

# solutions <sup>for</sup> SUCCESS



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## Upcoming Events:

**May 17 - 20**  
Intalere Member Conference

**October 24 - 25**  
Update 2016 Conference

## Welcome to HSI solutions New Newsletter...Solutions for Success!



At HSI solutions, we are always striving to meet the needs of our clients and have now initiated a quarterly newsletter to share that information with you. You will find a variety of articles in this newsletter that you will find of interest to you.

HSI solutions provides services in Group Purchasing, Medical Collections, Physician Peer Review, and Physician Recruitment.

### MEDICAL COLLECTIONS

HSI provides recovery of bad debt accounts for medical facilities. Licensed in North Dakota and Minnesota, HSI will partner with your facility to recover your accounts receivable as quickly and painlessly as possible while upholding your reputation. At HSI we treat people how we want to be treated - with respect and fairness.

### GROUP PURCHASING

Partnering with Intalere, HSI solutions can help reduce healthcare costs, improve revenue and improve healthcare quality through customized solutions.

### PHYSICIAN PEER REVIEW

Business Linx Physician Peer Review - Working with Critical Access Hospitals in North Dakota to provide the physician peer review that CMS requires. Peer Review is a system or process by which a physician or a committee of physicians investigates the medical care rendered by other physicians in order to assess the quality of health care delivered and to determine whether accepted standards have been met.

### PHYSICIAN RECRUITMENT

Assisting facilities in their search for a Physician.



## "New Name....Same Commitment to Customers"

by: Chad Fullmer, Account Director, Intalere

Chad.Fullmer@intalere.com

Today’s healthcare management climate is seeing dramatic change and new challenges that test the rigors and financial strength of every hospital, healthcare organization, and physician practice—no matter how strong or well-established. As fellow health care providers, we at the new Intalere (formerly Amerinet) believe that by sharing our expertise and working together with you we can improve patient care and reduce the costs of not only medical products and services but your entire supply chain.

- The new Intalere (formerly Amerinet) is a result of new ownership when Intermountain Healthcare purchased 100% of Amerinet in July of last year.
- Intermountain Healthcare is the number 2 ranked Health System supply chain by Gartner and has a number 1 ranking in terms of the best patient outcomes and the lowest possible price. They enjoy a AA+ rating by Standard & Poor and an Aa1 rating by Moody’s.
- Per their CEO “if Intermountain is the best at something, it is our obligation to share it with the industry and that’s why we bought Amerinet.”
- We are their commercialization arm for the tools and services that they’ve developed that have led them to the top rankings.
- Our new CEO is Brent Johnson. He is the former Supply Chain leader at Intermountain and led their efforts in transforming their supply chain.
- We are a professional supply chain organization that has a GPO as one of its offerings.
- We are provider centric and 100% focused on the Supply Chain and are focused on all non-labor spend, not just the sliver that other GPOs are focused on.
- Our contract portfolio for traditional GPO categories, at a minimum, matches all GPOs and we have many exclusives that are only found at Intalere.
- We are releasing to the market several of Intermountain’s programs and services including iCCP (committed commodity program, and ProComp – an OR utilization program). IH saved 14% on commodities via the iCCP and over \$46M in savings via ProComp in 2014.
- Our COO, Jeremy Belinski, has an extensive background at MedAssets (started Aspen Consulting), and our top sales leader, Jason Baumgartner, spent years with Premier, HPG and Cardinal Health.
- With the recent changes in the GPO landscape, we are reaching out to the market to offer assurance that we are large enough to scale and small enough to customize a solution that meets your needs.

“If Intermountain is the best at something, it is our obligation to share it with the industry and that’s why we bought Amerinet.”

*Brent Johnson, CEO  
Intalere*

We do not compete for the same markets or in the same geographical area. Consequently, a tremendous amount of Supply Chain, clinical, operational, financial and systemic sharing could occur.

I’d like you to know that you have a choice in selecting a group purchasing plan. Over thirty years ago Intermountain Health-

## "New Name....Same Commitment to Customers...Continued"

care helped create the Amerinet group purchasing organization. Intalere (formerly Amerinet) and its guiding principles have been validated time and again. In a day of rising healthcare costs and increasing scrutiny by patients and consumer groups, your healthcare organization cannot afford to be without the benefits of membership with Intalere.

It is my pleasure to share this information about Intalere (formerly Amerinet), the largest, most trusted membership-based supply chain organization in the country. Intalere (formerly Amerinet) has always been committed to the partnerships established with our members and suppliers. We believe that group purchasing organizations should not exist for their own benefit or the benefit of their shareholders. Our mission is to bring you the valued benefits and combined purchasing power of more than 20,000 hospitals, clinics and physician practices located in every state in the country.



### Diagnostic Imaging

Are you ready for:

#### HR 2029

◆ Medicare payments for certain radiographic examinations will be reduced if they are not performed with direct-digital imaging device. Applied to the TC when services are provided in physician offices, IDT-Fs or outpatient facility setting under the Hospital Outpatient Prospective Payment System (HOPPS).

- ◆ Which X-ray procedures are included in the Act?
- ◆ Film
  - 20% reduction beginning January 1, 2017
- ◆ CR
  - 7% reduction beginning January 1, 2018
  - 10% reduction beginning January 1, 2023

#### XR-29 2013 - 4 ATTRIBUTES OF NEMA

- ◆ DICOM RADIATION DOSE STRUCTURED REPORTING
- ◆ AUTOMATIC EXPOSURE CONTROL (AEC)
- ◆ PEDIATRIC AND ADULT REFERENCE PROTOCOLS
- ◆ CT DOSE CHECK

Need more information, please join the XR-29 webinar Shared Imaging will host on April 21 at 10:00am CT. Feel free to review by clicking on the link below to learn more.



<http://sharedimaging.com/nema-xr-29-build-the-optimal-ct-strategy/>



## Acute Care Capital Equipment Sourcing – ACCES

INTALERE and Equipment Management & Technology Solutions (EMTS) are partnering to offer ensured best pricing on all capital equipment and service contract purchases.

This new Strategic Sourcing and Price Benchmarking solution, specifically designed for our Acute Care membership, provides INTALERE members with the resources and expertise to fully review all major equipment and service contract purchases, providing the following benefits:

1. Ensured best pricing on all equipment purchases (included all types of equipment)
2. Ensured best pricing on all service contract purchases
3. Two program pricing options – both with guaranteed ROI
4. Unlimited Access to EMTS equipment expertise and data
5. Increased INTALERE contract utilization
6. **Bottom Line Cost Savings!**

**Review and Evaluate** — Utilize EMTS resources to review and evaluate all of your capital equipment related purchases (minimum purchase amount of \$10,000). Allow EMTS to be your “safety net”, making sure every capital purchase is priced as competitively as possible.

**Compare and Optimize** — Know exactly how your pricing compares to the nation’s best. Optimize your current pricing, know the vendor’s discounting structure and prepare target pricing/discounting for future purchases.

**Increased Resources** — Leverage the EMTS Team. EMTS will work directly with your vendors (and competitive vendors, with your approval) to renegotiate your quotations and provide your organization with bottom line cost savings.

**For More Information** — Please contact EMTS at:

**Phone** 888-345-1468 ext. 9926

**Email** [info@emtsolutions.biz](mailto:info@emtsolutions.biz)

**Website** [www.emtsolutions.biz](http://www.emtsolutions.biz)

INTALERE Contract # - VQ10335





## “Unlocking the Code: Understanding Today’s Healthcare Reform Lingo”

By: Peter J, Cayan, MA, RD, CDN, LDN

Senior Director - Food, Nutrition and Environmental Specialist Team, Intalere

Today’s healthcare reform continues to address the growing national expenditure (gross domestic product) exceeding 17.5% or \$9,523 per person. Amidst the complexities of our government’s attempts to provide understanding, scrutiny, and transparency to a bewildered public is a plethora of acronyms, rules and program nomenclature. The purpose of this article is to capture the key points and concepts of healthcare reform and to unravel the proverbial “alphabet soup.”

### **Affordable Care Act / Obamacare (ACA)**

The ACA or Affordable Care Act, otherwise known as Obamacare is a law enacted to ensure that all Americans have access to affordable health insurance. It does this by offering consumers discounts (known as tax credits) on government-sponsored health insurance plans, and by expanding the Medicaid assistance program to include more people who don’t have it in their budgets to pay for health care. The ACA also changed some of the rules insurance companies have to follow. For example, in the past if you had diabetes or another preexisting medical condition, you could have been denied coverage or your coverage would have been cost prohibited. Today, you can’t be denied for any reason and therefore, costs should be contained accordingly. Formally known as the Patient Protection and Affordable Care Act, it was signed into law on March 23, 2010 by President Obama. The ACA created the ACOs.

### **Accountable Care Organizations (ACO)**

Accountable Care Organizations are groups of doctors, hospitals and other health care providers that coordinate their activities to decrease healthcare costs and increase the quality of healthcare they provide to patients. Primary care physicians are the only essential component of an ACO. In short, the ACO receives a bundled payment (lump sum) for all services provided for a patient. This includes all facets of care including emergency services (if warranted), diagnostic/imaging and lab tests, treatments, physician payments, hospital stay, surgery, etc. If the ACO can provide care for less than the bundled payment amount for that patient, they make a profit. If they can’t, they financially lose and should work on creating better efficiency within their system. In some cases, many of the hospitals choosing to become an ACO (it is not mandatory) were “competitors” in the traditional delivery model. Making a decision to become an ACO requires an extensive evaluation of the current population’s healthcare index.

### **Value Based Purchasing (VBP)**

Value Based Purchasing is a methodology the federal government is using to amend payments to hospitals. It uses an aggressive payment schedule with incremental penalties each year. For example, in 2013 1.0% of the Medicare payments to all hospitals were impacted versus a 1.25% weight for 2014.

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## **“Unlocking the Code: Understanding Today’s Healthcare Reform Lingo...Continued”**

As you can imagine, on the surface it may not seem to be aggressive constant but, it can yield a considerable risk for hospitals that already operate on razor-thin margins. In fact, it can “make or break” some hospitals. VBP is calculated by taking into account a hospital’s HCAHPS scores and Core Measures (illustrated below). The good news (relative to taxes) is that VBP is a zero-sum gain for all hospitals in the country. As such, it is cost-neutral and works as a “pay for performance” system. Specifically, hospitals that perform well are incentivized with richer payments, whereas poorly performing hospitals are not. In order to receive the full 1.50% back in 2015, hospitals must perform at or above the average level (50th percentile). If they perform at or above the 95th percentile, they are guaranteed to make their 1.50% plus a financial bonus – generated from the penalties assigned to underperforming hospitals. Again, each year the reimbursement rate increases.

### **Core Measures (CM)**

Core Measures are clinical indicators that hospitals track and publically report as part of the VBP calculation. There are multiple core measures focused on patient care including pneumonia, heart failure, acute myocardial infarction and various surgical processes. The hospital’s performance on these measures is one part of VBP calculation.

### **Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS)**

The other metric of VBP calculation is HCAHPS, which stands for the Hospital Consumer Assessment of Healthcare Providers and Systems. It is a required patient- experience metric that captures the patients’ perceptions of care while hospitalized. Within the survey, there are eight domains: communication with nurses; communication with physicians; discharge information; cleanliness of their room and quietness; responsiveness of staff; pain management; communication about medications; hospital rating and their confidence in recommending the hospital. These surveys are administered after the patient is discharged from the hospital and is typically collated by a third-party vendor. To view any hospital performance on these metrics go to: <http://www.medicare.gov/hospitalcompare/search.html>.

In addition to HCAHPS and VBP, there are other measures affecting reimbursement revenues involving: re-admission penalties and hospital-acquired infection rates. To view a hospital’s readmission rate see [www.medicare.gov/hospitalcompare](http://www.medicare.gov/hospitalcompare).

In summary, today’s healthcare food and nutrition leaders continue to serve as instrumental players in their organizations by rigorously balancing their department’s economic and patient experience performance measures. There is no doubt that to attain this “utopia” one must subscribe to and genuinely embrace the age-old adage of “knowing your numbers.” Harold Geenen (former chief executive of ITT) perhaps captured it the best by saying, “The drudgery of the numbers will set you free.”

### **Sources:**

- “Managing”; Harold Geenen, Double Day, 1994
- <https://www.cms.gov>



## "Your Credit Report"

By: Kim Granfor, Vice President, HSI solutions

Have you checked your credit in the last 12 months? How about in the last 24 months? If you haven't, go to [www.annualcreditreport.com](http://www.annualcreditreport.com). The process takes less than two minutes...you will have to answer a few questions to make sure that you are who you say that you are. There is no fee for this report.

Your credit report is extremely important when you are seeking to borrow money for a home or vehicle, rent an apartment or apply for a new credit card. Once you run your credit report, review it carefully to locate any suspicious items, such as a credit card you have never taken out, or an erroneous negative entry on your credit that you need to get corrected. You will have an opportunity to dispute anything on your report that is incorrect.

There are many myths about checking your credit that you should know about:

- 1) Checking your personal credit will hurt your credit score
  - a. Reality – running your own credit will only show up on your own personal report. If you are applying for a loan and they pull your credit, that inquiry will appear on your credit that other lenders would be able to see. These type of inquiries could affect your credit score, especially if you have many inquiries.
  
- 2) There is only one score that all lenders use to determine creditworthiness
  - a. Fact: There are many different credit scoring models used by lenders in the marketplace today. Generic scores may be used by many types of lenders and businesses to determine general credit risk. The three national credit reporting agencies — Experian, Equifax and TransUnion — worked together to develop VantageScore®, a new generic credit score that uses the same formula for credit information from all three bureaus. To make it easier for people to understand, a letter grade is associated with the number ranges. A grade of "C" is considered good. Custom credit scores are developed to predict risk for specific types of lending or for individual businesses, such as auto loans or retail debt. Custom scores are unique to that specific business or type of lending
  
- 3) The three credit Bureau reports will provide the same credit score

The opposite is almost a guarantee. It's likely that the credit reports from the three credit bureaus will be slightly different and, therefore, so will the credit scores. There are three primary reasons why this is so:

  - a. Not all accounts will be reported to all three credit-reporting agencies. Since reporting is a voluntary act, not all lenders report to all three.
  - b. Accounts on consumers' credit reports are not always updated at the same time.
  - c. Because the credit reporting companies' computer systems are different, the credit score formulas can be slightly different to work with a particular system. That difference in the formula can result in a difference in the scores.

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## "Your Credit Report...Continued"

- 4) Paying Cash for everything can help a credit rating
  - a. FALSE -- Although using cash is an option for many American's who cannot not control their credit card use, it does not help to establish a high credit score. Lenders need a credit report to be able to see a history of responsible use of credit.
- 5) Once a credit score is bad, it can never be rebuilt
  - a. A credit report is really a credit history and credit can be rebuilt over time. Late or missed payments can stay on someone's credit for up to seven years. Therefore the longer a person goes without any negative information on their credit the better.
- 6) Debit cards can help credit reports and scores
  - a. These are nothing more than plastic access to a checking account. Since checking accounts aren't recognized as an extension of credit, they do no end up on a credit report
- 7) The best way to improve credit scores is to pay off all accounts and close them
  - a. It's actually partly true. Paying off all debts is one of the fastest ways to improve credit scores. Closing accounts, though, can hurt credit scores. One of the most important elements in credit scores is the proportion of total balances to the total credit limits. Paying off debts lowers that proportion, improving credit scores. However, closing accounts eliminates some of the available credit limits, making the balances appear to be higher compared to the overall limits. For example, a person who has \$15,000 of credit available on multiple credit cards but only has a balance of \$5,000 is only using 30 percent of available credit, which is good. However, if the person closes a \$5,000 credit account because the credit card is not being used, the available credit amount drops to \$10,000 and results in 50 percent of available credit being used — a level that can knock points off of that person's credit score.
- 8) Once a delinquent loan or credit card balance is paid off, the item is removed from the credit report
  - a. Negative information such as late payments, collection accounts and bankruptcies will remain on a person's credit reports for up to seven years. Certain types of bankruptcies stick around for up to 10 years. Paying off the delinquent account won't remove it from a credit report, but it will update the account to indicate it as "paid."

# "Lowering Costs and Improving Care Through 340B Partnership"

By: Terri Schexnayder

At Hereford Regional Medical Center, a 42-bed full-service rural health care facility serving the residents of Deaf Smith County, the goal is to improve the health and quality of life of the community while focusing on the concept of neighbors taking care of neighbors. That's why staff at HRMC were thrilled when the hospital was accepted as one of the covered entities under the federal 340B Drug Pricing Program in 2004. HRMC patients would reap the benefits from reduced medication costs while the monetary savings achieved by the hospital would be returned to the community through health and well-being programs. Before becoming CEO in 2014, Greg Reinart served as HRMC's chief financial officer. His biggest challenge initially with the 340B program was the ability to monitor the program, retrieve information, and convert that information into a format where he could screen patient data for eligibility. The eventual partnership with SUNRx delivered a cost-saving solution that would meet those monitoring requirements and benefit all parties involved.

SUNRx provided HRMC with a fully compliant 340B contract pharmacy program that expands access to medications for the organization and its patients through a network of contracted pharmacies. When SUNRx staff first met with Reinart in 2011, HRMC had the hospital pharmacy and one other local retailer lined up in its 340B pharmaceutical network. SUNRx partnered closely with HRMC to expand its pharmacy network much further. "SUNRx met with Wal-Mart and CVS at the corporate levels to work through the contracting negotiations," Reinart said. "HRMC reached 100 percent participation of the pharmacies in the county – a rare achievement in many markets." HRMC used SUNRx's Web-based virtual inventory system to eliminate the need for pharmacies to keep separate 340B inventories. The system interfaces with HRMC's IT system and performs visit-level eligibility checks on the doctor, patient and pharmacy. According to SUNRx Southwest Regional Manager Laura Anthony, this level of sophistication is critical for program compliance and during an audit. "During an audit, HRSA reviews prescription eligibility for 340B by looking at patients' medical records and making sure the doctors they visited are on the hospital's provider panel," said Anthony. "HRMC has never been audited, but if they are, SUNRx will be by their side during the process." Reinart values the accessibility and expertise of the SUNRx team, including that of Brian Ward, vice president of regulatory affairs and compliance. Ward stays abreast of all 340B issues and updates coming out of Washington, D.C., allowing HRMC the unique benefit of immediate updates in the ever-changing 340B landscape.

At the heart of the HRMC and SUNRx partnership is a mission to help patients tap into the lowest cost possible for their medications. The SUNRx proprietary cash card program, which features a flexible plan design, helps HRMC serve low-income uninsured patients by applying "lower-of" logic to ensure the lowest prescription price at the pharmacy. Additionally, during monthly client meetings with SUNRx, HRMC staff closely monitor changes within the hospital that might adversely impact the 340B program. For example, if an HRMC doctor leaves the hospital or clinic to open a private practice and patients move with that doctor, their provider visits are no longer under the hospital's medical responsibility and eligibility. According to Anthony, HRMC is exceptional at taking full responsibility for its role in ensuring compliance. The organization's due diligence and SUNRx's innovative programs resulted in an estimated \$300,000 in savings to patients in 2015. In addition, HRMC generated money from the 340B program to further invest in patient care throughout Deaf Smith County. Over the last several years, the 340B program savings have allowed the hospital district to advance payments toward long-term debts incurred as a result of constructing much-needed facilities, thus relieving taxpayers of some of that burden. Reinart noted that HRMC employees also have benefited greatly from the SUNRx partnership. "To initially create steerage and traction for the program, we offered our employees lower co-pays for prescriptions if they were hospital patients and had their prescriptions filled at 340B participating pharmacies. Our health insurance program is partially self-funded, and ultimately the savings were recognized by the employees as well as the hospital's prescription drug costs," he said. "All around, the program has been a win-win for everyone involved."



## "Elevating the Health of Healthcare"

In listening to healthcare industry stakeholders describe the difficult and competitive landscape, as has been the case for the past several years, they are mainly challenged by the need to do more with less. They are partnering with those who have the ability to help them effectively manage costs and optimize the supply function through best practice sharing and the reduction of time and cost.

Many times engaging a partner, whether it be a group purchasing organization or outside consultant, can be worthwhile to bring a new perspective and fresh set of eyes and experiences to address a provider's challenges. But what are a few of the most important things to look for in terms of the resources they can provide and the successes you hope to achieve? In the following sections, we'll review four areas of importance in seeking to elevate the operational health of your facility.

### **Customized Solutions**

Although many organizations share challenges – and may be of the same size, share the same geography, etc. – your organization has many of its own very specific defining characteristics, processes, needs and requirements. You don't want to get stuck in a trap of terminal uniqueness, where you are so different that nothing that has succeeded for others can possibly work for you or your situation. This is where an experienced partner that understands those distinctive challenges can help guide you when needed and ultimately fold those requirements into a solution that is tailored to you.

What that means is aggressive customer service. Engaged partners. An extra set of hands to do heavy lifting. For example, in order to leverage member Stratum Med's collective buying power in the most effective and efficient way, a collaborative team from Stratum, Intalere, suppliers and representatives of Stratum's clinics created customized analytical tools and secured Intalere contracting resources to negotiate enhanced tier contracts. The collaborative efforts of the team resulted in savings of \$633,000 for Stratum Med.

One of the biggest challenges many healthcare facilities face is in the area of physician preference items (PPIs). Almost half of all the medical surgical supplies used in U.S. hospitals are PPIs, including devices and implants. Through the Intalere clinical advantage program, a proven strategy for reducing high-dollar implant costs while positively impacting clinical outcomes and physician support, Intalere can provide benchmarks and pricing information to bring context to the price points healthcare facilities are paying. Facilities can then leverage this benchmarking and price point information to reduce their operational costs or direct pricing on the products. Through the program, Intalere member Yavapai Regional Medical Center was able to identify some "quick wins" and significant savings. In the cardiac rhythm management category, they were able to reduce expenses by 10-15 percent, a savings of \$350,000. In the area of total joint replacement, savings were \$500,000, a cost reduction of up to 20 percent. But just as important, it did not require the physicians to change what they were using and it did not change anything related to the reps that support the organization.

### **Managing Non-Labor Spend**

Up to 50 percent of an organization's spend is non-labor, or supply chain related. Add to this the complexity of the healthcare

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## "Elevating the Health of Healthcare...Continued"

supply chain and increasing cost pressures on healthcare coming in the future, and you have a “burning platform” or significant need for supply chain to demonstrate their value. The low hanging fruit, or value, of supply chain is still easier to obtain than laying nurses off at bedsides or cutting clinical care. It provides a great opportunity to help the industry navigate the future with success.

But the healthcare supply chain faces perception problems that are not inherent in other industries. For example: the most expensive and high risk items often have the least control.

- Personal preference drives many product decisions.
- Healthcare outsources less than most other industries.
- Purchasing and accounts payable are often disconnected.
- The healthcare industry has the lowest level of trust between buyers and suppliers (of any industry surveyed).
- Supply chain is still in the basement of many hospitals (literally) – even though non-labor expenses are approaching 50 percent of total cost structure.
- Logistics costs in healthcare are more than 10 times the costs of the retail industry.

Changing the perception and understanding the strategic importance of the supply chain is incredibly vital to the continued sustainability of healthcare providers. A contract portfolio is only part of a full supply chain solution. Most facilities and their group purchasing organizations (GPOs) leverage volume aggregation in an attempt to primarily solve for one business line, in one vertical, in one expense category.

Volume aggregation in the current GPO industry tends to focus on those areas of mid to high category spend and low complexity. But it's not sufficient for healthcare to focus solely on cost reduction strategies. Supply chain services include procurement, logistics and effectively helping clinicians to manage standardization and utilization. Providers need infrastructure – people, processes, technology and governance. The scope of the supply chain extends across every healthcare vertical, across every business line and through all expense categories. Providers need end-to-end supply chain solutions that give them the ability to optimize the people, processes and technology within their systems to deliver the greatest value. Their strategy must include aspects of: The focus must be on helping to develop transformational solutions and providing information recognizing the importance of the healthcare supply chain in improving efficiency, maximizing financial value and enhancing a provider's ability to offer the highest quality of patient care. Providers must join the revolution to make supply chain excellence a core competency within their organizations and achieve their high-level strategic goals through supply chain initiatives.

### **Innovative Products, Services, Technologies**

Whether developed in-house or derived from a third party, technology needs to be an integral component of your future planning. So much of success in the new model of healthcare will be data-driven and dependent, so your ability to harness information and use it to drive decisions will be a huge key to your success. Quality data is gold. It is the basic building block for an organization's economic direction and also provides the facts and evidence needed both internally and externally to communicate the realities facing every stakeholder. Using the best data available and analytic tools, both in terms of spend

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## "Elevating the Health of Healthcare...Continued"

and other areas, is the foundation to savings, improved bottom lines, improved clinical outcomes and efficient care delivery. Your technology strategy, and any vendors or partners you work with, should focus on:

- Fast, low-cost capture of high volume, multi-source, multi-attribute data.
- Cost-effective organization and storage of captured data.
- Timely trend spotting via statistical analysis.
- Intuitive interfaces that help customers turn data and analysis into actions that solve business problems.
- Customization to solve unique customer pain points.
- Service-based solutions.
- Tools/processes/capabilities that can easily plug into or interface seamlessly into an organization's supply chain.

On the supply chain side, it's important to have tools and resources that allow you to:

- Manage organizational information – such as contracts, forms, payments and any rebates.
- Manage contract information – including bids, contract development and catalog management.
- Manage the order – this covers things such as contract search, contract signup, product selection and eProcurement.
- Manage contract opportunities – this would include things such as tier optimization, compliance to contract terms and non-contract to contract conversion. You can look at it as translating data into opportunity.
- Managing the supplier – around such areas as price auditing, sales reporting and any fee payment.
- Reporting/content management – reporting including standard reports, business intelligence or content management.

Intalere implemented its Intalere DiagnostixSm business intelligence tools and reports to assist el Rio health center in identifying actionable information and to provide a lasting platform for strategic supply chain management. Intalere also prepared an opportunity report for el Rio to analyze supply chain data and identify areas for significant savings. The opportunity report generates an immediate action plan for reducing costs by enabling on-the-spot signatory capability for "quick win" exact matches. Through this process, el Rio discovered a 50 percent discount on common medical surgical products and numerous "quick win" opportunities which provided savings near \$100,000.

### **Best Practices of a Provider-IED model**

Many times, the shared experience of a situation or solution is what resonates most. It is only natural to trust and appreciate solutions that have been organically developed by organizations similar to yours and have proven successful in the field. Having the value of experience and trial and error can keep you from making the same mistakes or facing some possibly unforeseen implementation issues.

In the hospital setting for instance, personal preference on certain items does not assist in reducing costs or necessarily ensure a better patient experience or better outcomes. according to Intermountain healthcare's Dr. Brent James, executive Director of the Institute for health care Delivery research and vice President, medical research and continuing medical education, and several other nationally-recognized experts on variation, inappropriate variation is a known cause of poor quality and outcomes. For this reason, programs that can offer reviewed and validated clinical products and services, which have been vetted in terms of clinical efficacy and acceptability using best available data and industry best practices to guide decisions, can be extremely valuable and a great saver of both financial and human resources.

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## "Elevating the Health of Healthcare...Continued"

Programs such as these, anchored and developed in collaboration with widely recognized industry leaders, through processes that have made leaders in both financial and clinical outcomes, are a valuable tool in a provider's ability to deliver care efficiently and affordably.

In addition, one of the most important things that hospitals can do to become more efficient and cost effective is to stop thinking like a hospital. Look beyond traditional industry solutions and study proven business strategies used outside of healthcare.

As an industry example, recognizing the importance of supply chain, Intermountain healthcare elevated its strategic importance to their organization and has been recognized as the #3 healthcare supply chain organization in the country by Gartner. Senior leadership committed resources to bring in skilled and talented people as part of their supply chain organization, while also centralizing reporting relationships, and involving and earning the trust of all stakeholders, including clinicians and physicians. Intermountain also implemented a fact and data driven approach, and most importantly, fostered a commitment to innovation, excellence and growth.

Intermountain partnered with Intalere to ensure that these resources and efforts can be made available to other qualified health organizations as well as help put the plan in motion. Over the past several years, the two organizations had sought to redefine the traditional provider-GPO relationship, which had previously been built mainly around just contracts and procurement. They have been able to evolve the relationship in a collaborative, innovative manner that has resulted in achieving millions in supply chain expense reduction as well as bringing Intermountain the increased bandwidth to undertake projects that would have required the addition of full-time resources. The relationship has maximized value for both organizations.

The initial implementation of the project brought \$2.78 million in savings, or a 10 percent reduction in costs. SKUs were also reduced by 497, bringing further cost reduction in inventory management and process improvement. the partners continue to work on adding categories and further reducing SKUs.

Collaboration and engagement of this type, driven by data, strategic alignment and flexibility will help to drive improvement and long-term sustainability for healthcare organizations facing the new era of healthcare. the future value of these successful healthcare collaborations is the opportunity and ability to share these models with other healthcare providers.



## "Health Industry Will Be A Target Of Data Breaches In 2016"

By: ACA International

The healthcare industry will be more susceptible to data breaches this year as the transition to electronic medical records continues and the black market value for those records grows.

In its third annual Data Breach Industry Forecast, Experian's Data Breach Resolution group says the healthcare industry will be a target in 2016, and businesses need more internal employee training to prevent security risks. There have been more than 15,000 data breaches over the last decade; and according to Experian, security risks to businesses will continue this year.

Healthcare data breaches continue to be a threat in 2016 based on prominent cyber-attacks on Anthem, Premera BlueCross Blue Shield and more Organizations. According to a separate study by Privacy Analytics, because many individuals are not familiar with "deidentifying" data, it may be shared in ways that presents a high risk of a data breach. According to "The State of Data Sharing for Healthcare Analytics 2015-2016 Change, Challenges and Choice," by Privacy Analytics, more than two-thirds of respondents to a survey of healthcare organizations said they lack complete confidence in their organization's ability to share data without privacy risks.

Health records are the most common type of data being stored or shared (55 percent), followed by medical claims data (44 percent), according to the survey.

### **Changing Landscape of Data**

"In 2015, research from the Ponemon Institute revealed that while more companies now have a data breach response plan in place, many are still not confident in their ability to manage a significant incident," according to Experian's report. "Concerns regarding the effectiveness of response plans indicate a need for business leaders to reevaluate and audit their programs."

Experian also reviewed its predictions on data breaches for 2015 and how businesses fared based on those predictions. In 2015, employee errors continued to be one of the leading causes of data breaches and employee training programs needed improvement. As a result, it is also essential for companies to increase their preparation for a data breach and response plans should one occur, according to Experian. "The landscape has changed with hackers targeting organizations for different types of data that could be used for extortion or to simply cause harm," according to the Experian report. "While traditional data breach threats remain, it is important that business leaders take note of emerging trends and update their data breach response plans accordingly."

According to the Privacy Analytics study, one in five respondents said their healthcare organization has taken steps to reduce risk and improve deidentification in the records that are shared. Healthcare organizations are slowly starting to make data

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## "Health Industry Will Be A Target Of Data Breaches In 2016...Continued"

available for secondary uses, but two out of three respondents to the Privacy Analytics survey said they lack total confidence in their organization's ability to share data without creating privacy risks. "The demands for data, combined with the magnitude of PHI [Protected Health Information] being collected in electronic medical records, medical monitoring apps and other healthcare networks makes this cause for concern," according to Privacy Analytics. Nearly 50 percent of respondents to the survey said preventing patient "reidentification" is a top challenge when they share or store data and the concern is highest among organizations that are already sharing data.

Privacy Analytics also reports results of its survey reflecting that employee errors or the need for more employee training may contribute to challenges in information security among healthcare organizations. "Additional challenges include low staff knowledge on managing data safely (26 percent), low staff knowledge of data sharing practices and tools (25 percent), cost concerns (24 percent), and lack of organizational policies (23 percent)," according to the Privacy Analytics survey.

Overall, according to Privacy Analytics, the results of the survey show there is a gap between regulatory requirements and healthcare organizations' ability to meet them and an overall growing demand for health data. "The growing demand to share health data brings with it growing risks. The proliferation of PHI and subsequent requests for data is pushing the boundaries of compliance as organizations try to satisfy demand. The response has been to err on the side of caution and keep data locked away," to Privacy Analytics.

But those who do share and store PHI must do so responsibly, and the survey reflects their struggles to prevent patient re-identification and meet compliance requirements. "Many organizations feel unprepared to responsibly store and share data for secondary purposes, and thus, are unable to advance analytics in their organization," according to Privacy Analytics.

Experian recommends for healthcare organizations to continue investing in data security technologies and training employees on proper security practices in 2016.



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