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Risks, Resilience & Adaptability: Keys to Sustaining Value Analysis Through Disruption

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Moderator: Vicki Alberto

| 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. Recall various types of disruption to the healthcare supply chain
2. Identify steps to mobilize supply chain operations and resources
3. Recall strategies for leveraging disruptive situations in the supply chain

Panelist Introductions

HealthTrust Colleagues

Moderator

Vicki Alberto, RN

- VP of Clinical Resource Management
inSight Advisory Services



Panelists

Robert Skinner

- Senior Director, Clinical Resource Management
inSight Advisory Services–Supply Chain team



Gary Vaden, BSN, RN

- Divisional Clinical Resource Director, Surgical Services
Represents 39 Steward Healthcare hospitals



Member Panelist

Cheryl Smith Anderson,
DNP, RN, MBA



System Director of Clinical
Value Analysis
Steward Health Care



- Steward Health Care is the largest private, tax-paying physician-led healthcare network in the U.S.
- Headquartered in Dallas, it operates 37 hospitals in the U.S. and Malta that regularly receive top awards for quality and safety
- Employs ~42,000 healthcare professionals. Its network includes multiple urgent care centers and skilled nursing facilities, substantial behavioral health services
- 7,900+ beds under management and ~2.2 million full risk covered lives through the company's managed care and health insurance services
- The Steward Health Care Network includes 5,000 physicians across 800 communities who provide more than 12 million patient encounters per year

Member Panelist

Rebecca Holt, RN, MBA



Vice President
Supply Chain Clinical
Resources & Analytics



- Ardent Health Services makes considerable investments in people, technology, facilities and communities—producing high quality care and extraordinary results.
- Since 2001, those investments total \$1.4B+, including newly constructed facilities, expanded services, lifesaving technology, and outstanding opportunities for employees
- Ardent includes
 - 30 Hospitals in 6 States; 200+ Sites of Care
 - 4,287 Licensed Beds; 130 Managed Beds
 - 26,000 Employees
 - 1,200+ Employed Providers
 - \$5 Billion in Revenue
 - 2.6 Million Provider Encounters/Day



Supply Disruption Overview

Robert Skinner

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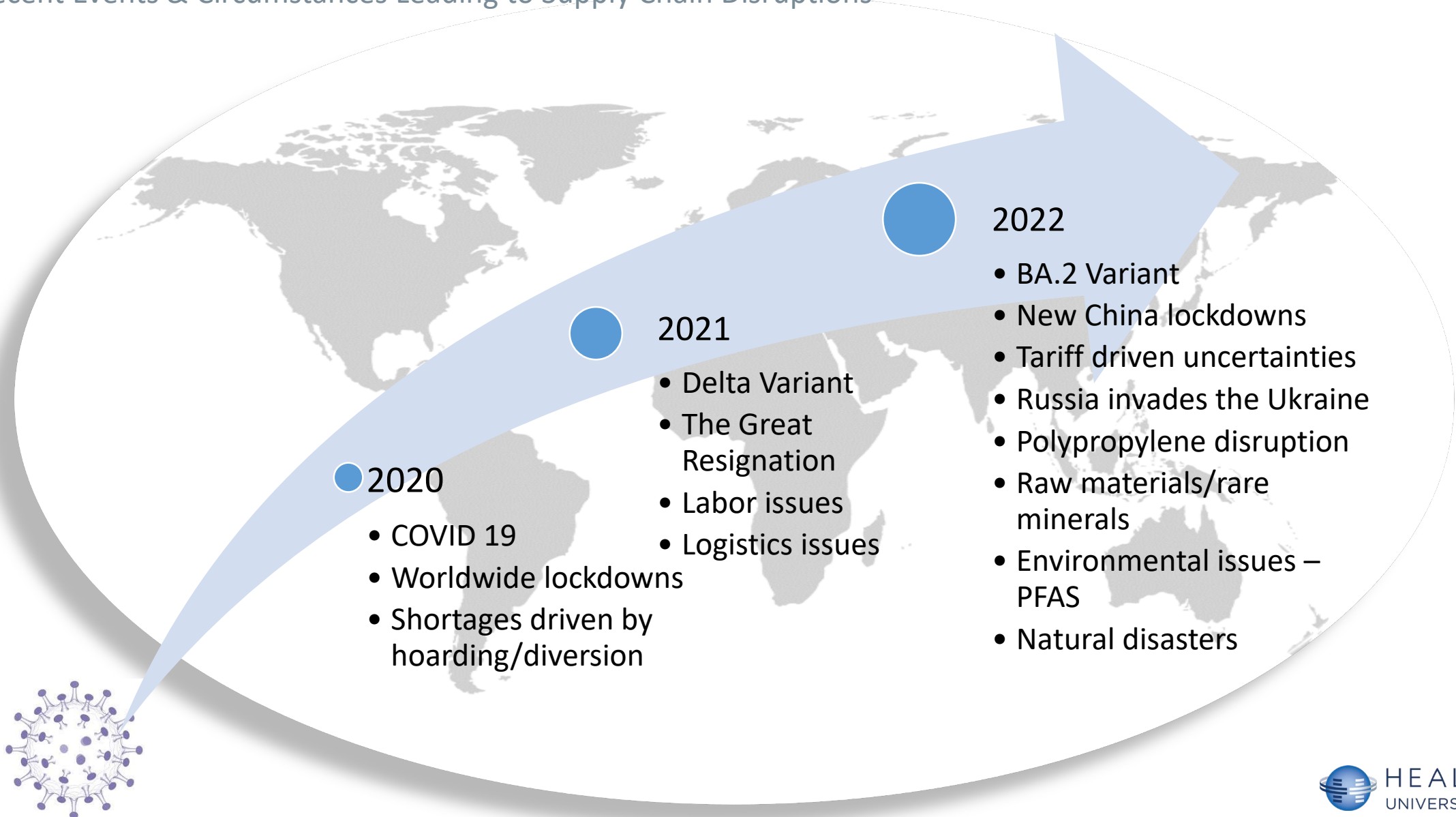
Definitions

- Risk:
 - 1. possibility of loss or injury: PERIL
 - 2. someone or something that creates or suggests a hazard
- Resilience:
 - 1. the capacity to recover quickly from difficulties; toughness
- Recovery:
 - 1. a return to a normal state of health, mind or strength



Supply Chain Disruptions

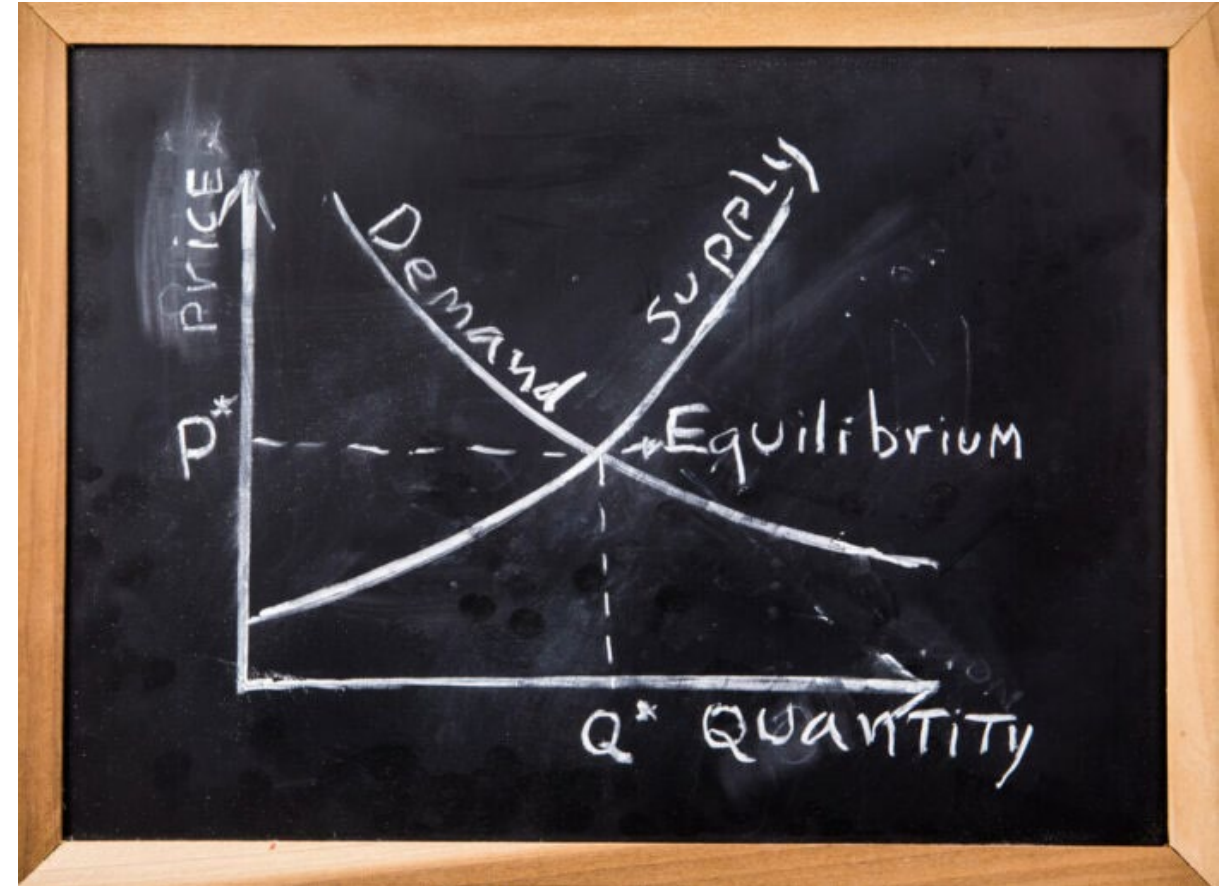
Recent Events & Circumstances Leading to Supply Chain Disruptions



Supply Chain Disruptions

“The Domino Effect”

- Limited manpower and time to manage and seek continuous shortage resolution
 - Redeployment of resources
 - Burnout
 - Cultural Shift
 - Lay-offs
 - “The Great Resignation”
- Increased supply expense driven by purchasing from non-contracted and gray market suppliers to procure patient care products
 - Investor-driven brokers
 - Off contract spend creep
 - Low supply with **HIGH** demand





Resilience Strategies

Gary Vaden

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| A Day in the Life of Supply Chain: Value Analysis Team

Backorders, Stock Outs & Substitutions

First thought of the morning:

- What is my emergency today?
- What is urgent?
- What is on backorder today?
- When is the release date?
- Can I borrow it, or move it?
- Can I source it from another supplier?
- Can I find a substitution for it?
- Can I barter for it?

Measures to Mitigate Impact of Disruptions

Resilience Strategies

- Increase your altitude
 - GPO
 - Distributor
 - Key manufacturers
 - Professional organizations
 - World news/events
- Communicate
 - Internal key stakeholders
 - External key stakeholders
- Prepare
- Consider bulk buy of appropriate products
 - Ability to store
 - Funding
 - Shelf life

The square root of your altitude times
1.225 = line of sight to the horizon

Measures to Mitigate Impact of Disruptions

All Hands on Deck

- Shorten the communication gap between supplies on hand and key stakeholders
- Be accessible to material techs and clinical staff on the floors
- Delegate tasks and activities for the day
- Learn from the past
- Have confidence the situation will be over soon
- Live for the day. Be ready for tomorrow.



Source: HCA Healthcare warehouse photo



Measures to Mitigate Impact of Disruptions

Cheryl Smith Anderson

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Measures to Mitigate Impact of Disruptions

What measures did presenters' health systems put in place?

- Activate Emergency Preparedness Committee Huddle
- Management of PPE
 - Federal and state government agency collaboration
 - SME and Key supplier collaboration
 - Strong lines of communication between key Clinical Leaders and Supply Chain
 - Utilize and conserve PPE
 - Implement weekly PPE inventory reporting
 - Conduct PPE predictive analysis
 - Work with med/surg distributor for substitutions and back-orders
 - Identify potential product shortage scenarios and available substitutes
 - Research alternative small suppliers for back-up
- Logistics Strategies
 - Transfer key products from one hospital to another
 - Manage inventory turnovers
 - Execute PO spend and service line report

| Impact of Disruptions on Value Analysis Projects

Challenges

- Competing goals and priorities
 - Mergers and acquisitions continue
 - Manufacturer “Lean” practices
- Workforce shortages
 - Loss of employees from the “Great Resignation”
 - Loss of healthcare workers to “travelers/contractors” – higher pay
 - Workforce retirement or left workforce because of risks of exposure
 - Loss of lives – Estimated 115K healthcare workers died from COVID-19
- Pandemic Burnout
 - Loss of interest and stamina
 - Active VA team members (high performers)

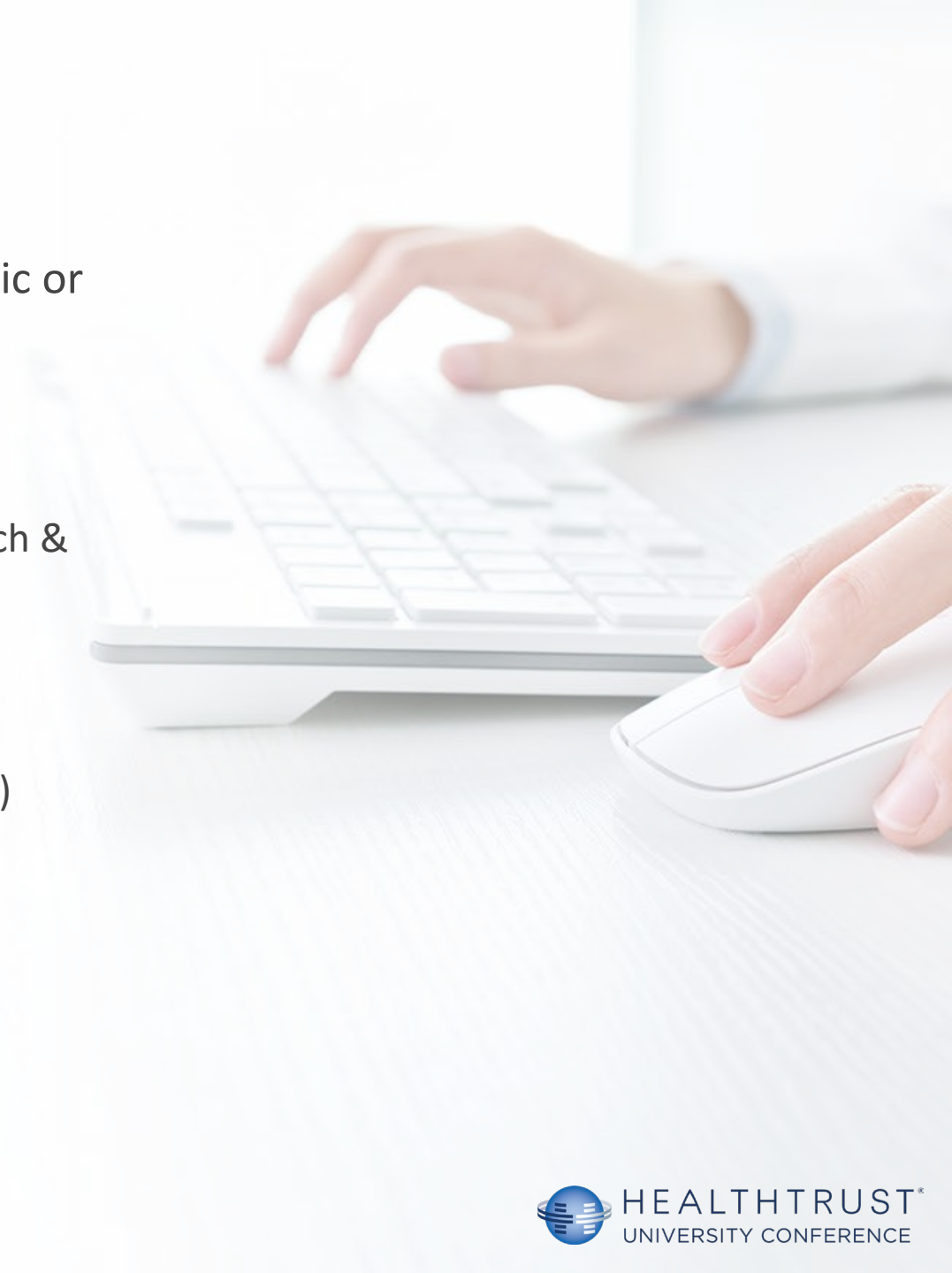
Strategies

- Alternative Strategies
 - Manage utilization
 - Maximize allocation purchases
 - “Don’t put your all your eggs in one basket”

Resilience Strategies

Decreasing the Impact of Skyrocketing Expenses

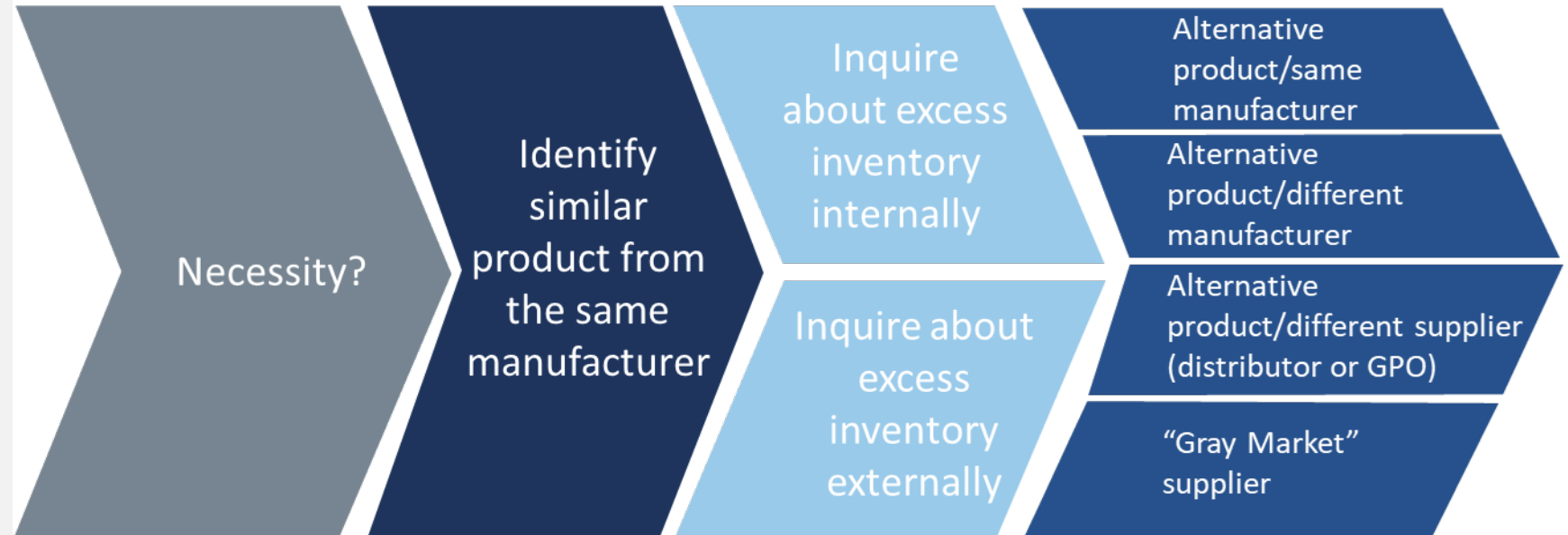
- Identify and vet savings initiatives NOT impacted by pandemic or supply chain disruptions
- Target your approach – Low effort
 - Target commodity items
 - Categories not requiring product evaluations but may need “touch & feel/show”
 - Do not need approval when rolling out for conversion
- Launch initiatives for conversion
 - Clearly communicate the case for change (What, How and When)
- Identify and vet alternative strategies
 - Reprocessed versus disposable
 - Reusable versus disposable
 - Refurbished versus new



Ground Rules

- COMMUNICATION is KEY
- Get everyone involved
- Check egos at the door; everyone is vital to success
- 4Cs: Collaborate, Communicate, Cooperate and Compromise

Assess the need – Deploy a solution



If despite your best efforts to plan you experience a supply disruption, follow a cascading decision flow to source and acquire the products necessary to provide safe and effective patient care.

Recovery Strategies

Where are we now?

- Review initiatives pipeline/work plan
 - Off-contract spend
 - Contract optimization
 - Revisit supply disruption “solutions”
 - Convert back to contracted manufacturer
 - Did you “un-ring the bell”?
- Create new processes to accelerate review and implement initiatives (as needed)
 - Communication/Venue
 - Electronic and digital workflow
 - Virtual processes
 - New product request
- Strengthen your supply disruption plan and processes



Final Thoughts

The GOOD Out of the BAD

*“Bad things can happen, and often do—
but they only take up a few pages of your story;
and anyone can survive a few pages.”*

- James A. Owen¹

*“No man is broken because bad things happen
to him. He’s broken because he doesn’t
keep going after those things happen.”*

- Courtney Milan²

What We Gained Moving Forward...

- Florence Nightingale
- Clara Barton
- Advances in Medicine Related to Wars
- COVID

Sources:

[1. The Barbizon Diaries Quotes by James A. Owen \(goodreads.com\)](#)

[2. Unraveled Quotes by Courtney Milan \(goodreads.com\)](#)

[3. https://www.fpri.org/article/2018/02/advances-in-medicine-during-wars/](https://www.fpri.org/article/2018/02/advances-in-medicine-during-wars/)



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Thank you...

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