be successful. This support has taken shape in many ways, from allowing me to devote time to developing the intern program to including me in strategic conversations. I am challenged daily to be creative, put my best work forward and create and implement new solutions to our everyday issues.

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

At the start of my career, fresh out of college, mentorship was not something I did regularly or sought out. Now I can say I currently have two mentors that I work with at least twice a month, and two years ago I was invited by UHS HR, to take part in a group mentoring program as a member of The Power of Professional Women. I have evolved and grown my thought process and the way I approach mentorship. With my mentors, we discuss a range of topics from day-to-day work, long and short-term goals, skill development, additional growth opportunities. My mentors have two completely different backgrounds from myself and each other. One works inside my organization and the other I worked with at my first job out of college. They provide me with different perspectives on the various topics and have truly helped guide me with some difficult decisions. Having these mentors has been beneficial for my development and assisted me in obtaining the position I have today. I recommend to anyone who wants additional feedback on their performance and someone who champions for their success, to seek out a mentor.

I have committed myself to being a lifetime learner and always thinking about what is next. Part of my passion as a leader is helping to develop the members of the department. I have developed educational and mentor programs dedicated to those who are early on in their career and those in their mid-career. We continually work on identifying new areas in which we can improve. We meet at least monthly where one person gives a presentation on a development topic and we engage in discussion. This gives the team an opportunity to work on not only their presentation skills but to learn something new and hopefully incorporate it into their professional or personal life. Continued growth and development is critical not just for myself but those around me. ■

A Commitment to Resilience

Three long-term priorities to ensure a resilient healthcare supply chain for manufacturers.



The failure of the global supply chain in response to the outbreak of COVID-19 caused acute shortages of essential frontline supplies and personal protective equipment, causing fundamental concerns about the sustainability of the health system.

As a New York-based company, Dukal felt a personal and human need to be part of the solution. 24/7 communication with some of the largest healthcare systems in the country, our company worked tirelessly to protect PPE inventory while offering transparency and trust amid a healthcare crisis. This constant dialogue helped Dukal successfully serve

our end user, not only in New York but nationally, as the virus and need spread. We are incredibly proud of Dukal's high level of execution and humbled, seeing firsthand the time and effort from all levels of the supply chain (i.e., factories, freight partners, distributors, and providers). Our combined dedication allowed our communities to continue to be

served, despite the most strained national health crisis of our lives.

With supply chains still at the forefront of healthcare discussions, three long-term priorities are taking shape, providing future-thinking manufacturers a competitive advantage while working to ensure a resilient healthcare industry.

We sat down with Dukal's Chief Operating Officer, Charles Abbinanti, to discuss our collective responsibility to healthcare workers and how Dukal is working to ensure product availability in today's complex, uncertain, and fast-changing environment.

What is manufacturing's role in ensuring a resilient healthcare supply chain?

Pre-pandemic research by the McKinsey Global Institute found that, on average, companies experience a disruption of one to two months in duration every 3.7 years.¹ When these interruptions occur in our industry, the health of patients, families, and communities is left at risk. For Dukal, patients and all who serve them are at the heart of what we do, and we recognize the essential role manufacturers play in ensuring proper care.

In the healthcare supply chain, the manufacturer facilitates the transfer and transformation of raw materials into finished products. And from there, the transportation and delivery of products to the distributor, retailer, or end-user. A breakdown in just one aspect of the manufacturing process can bring the entire supply chain to a grinding halt, causing disruptions to our vital health systems and preventing proper patient care.

What skills are needed to be successful in supply chain management? How can manufacturers improve supply chain resiliency?

Successful supply chains develop and constantly evaluate effective decisions on operating costs, price, quality, and speed in every step of the manufacturing process – from materials and labor to delivery and storage.²

To ensure manufacturing resilience, forward-thinking supply chains recognize

three new priorities alongside the traditional cost, quality, and service objectives.

1 Build strategic partnerships with suppliers

Manufacturers that are deeply integrated with every level of material sourcing and process development are able to ensure high quality and regulatory standards while delivering high fill rates – even in times of disruption. Over the past 30 years, we at Dukal have developed long-term partnerships with over 100+ suppliers in

Over the past 30 years, we at Dukal have developed long-term partnerships with over 100+ suppliers in 12 countries.

12 countries. By viewing supplier relationships, as partnerships, we're able to work collaboratively to improve processes and reduce waste while lowering costs and reducing inventory risk.

The quality and regulatory systems we create are the foundation for maintaining compliance, driving improvement, and effectiveness – ensuring the uninterrupted availability of quality product to the end user.

2 Keep transparency and trust at the forefront

By improving transparency and proactive decision-making, manufacturers are able to stay ahead of today's supply chain complexities and effectively communicate with customers to overcome disruptions.

Well before congested ports began to snarl supply chains and upset global markets, we at Dukal have been committed to providing partners with the highest level of transparency and trust. Through recent technology investments, automation, and innovative supply chain strategy, we're able to provide customers with real-time data on order shipment, delivery, and status all the way from the factory line to delivery. Providing customers with clear oversight of their product's process in both development and transport.

3 Increase resiliency through a global footprint and collaborative safety stock programs

Manufacturers can build upon their own disaster recovery plans by creating collaborative forecasts and safety stock programs with customers.

Further, manufacturers who explore creating a global footprint (i.e., sourcing product from multiple countries) and hosting bi-coastal warehouses can provide customers with recovery options even when faced with significant international disruptions.

To learn more about how Dukal ensures our products are available to meet the everyday demands of today's healthcare professionals, visit dukalinformation.com/customer-experience. ■

¹ www.mckinsey.com/capabilities/operations/our-insights/future-proofing-the-supply-chain

² www.elmhurst.edu/blog/manufacturing-a-product/#:~:text=In%20product%20manufacturing%2C%20the%20supply,or%20directly%20to%20a%20consumer.

Strategic Relationship Development

How a supplier segmentation strategy creates the platform for successful relationships and collaborations. BY TOM LUBOTSKY AND DENNIS ORTHMAN



While there is much industry emphasis on the value of collaboration between providers and suppliers, tangible value and benefit from collaborations are already being realized today at Allina Health with help from a segmentation approach that centers on how best to manage these relationships.

The challenge

For the last few decades, the powers of “company to company” strategic relationships in all industries have been well documented and written about in many publications. Long embraced by suppliers in major markets, strategic relationship development or customer relationship management (CRM) programs are often started by companies with the use of “customer segmentation” models that organize key customers into groups or segments. Suppliers can then develop targeted programs and strategies that seek – for each segment of customers – to:

- › Learn about their customers on a deeper level
- › Tailor their content to the unique needs/challenges of each customer segment
- › Create targeted messaging that will resonate with each segment
- › Improve their customer service, loyalty, and support efforts
- › Find new opportunities for sales and products

The Harvard Business Review has published extensively on this topic, including a 2008 article by Vantage Partners entitled “From Vendor to Partner: Why and How Leading Companies Collaborate with Suppliers for Competitive Advantage.” The article explains the emerging concepts involved with supplier relationship management (SRM) – including the segmentation of suppliers into categories that foster better tracking, analyzing, and utilization of each supplier, based on value, capabilities, and contributions. So, while “customer segmentation” has long been practiced by healthcare suppliers, the similar practice of “supplier segmentation” is currently being embraced by select healthcare provider organizations with advanced chief supply chain officers.

Allina Health, a not-for-profit health care system that serves more than 16.7 million people in Minnesota and western Wisconsin through operating 12 hospitals and more than 100 specialty care sites, has a maturing corporate supply chain program that recognizes that health systems simply do not have the resources to drive maximum value by themselves. “Competitive pricing and good products are important, but they are not enough in serving today’s competitive market,” says Tom Lubotsky, Allina’s Vice President of Supply Chain. “Healthcare systems today have to be more demanding than ever of themselves and their suppliers. We must all raise the bar.”

Allina Supplier Segmentation

A leading example

Tom and his leadership team at Allina Supply Chain work every day to “raise the bar” and change the culture about working collaborations with suppliers. One of their many initiatives has been building the foundations for a well-defined supplier relationship management (SRM) program. That SRM program uses a well-defined **Allina Supplier Segmentation Strategy**. This foundational strategy specifies four (4) levels of supplier segmentation, each level based on a supplier’s level of integration into Allina’s success. Specifically, each level is defined:

Integrated Supplier

Suppliers who have made the full commitment of resources and capabilities embedded into Allina’s actual operations sustained by a defined shared governance model. Integration is characterized by a direct shared risk/reward model and investment toward meeting the shared vision and value proposition for the combined organizations.

Strategic Supplier

Suppliers providing a defined set of offerings and initiatives that collaborate directly with Allina to accomplish market-leading clinical safety, quality, service, and cost-reduction capabilities. There is a deliberate alignment of both organization’s strategic imperatives driven by a governance model.

Collaborative Supplier

Suppliers that provide a set of unique offerings (collaborative event(s)) to advance Allina’s strategic imperatives, including cost reduction goals, meeting their quality, safety, and care coordination goals.



Transactional Supplier

Suppliers that provide Allina with products and services based upon standard contracting terms and conditions.

Planning and implementing

The Allina Supplier Segmentation program has required significant efforts to gain a deliberate understanding of how each supplier currently provides its services within Allina Health. One goal of segmentation is to appropriately find the right relationship segment and success factors for working with a supplier. It should not necessarily be the goal of every supplier to ascend to the top of this relationship pyramid as an integrated supplier. As a supplier demonstrates success among a set of collaborative events or initiatives, they may be a candidate to consider moving into a strategic or integrated relationship. These relationship levels typically require additional

resources, plus a diligent input and outreach effort by Allina Supply Chain leadership and each partner’s leadership to make sure all relevant parties are clear on the organizational requirements to play in these segments.

Proper planning to isolate key areas of advancing value to both parties is a strong prerequisite for success. As with most successful supplier/provider collaborative efforts, early senior executive ownership of any initiative by both Allina and its partner is critical, along with a strong, customized, unified communication approach. Initiative infrastructure is centered on a “one company one operating model” philosophy that includes documentation of a shared vision, focus on value, and joint scorecard. Named relationship owners from both companies operate within a program management model that requires resource commitment and the building of mutual trust.

Supplier Segmentation Level Expectations

Transactional	Collaborative	Strategic	Integrated
<ul style="list-style-type: none"> Provide products at the contracted value according to the agreed upon T&Cs Agreement to follow provider SCM operating model (e.g., distributed channel) Willingness to comply to the provider's P2P strategy, EDI standards, ISO standards, and PMO discipline 	<ul style="list-style-type: none"> Provide unique & innovative contracting solutions that drive the provider's cost reduction goals, improve clinical efficiency/quality, and/or improve logistical delivery with reporting & monitoring cadence Agreement to follow provider SCM operating model (e.g., distributed channel) Willingness to comply to the provider's P2P strategy, EDI standards, ISO standards, and PMO discipline 	<ul style="list-style-type: none"> Agreed upon program set of multiple project/initiatives aligned with mutually strategic imperatives for both organizations Advancing innovative models to drive healthcare forward Dedication of Program/Project Managers and conforming to a defined governance model and reporting cadence to achieve agreed upon goals Shared vision on the strategic future state of healthcare Centralized account leadership Agreement to follow provider SCM operating model (e.g., distributed channel) Willingness to comply to the provider's P2P strategy, EDI standards, ISO standards, and PMO discipline 	<ul style="list-style-type: none"> Simplified, robust, long term, value-based contracts with a real investment in the partnership Shared goal, incentive, and risk model with joint leadership decision making Defined set of initiatives that advance the provider's imperatives, bringing strategic and tactical thought leadership & expert resources to advance these strategies forward Supplier resources dedicated and embedded in the provider with a Program Manager, Project Managers & delivery teams to actively execute tasks and deliver on project milestones Development of a shared strategic roadmap for future delivery Enhancing the skill sets and competencies of the provider's staff & leadership team Community benefit contribution Centralized account leadership Advancing innovative models to drive healthcare forward Willingness to adhere to the provider's master contracting terms and business agreements Agreement to follow provider SCM operating model (e.g., distributed channel) Willingness to comply to the provider's P2P strategy, EDI standards, ISO standards, and PMO discipline



The Allina program provides specific, measurable expectations for all its suppliers regardless of the segment they are in, as exemplified by the documented segmentation level expectations.

One notable example of the program in action is the Integrated Supplier business relationship between Allina Health and Medtronic. With 90+ clinical collaboration engagements and six process redesign and optimization projects completed to date, Allina and Medtronic have always approached their relationship with the objective of improving healthcare access and patient impact. The most recent examples that illustrate innovative collaboration took place at the onset of the COVID pandemic. Medtronic and Allina collaborated on emergency room COVID-19 patient flow preparedness. With heavy clinical involvement and administrative support, this particular collaboration

operationalized the traffic control protocol in 18 Emergency Departments, 9 Med/Surg units, and 9 ICUs across five health systems in Minnesota within 30 days. Consequently, participating sites realized a reduced rate of nosocomial COVID-19 infections.

This COVID-19 project was among a series of Allina and Medtronic collaborative events that have demonstrated a working relationship of mutual value beyond traditional transactional provider-supplier engagements. With executive endorsement, both organizations have agreed to explore additional areas of expanded collaboration that could result in improved operational efficiencies and/or greater value to the shared communities and patients served. Dave Roberts, Medtronic Senior Vice President and President of the U.S. Market, has been a strong supporter of the collaborations. "Medtronic's executive

leaders and Allina's executive leaders meet regularly to discuss strategic priorities, progress, and outcomes. This structure ensures accountability at the highest levels of both organizations."

This specific collaborative project has resulted in the Allina-Medtronic relationship to be awarded the inaugural Tom Hughes Collaboration Award by the SMI, a leading industry think tank. Tom Hughes was a long-recognized supply chain leader and tireless innovator, pioneer, and creator who was at the forefront of promoting the power of provider-supplier collaborations to create impactful and lasting positive change in the industry. The SMI Tom Hughes Collaboration Award has been established to recognize efforts that involve both supply chain trading partners successfully collaborating to bring innovation, discovery, and improvements to the healthcare supply chain. ■

How Long Are My Supply Chains?

Preparedness is key for forward-thinking supply chain executives.

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

“China Begins Live Fire Drills, Effectively Blockading Taiwan” roared the headline on the front page of the *Wall Street Journal* several months back. The following day, in their “Review” section, the headline read “The Coming War Over Taiwan.” Should these headlines and opinions stir a reaction if you are a healthcare supply chain professional? Probably.

We learned earlier this year it doesn’t take much to mess up the U.S. healthcare supply chain for commonly used – but vital – products. For products such as contrast media, which in part come from American-based companies, we learned the answers are not always self-evident or easy to understand. A major plant was in Shanghai. Then there was baby formula. Really?

The contrast shortage taught us valuable lessons. If you don’t have products readily on hand in sufficient quantity, it can result in lost patients and revenue. Moreover, shortages have added days or weeks to some patients getting an important diagnosis – something no one wants to go through or must wait for. This shortage came about because of a China lockdown for COVID.

Now, the U.S. Customs Service is implementing the Uyghur Forced Labor Prevention Act (UFLPA). Companies doing business in China must now prove to their satisfaction that products being imported into the U.S. were not produced by forced labor. While this impacts products from the Xinjiang region of China the most, and it is not a major supplier of disposable medical products, it does produce sophisticated components for many types of equipment.



How vulnerable is your supply chain if relations between the U.S. and China continue to worsen? What would happen if major airports or shipping lanes are closed? What if Taiwan exports of medical products and components used in med tech devices suddenly dry up?

What products are vital to your day-to-day operations?

Have your most critical products identified. While there may be substitutes for some products originating in southeast Asia, it is critical to have substitutes identified and sometimes have cases ready. We’ve learned that financial penalties for failure to deliver really don’t matter when patients cannot be treated and there are disruptions to procedures and patient care.

Force Majeure clauses may excuse a supplier’s obligation to perform. Where

does that leave you if they invoke that clause? Identify patient care critical items and ensure that you have backup and alternatives for continuous supply.

Start with your distributors

Private label products have become a real cost-saver and used by most hospitals and providers around the country. Often they are taken for granted. Is your primary supplier heavily dependent on Southeast Asia and China for some of these products?

Determine which products are critical to your operations and discuss the sources of these products with your distributor representatives now. Work with them to ensure they have backup supply plans – so that, if possible, you don’t need to have them yourself. If they cannot provide these answers, start planning yourself. In many contracts, Force Majeure events include war – and can apply to both parties in the event of backorder or failure-to-supply situations. Each party in a well-written contract may invoke the clause.

Look at critical items in major departments

Contrast media is certainly one great example of a product we have depended on Southeast Asia for. But there are others. They can include simple items like surgical gloves or disposable gowns, or technical items using semiconductors. Should you have more than one source of supply?

It should be obvious, but it is up to supply chain to effectively identify at-risk items and collaborate with departmental leaders to ensure that reliable supplies or alternative products can be sourced. For example, if you are having trouble locating supplies of products fabricated from aluminum it probably is not going to get any easier or less expensive anytime soon.

Good supply chain customer service demands that you work with every department to ensure they have a backup of items they deem critical that might be imported and could run afoul of production delays, transportation delays, tariffs, or embargoes.

Plan capital purchases well in advance

In August President Biden signed the CHIPS Act, which makes \$53 billion available from the federal government to support domestic production of semiconductors.

Onshoring chips is helpful, but this won't happen for some time.

Meanwhile, Taiwan makes about 90% of the most sophisticated semiconductors available. Many are used in med tech devices and are hard to find – even before the rhetoric has ramped up.

If you are planning important capital purchases, especially med tech in the second half of this year, now is the time to collaborate with your key suppliers and, if possible, sequester available product for delivery later in the year or in 2023. Short of that, if supplies are tight, now might be the appropriate time to get on waiting lists.

Creative workarounds

Over the years, many products morphed from reusable to disposable. Consider returning to reusable products in advance of imported product shortages or high re-shored demand. If pre-assembled tray

manufacturers cannot source certain components, consider alternative products and pulling together alternative “sets” of products until shortages are eliminated.

During the pandemic, more clinical “flexibility” in terms of products and brand preference was common due to shortages – especially of PPE. That flexibility may be required again if our relationship with China continues to deteriorate in the future, or if China blocks shipping lanes.

Planning, analysis and then communication with possibly affected users can help drive user satisfaction and collaboration if supply chain issues become even more prevalent in the coming months. While it is highly speculative if there may be a war over Taiwan, being prepared regardless could result in future dividends for forward-thinking supply chain executives.

This time around, shortages could become more widespread than the PPE shortages brought on by the pandemic. ■

New Technology We Like

Driving value in healthcare has shifted in recent years, with greater emphasis placed on how new technologies impact the standard of care – from improved workflow during care delivery, to better outcomes and even patient satisfaction. While cost is an important consideration as organizations push to optimize profitability in this “new” environment and all the new financial pressures that have come along, broader focus on total value of care is imperative as focusing on cost cutting alone is no longer the panacea it once was. More than ever, it is incumbent on sourcing and category managers to make innovative technologies accessible to clinicians while carefully assessing the full spectrum of value, including both immediate to downstream benefits.

Here are some new technology highlights we like, that offer meaningful process, cost, and outcomes value.



Who wants to live with permanent metal implants in their foot and ankle repairs?

OSSIO implants are made with OSSIOfiber intelligent Bone Regeneration Technology, a breakthrough in fixation material that provides the first credible solution to the shortcomings of permanent metal hardware, conventional resorbable and allograft implants, combining unparalleled mechanical strength and natural bone healing in a non-permanent implant. Made from a proprietary mineral fiber matrix, the technology features bio-integrative material properties that provide surgeons with a more biologically friendly way to restore patient stability and mobility while leaving nothing permanent behind.

Designed for rapid bone-in-growth, regeneration and replacement, OSSIOfiber intelligent Bone Regeneration Technology is a first-of-its-kind implant material stronger than the corticle bone. OSSIOfiber is engineered to provide the strength required for functional fixation and allows for full integration into the native anatomy without adverse biological response. OSSIOfiber implants utilize existing reimbursements and surgical techniques. For more information visit: www.ossio.io



Electrophysiologists complaining about “noise” in the EP lab?

PURE EP™ by BioSig Technologies is an innovative signal processing platform that produces clean, high-definition signals in the EP lab, allowing the Electrophysiologist to see wider and more dynamic range of signals, **improving their time to interpret and infer** data during ablation procedures.

For more information visit: www.biosig.com



91% of head CTs are negative in head injured patients.

BrainScope is a groundbreaking, FDA-cleared, class 2 medical device that can objectively assess the full spectrum of mild traumatic brain injuries at the point of care without radiation and within minutes. When integrated into clinical decision making in the Emergency Department, experience has demonstrated a **30+% reduction in unnecessary CT utilization and 40% improvement in patient length of stay**.

For more information visit: www.brainscope.com



Use the gold-standard for dural repair and reduce costs.

Repair of the dura during spinal surgery is a common event. The gold-standard for dural repair is suture, but it is not always possible to suture some nicks in hard-to-reach areas, traditionally requiring surgeons to use suboptimal collagen on-lays or sealants in dural repair. If the dura is not properly repaired, it can lead to leaks that can cause spinal headaches and other negative outcomes. DuraStat® reduces these risks, allowing the surgeon to quickly and easily suture. DuraStat® delivers between **\$330-\$1,995 in time savings, and an average of \$572 in material cost reductions per procedure**.

For more information visit: www.durastat.com

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⁽¹⁾Evaluation of a Novel Cardiac Signal Processing System for Electrophysiology Procedures:
The PURE EP 2.0 Study. Journal of Cardiovascular Electrophysiology. - DOI: 10.1111/jce.15250

Building on Collaboration and Communication with HSCA Connect

HSCA Connect, the Healthcare Supply Chain Association's affiliate program for manufacturers, distributors, and other supply chain stakeholders, will launch in early 2023.



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

Collaboration is crucial to a healthy and resilient supply chain. Many of the innovative solutions to today's supply chain issues emerge from collaborative spaces, whether they're intentionally collaborative or not. A conversation between one supplier and one GPO can be just as productive as an entire three-day conference event. Healthcare group purchasing organizations (GPOs) are always working with their members to improve the quality and delivery of products and services. As the association representing leading group purchasing organizations (GPOs), the Healthcare Supply Chain Association looks to build on the interdependent work of GPOs and catalyze further collaboration through our new affiliate program, HSCA Connect.

GPOs are highly responsive to their members, which include hospitals of all sizes, nursing homes, clinics, surgery centers, and many other healthcare providers. Using data and feedback from members, they can quickly identify solutions to supply chain issues.

Often, however, GPOs are not able to act on these solutions alone and reach out to other stakeholders – manufacturers, distributors, service, and data providers – to determine the most efficient and realistic solutions. This collaborative approach has proved effective in addressing both broad supply and clinical issues that providers face, especially in times of crisis. During the COVID-19 pandemic, GPOs closely monitored supplies of essential healthcare products like face shields, isolation gowns, hand sanitizer, and more. By expanding partnerships beyond traditional vendors to adjacent industries such as distilleries, textile manufacturers, steel and automobile manufacturers, and others, GPOs were able to help fill supply gaps and create new relationships with non-traditional suppliers.

Communicating patient and provider needs to the stakeholders who can best address them is critical to maintaining quality care for specialty populations. Although age-appropriate hospital slippers existed for children age 3 and up, no such product existed for 1- or 2-year olds, which created potential fall risk for mobile babies. Another leading GPO's Pediatric Council identified this as high-need for patient safety and worked with a supplier to develop slippers with proper fit and tread. Children's hospitals across the country have now used these slippers with young children in hospital settings for several years. When a new product like these pediatric hospital slippers is created, GPOs will work with suppliers to determine anticipated provider purchase volume, allowing them to ensure they have sufficient profit margin to continue production. Not only does this exchange of information promote a stable supply chain, but it can also prevent shortages of

essential drugs and supplies that providers need to deliver care.

Enhancing collaboration

The Healthcare Supply Chain Association's affiliate program, HSCA Connect, reflects the association's commitment to enhancing collaboration, resolving supply chain issues, and protecting patient care. The program, which will officially launch in early 2023, will bring together supply chain stakeholders in a healthy forum focused on improving the healthcare supply chain. In line with our collaborative approach, HSCA Connect is open to a wide variety of supply chain participants including suppliers, distributors, and service providers (consultants, analysts, legal, etc.)

By expanding partnerships beyond traditional vendors to adjacent industries such as distilleries, textile manufacturers, steel and automobile manufacturers, and others, GPOs were able to help fill supply gaps and create new relationships with non-traditional suppliers.

The program's main goals are to address key industry and supply chain issues and create opportunities for cross-industry education. With the input of program members and the guidance of a 7-person steering committee led by the association's Director of Operations Allen Hamilton, HSCA Connect will determine the outstanding issues and topics that the program should address to be both proactive and reactive in their work.

In all program activity, transparency and maintaining open, healthy channels of communication between stakeholders will be paramount.

HSCA Connect members will have a variety of knowledge and research backgrounds. The program will engage in projects focused on industry-specific issues such as pharmacy and information technology, focusing on both inter-program and external education. Program leaders will present updates and findings at affiliated events, including the HSCA Supply Chain Leadership Conference taking place in fall 2023, and organize other forums for further conversations with HSCA member GPOs and healthcare stakeholders.

HSCA recognizes that the goals of the program will evolve in response to

real-world developments, supply circumstances and provider needs. Our hope is that HSCA Connect will lead to increased efficiencies in the delivery of goods, products and services to healthcare providers and positively impact the quality and value of patient care.

For more information about HSCA Connect, visit supplychainassociation.org/hsc-connect or email info@supplychainassociation.org. ■

Looming Issues Impacting Product Availability

A variety of issues – both logistical and regulatory – are looming in the near future which may have a negative impact on product availability.

Device Sterilization: In August, the Environmental Protection Agency (EPA) announced it would scrutinize commercial plants using the gas ethylene oxide (EtO) to perform sterilization of medical devices and other products. According to the Food and Drug Administration, EtO is currently used to sterilize approximately 50% of medical devices, about 20 billion medical devices annually. Only 2% of those devices are currently cleared by the FDA to be sterilized by other means. Putting limits on EtO sterilization in the United States would create sterile product shortages and could send even more of the medical supply chain overseas.

Medical Supply Chain Congestion: After one year of monitoring the medical supply chain, HIDA has only seen slight reductions in the length of shipping delays and the volume of delayed medical containers have been reported. There has been no change in the estimated amount of delayed medical supplies, and a decrease of only two days in shipping delays, from 27 to 25 days. Meanwhile, there has been a sharp decrease in the share of medical products transiting the Ports of Los Angeles and Long Beach which had been seeing longer dwell times for containers as compared with East Coast ports. In fact, HIDA has seen a 124% increase of medical supply containers at the East Coast ports – primarily at NY/NJ and Savannah. Over 90% of survey respondents reported the situation has stayed the same or worsened over the last three months.

Talk To Your Distributor: Your distributor can help determine appropriate lead times for shipping

products in this new normal for the medical supply chain. Ask about resources such as supply assurance programs, sequestered inventory, and 3PL services for pandemic supplies.

These issues and others related to the flow of medical products will be the topic of discussion at HIDA's Supply Chain Visibility Conference in February. The Supply Chain Visibility Conference brings healthcare industry leaders together to discuss ways to better ensure product availability, improve forecasting, and support patient care. The 2023 conference – our fifth annual event – offers a critical opportunity to build on recent experiences and advance visibility in the healthcare supply chain. ■



By Linda Rouse O'Neill, Vice President, Supply Chain Policy & Executive Branch Relations





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1

Proper Patient
Positioning

+

2

Accurate, Consistent
BP Capture

+

3

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¹ <https://www.ama-assn.org/system/files/2020-11/in-office-bp-measurement-infographic.pdf>

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