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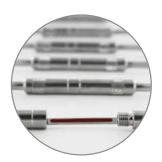
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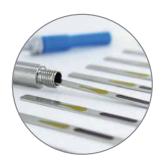
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Making Our Way Back to Normal



Last week we hosted a meeting in Atlanta that brought suppliers, distributors, providers and GPOs together to discuss all things Supply Chain. This is only the second time I've been with a group of stakeholders since COVID hit and it felt great to be in person and look into the eyes of people I've known for years.

Some of the concerns and emotions people shared were expected. Suppliers are concerned about getting access to Supply Chain leaders as we move into this new era of living with COVID restrictions. I'm sure many suppliers will struggle to get venue with IDNs where they currently don't have business. They're going to have to work even harder to provide information, education, and insight for providers so the supplier is considered a valued stakeholder. I think the days of knocking on doors looking for more business are numbered.

GPOs really enhanced their value to providers during COVID, helping locate supplies, but also as a clearinghouse for information during times of crises. The old saying goes something like "during a crisis make sure you communicate, communicate, communicate," and I think GPOs had a sympathetic ear from their provider members and were quick to jump into action to help when they could. I would guess most providers feel better about their GPO partner than when we went into the pandemic.

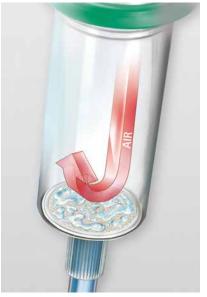
It's safe to say everyone was concerned for our nation's healthcare providers and the unprecedented stress they've been under during the pandemic, and most recently the Delta variant surge. Their constant battle to make sure they have enough "stuff and staff" to care for their communities is continually top of mind. It was also apparent the feeling of almost anger towards people that have yet to get vaccinated, making so much of the illness preventable.

With all great tragedies and troubled times, we have to look for a lesson to learn so we come out better than when it all started. My hope is all the stakeholders are more understanding of what others are up against day in and day out. In this age of Zoom and conference calls, it's harder to read a person's emotions and where they are mentally. A little pause to make sure we know how people are doing can go a long way these days.

I hope you enjoy this issue of The Journal of Healthcare Contracting!









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- Key Group Consultative Market Research: New PVC/DEHP-Free IV Sets: New Product Concept & Conjoint Study. January 14 2021.
- B. Braun data on file.



Working with a Purpose

HealthTrust CIO Michael Seestedt on creating value for health systems and hospitals through technology and improvements.

Innovation occurs when new technologies are leveraged in a way that adds

measurable value to the business, said HealthTrust's Michael Seestedt, who was named the organization's chief information officer earlier this year. Thus the challenge – if you create something that is cutting edge in the eyes of a technologist, but the business is unable to leverage it to be more successful, is that really innovation? "In my eyes it is not," he said. "Innovation is when technology creates value either through efficiencies or improvements to the business."

Seestedt is an innovative and nimble leader with nearly 20 years of technology expertise. After joining Health Trust Workforce Solutions in 2014, he revamped the company's suite of technologies to support innovation and growth, successfully positioning HWS platforms to scale on pace with the expanding business. He also directed an enterprise software implementation and oversaw the deployment of scheduling technology used in more than 200 hospitals.



Serving the past seven years as chief information officer of HealthTrust Workforce Solutions, Seestedt led several critical initiatives in support of HealthTrust Workforce Solutions and HCA Healthcare. In his elevated role as CIO of HealthTrust, he will focus on leading the HealthTrust Supply Chain technology and Shared Services agendas as well as continuing to oversee technology at HealthTrust Workforce Solutions.

Seestedt shared more insights into his role, the importance of cybersecurity, creating value for member organizations and more in the following Executive Interview.

The Journal of Healthcare Contracting:

You were named chief information officer in June. Can you briefly describe your role? What about your vision for your team/department?

Michael Seestedt: The CIO role touches all technology across HealthTrust with responsibilities ranging from operations and IT infrastructure to products that support supply chain, GPO, Workforce Management, and Clinical Education lines of business.

Our technologists and engineers understand and respond to the needs of the organization and the challenges facing our industry. Fundamentally, we strive to create value for our business stakeholders, customers and vendor partners. That can take different forms; providing security to reduce business risk or creating efficiencies

that improve functionality and systems that reduce the amount of time it takes to do work. Ultimately, what I've laid out for the organization is that our role is to return value that will help the business and our members succeed.

JHC: How are you interacting with HealthTrust members?

Seestedt: It is important to understand who your customers are and the challenges they face. Our customers take many different forms: our internal business stakeholders, the facilities we support, and members and suppliers within the GPO space. Our leadership has spent a lot of time forming a product-centric and member-centric organization. IT must be reflective of that commitment and is focused on creating and delivering value to our broad customer base.

JHC: Talk about the importance of cybersecurity within healthcare. Why is it so critical now more than ever?

Seestedt: There is always going to be people out there who are intent on doing bad things. Our role within HealthTrust - and by extension our role in supporting members and suppliers – is to be diligent and make sure that we stay on the lookout. We must be vigilant to ensure we are being good stewards of our systems and protecting our assets.

JHC: How has the role of a chief information officer evolved over the last 5-10 years?

Seestedt: I have seen the role of CIO evolve from a leader of technologists to that of a trusted business partner and business leader. Technology is such an integral part of business success and it

has been for many years. It is important for the technology leader to speak the language of business and to understand its challenges so that they can effectively provide technological solutions that enable that business.

JHC: Technology is ever changing and at an increasingly rapid rate. How do you put a plan in place to properly evaluate innovations as they become available? What are some pitfalls as a CIO that you work to avoid?

Seestedt: Innovation occurs when new technologies are leveraged in a way that adds measurable value to the business. If you create something that is cutting edge in the eyes of a technologist but the business is unable to leverage it to be more successful, is that really innovation? In my eyes it is not. Innovation is when technology creates value either through efficiencies or improvements to the business.

hitch your wagon to." He went on to add that if this person has made our list, "that means I'm walking right behind them and closing the doors to this company."

From that I learned a strong leader is someone who recognizes the value of the people in the organization and the value they provide to the rest of the organization. Good leaders do whatever they can within their power to ensure their people are supported and empowered to enable success.

JHC: How did the pandemic affect your perspective?

Seestedt: Eighteen months into this pandemic, I am pleasantly surprised by our resilience as an organization. We have maintained a work pace that in my career is unmatched. I've watched an organization continue to keep that pace, to continue to go back to our core values and continue our dedication to the care and improvement of human life.

Good leaders do whatever they can within their power to ensure their people are supported and empowered to enable success.

JHC: Best piece of advice on leadership that you've received?

Seestedt: A great lesson in leadership came from a former CEO when I was an analyst. It was around 2008, as the financial crisis of the Great Recession was forcing companies to cut back on staff. One of the leaders brought a list of names to the table. On it was an individual who was a solid leader who got work done. The CEO looked at the list and said, "Listen, no matter how bad this company gets, you don't cut good people. No matter what, there are people that you

After 18 months, folks could start slowing down. They could start saying, "I've had too much." They could say, "I'm done." And nobody would challenge them on that because we've all been through a lot.

But nobody is saying that. No one is slowing down; nobody's stopping. That is a testament to the people within Health-Trust. They are working with a purpose. They are delivering with a purpose and they understand that their purpose is much greater than just coming to work and getting a paycheck. And that to me tells me that I'm in the right place.

McKesson Case Study:

Leading Change: working together to improve the supply chain at Lehigh Valley Physician Group



There are many players in the healthcare supply chain, and they all have a role in building a more resilient, standardized and cost-effective healthcare system. Employees who work in supply chain roles are critically important – but so are the distributors who help facilitate the flow of supplies and the clinicians who use them to deliver care. When it comes to making changes in an organization, all three are important.

The importance of supply chain, clinicians and distributors working together has grown as care continues to shift outside of the hospital. Health system supply chain leaders are increasingly tasked with procurement and inventory management in non-acute settings. During a July 2021 event sponsored by McKesson Medical-Surgical, 75% of attendees said their organization has a dedicated non-acute supply chain leader, and 25% had added this role within the last year.

Luckily, supply chain leaders don't need to do this work all on their own. A case study of the Lehigh Valley Physician Group (LVPG) in Allentown, PA provides a template for how diverse stakeholders

can work together to improve supply chain performance.

LVPG, part of the Lehigh Valley Health Network, recognizes the need for supply chain, clinicians and distribution partners working together to support quality care and reducing costs. With 2,000 physicians, 800 advanced practice locations, 20 express care locations and 13 community clinics, collaboration is critical for sustainable change.

LVPG's strategy for achieving quality metrics

Like many healthcare organizations, LVPG is engaged in value/risk-based contracts where it must work toward achieving

quality metrics within its patient populations. Examples include driving down hemoglobin levels among diabetic patients and increasing adherence to statins among the hypertensive population.

According to LVPG's Vice President, Clinical Services Kim Korner, standardizing processes, practices and products has been key to improving these metrics:

"In the grand scheme of things, we want to do the right thing for our communities and patients. As a very large network trying to drive change, standardization is a big focus. And collaboration with supply chain, clinicians and our distribution partner are extremely important to achieving our standardization and quality goals."

Working together with a physician-led, supply chain supported approach

As healthcare organizations encourage supply chain, clinicians and others to work together on product standardization, many have adopted a clinically integrated supply chain model. In a system like this, supply chain professionals are not the decision makers when it comes to product selection. Instead, they share their expertise with clinicians, who then make educated decisions on products that offer the best clinical outcomes at the lowest cost. This is commonly referred to as a "physician-led, supply chain supported" approach.

At LVPG, the Biomed Value Analysis Team and Medication Safety Council evaluate products considered for use. The team includes representatives from clinical services, clinical education, supply chain management, biomed, medication safety, infection control and nursing. They perform what Korner describes as a "full value analysis," "We run the entire gamut of looking at various factors through this overall committee: Whether the product is right for the patient, its expense, its supplier, the reimbursement, etc."

Simplify non-acute procurement by standardizing to a single distributor

As LVPG worked to standardize products, they explored the benefits of working with a non-acute distributor. Their non-acute facilities had unique product needs, and required operational models and solutions designed for the way they worked.

While LVPG relied on McKesson for distribution of medical-surgical supplies,

the organization had been using a different distributor for pharmaceuticals. Purchasing pharmaceuticals from McKesson provided LVPG a "one stop shop" for products across their non-acute sites of care. This boosted efficiency, as all practice locations could use the same technology for formulary management and ordering.

"In the past we had a decentralized process where the practices had accounts set up with different distributors. Supplies came from one company but medications from another," Korner explains. "When we started thinking about standardization and ease of ordering for practices, then it really made sense to start looking at everything McKesson offered."

scanner in its cradle, logging into the practice's McKesson SupplyManagerSM account and importing the list.

Korner says using ScanManager has helped practices stick to to their formularies, driving standardization and supporting quality initiatives. The automated system also improved ordering efficiency and accuracy.

"ScanManager helps clinicians be as productive as they can be, which supports our overall Lean principles," she said. "They can access our approved formulary, whether through ScanManager or McKesson's website, and get everything they need as opposed to having to log into multiple systems and go in multiple

"We run the entire gamut of looking at various factors through this overall committee: Whether the product is right for the patient, its expense, its supplier, the reimbursement, etc."

— Kim Korner, LVPG Vice President, Clinical Services

Easy ordering from a standardized formulary of products

LVPG's supply chain, clinical services and project management teams collaborated with McKesson to inventory products used in a select group of practices and set a baseline for a standardized formulary. From there, they set par levels to avoid overordering, overstocking or stockouts.

To place supply orders quickly, LVPG uses McKesson ScanManagerSM, a bar code scanning system. A practice staff member scans the product shelf label or bar code and enters the quantity needed. They send their order by placing the

directions. They can do what they need to do from a supply perspective, quickly and efficiently, which is ultimately better for our patients."

Moving to molecular lab testing for a point-of-care approach

LVPG's collaborative approach includes laboratory testing processes and products. The organization's lab department is part of its clinical services group, where lab coordinators track point-of-care (POC) testing performed in clinical practices, submit required reports to the state and maintain licensing requirements.

LVPG's clinical sites had been using rapid influenza antigen detection tests (RIDTs) at the point of care to test for the flu. Rather than switching to another antigen testing platform, the lab coordinators explored molecular testing as an alternative.

Molecular tests are generally more accurate than antigen, but clinical sites typically send these test samples to an off-site lab for processing, which means results can take longer to receive. LVPG reached out to McKesson to see if they could perform molecular testing at the point of care, and if so, what equipment and supplies they would need.

"We wanted the ability to perform accurate testing to get flu, strep and RSV results right there in the office so that providers could immediately begin treating patients who tested positive," said Korner.

management, staff training, policies and procedures.

"As their distributor we supported LVPG in establishing a clinical, operational and financial value proposition so they could be as successful as possible with the transition," said McKesson Director of Laboratory Patrick Bowman. "Because of their drive to standardize across the board they were able to get this initiative off the ground very efficiently."

The Biomed Value Analysis team evaluated the equipment and supplies, and upon their approval, McKesson worked with LVPG to place molecular analyzers at care sites and add testing consumables to the formulary.

"It was a huge undertaking, but everything went well because we walked the path together the entire time," said non-acute care practices, with 80% of those surveyed during the Becker's webinar saying they currently offer molecular tests in their non-acute settings.

Delivering the right care during respiratory illness season

The COVID-19 pandemic has shattered what we think of as a "typical respiratory season." During the 2020-2021 season, cases of flu were practically non-existent while COVID-19 dominated the respiratory scene. RSV, which is typically seen during the winter and spring months, began spiking in late summer/early fall 2021.

While its hard to predict how future respiratory seasons will go, Korner and her colleagues at LVPG are preparing for whatever might come their way.

"We all wish we had a crystal ball because we don't know what this coming season will hand down to us," said Korner. "As a network, we are preparing like we would any other year, deciding on vaccine compliments, pre-booking vaccines and ordering supplies and tests."

"This is truly unchartered territory," said Bowman. "What is different from past seasons is the need for companion testing where clinicians can test for flu, RSV and COVID simultaneously. My advice is to establish a plan, stock products, train staff members and create policies and procedures to keep your organization on track. Your distributor can serve as a valuable resource in all of these efforts."

McKesson's commitment to excellence starts with our mission of improving healthcare in every setting - one product, one partner, one patient at a time.

Take the next step in building a highperforming non-acute supply chain.

The Biomed Value Analysis team evaluated the equipment and supplies, and upon their approval, McKesson worked with LVPG to place molecular analyzers at care sites and add testing consumables to the formulary.

LVPG's exploratory committee for lab testing included people from across the organization, including lab, supply chain, medical officers, biomeds and clinicians. They came together and shared their knowledge, making an informed decision to move forward with molecular testing.

As Korner explains, the team partnered with McKesson on the strategy and roll-out plan for the move to molecular testing. Based on McKesson's work with similar customers, the company was able to offer best practices in project Korner. "We are now at the point where over 150 of our offices have a molecular testing platform for flu, strep and RSV."

Korner adds how the move to molecular positioned LVPG for point-of-care SARS-CoV-2 testing when the COVID-19 pandemic hit the U.S. in early 2020, stating:

"As soon as allocations of PPE and test kits became available, we began performing POC testing for COVID in targeted practices where patients could get their results in 20 minutes versus days."

The move to molecular has been steadily gaining momentum in U.S.

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Purchasing Power and Impact Spending

How Kaiser Permanente leverages its purchasing power to create a more equitable and healthy society through working with local, diverse suppliers.

Kaiser Permanente's spending decisions are aimed at building healthy,

equitable and sustainable economies. They address economic and environmental disparities and create positive health outcomes through three focus areas: supplier diversity, sustainability and economic impact.

"We help address inequities by making deliberate choices about the purchases we make – from hospital supplies to countless other goods and services," said Mary Beth Lang, chief of supply chain and procurement for Kaiser Permanente. "This focus on impact spending involves seeking out and using small suppliers and businesses owned by women, people of color and other underrepresented groups as a way to improve the economic health and wellbeing of the communities we serve and contribute to their success and resilience."

Kaiser Permanente is an active member of local, regional and national organizations chartered to advance business opportunities, support and advocate for the growth and welfare of small, minority, women, LGBTQ+, veteran and disabled-owned business enterprises, and connect them to corporate members and their buyers.

To make a larger impact in equitable spending across the industry and to improve community health throughout the country, Kaiser Permanente worked with Healthcare Anchor Network to create an industry initiative: the Impact Purchasing Commitment.



"When local businesses are awarded contracts, they are able to employ local residents and provide stable wages that allow employees to consistently afford food, housing, healthcare and other necessities."

Mary Beth Lang, chief of supply chain and procurement for Kaiser Permanente

Kaiser Permanente and 11 other hospitals and health systems signed on.

The Impact Purchasing Commitment includes collectively increasing spending with Minority and Women Owned Business Enterprises (MWBEs) as well as local and employee-owned, cooperatively owned and/or nonprofit-owned enterprises, by at least \$1 billion over five years. The institutions also agree to work with at least two of their large existing vendors to create hiring pipelines in the disinvested communities that they serve and to commit to specific sustainable procurement goals.

"Participants who signed the commitment promise to help build healthy, equitable and climate-resilient local economies with how they spend their dollars," Lang said. "Improving the health of our members and the communities we serve is core to our mission and the work we do every day. This focus is heightened during a pandemic that is disproportionately affecting both low-income individuals and communities of color."

Kaiser Permanente's diverse supplier spend

Kaiser Permanente increased its spend with diverse suppliers by 27% in 2020 to \$2.56 billion. It also spurred \$510 million in diverse spending by suppliers on their behalf in 2020.



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Its approach includes collaboration with community anchors and large-scale purchasers to optimize collective impact. It provides capacity-building opportunities for diverse and local entrepreneurs in its footprint to create wealth and employment and targets local spending to invigorate local markets.

"Organizations can make an impact in their communities by applying a sustainability and social impact lens to their procurement practices," Lang said. "I encourage all organizations to leverage their organizational assets and shift their spending strategies in order to create a more equitable society."

Kaiser Permanente promotes organizations to get started on their impact spending journey through:

- Using vendors with sustainable products and practices, when possible, to reduce climate impact and harmful pollutants.
- Contracting with women-owned and minority-owned vendors to address gender, racial and economic inequity created by historical disinvestment and discrimination.
- Using local vendors, when possible, to improve the economy within the local community.
- Supporting community wealthbuilding by working with or fostering employee-owned enterprises to promote financial security.

"I encourage and invite all health systems to join us in leveraging their purchasing power to improve the health of communities by signing the Impact Purchasing Commitment," Lang said. "There is an undeniable urgency – that now, more than ever, we as anchors – need to hold ourselves and each other accountable by reimagining our procurement practices so that we're leveraging our assets and purchasing power collectively to build an inclusive economy."

Upstream determinants of health

"Healthcare is a foundational component of equity," Lang declared. "The health implications for the individuals and communities we serve, as a result of the economic consequences brought on by the pandemic, are unlike anything we've ever seen." commitments that advance concrete business strategies that both strengthen and create equitable local economies."

Its partnership with the Initiative for a Competitive Inner City (ICIC), Kaiser Permanente supports the Inner City Capital Connections (ICCC) Program, an executive education and training program for small businesses with the goal of promoting economic prosperity in underserved communities. During the past four years, the Kaiser Permanente-sponsored ICCC program has trained 1,043 businesses over 14 cohorts. Of those, 61% were minority-owned businesses and

Kaiser Permanente is an active member of local, regional and national organizations chartered to advance business opportunities, support and advocate for the growth and welfare of small, minority, women, LGBTQ+, veteran and disabledowned business enterprises, and connect them to corporate members and their buyers.

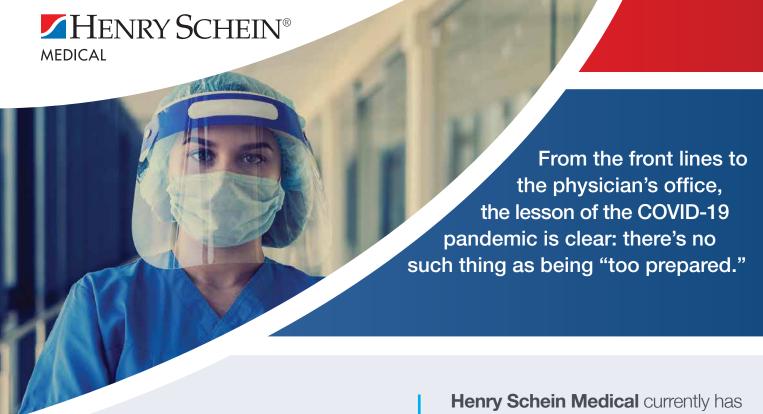
Lang added that health status is directly correlated to the socioeconomic and environmental upstream determinants of health. "We cannot solve for one without addressing the other," Lang said.

Local spending aims to have a multiplier effect beyond just one purchase that can increase local economic activity. "When local businesses are awarded contracts, they are able to employ local residents and provide stable wages that allow employees to consistently afford food, housing, healthcare and other necessities," Lang said.

Kaiser Permanente's strategy focuses on partnerships and an impact beyond its own walls. "It focuses on collaborations as drivers and amplifiers of meaningful and measurable 56% were women-owned businesses. Participants witnessed an average revenue growth of 45% with \$67 million total capital raised and 1,361 jobs created.

And the pandemic only bolstered the program. In 2020, 776 businesses participated with 73% being minority-owned businesses and 60% being owned by women.

"We are in precipitous moment. One that will go down in history," Lang concluded. "It is impossible to do this work alone. As such, we have a responsibility to ourselves, each other and our communities to be bold in our thinking and actions, innovative in our practices, and collaborative in our work."



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Collaboratively Driven

How Atrium Health has gotten results with a focus on data and key partnerships amid a pandemic.



During a difficult period for the healthcare industry, Atrium Health, an integrated, nonprofit health system serving

the Carolinas, Georgia and Alabama, was able to turn those obstacles into fuel for productivity and efficiency. Indeed, as a healthcare organization, Atrium Health experienced all the turbulence and challenges that everyone else felt during the pandemic. Yet even with these challenges, Atrium Health continues to leverage innovation to improve productivity and patient care throughout its 40 hospitals and 1,400 care locations.



Accurate PCR Testing Anywhere Patients Seek Care



Atrium Health was recently awarded the 2021 Richard A. Norling Premier Alliance Excellence Award, which recognizes healthcare providers that are trusted partners and valued contributors to their local communities and other Premier, Inc. member health systems. Atrium Health was selected from Premier's nationwide alliance of more than 4,400 U.S. hospitals and health systems and approximately 225,000 other providers and organizations.

This isn't the first time Atrium Health has been recognized for its innovation. The American Hospital Association awarded Atrium Health the 2019 Quest for Quality Prize, which recognizes leadership and innovation to advance health care quality and health in communities, and the 2021 Carolyn Boone Lewis Equity of Care Award, for advancing equity of care to all patients, spreading lessons learned and progress toward diversity, inclusion and health equity. Atrium Health was also the recipient of the prestigious 2020 Centers for Medicare & Medicaid Services Health Equity Award for its efforts to reduce racial and ethnic disparities in care.

Improving resiliency through data-driven benchmarks

Atrium Health partners with Premier to guide better healthcare outcomes regionally and nationally. By using data-driven benchmarks, Atrium Health has a better understanding of the flow of materials, the flow of spend, and the improvements they have made within its own organization. The health system's ability to monitor internally and externally allows further insight into what it is already accomplishing and what work can be improved.

Atrium Health utilizes a variety of tools and systems to procure data-driven

benchmarks as a part of its partnership with its GPO, including Premier's data and technology, collaboratives and supply chain services in its delivery of high-quality, cost-effective care. Over the last five years, Atrium Health has achieved more than \$100 million in supply chain savings and \$140 million in clinical optimization savings, leveraging PINC AI®, Premier's cloud-based performance improvement platform.

"Being able to partner with Premier and Premier's membership to develop different resiliency strategies, such as domestic sourcing and other risk mitigation strategies, has been critical to our success," said Conrad Emmerich, Senior vice president and chief procurement Officer of Atrium Health. "It has been transparent about the availability of raw materials, and it has leveraged partnerships with other industry leaders from a manufacturing side to help production. I look at the resiliency within the global supply chain that Premier has highlighted, and it has helped us provide supplies and critical PPE to our caregivers."

Like every other health system, Atrium Health had to scramble to make sure there was enough PPE for its employees in 2020. By using the available data, Atrium Health and Premier devised and implemented a resiliency strategy that enabled them to meet the needs of the organization.

In the wake of pandemic, Atrium Health remains focused on maintaining a fourstep resiliency plan:

- Identifying and diversifying stock sources
- Creating more transparency within the organization
- Creating a stockpile
- Reducing the health system's overall risk

With a plan like this in place, Atrium Health hopes to be in a better place moving forward, pandemic or not, Emmerich said.

"Having production and factories overseas helped Premier and our members ramp up supply and get qualified sources for critical product categories," said Andy Brailo, chief customer officer at Premier. "We also decided to take it a step further, reaffirming our goal to diversify country of origin and manufacturing. Our philosophy is simple: 'Never again.' While we don't want to lift our entire production from a foreign country and shift it to domestic, we do want to make sure that we have a degree of accessible backstock capacity."

Over the last year and a half, Brailo said that necessity became the mother of innovation. Premier continues to use data and innovation to drive and inform decisions on projects. Early in the pandemic, Premier and its members made investments in Prestige Ameritech for the production of masks, as well as the launch of a project with DeRoyal Industries where they will be utilizing one of the highest automated manufacturing processes for gown manufacturing. Recently, the GPO entered into a partnership with Honeywell to start a large-scale exam glove production in the United States.

In fact, a large part of Premier's innovation during the pandemic came together while teams were working remotely, Brailo said. "We built out, in rapid succession, some tools that combined the publicly available and our supply chain data that could forecast for COVID surges," he said. "People could look at the data and trends and plan appropriately."

Improving efficiency

While COVID-19 certainly introduced a number of challenges to the healthcare

industry, it also created an environment where collaboration was a necessity. Emmerich explained that his team at Atrium had "no choice but to be more transparent with our GPO and our fellow GPO members and colleagues," because it was the only way anyone was going to make it to the other side. "There was a lot of collaboration with people and organizations coming together to be able to share a product and make connections," he said. This allowed his team to see how others were conserving their stock and provide perspective on what the industry is going through.

Collaboration is the key to working through any crisis. Not only are you able to provide a valuable perspective about the situation with a group that is going through the same thing, but it also provides you an opportunity to work together to find a solution. Even if the solution doesn't address the greater crisis, you can formulate strategies to accomplish smaller goals until the crisis passes. Atrium Health and Premier were able to partner and collaborate with each other and other health systems to provide a solution to one of the bigger challenges of COVID-19: PPE sourcing.

For example, Atrium Health was able to collaborate with a large retail chain to secure industrial N99 and N95 respirators, a literal pot of gold in a pandemic. The company pulled all its stock off the shelves and wanted to donate it to the healthcare community. Having no experience with partnering with a health system, they wanted to work with a couple of larger organizations so that greater needs were being met in their community. Ultimately, the company donated several million industrial N99 and N95 masks to Premier, which allocated them to Atrium

Health and other partners. "That type of rapid deployment of product would not have occurred without the collaboration we have with Atrium Health," Brailo said.

Innovation in supply chain savings

Finding ways to improve efficiencies and savings in its supply chain is another way that Atrium Health is driving results. "I think anytime that we can create savings and efficiencies at Atrium Health brings value," Emmerich said. "Being able to lower the cost of care and provide care to the people in the communities that we have represented is extremely important. That's part of our calling and mission at Atrium Health."

Premier and Atrium Health are even looking for ways to improve efficiencies and savings with labor shortages, yet another challenge brought on by CO-VID-19. "The savings that we are generating has to be reinvested into the care, which can mean finding more clinical staff," Brailo said. "One of the philosophies we all share is we never forget that, whether it's \$75,000 or a couple million dollars in savings, it can help to bring on new nurses or bring in an analyst who can help us track quality improvements. We are focused on going after large savings together with Atrium Health."

Whether it is looking to improve supply chain resiliency, drive efficiency, or improve supply chain savings, Atrium Health

"I think anytime that we can create savings and efficiencies at Atrium **Health brings value. Being able** to lower the cost of care and provide care to the people in the communities that we have represented is extremely important."

— Conrad Emmerich, senior vice president and chief procurement officer of Atrium Health

High-quality, low-cost care allows the system to reinvest within the organization to provide new technology and new equipment. This allows organizations like Atrium Health to expand its reach from the brick-and-mortar healthcare facilities to the communities that the health system serves on a daily basis. Atrium Health's ability to manage and control costs directly impacts growth and quality of care.

is an organization that is taking careful steps for improvement. What makes Atrium Health successful in unprecedented times is its ability to pivot and create new strategies that are designed to benefit partners, employees, and patients.

"In my mind, when we say savings, it's really the ability for us to reinvest into improving health, elevating hope and advancing healing - for all, every day," Emmerich explained.

How IDNs are Avoiding Supply Chain Disruptions

Crisis management, resiliency, inventory and vetting alternate sources have become critical during the pandemic and beyond



Healthcare Industry Consultant Brent Petty recently moderated a webinar for The Journal of Healthcare Contracting, sponsored by Dukal, on "4 Ways IDNs are Avoiding Supply Disruptions." Participants included Gary Fennessy of Northwestern Memorial HealthCare, George Godfrey of Baptist Health South Florida and Lisa Risser of Scripps Health. They discussed how these topics helped their health systems endure the pandemic and plan for the future.

"We had to change the way we thought about things," said Gary Fennessy, vice president, chief supply chain executive for Chicago-based Northwestern Memorial HealthCare. "We put a focus on what we could manage internally. We can't control a virus on a national level or manage vendors having supply disruptions in foreign countries."

Health systems found themselves challenged acquiring enough personal protective equipment (PPE) in a timely manner and had to ask questions about their ability to gather pertinent information quickly.

"We started with simple questions and asked for information back in 15 minutes," Fennessy said. "For example, we needed to know how many gloves we had, by size, at each of our 11 hospitals and we needed an answer in 15 minutes."

"It was crickets. After 30 minutes, crickets. After an hour, crickets," Fennessy continued. "We quickly realized that our ability to gather information and react to it was less than optimal."

Other health systems thought they had plenty of PPE supply but once their hospitals began seeing COVID-19 patients, that quickly became a problem.

"We had six to nine months of N95 masks on hand going into the pandemic," said George Godfrey, corporate vice

president and chief supply chain officer for Coral Gables, Fla.-based Baptist Health South Florida. "That turned into four weeks of supply after we started seeing COVID-19 patients. It was different and we didn't have control of it."

Godfrey tried to make sure everyone on Baptist Health South Florida's supply chain team understood their role in a crisis. "The last thing you need is someone saying, 'I didn't know the gloves needed to be delivered to this hospital last night,' for example."

supply and specifically PPE. It set expectations for supply through what they had on hand and their burn rate by hospital and area. "If our burn rate was getting high at a particular hospital, we would focus on it and make sure we weren't overusing in a certain area. If it was high for a particular reason, we understood it better and provided more supply."

Risser said they didn't have much time for vetting substitutions and told physicians to keep complaints low unless it was clinically unacceptable. "We needed the

"Communication is important, while focusing on being transparent about internal processes. We ran a command center for our health system and supply chain and provided daily updates to our leadership team across the organization, including physician leaders."

- Lisa Risser, senior vice president, ancillary operations for San Diego-based Scripps Health

The speed of communication and finding solutions is critical as everything moves at a rapid pace in a crisis. "Switching from product A to product B and accommodating the patient is crucial," Godfrey said.

"Communication is important, while focusing on being transparent about internal processes," added Lisa Risser, senior vice president, ancillary operations for San Diego-based Scripps Health. "We ran a command center for our health system and supply chain and provided daily updates to our leadership team across the organization, including physician leaders."

Scripps Health provided reports to its leaders twice per week for major areas of

supply team to focus on levels of supply," she emphasized.

Scripps Health was connected to the clinical side to understand what supplies were clinically sensitive and to know, in advance, where there was potential supply disruption. If there was a system standard for specific products, it was put in the terms of the contracts to stabilize and guarantee specific supply.

Northwestern Memorial HealthCare focused on tying its standardization process back to its internal processes. Fennessy said that's something all supply chain executives can do within their health systems and do it in a more effective manner.

"We're re-evaluating our standardization in terms single vendor versus dual

vendor strategy," Fennessy said. "We'll look at those products considered high risk and work with clinicians to validate some of our assumptions. We'll also use data and information to help make those decisions, which will help us in the long run."

Godfrey added that the healthcare industry is behind on demand and inventory management. "It isn't like other manufacturing facilities that require the ability to pivot on demand fluctuations. We typically don't see high demand fluctuations," he said.

Baptist Health South Florida invested in tools allowing it to look at demand during a five-day period, a 30-day period and a 180-day period. They also added classifications for supplies to their system, including PPE and hurricane classifications.

"We need to closely monitor potential supply distribution outside of this pandemic," Risser said. "We can work with our suppliers more closely and watch what's going on in the world that could potentially disrupt supplies or specific supplies so we determine what should increase and have some bulk purchasing of specific items."

Scripps Health tried to estimate utilization 90 days out during the pandemic. "Building up for that again, knowing what the clinical alternatives might be and doing a better job estimating what our volumes might be is critical to meeting future demand," Risser said. "We are focusing our efforts on optimizing our par levels and understanding the demand, so we know what we need in our inventory."

"Many times, we were told we would get PPE or gloves and those supplies didn't come," Risser explained.

"The instability of supplies was substantial when the pandemic first hit," Godfrey added. "We had hundreds of calls coming into our supply chain team each day from organizations that were newly created, and, in many cases, they didn't even have goods to sell."

Baptist Health South Florida created a new vetting process and manned it with its internal audit team. It engaged community leaders in South Florida to find new connections with manufacturers.

"We're not in emergency mode bidding for new suppliers anymore," Godfrey said. "But it was a mess 18 months ago and it took some creativity to manage it."

Fennessy added that Northwestern Memorial HealthCare's supply chain team was given a lot of freedom to vet new suppliers.

"We tried to use our best judgment based on the information because things were moving so quickly. We were fortunate we didn't get burned at any point," Fennessy said. "There were so many lessons learned in this process and we'll all become better for it. I'm glad I was there for the show."



Dukal would like to recognize and thank all the participants for their critical work during the past 18 months. As a national leader in PPE and other disposable medical supplies, Dukal continues to work closely with IDNs across the country to reduce the risk of critical supply chain disruptions.

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Novant Health's Data Integration Success

Novant Health's process-driven approach and integration leads its supply chain team solutions through the pandemic and into the future.

Supply chain costs can account for nearly one-third of total operating ex-

penses for health systems. Clarity within those supply chains is a must and the CO-VID-19 pandemic highlighted that in new ways. Lack of data visibility and transparency left patients and frontline workers vulnerable as healthcare supply chains were thrown into the spotlight.

As many health systems sought ways to improve their data analytics and integration, Winston-Salem, N.C.-based Novant Health was already prepared. It had implemented a methodical, processdriven supply chain approach seven years ago to its clinical decisions. One that incorporates clinicians, manufacturers and suppliers. Novant Health's clean data within its supply chain provides the necessary transparency and trust to its healthcare partners.

"It's foundational to our relationships with physicians, clinicians, manufacturers and suppliers," said Mike Bianchin, vice president of supply chain operations and distribution logistics for Novant Health. "Good data on the front end lessens the clean-ups and fire drills on the back end. We're a collaborative partner with our vendors and clinical leaders, and we must be able to give them information that helps make informed and factbased decisions."

A foundation built to meet the pandemic

This data-accommodated supply chain laid the foundation for Novant Health's response to the pandemic. Accurate data prevented wasted time and abetted the 15-hospital health system in changing tasks quickly.

"Good data equals efficiency and speed," said Martha Bergstedt, vice president of sourcing and contract/vendor management for Novant Health.

"We weren't worried about misinformed data and that allowed us to focus on having the correct product on hand - and enough of it - for our clinical teams," said Kim Haynes, senior director of supply chain finance, procurement and analytics for Novant Health. "Our foundation helped us handle it as best we could. It provided us confidence in understanding what was really happening."

Hourly changes, including which PPE should be used and how much of it should be used, were controlled through Novant Health's data integration.

"It allowed us to work quickly with third-party vendors that wanted to help during the pandemic," Haynes said. "Our data was clean, and we had dedicated sourcing managers with knowledge of products that could be worked into our enterprises during the pandemic."

The supply chain team partnered with respiratory leadership to input data on all new fit-tested N95 masks for team members within the health system. A database was quickly built of team members who were fit tested to different brands of N95 masks and who chose a primary brand and a backup brand from seven distinct options.

"We didn't get to the point of mass switching N95 masks, but we were building toward it based on our data inputs and our system approach," Bianchin said. "We kept locations stocked based on individual clinical needs."

Data is a regular topic of discussion

Data is always a part of the weekly conversation between the supply chain team,

NOVANT HEALTH'S DATA INTEGRATION SUCCESS







clinical leadership and vendors. "Working backwards on data issues is much harder than keeping it in mind from the start," Bianchin said.

Whether it's supply or implant cost per case or spend metric levels being met for rebate purposes, data builds trust that Novant Health's supply chain team is focusing on the right things to better serve its patients and bring value to the health system.

Novant Health's supply chain dashboards track cost to the physician level across all service lines. The sourcing teams use data daily to identify opportunities at the system, market, facility, service line, procedure level and physician level, according to Bergstedt.

"We've built numerous Microsoft Power BI dashboards to incorporate data into a live interactive dashboard for supply chain team members and non-supply team members and they can access data as needed," Haynes said. "It also supports executive and department level meetings, presenting opportunities through data management."

Product contracts are associated with sourcing categories and tied to transactional level items like spend, savings and utilization. Novant Health's categorization management system captures its spend based on how it sources its contracts for medical and surgical supplies.

"Spend data is enriched with clinical outcome and revenue information, making it easier to make decisions," Bergstedt said. It allows spend to be seen in real time and automates data for monthly calculations of savings tied to specific item codes.

"We can quickly analyze how we are performing, and report monthly realized savings," Haynes said. "It's a robust savings reporting, validation and tracking process."

Novant Health's data and processes allow the supply chain team to tell the story of what's happening in its system, including expanding on the purchased services side where it has leveraged third parties like Modulini, a provider of clinical and financial insight to hospitals.

"Our transactional data isn't currently connected to our contracts for purchased services like our product data," Bergstedt said. "But it's an area of improvement and advancement for us and the goal is to move our processes to purchased services too."

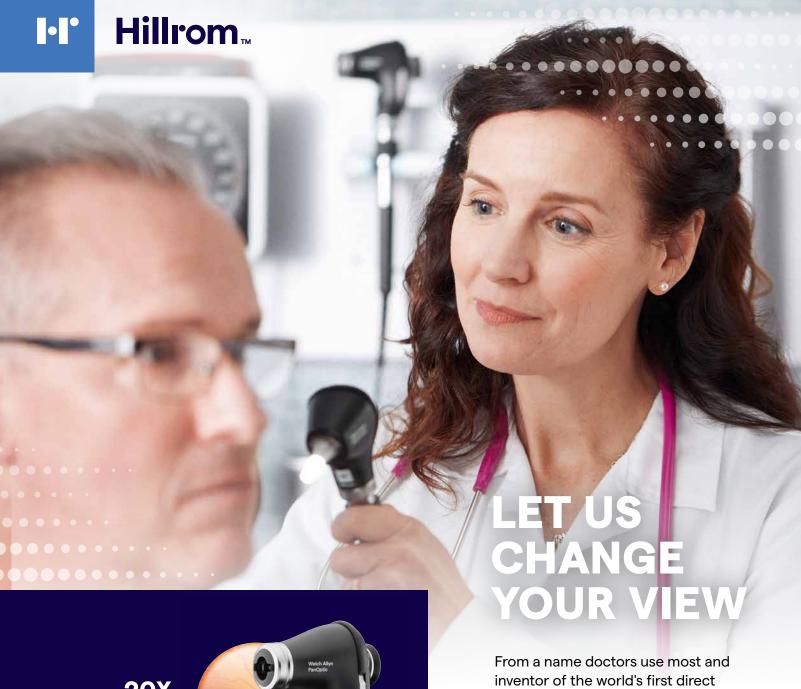
"On the purchased services side, we've developed dashboards of total spend by vendor and by a facility/cost center perspective," Haynes added. "We're moving to a single point of entry for all requisitions and that will help us tie in spend at the time of requisition to specific contracts and also enable OCR to collect data on those invoices."

Al and machine learning on the system level

Novant Health is also branching into artificial intelligence (AI) and machine learning through some RPA and machine learning potential use cases.

"AI is being used at the system level to help identify patterns and trends for better informed decision making," Haynes explained. "It will be a significant part of our supply chain strategic plan for many years to come as the value it presents to efficiencies gained is evident."

Bianchin added that a cleaner process will come as AI evolves in healthcare. "Inventory accuracy will improve, and we'll be able to look ahead several weeks





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on surgery schedules and match the demand to the schedule," he said. "Predictive ordering that's based on patient type and patient volume will also progress."

Bergstedt concluded that while Novant Health's supply chain isn't doing it yet, it's the best path forward to harvest and optimize the immense amount of data being produced. "In the future, it will ensure our teams are able to minimize their time spent on low value activities," she said. Clinicians answered that some advantages to automating the OR supply chain were decreasing costs, automating and advancing accurate documentation of case costs, improving charge capture, enhancing data for analytics and ordering, advancing clinical workflow, giving clinicians more time to focus on patients, reducing expired and recalled products, and improving patient outcomes.

handed off to each team from negotiation to final price to tracking of metrics.

People and processes

"We have dedicated teams within our supply chain that handle each function of the contract life cycle," Bianchin said. "It's built into our supply chain process and within our health system culture. We are constantly seeking the best terms for quality, outcomes and cost."

Haynes added that multiple viewpoints and thought leaders across Novant Health's supply chain team is the driver to their success. "It brings different approaches to the table for discussion to vet how our processes can be supported and utilized," she said.

"The people component is key," Bergstedt said. "The best decisions are made with data, people and processes. Have all the voices at the table being heard and engaged. That gets us to a better outcome and gets supply chain buy-in and alignment." Diversity in roles, backgrounds and perspectives at Novant Health helps for well-rounded decisions and minimizes the unintended consequences to decisions.

"Our team – in partnership with supply chain analytics – creates, reviews and takes concrete actions throughout the life of our key agreements and categories," Bergstedt emphasized. "Targets are set, monitored and shared with supply chain leaders, physicians and clinicians."

Novant Health's data integration success has resulted in significant contributions to cost savings, improved patient value, physician engagement and understanding of the need for continuous cost reduction. Its data, people and processes drive the approach to clinical immersion.

"We weren't worried about misinformed data and that allowed us to focus on having the correct product on hand – and enough of it – for our clinical teams. Our foundation helped us handle it as best we could. It provided us confidence in understanding what was really happening."

 Kim Haynes, senior director of supply chain finance, procurement and analytics for Novant Health

Clinicians desire data integration

Supply chain shortages impact patient care, particularly in the operating room (OR). A survey of more than 300 clinicians from Cardinal Health reported that almost three-quarters of those clinicians have experienced not having a product needed for a procedure. Manual supply chain management processes emerged as a challenge as over 80% of those clinicians said they still rely on manual inventory management for some parts of the supply chain.

Employing the power of data analytics is the top supply chain outcome for provider organizations. Business processes and the standardization of those processes are also highly ranked outcomes, according to a Global Healthcare Exchange survey.

Data visibility and data management help reduce operational costs and improve service levels through optimizing processes like procurement, forecasting demand and managing inventory. It also helps the contract life cycle as it gets

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AdventHealth: Non-Acute Care and the Supply Chain

Editor's Note: Darrick Adams, Director of Non-Acute Supply Chain for AdventHealth, recently spoke to The Journal of Healthcare Contracting for a Q&A podcast about the non-acute space, the supply chain and the evolving roles of supply chain leaders in healthcare. He highlighted key insights that have helped AdventHealth in the non-acute supply chain space.



No. 2: Integrating acute and nonacute care strategies in a more clinically integrated system

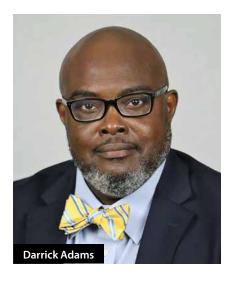
Adams: Starting with our med-surg formulary work, I think the success we achieved during that project helped us understand what the needs of our health system are and how our goals can be met with a more clinically integrated approach. We tried to standardize non-acute to what the acute care facilities are using at AdventHealth. Our distributor McKesson helped us reach those goals and they also got an opportunity to see us in that setting, working on the med-surg formulary, and how we standardized non-acute to acute, which they could use in other settings.

In times like the pandemic, it's crucial for everyone to utilize the same products. If products are on allocation or backordered, then we can go to our warehouse and pull from there because we're utilizing the same products. That standardization has helped us see a path, not only in the med-surg space but also in the lab space, the Rx space and the minor equipment space. As we move forward this year, we have projects coming up in lab and Rx, specifically, in which we will mirror those same standardization practices on the acute care side - where they make sense - so that we can become a more clinically integrated system.

No. 3: Proof of concept

Adams: Our work on the med-surg formulary provided a proof of concept that was easy to take to other parts of the organization. It helped them realize we have a process that looks at different product categories and gets the right people in the conversations. Involving all levels of our medical groups in the non-acute space is important.

To get that synergistic feeling we're seeking, we must have people that are invested. Any time those people get involved and are at the table, the investment is there. In turn, it usually makes for great conversations and insures something will stand the test of time when our work is reviewed.



We have 16 medical groups. Any time that we're having these conversations around product category and formulary standardization, we invite them to the table. To get that synergistic feeling we're seeking, we must have people that are invested. Any time those people get involved and are at the table, the investment is there. In turn, it usually makes for great conversations and insures something will stand the test of time when our work is reviewed.

No. 4: Leading change through stakeholder alignment

Adams: As soon as the pandemic hit, it was all hands on deck. Everyone was working for the same cause - to make sure that we didn't have any disruptions to patient care. Whether it was me, being responsible for products across various locations to keep the doors open, or our strategic sourcing teams and distribution partners like McKesson, looking for products and making phone calls all over the world, everyone worked so well together. We didn't have any interruptions. That says a lot about our leadership and strategic partnerships.

We had new leadership in July 2019. Marisa Farabaugh did an excellent job of making sure that we were aligned. The leadership she provided allowed us to make sure we didn't have interruptions in our healthcare segments. That says a lot, not only about the leadership in our organization, but also the people who are involved in making sure we provide excellent patient care.

Chain of Custody

Why automation matters when it comes to patient safety and efficiency in tracking medial samples.

As Senior Technical Director, Histopathology at Massachusetts General Hospital, Denise Bland knows the importance of the work her department does tracking medical samples, and the need for reliable systems and equipment to do her job. With a chain of custody process, lab technicians in clinical laboratories are considered the responsible custodians of those materials. As a critical component of the healthcare system, an unbroken chain of custody ensures the integrity of and validity of those samples.

"In today's world, going back years or even decades to test on those blocks is not uncommon," she said. "There are state regulations and federal regulations governing that we be responsible custodians of this tissue for the patients, while improving our process on an annual basis to ensure that we are doing what we can to retain these valuable assets."

Bland discussed the importance of chain of custody for healthcare systems and how the right equipment can simplify those processes in a recent industry webinar.



By instituting a chain of custody process for tracking and documenting patient samples, you are ensuring accountability and traceability, Bland said. A well-maintained chain of custody process starts from the time that the material was collected and continues through every step of testing and analysis in the facility. However, many modern healthcare systems are using antiquated processes and tools to track samples, which can create problems with efficiency and organization within clinical labs.



Maintaining chain of custody standards for large healthcare systems can be extremely challenging, even with a solid process in place. Massachusetts General Hospital's lab was using a manual process that complicated the chain of custody. "It was a very laborious system. It left room for error, because there wasn't a lot of traceability and accountability. I've wanted automation for a while, but I hadn't seen a system that I thought was truly going to meet all our needs."

When EprediaTM, a precision cancer diagnostics company, and its distributer, Fisher Healthcare, offered Bland a demo of the ArcosTM management system, she saw exactly what it could do for her lab right away. "We were early adopters, and it's exactly what we wanted." Arcos block management and ArcosSLTM slide management systems help labs minimize errors, increase productivity and keep the laboratory's resources focused on the patients.

After implementing Arcos for her lab, Bland noticed a vast improvement in the functionality of her processes. "Since I started using Arcos, I haven't lost a single asset," she said. "So far, Arcos has been foolproof. No system prior to Arcos has been foolproof."

Implementing an automated tool

Automation is designed to improve outcomes and simplify daily processes, but it also allows laboratories like the one Bland works in to improve the chain of custody. She said, "One thing that we do here is you need to collaborate with the pathologist because that helps maintain chain of custody. As the gatekeeper, you must go through me. Having automation allows me to be a much stronger gatekeeper than a manual process." Arcos automates the archiving and retrieval of tissue blocks and slides, ensuring deeper security for the chain of custody. With enhanced traceability and smart storage for patient materials, Arcos is built to simplify.

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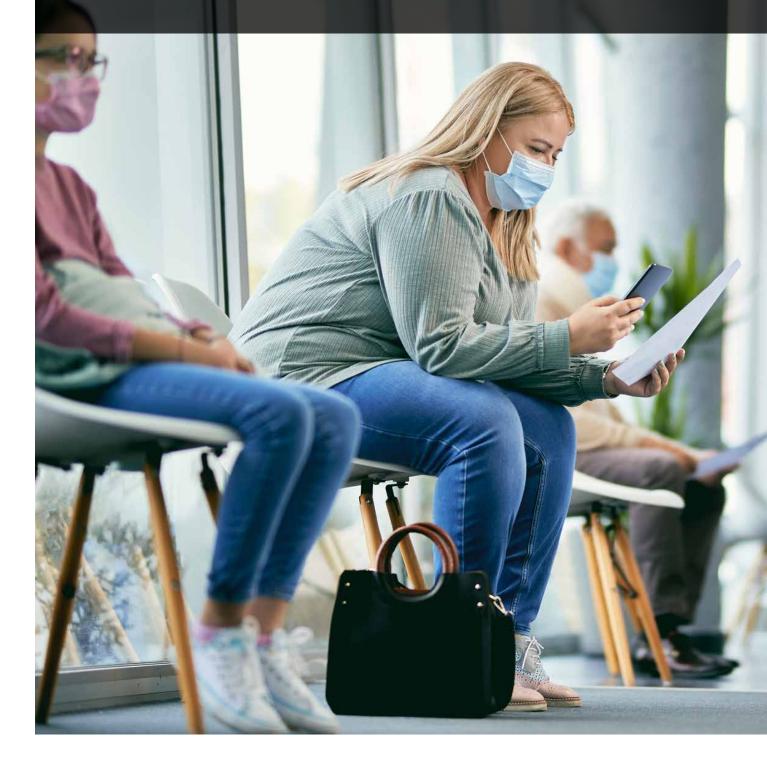
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Tomorrow's waiting room: More automated, less icky





For years, patients have accepted as

necessary the crowded, stuffy waiting room at the doctor's office. But due to the pandemic, the waiting room experience may be transformed into something much quicker, less icky, and, for the physician practice, less costly. Some observers even believe waiting rooms may be eliminated altogether, though that's a long shot.

Three factors threaten the traditional waiting room and patient intake/checkout processes:

- Post-pandemic, most people recognize that waiting rooms can be very unhealthy.
- Consumers are less tolerant of people or businesses whom they believe are wasting their time.
- Physician practices want and need to run their offices more efficiently, and traditional methods just aren't doing it.

Some physician practices may find the solution in remodeling the office, while others may automate the intake and check-out processes. Then there's the wild card - telemedicine - which, depending on how it catches on, could render moot much of the discussion.

"Pre-COVID waiting rooms were often crowded, sometimes cluttered with well-intentioned magazines, brochures, etc., to entertain patients while they waited," says Adrienne Lloyd, MHA, FACHE, founder and CEO of coaching and consulting firm Optimize Healthcare. "In some offices and at some times of the day, patients might struggle to even find enough chairs for them and their family members," says Lloyd, who is also a consultant for the Medical Group Management Association. "You would frequently

see long check-in lines and frustrated patients. Sometimes, there was congestion as patients tried to use the same area for check-in and checkout. Patients could also wait for long periods for very short visits, such as lab draws, imaging or post-op visits.

"Practices can minimize the crowding and still serve the same or expanded volume of patients by shifting not only total visits from in-person to virtual, but also evaluating which aspects of the patient visit, such as check-in, patient education, financial counseling, etc., can be moved to phone or video. We have to continue to innovate – both with technology and by rearranging services, types of patients and overall clinical flow."

period in 2020, the country recorded just over 1,000 cases of flu. "That is a 98.5% decrease, which is thought to be a direct result of social distancing, masking and hand hygiene. Traditional venues of care will see changes brought on by these incredible new realities to sustain something good that came out of a terrible pandemic.

"In addition, we now have a very well-educated populous that understands the importance of proper hygiene for prevention of contagious disease. It is likely that patients as consumers will demand changes and see a problem the moment a patient sitting next to them coughs and then holds onto the

to an end," says Schwieterman. "This is a time-consuming, inefficient activity in a high-risk environment for contagious diseases, and it can easily be transitioned to a non-manual digital process.

He envisions a check-in desk – virtually enabled – which allows for speedy access to the actual care environment once onsite. Pre- and post-visit virtual technologies will minimize onsite paperwork and documentation. "Finally, I imagine options allowing patients to receive a text to come inside, such as from their car, once their exam room is ready, similar to a restaurant texting diners when their table is ready."

Lloyd's vision for the post-COVID waiting room includes:

- Check-in prior to arrival so patients do not have to stop at the front desk. Information updating, co-pay collection and many other things could be done electronically through patient portals or apps.
- Patient education delivered electronically to prepare patients prior to visit and to communicate expectations around disease conditions, possible treatments, procedures, surgeries, and/or follow-ups after their visit.
- Ideally, single-unit flow such that the waiting rooms remain welcoming, bright, and pristine, but do not require any patient to stay for long. Some practices have initiated "selfrooming" so the patient may know on an app which exam room they should proceed directly to.
- Check-out completed before the patient leaves the exam room such that the next appointment is easily scheduled, perhaps with a tablet if there is a need for a staff member to be in the back roaming and assisting.

'The waiting room may not go away completely, but it will most certainly change to reflect these newfound realities.'

It's not healthy

Tom Schwieterman, M.D., vice president of clinical affairs and chief medical officer for Midmark, says "proximity matters" when it comes to reducing aerosolized spread of disease. "The COVID-19 experience offers one important lesson: Placing mixed-disease persons in the same location, now more than ever, is understood to be highly risky. A simple stat tells the story."

In 2019, between Sept. 29 and Dec. 28, the U.S. recorded over 65,000 influenza cases. During that same time chair arm, a magazine or other publicly exposed surface.

"The waiting room may not go away completely, but it will most certainly change to reflect these newfound realities."

Patient expectations

Patients' desire for convenience and speed will probably play a role in bringing about change.

"The days of taking a clipboard from the check-in station and manually filling out pre-visit information are likely coming

She says that in addition to making waiting room changes, practices should consider moving some high-volume testing and imaging rooms/equipment toward the front of the practice, or perhaps even create external entrances directly off the lobby so that patients who are there for those tests only can come in and leave quickly without creating bottlenecks in the rest of the clinical flow.

Predictions such as these are already becoming reality. In May 2020, Phoenix-based Banner Health launched a "virtual waiting room" system across its network of 300 clinics in six Western states. Mobile chatbots from LifeLink Systems interact with patients to help them complete digitized intake forms, provide education, and enable remote check-in capabilities for telehealth and in-person physician office visits. The IDN reported that a prior intake automation initiative that focused on Medicare Annual Wellness Visits for seniors resulted in a 70% reduction in appointment cancellations.

Meanwhile, New York-based Yosi Health, provider of patient intake and management systems, reports that streamlining patient intake:

- > Eliminates 14 minutes of staff time spent printing, scanning, transcribing, etc.
- Improves claim submission rates.
- Reduces A/R cycle.
- Enhances patient experience.

What'll it take?

Visions aside, widespread change to the waiting room experience won't happen easily.

Lloyd says that regardless of how frustrated patients are by crowded waiting rooms, many practices may trend



back toward a pre-pandemic state due to a lack of funds to implement new technology or physically redesign their waiting rooms.

Making change will be difficult, says Schwieterman. "The waiting room is a longstanding and traditional norm for care delivery. Eliminating it requires a higher degree of order and efficiency for all aspects of the care chain. All other processes will need to be controlled first, since care teams will need to know with precision when a patient is ready to be seen. Invariably this will require new technologies for digital check-in, history taking, real-time locating and way-finding, as well as more efficient on-premises care methodologies.

"Variability and unpredictability will need to be significantly contained before the waiting room can be sacrificed. I don't feel providers necessarily feel any affinity or loyalty to the waiting room, but we all do have resistance to changing how we work, and that may well be the primary barrier to this change."

The impact of telemedicine on inperson visits is unknown, he says. But COVID demonstrated that all or portions of the patient encounter can be done virtually, with intake in the clinic reserved for patients who truly need to be physically seen. "Virtual care need not be seen only as a replacement, but can be an important augmentation of a progressive care plan."

Choosing the Right PHA Supplier Can Make All the Difference

It's no secret that COVID-19 has disrupted the international supply chain for many products, including those urgently needed by the healthcare industry.

The stories of desperate attempts to acquire personal protective equipment (PPE) for healthcare workers throughout the pandemic are distressing. Supply chain issues have impacted professional healthcare apparel (PHA) as well. But if you do your homework, determining which suppliers have been able to avoid or minimize supply problems, you can increase your chances of an uninterrupted supply of PHA.

Set Specific Criteria Based on Facility Needs

Sponsored

Hospitals, long-term and post-acute care (LTPAC) facilities often form teams to create and determine their apparel supply program. Teams usually include the facility's supply chain director, purchasing manager, chief nursing officer (CNO) or other nurse leaders, and representatives from marketing and human resources (HR). You may wonder about the final two on the list. Yes, uniform apparel is predominantly about its functionality for your employees. But it also reflects the professionalism and culture you convey to your current and prospective patients and employees as you constantly seek to expand care and improve outcomes.

Not all acute care and LTPAC facilities partner with a uniform supplier. Hospitals with surgical departments usually contract with an operating room (OR) scrubs supplier. But policies tend to vary for other departments. Many facilities recognize distinct benefits to engaging a supplier to provide uniform apparel rather than allowing employees to find their source for their workplace clothing. From those who

are seeking a PHA supplier, we've repeatedly heard that they have three primary criteria:

- > Safety and security
- Professionalism
- Easy employee purchase programs

One of your top goals is to ensure the safety and security of your patients and workers. You don't want to add to patient or family member stress by not properly identifying your employees. When your employees wear standardized and customized apparel, patients know they are part of your staff and what function they perform. As you search for the right PHA supplier, look for one that offers apparel that can differentiate your employee roles and create or standardize a professional dress code for your medical and facility staff.

A supplier's professionalism should be a significant determinant in selecting the best partner for your PHA program. For example, does the company have a long track record in providing professional healthcare apparel? Are its representatives accessible and responsive? Do its current customers offer positive references? Does the supplier have strong

vendor partnerships? Affirmative answers to all these questions will help you form a relationship with a PHA supplier whose professionalism will drive a successful uniform apparel program at your facility.

Your employees work long, hard hours - even more so since the coronavirus pandemic began – so you should find ways to make their lives easier when they're not on the job. In terms of apparel, this means identifying a supplier with simple, straightforward employee purchase programs. Does the supplier offer a catalog of comfortable, affordable, functional yet fashionable PHA in a multitude of sizes? Is the apparel fit-tested and well made? Can employees access reliable size charts? Does the supplier offer on-site opportunities for employees to try on PHA and evaluate new styles? Your PHA supplier should check all these boxes in creating a uniform apparel program that's convenient for your caregivers. It certainly won't hurt their job satisfaction either!

In selecting a PHA supplier, you should also consider the locations of the manufacturers they use and whether they offer the ability to buy in bulk.

A PHA Program Should Add Value to Your Business

As a long-time supplier of professional healthcare apparel, Encompass Group is proud to say that we've experienced little to no significant PHA supply chain delays during the pandemic. There are two primary reasons for this achievement:

Group One® Uniform ProgramProfessional Healthcare Apparel

Why Group One® Uniform Program?



Branding | Create and Maintain Professional Image
Security | Easily Identify Your Staff vs. Unwanted Visitors
Patient Experience | Help to Improve HCAHPS Scores
Employee Satisfaction | Quality, Style, and Comfort
Ease of Ordering | Online Solutions

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Better care starts with safety and comfort™



JOCKEY.

Find out why Jockey Scrubs are
The most comfortable scrubs you'll ever wear*.

© 2021 Encompass Group, LLC All Rights Reserved. GROUP ONE is a registared trademark of Encompass Group. Jockey International, Inc. All rights reserved. our PHA products are made in the western hemisphere and nearshore, and we consistently carry a deep inventory. This business model gives us better control and reduces our liabilities. It enabled us to be highly responsive to the healthcare facilities seeking PHA in the past and has made a huge difference in keeping them supplied since COVID-19 emerged. to show them that working with the right PHA supplier should eliminate problems, not add to them.

Uniform Apparel Solutions Benefit Facilities, Personnel, Patients

Today, many healthcare facilities and systems are moving to a branded, color-

We help ease the transition to the new solution for management and staff and create programs to expedite future onboarding and replacement apparel. Some facilities have regularly scheduled orders, in intervals ranging from daily to annual – and everywhere in between.

We are also lucky to work with amazing vendors. We have cultivated partnerships based on flexibility, contingency plans, transparency, integrity, and over-communication. Given supply chain volatility even before the pandemic hit, we determined that buying in bulk would not fit our ability to serve our customers in a timely manner but also enable us to offer them advantageous pricing given our inflationary economy.

While the time from order to delivery generally depends on the product, volume and customization, if PHA is retail and in stock, we ship to our customers within 48 hours. If we encounter a rare unforeseen delay, we communicate directly with the customer as soon as possible and offer an updated arrival schedule. We were recently approached by a facility whose current apparel vendor never delivered on their promises and indicated no progression in their business relationship. We were able

coded staff uniform program to increase their competitive advantage. These programs can assist your business in a variety of ways:

- They reinforce your brand by creating and maintaining a professional image for your employees.
- They increase security by identifying care providers by role and assuring that they're part of your team.
- They improve the patient experience, leading to greater satisfaction and better Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) scores.
- They boost employee satisfaction by offering high-quality, stylish, and comfortable apparel to your workers.
- They make ordering easier for facilities and employees.

To help facilities and systems differentiate themselves, we've created the Group

One® staff uniform apparel program, which leverages our supply chain of popular Jockey® Scrubs, Fundamentals® Scrubs and Meta® Labwear. It enables our customer partners to realize all the benefits I previously outlined, and they receive personal attention from our project managers, planning and customer service teams. We offer fit sessions for their employees, which help generate overall enthusiasm for the program and interest when new styles become available. We help ease the transition to the new solution for management and staff and create programs to expedite future onboarding and replacement apparel. Some facilities have regularly scheduled orders, in intervals ranging from daily to annual - and everywhere in between.

The Best Supplier Becomes a Partner

As you determine whether to engage a professional healthcare apparel supplier, try to think beyond a typical buyer-seller relationship. Does the supplier listen to your needs, plans and concerns? What is its culture and work ethic? Does it share its success with those in greatest need? For example, Encompass and Jockey® have already donated more than 20,000 scrubs to rural hospitals across the U.S. to express gratitude to our healthcare heroes.

We truly believe that the best customer-supplier relationship is a partnership, where both parties work together to help you achieve your goals. There are many ways to enhance and communicate the unique nature of your hospital, health system or LTPAC facility. By selecting the right PHA supplier, you can take the "dress for success" adage to a whole new level!

Deanna Leonard is Vice President and General Manager - Retail Apparel for Encompass Group, LLC.



The Journal of Healthcare Contracting recognizes leading supply chain leaders in the non-acute space, either for exclusive roles in a non-acute specific supply chain team, or bridging non-acute with traditional acute care supply chain.

Nominate the 2022

Top Non-Acute Supply Chain Leaders



A Bridge in Time

Federal relief efforts were lifesavers for many providers during COVID-19. What lessons have they learned from the experience?



Statistics provide the bones of the story. But words provide the flesh.

Medicare spending for physician services dropped as much as 57% below expected pre-pandemic levels in April 2020, according to the American Medical Association. Medicare Physician Fee Schedule spending at the end of June 2020 was still 12% less than expected. During the first half of 2020, the cumulative estimated reduction in Medicare physician spending associated with the pandemic was \$9.4 billion (19%). Expenses spiked while revenues dropped. Impacts on total spending for the first six months of 2020 ranged from a 6% reduction for nephrology to a 29% reduction for ophthalmology and a 34% reduction for physical therapists. At the state level, impacts ranged in aggregate from a 13% reduction in Oklahoma to a 27% reduction in New York.

Now, the words of clinicians, describing the "new normal," from a survey sponsored by the Primary Care Collaborative in July 2020:

- "More telehealth, lots of stress about patient numbers, angry/exhausted coworkers." –New York
- "Lower salary for more work, risk of serious illness every day, doing my staff's jobs because they are afraid to touch and be in the room with patients, spending my own money (\$30k) on PPE for the entire clinic despite working for a huge

- hospital system, and having the federal govt specifically exclude me in COVID-19 workplace benefits (FFCRA). Pretty much a nightmare." Texas
- outrage, despair, grief, rage, despondency. Seriously questioning whether to continue to stay and serve a society that doesn't seem to value me, my loved ones, or what we do. Currently working ~120 hrs/wk providing unfunded care at my own personal expense to gravely ill persons. I have maxed out my own resources and reserves." Colorado

On March 27, 2020, President Trump signed into law the \$2.2 trillion Coronavirus Aid, Relief and Economic Security Act, also known as the CARES Act. For healthcare providers, the Act expanded the Medicare accelerated payment program, in essence, giving physicians an advance on future Medicare payments. Through the CARES Act, the Paycheck Protection Program (PPP) and Health Care Enhancement Act, the federal government allocated \$178 billion in payments to be distributed through the Provider Relief Fund (PRF) to healthcare providers. The Consolidated Appropriations Act, 2021, passed into law on Dec. 27, 2020, allowed eligible businesses - including eligible providers - to receive a second PPP loan, referred to as a "second draw."

Out with the Old



In with ...

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- Increase patient comfort, satisfaction, and outcomes
- Reduce total cost of ownership



MTI manufactures exam/procedure chairs, cabinets and stools for specialty healthcare

'Nerve-racking'

The federal help served as a bridge of support for many practices, but it was not without hiccups.

"It all happened very quickly," says Julianne Andrews, senior director and senior wealth advisor, Mercer Advisors. "Banks were overwhelmed with applications. Online processes crashed. People were trying to submit applications at 3 in the morning. It was nerve-racking for all." waited to hear whether their applications had been approved, some made significant cuts to salaries and overhead.

"As with any program that is newly established in a time of crisis, there were initial challenges around accessing the portal, gathering the information necessary to input, and tracking the electronic deposit of the funds," says an AMA spokesperson. "Asking questions of the Medicare Administrative Contractors and

of the losses." The terms of the program were modified by the Continuing Appropriations Act, 2021.

Primary care's complaints

"Neither the CARES Act nor any other COVID relief bill provided dedicated funding for primary care, with moderate estimates that primary care practices lost \$15 billion in 2020," says Ann Greiner, president and CEO, Primary Care Collaborative. "While Congress did provide dedicated, well-justified support to [Federally Qualified Health Centers], rural hospitals and clinics as well as public health, primary care should have been treated similarly given its key roles in educating, triaging, and managing COVID patients.

"Primary care made the most of temporary telehealth flexibilities to connect with patients, reach hard-to-reach communities, ensure behavioral health needs were met, and protect their staff against the virus. But it's not enough to make up for a \$15 billion disinvestment."

Meanwhile, in a March 25, 2021, letter to U.S. Senate Majority Leader Charles Schumer, Donald Crane, president and CEO of America's Physician Groups, which represents over 340 physician groups, wrote, "Physicians that practice outside of hospital systems have spent thousands of dollars making investments in infrastructure such as licensing costs for telehealth services and telework setup, waiving co-pays as well as providing CO-VID-19 testing and vaccination leading to increases in clinical overhead. Despite these investments, funding allotments from the [Provider Relief Fund] have excluded these providers in favor of other care settings.

'When demand for your services is predictable, revenue is only going up. So it's easy to take your eye off the ball.'

Hardly surprising. After all, over just a one- or two-week period, medical practices faced something they had seldom if ever faced before, she says. "Healthcare is not a seasonal thing, so practices seldom deal with cash flow issues. Some of my clients have been practicing for 20, 30, even 40 years, yet they were concerned they might go out of business – which was unthinkable just a few weeks earlier."

Compounding the problem was (and remains) the fact that aside from those that are owned by health systems or corporations, most physician practices are run by physicians themselves, not financial people, she says. They lacked a handle on how many months of cash reserve they held and how long they could stay open before making dramatic changes. Many applied for PPP loans, but as they

the distributing agency proved difficult in the beginning, as both were also navigating other aspects of the pandemic."

Early on, CMS approved almost 24,000 applications totaling \$40.4 billion in advanced Medicare payments to physicians, health professionals and other Medicare Part B suppliers. But the payments, while successful and supportive, came with their own set of challenges, the spokesperson adds. "Originally, repayment of the loans was due 210 days after the advance payment was issued in the form of an automatic 100% reduction in new Medicare payments. Additionally, outstanding balances were going to be subject to a 10.25% interest rate. These terms proved to be a challenge for physician practices, as the slow reopening of practices allowed for only a partial recoup



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¹ Anderson, D., et al (2013). Decontamination of Targeted Pathogens from Patient Rooms Using an Automated Ultraviolet-C-Emitting Device. *Infection Control and Hospital Epidemiology*, 34(5), 466-471.2.

² Mahida, N, et al (2013). First UK evaluation of an automated Ultraviolet-C room decontamination device (Tru-D). Journal of Hospital Infection, 05(005), 1-4.3. Sexton, D., Anderson, D., et al (2017).

³ Enhanced terminal room disinfection and acquisition and infection caused by multidrug-resistant organisms and Clostridium difficile (the Benefits of Enhanced Terminal Room Disinfection study): a cluster-randomised, multicentre, crossover study. The Lancet. 389(10071), 805-814

"Congress should prioritize future expansions and additional funding for the PRF toward extending relief for these overlooked physician practices and their associated entities, the monies they have already invested in combating the pandemic and serving patients nationwide, and the widespread negative effect that the pandemic has had on their practices."

A bridge in time

Today, many practices look at the Provider Relief Fund as a bridge across a period of time when they had no revenue, says Andrews. Some have used the entire COVID-19 experience as a learning opportunity.

"Those that are looking more closely at cash flow, P&L, overhead and overall cash management are coming out of this experience healthier than before," she says. "Maybe they cut head count a bit, or they're thinking more carefully before borrowing from the bank, which has always been open to lending to physicians. Some practices with multiple offices are taking a hard look and closing one or two of them, because they have learned that multiple locations create a ton of overhead.

"When demand for your services is predictable, revenue is only going up. So it's easy to take your eye off the ball. The lesson is, even if we don't have another pandemic in the near future, keep several months of cash on hand."

For Ann Greiner, the pandemic demonstrated the shortcomings of the current fee-for-service payment system. "It was an epic failure in the pandemic," she says.

"The pandemic underscores the need for a broad shift to prospective payment models that engender more investment in primary care and better support a comprehensive team providing a comprehensive set of primary care services, which will improve population health and enhance equity."

"We continue to learn more as the nation continues to vaccinate individuals and opens back up to pre-pandemic activities," says the AMA spokesperson. "One of the biggest lessons involves telemedicine, which has proved to be a critical part of the future of the

effective, efficient and equitable delivery of healthcare.

"Many more lessons from the CO-VID-19 have been raised for the future, including the need for a national health strategy to acquire and manage critical personal protective equipment resources during public health emergencies; interagency coordination between federal departments and agencies for public health emergency responses; and how to ensure continuity of care for patients and continued viability of non-hospital practices."

Where the money went

The federal government's COVID-19 relief efforts and programs were welcomed by physician practices, according to the American Medical Association. Physicians have tapped into a number of available sources of support, including:

- > CARES Act Provider Relief Fund.
- Medicare Accelerated and Advance Payment (AAP) Program.
- > SBA Paycheck Protection Program.
- > Emergency Economic Injury Disaster Loan (EIDL) Emergency Advance.
- Main Street Lending Program.

For physicians who paid expenses with payments received through the general and targeted distribution payments, expenses were limited to those that another source had not reimbursed and were not obligated to reimburse. Categories of expenses that can be reported include general and administrative expenses and other health care-related expenses such as:

- Mortgage /rent.
- Insurance.
- Personnel.
- Fringe benefits.
- Lease payments.
- > Utilities/operations.
- Other general and administrative expenses not captured above.
- > Supplies and equipment.
- Information technology.
- Facilities.
- Net unreimbursed expenses attributable to coronavirus.
- > Lost revenues attributable to coronavirus.



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How Medela's Business Model Innovates NPWT Care

Learn why one CIO advocated switching to Medela

Dr. Jean Wright is the former Chief Innovation Officer at Atrium Health, a 10,000+ bed integrated delivery network serving North Carolina and Georgia. She and her cross-disciplinary, "Innovation Engine" team members conducted rigorous evaluations of new products and technologies that have the potential to optimize care across the network. They recommended a network-wide switch to Medela Invia[®] LibertyTM and Invia Motion[®] NPWT pumps. Here's why.

'I'm intrigued by how Medela is applying business model innovation to Negative Pressure Wound Therapy (NPWT) care. I think it's the only way to get cost out of the current care delivery system, which is under heightened scrutiny in a time of COVID-19-related financial losses."

- Dr. Jean Wright, MD MBA, retired VP, CIO, Atrium



After a thorough and inclusive evaluation process, Dr. Wright's team concluded that Medela NPWT pumps offer a critical combination of optimized clinical outcomes and significant cost savings. First and foremost, the Medela NPWT systems must deliver excellent clinical performance. The committee review found the systems to be proven and versatile, offering clinical flexibility with choice of pressure settings and therapy modes. Beyond clinical performance, the review team found value in Medela's unique risk-share business model, which eliminates daily NPWT device rental fees in favor of a predictable fixed annual rate, paid monthly.

Dr. Wright's team identified 3 key advantages to the model:

- Estimated 50% savings by eliminating unforeseen overhead costs
- Easy inventory management no specialized reprocessing of pumps
- **Workflow improvements –** no need to track device usage



"After learning about Medela's capitated rate business model, it will be inevitable for others to switch to a model like this. Medela has always been known for high-quality negative pressure devices. The differentiator, and the disruptor, is the novel business model of capitating your costs. If you don't know your costs, you can't cut your costs. Medela has made the cost equation transparent to the buyer."

— Dr. Jean Wright, MD MBA

In Dr. Wright's words, "When a company offers you a highquality proposition with demonstrated outcomes that can cut up to half your costs in an area of care, you have to do something."

After years of evaluating disruptive innovation, Dr. Wright knows a capitated rate business model like Medela's is the wave of the future.



Learn more at medelahealthcare.us

¹ Ellison A. US hospitals losing \$1.4B in revenue per day. Becker's Hospital Review. May 4, 2020. Available at https://www.beckershospitalreview.com/finance/us-hospitals-losing-1-4b-in-revenue-per-day.html.

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For nearly 60 years, Medela has been an innovator of medical vacuum technologies, designing unique products in CardioThoracic Drainage, Breast and Enteral Feeding, Surgical Suction, Airway Suction and NPWT.

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We make NPWT easier.

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Infection Prevention Resources for Post-Acute Care



The impact of healthcare-associated infections (HAIs) is a growing problem

amidst the challenges of the COVID-19 pandemic in post-acute care settings like nursing homes, assisted living, home health and hospice. It is ideal to have a dedicated and trained infection preventionist (IP) on staff and ensure facilities have an infection prevention program that is reviewed and updated annually.

"Healthcare-associated infections are the fifth leading cause of death across all healthcare settings, not just acute care," said Amanda Thornton, clinical science liaison at PDI. She was the lead presenter for a McKesson Clinical Connection webinar on "Infection Prevention Resources for Post-Acute Care: What You Need to Know for 2021 and Beyond."

She suggested that post-acute facilities need ongoing systems of surveillance and those with 100 or more beds need a full-time IP. Long-term care facilities must use the CDC's Long Term Care Facility (LTCF) Component to track infections and prevention process

measures, systematically, to identify problems, improve care and determine progress toward national healthcareassociated infection goals. This must be reported back to the National Healthcare Safety Network (NHSN).

LTC components in NHSN include the HAI module, LabID module and Prevention Process Measures module.

"It's the first experience with NHSN for LTCs," Thornton said. Nursing homes, skilled nursing, chronic care and developmental disability facilities report in LTCF, while assisted living facilities can only report in the Prevention Process Measures module.

NHSN provides healthcare facilities with a secure reporting platform for reporting outcomes and process measures in a systematic way. Reported data is immediately available for use in strengthening local and national surveillance, monitoring trends in infection rates, assisting in identifying resource insecurities and informing progress toward infection prevention goals. Examples of data reported include:

- Counts of residents and facility personnel newly positive for COVID-19 based on viral test results.
- COVID-19 vaccination status of residents newly positive for COVID-19.
- Re-infections in residents and facility personnel previously infected with COVID-19.
- COVID-19 related death counts among residents and facility personnel.
- > Staffing shortages.
- Availability and surge capacity use of PPE and alcohol-based hand rub.
- Monoclonal therapeutic availability and use.

Once a LTC facility is registered with NHSN, the Secure Access Management Services (SAMS) grid card must be used to continue with the NHSN enrollment process for the facility. The identity verification process with SAMS must be completed prior to gaining access to continue the NHSN enrollment process for the facility. A facility should only enroll once into the LTCF Component.

A breakthrough design for better access.



The Dual Access Lid makes disinfection easier and more efficient.

Today's fast-paced healthcare environments demand speed, precision and confidence to achieve their infection prevention goals. The **Dual Access Lid** answers the challenge, with an innovative design that provides fast and efficient access to all of your disinfecting wipes.

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- + Intuitive Design: Easy dispensing of both single and multiple wipes
- + **Better Moisture Protection:** Flip cap features Snap & Close Technology and definitive open/close positions to help reduce dry out
- + **Precise Selection:** Choose the right number of wipes needed for the job







Reliable Transportation is Part of Building a More Robust Supply Chain

COVID-19 has created a host of complications. Those impacts extend into the

transportation system where congestion at vital ports, scarcity of containers, and critical labor shortages are preventing the return to the reliable flow of products healthcare providers need. Rather than improving as the pandemic has continued, those challenges have grown more significant and are expected to stretch into 2022.

Transportation problems have become healthcare problems. Variability in logistics prevents the consistency expected in the supply chain. In addition to driving up costs, it affects the ability of providers to offer quality medical care during a public health emergency. The ongoing response to COVID-19 so far has shown areas where industry and government can partner to build a more robust and resilient healthcare supply chain.

Earlier this year, the Health Industry Distributors Association (HIDA) convened a meeting of board members from HIDA and the HIDA Educational Foundation to share insights on supply chain challenges and solutions developed during the COVID-19 response. Their goal was to develop policy recommendations for a key issue: improving readiness and response to future pandemics.

The nucleus of the proposals was the need for strong public-private partnerships to leverage each other's resources and strengths. Based on that core principle, HIDA developed and released three strategic recommendations:.

 Build a bigger cushion. A vital focus on government-industry coordination

- should be on establishing our ability to fulfill healthcare providers' initial demand during a healthcare emergency while giving critical time to ramp up additional manufacturing production capacity. We must anticipate needs by establishing a core critical supply list in advance and think beyond a conventional approach to stockpiling those items. By absorbing the first wave of pandemic demand, we can allow the supply chain the time it needs to generate and distribute more of what providers need.
- 2. Establish a national sourcing strategy. We must create the capacity to quickly ramp up medical supply production and an important element in that approach is diversifying global sourcing. COVID-19 has revealed the need to diversify the sources of supply. Key to diversification is manufacturing of critical medical supplies here in the U.S. and enable surge manufacturing when emergency needs arise. Those are long-term solutions. In the short term, we need to prioritize the

- transportation of PPE and other critical medical supplies so they can move quickly through ports of entry and into the U.S. distribution system.
- 3. Ensure supply chain readiness. Government and industry need to work more collaboratively now to better define our respective roles, expectations, and connection points to access products in future pandemics. The most effective approach is to identify and embrace best supply chain practices. We must foster and develop structured communications protocols that will help avoid competition for the same critical products. We need to ensure providers understand the importance of partnering with proven, experienced companies they can rely upon, especially in an emergency situation.

This is a broad overview of the detailed recommendations HIDA's
Thought Leaders developed to help guide public-private planning to better prepare the healthcare supply chain for future pandemics. Providers can learn more about how they would benefit from these proposals and how they can contribute to their implementation by checking out HIDA's "Building A More Robust Supply Chain: Industry Recommendations For A Strong Public-Private Pandemic Infrastructure," at HIDA.org/
UnderstandingHealthcareDistribution.



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Intermountain Healthcare and SCL Health Announce Intent to Merge



Intermountain Healthcare (Salt Lake City, UT) and SCL Health have signed a

Letter of Intent (LOI) to merge and create a health system that provides care to patients in Utah, Idaho, Nevada, Colorado, Montana, and Kansas.

Under the LOI, while the organization will be named Intermountain Healthcare, SCL Health's Catholic hospitals will retain their distinctive Catholic names and continue to operate according to existing practices. In addition to seven Catholic hospitals, SCL Health operates one secular hospital in Colorado.

The merged health system will be headquartered in Salt Lake City, Utah, with a regional office in Broomfield, Colorado.

Dr. Marc Harrison of Intermountain will serve as the president and CEO of the merged organization. Lydia Jumonville of SCL Health will remain in her current role during a two-year integration and serve as a board member on a new combined board to ensure the integration of the two systems.

Intermountain and SCL Health currently provide services in adjacent areas with no geographic overlap.

Upon completion of the merger, the combined system will employ more than 58,000 caregivers and operate 33 hospitals. It will run 385 clinics across six states and provide health insurance to about one million people.

The organizations expect to finalize and sign a definitive agreement by the end of 2021 and close the merger in early 2022.

"We're excited to merge with SCL Health to usher in a new frontier for the health of communities throughout the Intermountain West and beyond," said Marc Harrison, MD, president and CEO of Intermountain. "American healthcare needs to accelerate the evolution toward population health and value, and this merger will swiftly advance that cause across a broader geography. We'll bring together the best practices of both organizations to do even more to enhance clinical excellence, transform the patient experience, and support healthy lives."

"SCL Health and Intermountain are pursuing our merger from positions of strength," said Lydia Jumonville, president and CEO of SCL Health. "We are two individually strong health systems that are seeking to increase care quality, accessibility, and affordability. We will advance our missions and better serve the entire region together."

Both leaders reiterated that it is an extremely busy time for everyone in healthcare, especially given the resurgence of COVID-19. As the merger moves forward, the organizations will continue to maintain focus on caregiver and patient well-being as a top priority.

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HealthTrust honors member organizations for excellence, sustainability and innovation

HealthTrust has singled out six mem-

ber organizations for supply chain excellence, social stewardship, and innovation benefitting their patients, stakeholders, and communities.

Outstanding Member – Surgery Partners, Brentwood, Tenn. for initiatives to achieve optimal value and performance using HealthTrust contracts and offerings primarily in the areas of neurostimulation, spine and osteobiologics. Over the past 18 months, Surgery Partners' overall adoption of oncontract supplies, category utilization and strategic sourcing agreements has steadily increased resulting in lower supply expense and achievement of supply chain objectives.

- Rick Salzer, senior vice president, procurement and supply chain
- Natalie Gustafson, senior supply chain manager
- Joye Booher, senior director, procurement and supply chain
- Kathy Kilgore, senior analyst of purchasing
- Jessica Rodriguez, senior supply chain manager, Rx

Operational Excellence – QHR Health, PLUS,™ Brentwood, Tenn. for driving efficiencies in contract, spend and leveraged savings opportunities.

- Jeff Kimmell, RPh, senior vice president, supply chain; president, PLUS
- › Kim Milliken, director, supply chain
- Susan Dorsey, associate vice president, supply chain operations
- Tracy LaChance, director, supply chain
- Dwayne Gunter, president, QHR

Clinical Excellence – Southwest
Health System, Cortez, Colo. for the
health system's COVID response
including education campaigns to
provide information to rural community
members as well as vaccination initiatives
focused on rural communities.

- Marc Meyer, RPh, BPharm, CIC, FAPIC, director of pharmacy and infection control
- Kelsey Gilbert, PharmD, pharmacist leader outpatient pharmacy
- Lindsay Yeager, RPSGT, CCSH, director of sleep services
- Christopher Alvarez, director of patient access
- Matthew Lindsay, NR-Paramedic, CCEMTP, director of EMS/ambulance

Social Stewardship – St. Luke's Health System, Boise, Idaho for transitioning to reusable sterilization containers in response to shortages of Blue Wrap, resulting in reduced waste and cost savings.

- Adrian Wengert, MBA, vice president, supply chain
- Jason Merrill, senior director, supply chain management
- Kacey Wear, MSN, RN, BSN, CEN, clinical category director
- LaNae Cunningham, manager, sterile processing
- Taylor Easterday, MBA Finance, KT, logistics manager
- > Sam Roberts, MBA, finance director

Pharmacy Excellence – Scripps Health, San Diego, Calif. for early adoption of a medication central prior authorization initiative and working with HealthTrust Clinical Pharmacy Member Support to improve biosimilar conversions and other key therapeutic areas.

- Lisa Risser, CPA, MBA, FACHE, FHFMA, corporate senior vice president, ancillary operations
- Tony Jackson, PharmD, MBA, assistant vice president pharmacy
- Aaron Ginsberg, PharmD, director of central pharmacy services
- Hardi Tjhie, CPhT, prior authorization technician specialist
- Kathy Kim, BS, CPhT, prior authorization technician specialist
- Betty Richardson, RPh, clinical pharmacist
- Erin Lowrey, CPhT, prior authorization technician specialist
- Angela Rosenblatt, MS, PharmD, BCPS, BCNSP, APh, corporate director of pharmacy, ambulatory services

Innovation Award - LCMC Health,

New Orleans, La. for executing a longterm agreement centered on Energyas-a-Service (EaaS) in six regional facilities resulting in cost savings and substantial reduction of the health system's carbon footprint. Savings from the EaaS arrangement will aid investment in core healthcare initiatives and immediate improvements to better serve the community.

- Joseph Thibodeaux, MBA, vice president, chief resource officer
- Stephanie Grant, BBA, CMRP, purchasing director
- Clifford (C.T.) Harlan, senior director of operations



HCP 2

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Vizient launches new supply chain resiliency solutions

Vizient, Inc. (Irving, TX) announced

the launch of its set of solutions to improve healthcare supply chain resiliency through greater transparency and predictability across trading partners.

The GPO says that these solutions will offer health systems greater visibility into supplier manufacturing and distribution sites, tracking of impactful events and risk management services for a provider's critical supply list.

"The COVID-19 pandemic exacerbated a historical weakness in the U.S. health care supply chain – a lack of transparency and predictability between suppliers and providers. The Vizient resilience solution set has been developed to address these issues head on so trading partners across the supply chain are sharing information at a deeper level, and in real time, which will elevate overall performance and flexibility," said David Gillan, senior vice president, Emerging Solutions and Supplier Engagement for Vizient.

Also included is a technology-enabled platform for Vizient members and suppliers for demand forecasting, real-time inventory availability and disruption alerts for end-to-end logistics management. The Vizient resilience solution set has three foundational elements:

- Supplier pedigree data
- Critical supplies management service
- Technology to support the resilience network platform

Supplier pedigree data involves the adoption and utilization of supplier data standards across the provider and supplier community, including securely collecting and maintaining information on the physical location of major manufacturing, distribution or critical raw material sites.

Critical supplies management services provide disruptive event tracking and risk management of a provider's critical supply list. Advisors monitor and share actionable information to supply chain managers that enable them to efficiently manage their inventory of critical supplies and quickly pivot to alternative suppliers and conservation strategies as needed.

Vizient is establishing a resilience network platform through a strategic relationship with E2open (Austin, Texas), a network-based provider of cloud-based, mission-critical, end-to-end supply chain management software, to facilitate the rapid development of a multi-party collaboration platform. Vizient says that the platform will enable timely insights into forecast, inventory availability, transportation, and consumption of goods with proactive management alerts for disruptions and imbalances to improve availability of healthcare products.

Once launched, the GPO says the new technology will give members and suppliers participating in the resilience network platform secure, permissionbased access for:

- Visibility into the geographical location of major manufacturing and distribution
- Real-time logistics visibility of shipments from the supplier to the health system
- Awareness of perpetual inventory status by location across suppliers, distributors and providers
- Forecast and consumption insights to predict usage and reduce impact of demand surges

The resilience network platform is expected to fully launch in early 2022.

CALENDAR

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

Federation of American Hospitals

2022 FAH Conference and Business Exposition

March 6-8, 2022 Washington Hilton Hotel Washington, DC

GHX

GHX Summit 22

May 9-12, 2022 The Diplomat Hollywood, Fla.

Health Connect Partners

Spring 22 Hospital Supply Chain Conference

May 18-20, 2022 New Orleans, La.

Summer 22 Hospital Supply Chain Conference

June 20 – July 1, 2022 (Virtual)

IDN Summit

Spring IDN Summit & Reverse Expo

April 11-13, 2022 Omni Orlando Resort at ChampionsGate Orlando, Fla.

Fall IDN Summit & Reverse Expo

August 29-31, 2022

JW Mariott Desert Ridge Resort and Space Phoenix, Ariz.

Share Moving Media

National Accounts Summit

Dec. 1-2, 2022 Fort Worth, Texas

Vizient

Vizient Connections Summit

Nov. 15-18, 2021 Wynn Las Vegas Las Vegas, Nev.

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