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The Journal of Healthcare Contracting is published bi-monthly by **Share Moving Media**
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The Journal of Healthcare Contracting (ISSN 1548-4165) is published bi-monthly by Share Moving Media, 350 Town Center Ave, Ste 201, Suwanee, GA 30024. Copyright 2023 by Share Moving Media All rights reserved.

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Rewarding Value

A new clinically integrated network aims to improve patient care via a value-based approach.

BY PETE MERCER

As more healthcare industry payment models shift from fee-for-service to a value-based approach that rewards clinical excellence, health systems have a unique opportunity to make changes within their own organizations to meet those changes head-on.

In anticipation of these changes, ChristianaCare recently launched a new clinically integrated network called the ChristianaCare Clinical Alliance. A press release announcing the launch described it as a “formal partnership among clinicians who work to deliver well-coordinated, evidence-based care to improve quality, efficiency and health outcomes.”

This network is intended to meet the challenges of today’s complex and fragmented healthcare delivery system. When physicians partner with the ChristianaCare

Clinical Alliance, they are supported and resourced by ChristianaCare, a nationally ranked health system based in Delaware.

Christine Donohue-Henry, M.D., MBA, chief population health officer at ChristianaCare, said in a press release, “The launch of the ChristianaCare Clinical Alliance marks an exciting new phase in this journey, and we look forward to partnering with clinicians and health care organizations throughout Delaware to be increasingly more successful in helping people achieve optimal health.”

What is a clinically integrated network?

A clinically integrated network is an arrangement where hospitals and independent providers with similar goals and visions share performance improvement, quality, efficiency, and value goals that result in improved quality across the board and coordinated care at a lower cost. The clinically integrated network is more of a distinct and singular entity, or the specific organizing structure that providers join when they form an ACO.

Where care begins

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These networks serve a critical function in the care continuum, working together to create better cost options for medical care. Members of these networks are provided with tools, analytic insights, efficiencies and economies of scale to help them deliver better outcomes for patients, while enabling smaller practices to participate in value-based payment arrangements with payors that might not be available otherwise.

Networks like this can provide a unique turning point for healthcare providers in a dynamic and constantly changing environment. As expectations for healthcare continue to change and technological advancements continue to emerge, providers need to be prepared to shift with the changing current. The ChristianaCare Clinical Alliance is an attempt to meet that shift head on.

“The health care industry is changing rapidly as payment models shift from fee-for-service to value-based models that reward excellent clinical outcomes – often referred to as population health. ChristianaCare has been preparing for these changes over decades. We have made investments in the infrastructure and expertise to be successful in this new environment,” Dr. Donohue-Henry said.

How it benefits members

According to the release, participants in the ChristianaCare Clinical Alliance will be able to access value-based care arrangements with payors that will provide financial rewards and incentives for improving quality of care and reducing utilization. Additionally, members will have access to tools like ChristianaCare’s CareVio, a robust information technology platform that harnesses real-time health data from all available sources.

CareVio offers members of the Clinical Alliance an IT system that captures and analyzes volumes of clinical and claims data to support clinical decision making and a support system that will help to address health equity issues amongst the patient base. There is also a team of healthcare professionals who are available to address clinical, behavioral, and social care needs that patients are experiencing.

Using collected patient data, members will also have access to a streamlined workflow, allowing them to optimize patient care and improve practice efficiency. The network will provide expert support for quality, reporting, and practice optimization.

With the right infrastructure in place, these networks can collect, organize, analyze, and stratify data to share critical insights with other providers in the network, which could include gaps in patient care, coding opportunities, or alerts regarding transitions of care.

That data allows physicians to provide higher-quality, efficient care from a network of physicians that are working together to follow consistent clinical programs and protocols. In addition to including primary care physicians, the ChristianaCare Clinical Alliance will include clinicians from the healthcare continuum.

How it benefits patients

In addition to the improved quality of patient care, there are many benefits to a clinically integrated network. Because data is such a significant pillar for this kind of organizational arrangement, clinically integrated networks can build

comprehensive datasets for patients for better population health management. With the right infrastructure in place, these networks can collect, organize, analyze, and stratify data to share critical insights with other providers in the network, which could include gaps in patient care, coding opportunities, or alerts regarding transitions of care.

As the healthcare industry continues to rely on things like data and technology, networks like the ChristianaCare Clinical Alliance have the unique opportunity to improve and prioritize the value of patient care over the volume of patients they see. With a value-based care approach, physicians can encourage a

network-wide, team approach to patient care that elevates the entire experience.

Tony Reed, vice president of population health operations at ChristianaCare said in a news release, “We have a rich track record of ensuring that our patients remain at the center of all that we do. By developing an innovative infrastructure within our clinically integrated network, we are able to deliver the best outcomes to each patient we serve. Our clinically integrated network touches nearly every component of the care continuum including primary care, specialty care, behavioral health, hospitals, post-acute care and community organizations which help address the social determinants of health.” ■

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

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



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

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

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

Transparency builds trust

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

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

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

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

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

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

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



needed to deliver on commitments to mutual customers.

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

Collaboration + technology = visibility

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

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

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

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

Keeping the momentum

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

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



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

The role supply chain plays in laboratory distribution

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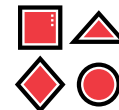
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Maximizing Value in a Complex Purchasing Environment



The talk of 2023 has been all about improving the bottom line in healthcare.

Survey results published by AHRMM earlier this year, showed that 78% of supply chain respondents were seeking cost efficiency above all other priorities.¹

The pressure to examine dollars spent has procurement leaders reconsidering purchasing decisions that were once easily rubber stamped. In the past, a status quo of “auto-renewing” existing arrangements may have felt sufficient. If surgical teams appeared satisfied with what they were using, and the investment was unquestioned previously, then it could be deemed “safe.”

But in today’s world, the increased level of fiduciary responsibility has procurement leaders reevaluating...

With this reconsideration has come an **increase in capital trials**, and they are bringing **substantial value** with them. Procurement leaders are also being more meticulous in their consideration process, digging deep into lifetime costs versus a comparison at face value. What

they’re discovering is far more impactful than many would have initially imagined.

A 2021 publication in *Health Management, Policy and Innovation* titled “Value-Based Procurement Using Total Cost of Ownership: A Step-by-Step Financial Assessment of Orthopaedic-Powered Instrument Procurement,” compared two popular purchasing assessments – a Traditional Procurement Methodology and a Total Cost of Ownership approach.

Through a detailed assessment, the authors showcased how this modern Total Cost of Ownership approach can provide facilities with an excessive amount of savings, something that is critical in today’s healthcare environment.

“There is an overemphasis on the importance of acquisition price. This is especially concerning as medical devices’ total lifetime costs to an organization often significantly exceed acquisition price.”

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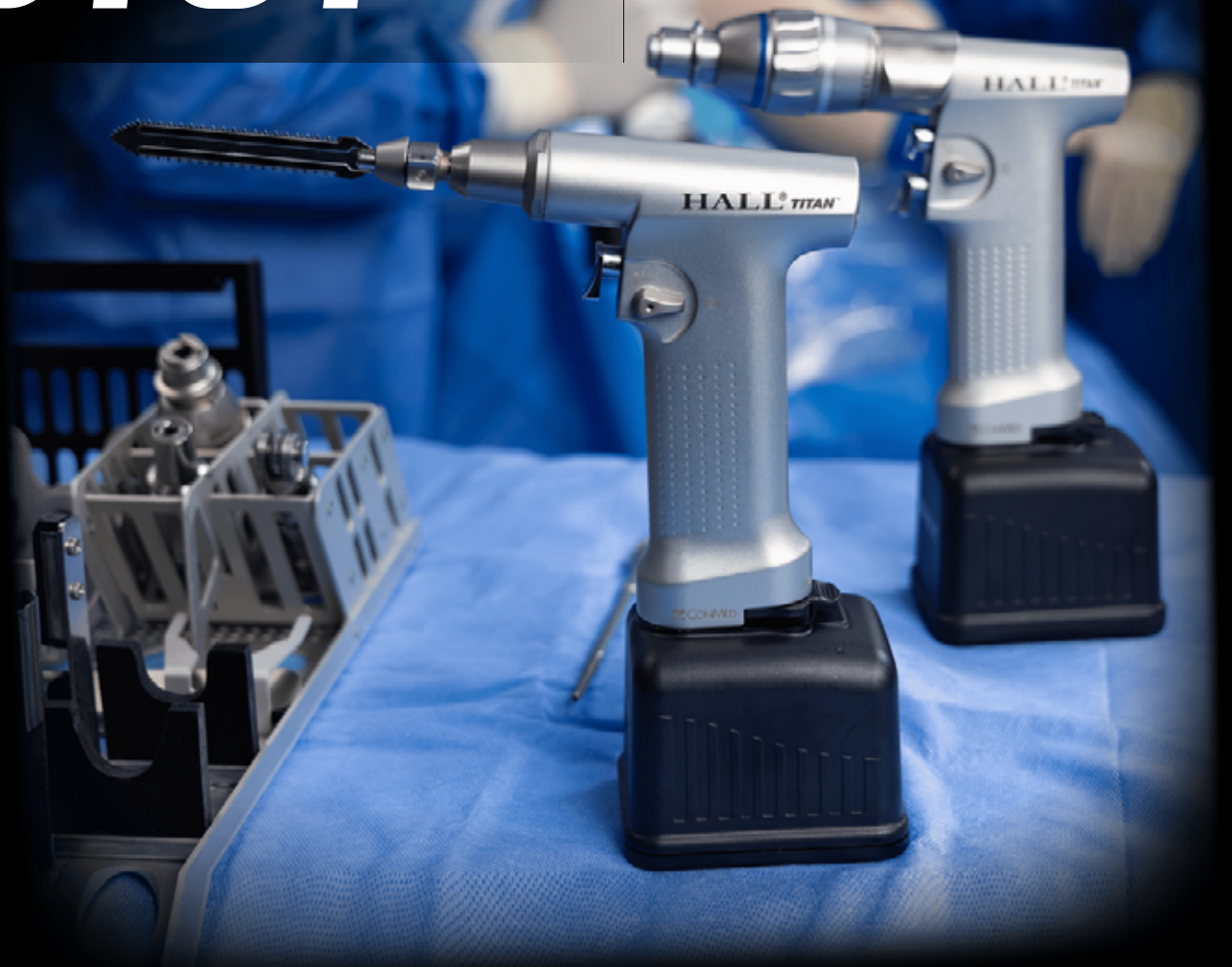
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¹ Advancing Healthcare Through Supply Chain Excellence (2022, August 31). Three Key Areas for Health Care Supply Chain Success in 2023. AHRMM. Retrieved June 29, 2023, from www.ahrmm.org

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Sign of the Times

Health care supply chain researchers examine what it takes to keep up with a changing industry.

BY PETE MERCER

New advances in technology make more things possible than ever before,

but we are living in a world that is still feeling the impact of COVID-19 – especially in health care. The health care supply chain was hit hard, putting an enormous amount of pressure on an already fragile system. While the industry is making incredible strides in the aftermath of the pandemic, there's still so much to learn from that experience.

The Journal of Healthcare Contracting recently spoke to Dr. Eugene Schneller about the second edition of his book, *Strategic Management of the Health Care Supply Chain*, co-edited with Yousef Abdulsalam, Karen Conway and Jim Eckler. The first edition was released in 2007, and there have been a lot of changes in the world of health care, necessitating a second look at how to strategically manage the health care supply chain.

JHC: Tell us a little about this second edition. What was the inspiration?

Dr. Schneller: The number of medical devices and other hospital-related products has proliferated, as has recognition of their clinical impact. Hospitals have continued to consolidate into systems, reimbursement schemes that align hospitals and clinicians have evolved, and there has been an explosion of new technologies to support patient care.

Demand was a reconsideration of the health sector supply chain – with consideration of these insights for current and future leaders. This led to the bringing together of a very diverse and powerful team of collaborators. Co-author Karen Conway has been at the forefront of technological change. Her work with major systems, around issues such as standardization/Unique Device Identification, health disparities and the

CQO movement provided a perspective not contained in the initial volume. Co-author Jim Eckler had spent years as a consultant and then as CEO of the consolidated service center for British Columbia in Canada. His insights into strategy, especially around distribution and procurement, assured that the new edition would be grounded in the best thinking about practice. And co-author Yousef Abdulsalam's research, scrutinizing cost of supplies and hospital clinician relationships, assured that readers would have a new appreciation of clinicians and collaborators in advancing excellence in bringing the best of products to patients. Notably, the idea of a fully integrated supply chain organization (FISCO) as forged by me and our team at ASU, served as a frame for the entire rewriting project. Our team was very well suited to provide a multi-faceted understanding of management, strategy and, in the face of new challenges, risk.

JHC: How has risk management changed for supply chains in a post-pandemic marketplace?

Dr. Schneller: Well, it is how it's changed and also perhaps how it hasn't changed. One of our observations has been that many of the innovations that took place during COVID are not staying in place, which is concerning. A healthcare CEO survey reported in Becker's recently revealed that provider CEOs saw their biggest issue as system expansion. Way down at the bottom of their list of concerns was disruptions – which of course is key to supply chain, clinical risk, and organizational resilience. When the pressure's off, you don't pay as much attention to those as you did in the past. Notably, we still don't have provider systems that have



Eugene Schneller



Karen Conway



Jim Eckler



Yousef Abdulsalam

resilience in their mission statements or as part of their governance processes.

Without a doubt, the risks associated with having offshored medical supplies is beyond the scope of most hospitals and systems. Fortunately, intermediaries (GPOs, distributors and suppliers) have a transformed recognition of their responsibility for managing supply disruption risk. But it is clear that intermediaries, alone, cannot “have the back” of every entity across the health provider

ecosystem. We have been very interested in how large systems, themselves and in concert with the communities in which they reside, have organized to manage disruption associated risks. Strategies include developing their own pools/stockpiles or even supporting stand-by manufacturing capacity. Resilience, of course, comes at a cost. As disruptions impact communities, not just individual provider organizations, a good deal of risk needs to be managed at the local



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or regional level, by communities of providers and key stakeholders.

The way in which we buffer ourselves from the risks of fires is an excellent example. We pay for the fire department to be there. They are on standby most of the time. They don't have a lot to do. Hopefully houses aren't on fire, but we pay for that kind of risk in standby. Indeed, we all pay, knowingly, for their readiness. Yet we've not achieved a clear understanding of how to finance and manage health sector standby to be able to assure that when the next disruption occurs, whether it's from a pandemic or something else, that healthcare provider organizations are able to respond.

at the growing costs for supplies as a major opportunity for savings. Interestingly, cost and risk are closely associated. Notably several states have mandated “just-in-case” inventory levels. How to best manage these inventories and their costs is a challenge.

I do believe that value-based purchasing for products, which is in its infancy, has potential for cost reduction. In supply intensive episodes of care, such as orthopedics, spine and cardiology, we have a proliferation of products and cost – accompanied by scant evidence of new product contribution to either outcome or cost.

supply chain program, and very few of our graduates aspire to careers in provider organizations. Rather they are successfully recruited by distributors, GPOs, suppliers or consulting firms. Yes, part of the problem is relatively low salaries at the entry and intermediate levels. In short, as much as supply chain has advanced within the hospitals at an executive level, the doors at the entry level haven't significantly increased. There need to be more internship opportunities for both undergraduate and graduate students.

JHC: What are some of the biggest opportunities?

Dr. Schneller: The healthcare supply chain is data rich and analytically challenged. The employment of business analytics and technologies such as blockchain and artificial intelligence are the foundations for taming, managing and, perhaps most important, learning from data. We have already seen the advances from digitalization and automation in the area of logistics. And the ability to gather data at the point of use, for example using biosensors within the hospital room to gather data on utilization and the need for replenishment, will solidify the link between supply chain practice and patient service improvement.

The movement of patient care outside of the hospital, “bringing care to where the patient is,” is an area of opportunity for supply chain practice. Suddenly, the supply chain manager is not just concerned with sending the patient home with needed products. Innovations in delivery models such as ICU at home pose huge opportunities for the supply chain to be able to really contribute to care, access, outcomes and cost in important ways.



JHC: What are the biggest issues facing the supply chain today?

Dr. Schneller: Undoubtedly, cost is still an issue for supply chain. It hasn't gone away, and I don't believe it will quickly go away. In the face of the many mergers and acquisitions across the healthcare systems, costs have continued to escalate. Hospital management continues to look

Supply chain management talent continues to be an issue – especially at the higher levels. You see more provider systems recruiting supply chain leadership from outside of healthcare. Unfortunately, I do not see university programs as the solution for building the human resources for supply chain talent for provider organizations. ASU has a very large

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

JHC: What are some keys to successful partnerships between suppliers and providers?

Dr. Schneller: Good contracts seem to work out a lot of problems upfront. In this evidence-based environment, it's important to consider contracting for outcomes. Our research has demonstrated the important link between good contracts and high levels of trust. Suppliers have a key role in selling in this new environment by supporting supply chain executives. It's critical to understand the language of value-based-purchasing.

Also important for partnerships is the provision of transparency in information – especially sharing information regarding pending disruptions and risk mitigation strategies. Much sharing of data happened during COVID. When the crisis goes away, how do we sustain collaboration? Putting governance structures in place to assure access to and equitable allocation of critical products is important. Resilience is important. Providers knowing how suppliers are managing their upstream risk is critical to great partnerships.

JHC: How are GPOs changing in the marketplace?

Dr. Schneller: The short answer is significantly. A lot of their income continues to come from administrative fees. But the major GPOs have tried to rebrand themselves as consulting companies and health information companies. They now compete with the big consulting firms. That's sort of interesting, and my impression is they've done quite well. GPOs have realized that they need to be much more involved in creating value for the system and supporting their provider customers in their quest for value-based-purchasing by contracting for value.

COVID led to many systems enhancing their strategic sourcing and contracting capabilities, frequently aligned with the evolution of consolidated service centers. Hybrid purchasing models are evolving, with national GPOs having a significant supporting role.

Notably, during COVID, the GPOs were very much involved in helping members to find products and working closely with government to meet the demands of the pandemic. But they had the same problems as others as supply sources dwindled. A number of GPOs are making important investments in nearshoring and manufacturing. Of course, I get concerned with the longevity of those commitments. Again, standby is not free. Making those investments requires resolve – especially on the part of trustees and, in some cases, stockholders.

A huge challenge is how to pay for preparedness. Public health only seems to raise its head when there's a crisis. How do you keep doing that? And the next disruption for supplies will come. What we need to see is much stronger collaboration between federal, state, local, and regional pieces. The deficient strategic national stockpile provided hospitals and distributors with products not fit for use. It wasn't well managed, and they didn't always have the right products. If you have more standardization, it's easier to share products. We need to closely watch the SNS – its changing role – and recognize that much needs to be done at the regional and local levels.

JHC: How is the role of supply chain shifting as the healthcare industry continues to evolve?

Dr. Schneller: While our interviews with several large systems reveals a return to a

focus on supply cost, this is accompanied by acceptance of the opportunities for a clinically driven supply chain, one that is much more demanding for high-quality products, for high quality outcomes is also on the minds of supply chain leaders. We need to continue to work on the identification, standardization, and the proliferation of the best product, not just expanding. So that's number one. The evolving role of supply chain is to engage clinicians in a value analysis process that reflects their scientific training and is aligned with their notion of autonomy. And if CEOs are to support this transformation, hospital trustees need to be a part of this discussion. They need to endorse the value that supply chain is bringing to their organizations and be prepared to approve investments.

It's really important for intermediaries to realize that across the ecosystem of care, everyone is in the same boat. Disruptions don't obey organizational boundaries. Several years ago, I was in China with an executive of a GPO who had just come back from inspecting a factory with which he believed he had an exclusive commitment. To his surprise, his branded products were going out one door and products for a competitor were going out the other door. We really need a better understanding of global markets and the companies upon which we depend.

Notably, in the new volume we describe Supply Chain 2.0 as a clinically focused, partnership heavy, evidence-based set of practices, aligned with value chains, and, finally, with a strong emphasis on resilience. Perhaps it is time to move beyond the triple aim of Cost, Quality and Outcomes (CQO) to a quadruple aim that incorporates resilience – CQO+R. ■



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Reference:

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

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US-FLC157-230046 V1 09/2023

Diagnostic Lab Testing Makes an Impact on Women's Health

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





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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sources:

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

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

³ C Space Co Lab Community, May 2022

⁴ The Dark Intelligence Group

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



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— Mark Welch, Senior Vice President, Novant Health

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Safeguarding the Patient Journey



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

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

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

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

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

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

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

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

Supplies

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

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

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

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

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

One size doesn’t fit all, she says, so being able to work with AdventHealth’s supply chain in outlying cases is helpful. “I know what we have on formulary, but I can also get in some specialty supply for outliers.”

The value of patient support programs

A recent cross-sectional survey on the value of patient-centered ostomy programs found that 83% of respondents did

not have postsurgical ostomy-related emergency department visits, 75% did not have related unplanned physician visits and 90% did not have hospitalizations. Participants with two or more interactions were more likely to contact a program coordinator for issues of stoma care, leakage and skin care, ostomy products and accessories, and supplier issues than their single-interaction counterparts.²

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

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

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

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

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

Support programs can provide sampling and guidance to find products that best fit

patients. The right product and fit, and using the same manufacturer’s product throughout the patient journey, helps provide patients the support they need to live a better life.

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

that answers questions and identifies issues before they become problems.”

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

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

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

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

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

Pacific Dental Services and MemorialCare Joint Venture

The first-of-its-kind joint venture between a regional health system and a national dental support organization, both on the same electronic health records system (EHR) recently announced the location of its first co-located dental and medical office. BY JENNA HUGHES

Staying up to date with both primary healthcare and dental appointments is essential to maintain an individual's overall health and well-being. Patients who forgo proper care may delay the diagnosis of chronic illnesses which can lead to a worsening of symptoms. A new approach to healthcare, with the goal of treating patients from a whole-body wellness perspective, integrates primary health and oral health care under the same roof.

Health systems have begun to recognize the importance of dental and primary care integration, such as MemorialCare, a nonprofit integrated health system in Southern California. In December 2022, MemorialCare and Pacific Dental Services

(PDS), a nationwide dental and medical support organization, entered into a joint venture to open several co-located offices in the coming years. The partnership brings physicians and dentists together in the same building with access to the same

EHR, and with a shared goal of improving patient outcomes, according to a 2022 press release from both organizations.

“The connection between oral health and physical health has been well recognized for at least 20 years now. Despite the fair amount of research going into it, I’m not aware of any other systems in the country that have really started to integrate dental care with primary medical care. That’s why it is so exciting for this partnership to be taking place,” said Dr. Adam Solomon, chief medical officer for MemorialCare Medical Group.

MemorialCare works to make access to high-quality care easier and more affordable with four hospitals, two medical groups, primary care sites, imaging centers, surgical centers, and more.

“Over the coming years, several co-located practices with PDS-supported dental offices and MemorialCare Medical Group health centers will open throughout Orange and Los Angeles counties in California,” said Dr. Solomon. “To see the partnership go from an idea to an actuality and have the first office location opening soon is really exciting.”

In July, the partners unveiled the site of their first integrated practice scheduled to open in fall 2023 in Irvine, California.



Drs. Maria Andrea Murchie, MD and Deepika Dhama, DDS.



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An unprecedented partnership

This collaboration between two entities sharing the same electronic health records (EHR) system set a new precedent in collaborative healthcare, allowing both dentists and physicians to view both a patient's oral health and primary healthcare information. Through the Epic EHR, dentists and primary health providers can seamlessly view patient data including past visits and procedures, lab results, and prescriptions. Records provide a comprehensive picture of an individual's health to whichever provider they are visiting. Shared medical and dental records will allow patients to have access unlike ever before to convenient primary health and oral care in one convenient system.

"By utilizing the Epic electronic health record system, both organizations can access shared medical and dental information, enabling better collaboration and informed decision-making in patient care," said Stephen E. Thorne IV, Founder and CEO, Pacific Dental Services. "The interoperability of Epic allows for the closure of care gaps and early intervention, ultimately leading to reduced healthcare treatment costs. This partnership exemplifies how healthcare systems can work together to provide more comprehensive and patient-centered care."

First-of-its-kind approach

From an early stage, dental and medical care services have been kept distinct and separate from each other in their practice, service delivery, and insurance coverage. Dentists and primary care physicians have vastly different medical specializations and schooling

requirements, and the divergent paths of study created a separation early in history between the disciplines.

According to the American Medical Association in a 2016 article on Overcoming the Historical Separation between Oral and General Health Care, the separation between dental care and medical care is detrimental to underserved groups. It stated, "The notion of dentistry as a field separate from medicine is a historical phenomenon that has been reinforced through legislation, education, and service delivery. This division places an undue burden of dental disease on the most vulnerable Americans who face barriers to accessing dental care."

"This integration of medical and dental care prioritizes patients, shifting from a clinician-centric past to empowering both providers and patients through technology-driven data aggregation in the EHR for personalized care."

– Stephen E. Thorne IV, Founder and CEO, Pacific Dental Services

Decades of clinical research have suggested that oral health is a critical component to overall health.

"It's been known there's a connection between dental and physical health for a long time and yet others haven't brought these fields together," said Dr. Solomon. "Sometimes it takes somebody being the first to put their foot forward for others to realize that they could be doing this, too. Integrating the disciplines will enable us to prove that treating both of those sides as one can lead to better outcomes for patients."

Integration allows for accessible care

The integration of oral health and primary healthcare holds the key to affordable and accessible healthcare for patients, according to a 2019 National Library of Medicine study on the Integration of Oral Health into Primary Care.

The MemorialCare and PDS partnership comes at a time when healthcare organizations are shifting to focus on whole-person wellness that aims to improve overall patient outcomes. The partnership will support MemorialCare's mission of providing easily accessible, high-quality care along with PDS' dedication to dental-medical integration to improve health outcomes while

reducing annual healthcare costs and avoidable hospitalizations.

"This integration of medical and dental care prioritizes patients, shifting from a clinician-centric past to empowering both providers and patients through technology-driven data aggregation in the EHR for personalized care," according to Thorne. "The coordination between medical and dental teams enables a holistic approach to patient care, addressing all aspects of their health."

MemorialCare and PDS' shared goals will drive groundbreaking collaboration within the healthcare industry. ■

Does Your GPO Create Value for You? Or Are You Creating Value for Your GPO?

BY MICHAEL BERRYHILL, PRESIDENT OF GPO OPERATIONS, HEALTHTRUST PERFORMANCE GROUP

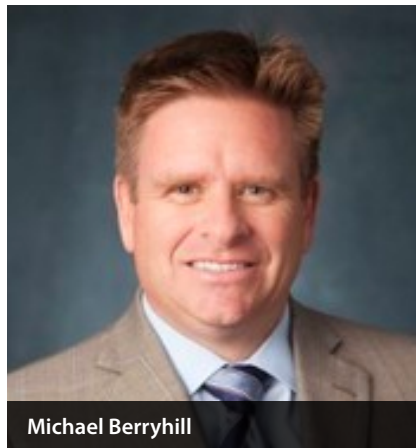
Healthcare providers continue to grapple with extreme financial pressures.

Kaufmann Hall reported that 39% of the hospital/health system mergers and acquisitions announced in Q3 2023 involved a party for which financial distress was cited as a driver for the transaction. Macro issues facing healthcare providers are vast, including: inflation, high interest rates, cost of capital, staff shortages, burn-out, reimbursement rates, revenue cycle management challenges, shift of care dynamics, cybersecurity threats, evolving regulatory requirements, continued management of supply disruptions, and more.

These macro issues are exerting financial pressure, as well as pressure on overall management and day-to-day operations. Providers must aim for enhanced patient care and effective cost management through improved utilization, optimization of labor productivity, technological innovation, adoption of appropriate service line growth and site of care strategies, to name a few.

Healthcare providers are seeking solutions to improve the healthcare ecosystem, but with limited resources, finite budgets and the speed at which change is necessary, providers need support from trusted partners now more than ever.

Michael Berryhill, President of GPO Operations at HealthTrust Performance Group shares how HealthTrust approaches performance improvement with its members.



Michael Berryhill

Q: GPOs have existed for more than a century and were first formed to aggregate purchasing volume of their members to deliver the best pricing and contract terms for the highest quality products, as determined by clinicians. How critical is this service today?

MB: Recent inflationary pressures have highlighted the impact GPOs have on provider performance. At HealthTrust, we believe the GPO is performing to the best of its ability when the healthcare provider and the supplier do not have to spend limited resources re-negotiating contracts and pricing on traditional clinical categories (e.g. medical, surgical). Those valuable provider and supplier resources are better spent on other efforts. Every day we ask and measure ourselves on: “Are we helping providers control and lower supply expense? Are we delivering a portfolio with the products and services providers deem necessary to best take care of patients? Are our supplier partners delivering on performance expectations, including supply continuity?” We are a provider and we work for the providers – their mission is our mission.

Q: What other solutions should a GPO be delivering to its members?

MB: Delivering a robust and competitive contracting portfolio is table stakes. GPOs must go beyond simply managing supply spend to create value. Those solutions should be designed with the patient at the center. Our operating model and culture as a provider-owned and operated

GPO is to focus on solutions that solve a challenge the provider is facing. The solutions we have developed over the years have been formed through identifying and meeting challenges our members have brought forward, not from thinking about additional revenue streams.

Q: How is HealthTrust partnering with healthcare providers to bring value and improve performance?

MB: One way is helping members manage purchased services spend. Purchased services are fragmented and it is difficult to identify the spend and manage it effectively. Valify Solutions Group was born from members needing a spend analytics technology to manage purchased services spend, benchmarking and best practice insights, coupled with a competitive and robust purchased services portfolio and category subject matter experts.

AdvantageTrust, our non-acute business, continues to develop solutions that address needs arising from the shift of care and the unique needs of the non-acute market.

Advisory Solutions offers services that bring physicians, clinicians, supply chain and administrative leaders together to solve problems. Collaborative summits have been held on a variety of topics – from staffing and shift of care, to specific clinically focused topics like sepsis, robotics and optimizing the care of complex cardiovascular patient. We leverage spend and utilization data, clinical outcome and reimbursement information, and most



importantly the best minds in the industry to share best practices with our members.

We also provide rapid turnaround strategies designed to address specific member needs by optimizing operations and driving value back into the supply chain. We deploy experienced hospital operators that are adept at applying decades of supply chain learning. Our value acceleration offering includes inventory optimization, warehouse logistics, capital management, procure-to-pay, value analysis, and more.

We believe that partnering with a GPO that offers authentic operator expertise will help healthcare providers achieve improvements in costs, quality and operational efficiencies. Decisions

are made collaboratively and informed by experts who understand the operational and clinical requirements to effectively run a healthcare facility. Decision-making is always patient focused, which ensures quality care delivery.

Q: What advice would you give a healthcare provider in working with their GPO?

MB: Assess the value and solutions your GPO offers. Bring forward problems you need solved and challenge your GPO to help you solve them. Ensure your GPO is creating value for you – not the other way around. GPOs should be there to serve the member and deliver compelling value creation. ■

About HealthTrust: As a member-first and operator-led organization, HealthTrust focuses on overall performance improvement, both through spend management and solutions that drive operational and clinical optimization for its 1,800 members. Combining one of the broadest contract portfolios in the industry with a committed GPO model and operator advantage, HealthTrust provides unprecedented value to members. To learn more about the value HealthTrust provides its members and their patients, please visit HealthTrustPG.com.



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

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

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

The impact on patient health

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

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

Impact on business health

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



Demands for greater transparency are falling short

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

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

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

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

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

Healthcare providers deserve more

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

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

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

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

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

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

Advanced product assignment and collaborative communication

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

Overcome disruptions before they impact your business

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

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



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The Primary Care Shortage

Diagnosing the problems and confronting the challenges.

BY PETE MERCER

Consistent visits to your primary care physician are the foundation of a preventive care regime, but what happens if there are no primary care physicians? Though the COVID-19 has mostly subsided in the last year or so, resources and personnel are still dwindling for the primary care space.

A study conducted earlier this year by Axios found that graduating medical students are not moving towards primary care, even with an increase in applicants to schools and further congressional efforts to increase residency slots. According to this data, many residents are moving towards higher-paying specialties in lieu of primary care, which could leave gaps in care for patients across the country.

This is a trend that experts have seen coming for a number of years, especially in the wake of COVID-19. A smaller percentage of physicians are entering the field than are currently practicing, and after seeing how healthcare took the brunt of a lot of challenges on the chin throughout the height of the pandemic, it's no wonder that fewer people are entering the workforce.

As primary care continues to shrink across the country, healthcare organizations are looking at ways to better invest in primary care to ensure that there is no lapse in the healthcare continuum. First and foremost, these organizations need to understand the challenges facing patients and providers in the primary care setting.

Diagnosing the problem

According to the National Association of Community Health Centers, over 100 million Americans are facing barriers to access primary care. That gap in access to primary care can result in serious health issues for those affected, and potentially even greater public health threats. The pandemic revealed flaws and holes in the healthcare system that always existed but might not have been evident without a significant disruption. Because of that disruption, the healthcare industry faltered and stumbled through a challenging period where the patients far outnumbered the healthcare staff.

Additionally, the pandemic highlighted the need for preventive care – another big pressure point, many patients opted out of their typical primary care visits due to office closures or fear of getting sick from visiting the doctor. Primary care providers are typically the first line of defense for diagnosing and treating infectious diseases in vulnerable populations. Primary care physicians have only increased in value and scarcity since the onset of COVID-19.

With fewer residents going to primary care settings (and perpetual burnout and staffing shortages that the whole industry is dealing with), it exposes this greater threat of a lapse in patient care and creating bigger holes in a workforce that is

already struggling. The report from Axios says that in 2022, “930 family medicine and internal medicine residency positions went unfilled.” The Milbank Memorial Fund found further evidence that from 2012 to 2020, “only one in five physicians who completed a residency were practicing primary care two years later.”

Fewer primary care physicians could mean a greater disparity in health equity in rural or medically underserved areas. When physicians do enter primary care, they aren’t always going where they are needed most. In these medically underserved areas, the report says that “the number of primary care doctors has been stagnant for last eight years.”

Graduating medical school students are showing a preference towards specialty residency programs over primary care positions. Donna Lamb, director of the National Resident Matching Program, said to Axios, “We’re seeing the same thing year over year, which is that the more specialized areas of medicine are not seeing a decline in applications or interest, but the primary care applications continue to see declines year over year.”

Efforts to improve primary care access

As doctors continue to push towards areas other than primary care, gaps are created in the healthcare continuum. Primary care is an essential piece of the puzzle in the healthcare system, and without it people could lose access to receiving the care that they need.

In an effort to meet the growing need in the state of Arizona, the University of Arizona Health Sciences is working to develop a new generation of primary care physicians through the Primary

Care Physician Scholarship program. In this program, medical students at the University of Arizona College of Medicine – Tucson, and the University of Arizona College of Medicine – Phoenix, are awarded annual scholarships that will allow future physicians to pursue careers in primary care, without having to worry about repaying medical school debt.

For this program, scholarships are available to students who intend to pursue residency training in family medicine, general internal medicine, geriatric medicine, general pediatrics, psychiatry, obstetrics and gynecology, and general surgery. Recipients of this scholarship are committed to a minimum of two years of service in primary care. In the description of the program, applicants are also encouraged to have a “strong interest in practicing a primary care specialty in a rural or underserved region of Arizona.”

Similarly, the VA Central Iowa Healthcare System is offering a nurse practitioner residency program that offers newly licensed nurse practitioners a 12-month window to master clinical skills, enhance competence, and improve professional confidence. In this program, individual development plans will allow each resident to address specific needs and explore areas of interest. Essentially, it’s designed to bridge the early, nerve-racking days of working as a nurse practitioner to developing into competent, confident, and independent primary care providers.

In June, CMS announced a value-based primary care model to serve rural and underserved populations that will be launched in Colorado, Massachusetts, Minnesota, New Jersey, New Mexico, New York, North Carolina, and the state of Washington.

The CMS model includes a three-track approach based on participants’

experience level with alternative payment models, though participants in all three tracks will receive enhanced payments. Track one participants will focus on building the infrastructure needed to support care transformation, while tracks two and three will include advance payments and more opportunities for bonus payments based on participant performance.

In a media release concerning the model, CMS said it will work with participants, which will include federally qualified health centers, Indian Health Service facilities and Tribal clinics, to address needs specific to their communities, including care management for chronic conditions, behavioral health services, and healthcare access for rural residents. The agency is also working with state Medicaid programs in the eight states and plans to involve commercial payers soon.

The NACHC is attempting to address the primary care problem by providing access to affordable healthcare through community health centers. These health centers provide patients with services like primary medical care, dental, behavioral health, access to a pharmacy and other preventative services. In fact, these health centers are the largest primary care network in the country, according to the NACHC.

While efforts are being made to address the challenges facing primary care head on, it’s evident this is a vestige of the American healthcare system that needs a course correction. There are plenty of ways for organizations to continue to carry the torch, and primary care will never go away completely. But the landscape of healthcare is constantly in a state of change, and primary care is in an increasingly vulnerable position as a viable avenue for patient care. ■



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The **Midmark® Digital Vital Signs Device** brings automation to the point of care. Simplify vital signs and weight capture using one screen to capture and import data directly into the patient record from a single, centralized location. The device now comes equipped with an **Exergen® TemporalScanner®**. Temporal temperature is preferred for its accuracy, speed, hygiene and cost-effectiveness.¹

Learn more at: midmark.com/digitalvsd

CONTACT US.
SCAN HERE.

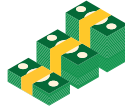


THE TRUE COSTS OF DRUG SHORTAGES IN THE U.S.



\$1.1B
INCREASED
HOSPITAL SPEND

PINC AI™ data from 2022 shows **\$1.1 billion in increased hospital spend** tied to purchases of substitute products when the original product was unavailable due to shortage.



U.S. healthcare providers continue to navigate **300+ active drug shortages every quarter¹** shortages that contribute to millions in additional annual costs and less-than-optimal therapeutic choices for patient care.

300+
ACTIVE DRUG
SHORTAGES EVERY
QUARTER

Premier® and its members work together to identify and prioritize critical at-risk drugs. Together, we are incentivizing manufacturers to increase supply, invest in redundancies, enter, or re-enter markets and explore new therapeutic categories for innovation.

Since 2020:



Premier programs have successfully resolved **15 drug shortages**, resulting in their official delisting from the U.S. Food and Drug Administration (FDA) shortage list.

We've been able to ensure uninterrupted supply of many shortage drugs despite demand spikes of **more than 150 percent²** during the pandemic.

We continue to bring resiliency to the market by incenting the domestic manufacture of vital drugs through our investments in VGYAAN³ and Exela Pharma Sciences⁴, which combined are working to bring new, domestic sources of competition for **20 different shortage drugs and counting**.

Today, **over 1,000 health system facilities participate in Premier's ProvideGx® drug shortage program** with member drug commitments rising over 110% in just the last year and counting.

Premier and ProvideGx are taking bold steps to eliminate costly drug shortages. We're working closely with manufacturers to ensure the drugs your patients need will always be there.

10

Key Suppliers Partnering with Premier and its Members.

85

Protecting 85 Cyclical Drug Presentations

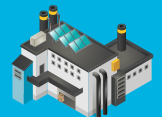
2023

Focusing on Expanding Essential Medicines

\$0

Zero Out-of-Pocket Investment for Premier Members

Continuously expanding the generic supplier base by encouraging manufacturers to expand capacity to deliver medicines most needed. New products added in 2023 include Zinc Chloride, Diazepam Syringes, Bumetanide and Oxytocin.



Driving Healthcare Innovation with Pharmacy:

A critical component of the healthcare ecosystem, pharmacy has undergone a significant transformation in recent years – with pharmacists' elevated role in driving improvement and value for healthcare providers and patients.

Through enhanced clinical services, technological advancements, supporting supply chain and financial resiliency, and a relentless focus on safety, pharmacy leaders are shaping the future of healthcare.

To learn more about Pharmacy's industry impact and the Premier commitment to innovating healthcare, contact providegxinfo@premierinc.com

Here's where we got that.

- <https://www.ashp.org/drug-shortages/shortage-resources/drug-shortages-statistics?loginreturnUrl=SS0CheckOnly>
- <https://premierinc.com/newsroom/blog/why-almost-every-u-s-hospital-is-building-safety-stock-of-critical-pandemic-medications>
- <https://premierinc.com/newsroom/blog/premier-joint-venture-with-vgyaan-pharmaceuticals-launches-first-product>
- <https://premierinc.com/newsroom/press-releases/premier-inc-and-11-leading-health-systems-invest-in-exela-pharma-sciences-to-secure-and-support-u-s-based-drug-supply-and-manufacturing>

Premier Inc. (NASDAQ: PINC) is a leading healthcare improvement company, uniting an alliance of more than 4,400 U.S. hospitals and health systems and approximately 250,000 other providers and organizations to transform healthcare. With integrated data and analytics, collaboratives, supply chain solutions, and consulting and other services, Premier enables better care and outcomes at a lower cost. Premier plays a critical role in the rapidly evolving healthcare industry, collaborating with members to co-develop long-term innovations that reinvent and improve the way care is delivered to patients nationwide. Headquartered in Charlotte, NC, Premier is passionate about transforming American healthcare. Please visit Premier's news and investor sites on www.premierinc.com; as well as Twitter, Facebook, LinkedIn, YouTube, Instagram and Premier's blog for more information about the company.

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