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*Monday, July 26, 2021*

## Creating Value Through Strong Partnerships in a Clinically Integrated Supply Chain

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*Moderator: Ashley Kicklighter*

## | Disclosures

- The presenters have no real or perceived conflicts of interest related to this presentation

Note: This program may contain the mention of suppliers, brands, products, services or drugs presented in a case study or comparative format using evidence-based research. Such examples are intended for educational and informational purposes and should not be perceived as an endorsement of any particular supplier, brand, product, service or drug.

## | Learning Objectives

*At the end of this session, participants should be able to:*

1. Describe ways to partner with key stakeholders in driving standardization initiatives, including Physician Preference Items
2. Discuss engagement and communication techniques to improve initiative implementation increase stakeholder buy-in
3. Identify techniques and processes to prepare clinicians for change



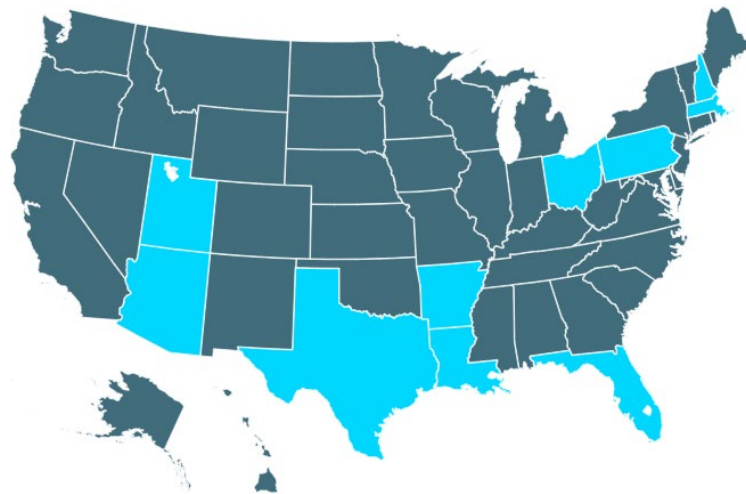
# About Steward Health Care

# Steward Health Care



## About Steward

- Physician-owned and led, private, for-profit healthcare system
- 40 Hospitals across the U.S., South America and in Malta
- Serves over 800 communities
- Over 37,000 employees
- Steward Health Care Network provides >12 million patient encounters annually
- Shared Values:
  - Champion the best healthcare, hard-charging performers, and we are good Stewards



# Steward's Value Analysis Journey

Audience Poll Question: #1 of 3

*What techniques do you utilize to gain consensus and support from clinicians when evaluating Supply Chain opportunities?*

- a. Clinician Led Value Analysis Committees
- b. Strategic Sourcing/Contracting Strategies
- c. Data Analytics – Cost, Quality & Outcomes
- d. Third Party Evidence Database
- e. Supply Chain Led Committees
- f. Administration Mandates
- g. Tell a Story with Financial Numbers
- h. Combination of Above



# Steward's Value Analysis Journey

## What is the History of the Steward Value Analysis Program?

- Rapid growth through acquisition of new facilities
  - Corporate Headquarters moved from Boston to Dallas in 2018
- Value Analysis Policy and Procedures created – Set foundation for cost, quality and patient outcomes
  - Enterprise Contracting and Value Analysis process put in place
    - SharePoint Pipeline – End users place requests for items to be added to contract
  - Local facility Value Analysis teams work to implement initiatives – Some corporate, some local
- Enterprise Clinical Value Analysis Teams launched
  - General Medical
  - Surgery
  - Laboratory
  - Cardiac
  - Physician Advisory Boards
- Executive Steering Committee formed
  - Quarterly Executive team meeting across organization to prioritize and support initiatives



## Steward's Value Analysis Journey, *continued*

### Value Analysis Evolution

- Enterprise Value Analysis teams historically had only Contracting, Purchasing, Facility Materials Directors/Managers and little clinical participation
  - Decisions were made around cost and not much clinical input into initiatives
  - Implementations stalled, not much facility level support to drive initiatives to completion
  - Local facility VATs were siloed and working autonomously on own initiatives
- Relaunch of Value Analysis Program – September 2019
  - COVID-19 – Delays
    - PPE Sourcing and Acquisition February – June
  - More focus on clinical feedback and engagement
  - Front end “Buy-in” for difficult and clinically sensitive product categories
  - Majority of team members are now clinicians
  - Robust participation and discussion around new initiatives

## Steward's Value Analysis Journey, *continued*

### Value Analysis Evolution

- Communication tools and resources improvement
- Physician recruitment for championing initiatives – PPI
  - Cellular Regenerative Tissue
  - Total Joints – Hip and Knee
  - Spine/Osteobiologics
  - Ortho Trauma
  - Small Joints
- Understanding Limitations
  - 2 ERP systems, 2 EHR systems
    - Future state- 1 ERP & 1 EHR

Audience Poll Question: #2 of 3

*What communication techniques does your organization use when implementing change, specifically with standardization initiatives?*

- a. Newsletters
- b. Leadership Communication
- c. Comprehensive Conversion Launch Packages
- d. 1:1 Meetings
- e. Value Analysis Meetings
- f. Intranet Communication
- g. Combination of the Above
- h. Any Others?



# Steward's Value Analysis Journey

## Communication Tools

- Contract/Initiative Launch Packages
  - Feedback from end users on ways to improve communication and needed items to facilitate conversions

Initiative Scope Statement	Communication	Financial Impact by Facility	Compliance by Facility	Cross Reference
Ethicon to Davol Visual Cross	Covidien to Davol Visual Cross	Products	Davol Contact Information	Contract Summary Sheet

- Initiative scope statement is comprehensive in scope of project, spend, savings, rationale, key stakeholders, literature, and patient outcome impacts
  - Comprehensive Cross References with Visuals

Ethicon Mesh		Bard Davol Cross	
Ethicon Prolene Mesh		Davol Bard Mesh	
SPMXXL PMII SPMH PMH PML		0112660 0112680 0112720	

# Steward's Value Analysis Journey, *continued*

## Communication Tools

- Executive Communication Prior to Initiative Launch
  - Memo to Regional and Facility Leadership Teams
    - Ensures leadership is aware and supportive of change
- Monthly Newsletters



- Savings Scorecard
  - Validation of launched initiatives and contract renewals
  - Evolved over time – includes missed opportunities, capital, cost increases, cost avoidance and rebate tracking
- Supply Chain Initiative Dashboard Tracker
  - Itemized year over year tracker
  - Quick snapshot of each initiative's progress, spend and potential savings

# Rationale for Change, Partnership & Improvement

*What are the benefits of standardization in a healthcare organization?*

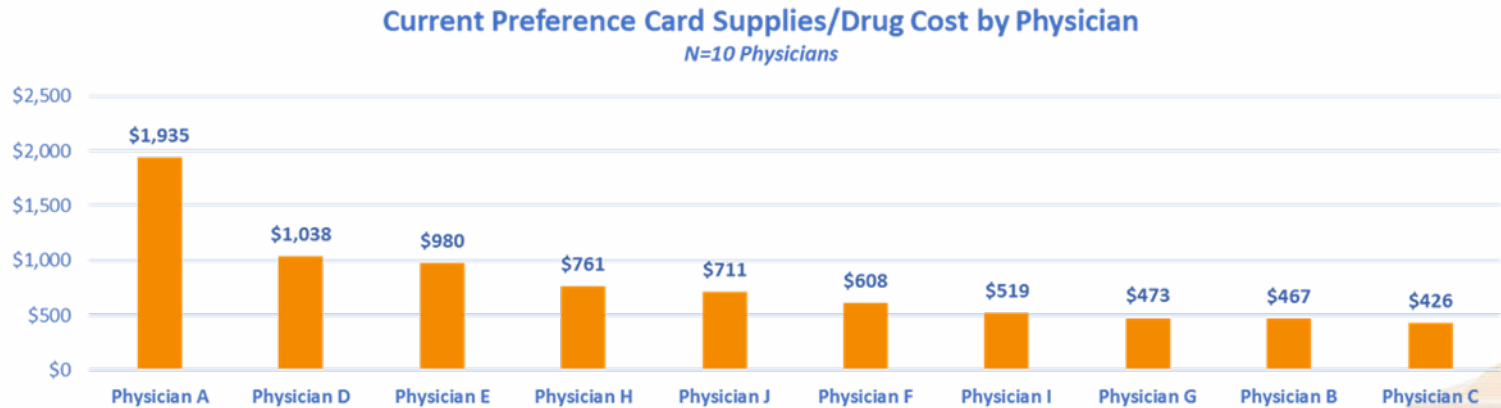
- a. Increased Competency of Staff
- b. Improved Efficiency of Ordering and Maintaining Supplies
- c. Decrease in Costs
- d. Potentially Improved Patient Outcomes
- e. Standardization of Patient Care
- f. All the Above



# Rationale for Change, Partnership & Improvement

Why should we standardize?

- Variation in supplies across organization
  - Clinical staff needs to understand nuances of each item and each surgeon
  - Creates variation in care delivery
  - Drives increase in waste
- Variation in cost per case



- Consistency drives competence which improves patient care outcomes and employee satisfaction

## | Rationale for Change, Partnership & Improvement, *continued*

Why should we standardize?

- Inventory control and efficiency
  - Reduction in SKUs
  - Less products to manage
- Redundancy in market
  - Clinical equivalency of lower cost items
  - Does the literature support higher cost items?
    - Most times the literature does not exist, or the evidence is inconclusive; not enough studies and evidence to show differentiation in product and patient care outcomes
  - Consolidate multi-source and dual-source contracts; leverage sole-source contracts



# Partnering With Key Stakeholders

## Identifying Stakeholders in the Value Analysis Process

- Patients
- Clinicians
  - All end users of products and clinical process
    - Physicians, Nurses, Therapists, Technicians, Care Assistants, EVS, etc.
- Executive Leadership – C-Suite (Local, Regional and Corporate)
- Leadership – Regional and Local Facility
- Supply Chain
  - Contracts, Value Analysis, Procurement, Data, Operations
- Vendors
- Finance
- GPO

## Partnering With Key Stakeholders, *continued*

### How we do it

- Communication, Communication, Communication!!!
  - Proactive communication yields the best results
  - Communicating the message effectively
    - Team approach, not top-down communication
    - Soliciting feedback on products, gathering committee's clinical opinion on product equivalence
    - End users many times do not know the cost of items
- Data!
  - Prepare to discuss current costs, potential costs and vendor options
- Leadership Support – Proactive communication to Executive Leadership and OR Leadership
  - They help to remove barriers and mitigate issues and concerns
- Partner with Vendor reps
  - They help with education and support messaging
  - Routine weekly check-ins to ensure implementation is progressing
- Ensure consistent messaging/talking points throughout each initiative

# Example of Communication Package

Comprehensive Package that includes the following:

- Ensure rationale is clear for “why the change” – Project Scope Statement
- Cross References
- Evaluation Forms
- Literature supporting the change and new product
- Financial Savings
- Implementation Plan
- Staff & Leadership Memo

XXXXX Initiative Evaluation Form					
Name of Person Completing Form					
Location					
Procedure					
Product(s) evaluated - Please Circle	Bone Cement	Cement Mixing Accessories			
Please put an "X" in the appropriate column for your feedback					
Questions	Strongly Agree (5)	Agree (4)	Disagree (3)	Strongly Disagree (2)	N/A, (1)
Did the vendor provide adequate training and education?					
Did the vendor provide clinical support during the evaluation?					
Product(s) easy to use?					
Product(s) performed as expected?					
Did you experience equivalent or better patient care outcomes using this product compared to current product?					
Is the XXXXXX Products clinically acceptable?					
Do you support conversion to the XXXXXXXX Products and Initiative?					
<b>Totals</b>					
If score of 2 or below, please supply comments in the section below.					
<i>Please submit completed form to facility Materials Director</i>					

PROJECT SCOPE STATEMENT	
ISSUE/PROJECT	Bone Cement
EXECUTIVE SPONSOR	Michael Prokopis
PROJECT START DATE	8/1/2020
DUE DATE	12/31/2020
STRATEGIC SOURCING PROJECT LEAD	Joel Gajewski
VA PROJECT LEAD	Erin Arnold
PROJECT SCOPE STATEMENT	
2020 Surgery Value Analysis Workplan Savings	
Conversion to Heraeus Medical contracted products	
IN SCOPE ITEMS	DESCRIPTION
Bone cement - standard and antibiotic with mixing accessories	See Products Tab
PROJECT DESCRIPTION	
<p>Bone Cement &amp; Accessories – Estimated Annualized Savings \$XXXXK systemwide, with potential for more upon further conversion and contracting negotiations</p> <p>Multi Source Contract with Depuy Synthes, Heraeus Medical &amp; Stryker.</p> <p>The Surgery Value Analysis Team evaluated and recommended to pursue the opportunity for Standardization, SKU reduction and cost savings with conversion of bone cement and cement mixing accessories to Heraeus. Heraeus formerly partnered with Zimmer to distribute their products, but ended the agreement in late 2018, and now distributes their own products. Heraeus offers a broad portfolio of products that compete with the other bone cement suppliers, including low, medium and high viscosity formulas available in both antibiotic and non-antibiotic loaded cements. Literature supports the use of Heraeus Palacos in total joint arthroplasty. They also offer an all-in-one system that is a closed system to aid in further prevention of the risk of infections and exposure to fumes.</p>	

Letter Regional Presidents and Hospital Leadership- Bone Cement

Good afternoon,

The Surgical Value Analysis Team has identified a savings and SKU reduction opportunity that Supply Chain has been and will be introducing to all Steward Hospitals in the next few weeks. The opportunity involves a conversion to the Heraeus Palacos (formerly distributed by Zimmer) bone cement and cement mixing accessories used in Total Joint Replacement surgeries. Our contracted vendor, Heraeus, is partnering with Steward to aid in the implementation of this initiative.

Since this is a surgeon preference category, we want to ensure that all our surgeons get the opportunity to touch, feel, and evaluate the Palacos bone cement product prior to use on a patient and prior to implementation. We value their feedback and want to ensure that they have buy-in, will support and share their potential concerns with this opportunity. Our OR Directors and Material Directors will be actively involved with this project too. We also ask for your support with the OR and Supply Chain teams as they work to ensure that the surgeons meet with Heraeus representatives.

In order to streamline these product validation trials and obtain buy-in from our surgeons, we are asking our hospitals if they have an orthopedic surgeon who would be willing to assist and serve as a Physician Champion as needed for their respective facility or region. This surgeon would support the Heraeus bone cement initiative and would serve as a facilitator for peer to peer discussions if there are surgeons who have concerns with utilization of the products.

## | Partnering with Key Stakeholders, *continued*

### How we partner

- Ensure mechanisms for feedback and appeals
  - Appeal Process clearly defined
  - Communicate regularly with surgeon champions





# Case Studies



## | Case Studies

### Bone Cement and Accessories

- Rationale for change
- Change Management process – Buy-in
- Partnering with Surgeons, OR clinicians and leadership
- What went well?
- Barriers to implementation?
- Lessons learned?
- What suggestions for future initiatives?
- Current state

### Synthetic Non-Absorbable Hernia Mesh

- Rationale for change
- Change Management process – Buy-in
- Partnering with Surgeons, OR clinicians and leadership
- What went well?
- Barriers to implementation?
- Lessons learned?
- What suggestions for future initiatives?
- Current state

# Continuous Process Improvement

## Future State

- Implement processes to debrief after implementation
- Communication with stakeholders on opportunities for improvement
  - What went well?
  - What can we improve?
  - How do we improve communication?
  - Did we achieve the goals based on the Initiative Scope Statement?
    - How far were we off?
- Implementing KPIs
  - Speed to Value
    - How quickly did we implement the initiatives to realize savings, SKU reduction, etc.?
  - Contract Performance
  - Supplier Scorecard

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# Thank you...

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