



Welcome

Value Analysis Journey: From Concept to Reality

THIS SESSION IS NOT OPEN TO SUPPLIERS

Applying for CE credit or need a Certificate of Participation? Be sure to snap a pic of the code shown at the end of this session.

CE Credit Deadline: 09/30/24



Presented by



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

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Learning Objectives



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

1. Recall the components of a clinically integrated supply chain.
2. Identify appropriate individuals within the organization to participate in a Value Analysis program.
3. Discuss a strategy to evaluate and manage new products and services within their health system.

Franciscan Alliance



 Respect for Life

 Fidelity to our Mission

 Compassionate Concern

 Joyful Service

 Christian Stewardship



Carmel



Carmel - Orthopedic Center of Excellence



Crawfordsville



Crown Point



Dyer



Indianapolis



Lafayette



Michigan City



Mooreville



Munster



Olympia Fields



Rensselaer

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Audience Poll



Do you have an organized approach (value analysis) to supply chain decision-making in your organization?

- Yes
- No
- I don't know

Starting the Journey

- Lack of consistency in clinically approved products
- Facility-based contracting
- No standardization
- Governance/Oversight non-existent
- Outdated ERP
- Local decision-making



Starting the Journey, cont'd.

- Lack of consistency in clinically approved products
- Facility based contracting
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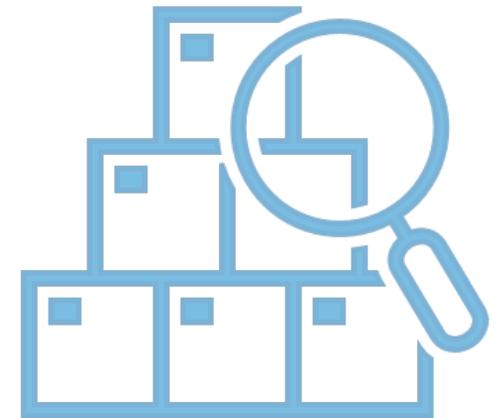
Fact Finding



- Understand how each facility made decisions
- Did our teams understand what a GPO was
- Did we have purchasing contract
- Did we leverage HealthTrust

RAPID ACTION

- Created a paper form to track NEW requests
- Formed a Nursing Value Analysis Committee



Original New Product Request Form



Date of Request _____

Physician Requesting Item: _____

Contact Person: _____

Phone Number: _____ Email: _____

Best time to reach: _____ Date requested to begin use: _____

Product Name: _____ What will it replace: _____

What is it used for: _____

Cost of new product _____

Is this additional cost to procedure? Yes NO

Does it improve the standard/required as a standard of care? YES NO

If yes, please describe: _____

Is product on contract with HPG/Franciscan: YES NO

If yes, please describe: It is being used by the Franciscan group in Indianapolis (not on HPG)

If no, describe rationale for using "off contract" _____

Is it more cost effective: YES NO

If yes, please describe: _____

Has ROI been complete? YES NO Is product reimbursable? YES NO

Company: _____

Vendor Representative Name: _____

Phone # _____ Email address: _____

Mission Statement Creation

Reduce variation and cost, standardize across the system and appropriately vet products/services

ACTION STEPS:

- Increase on-contract spend and reduce rogue/off-contract spend
- Create and implement process to support decision-making
- Monitor utilization decisions and trends for appropriate use and course correction
- Establish and maintain communications plans necessary to ensure awareness



Audience Poll

Do you have dedicated resources to work on value analysis initiatives in your organization?

- Yes
- No
- I don't know



Establishing Definitions



What is Value Analysis?

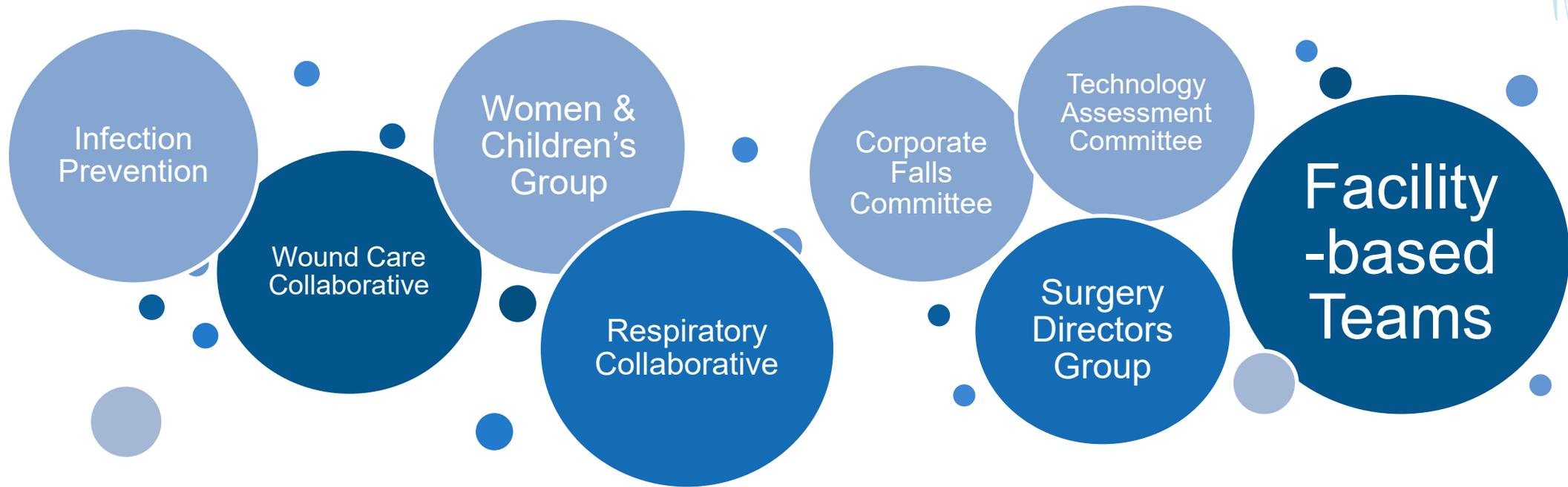
Value Analysis Team

Structure

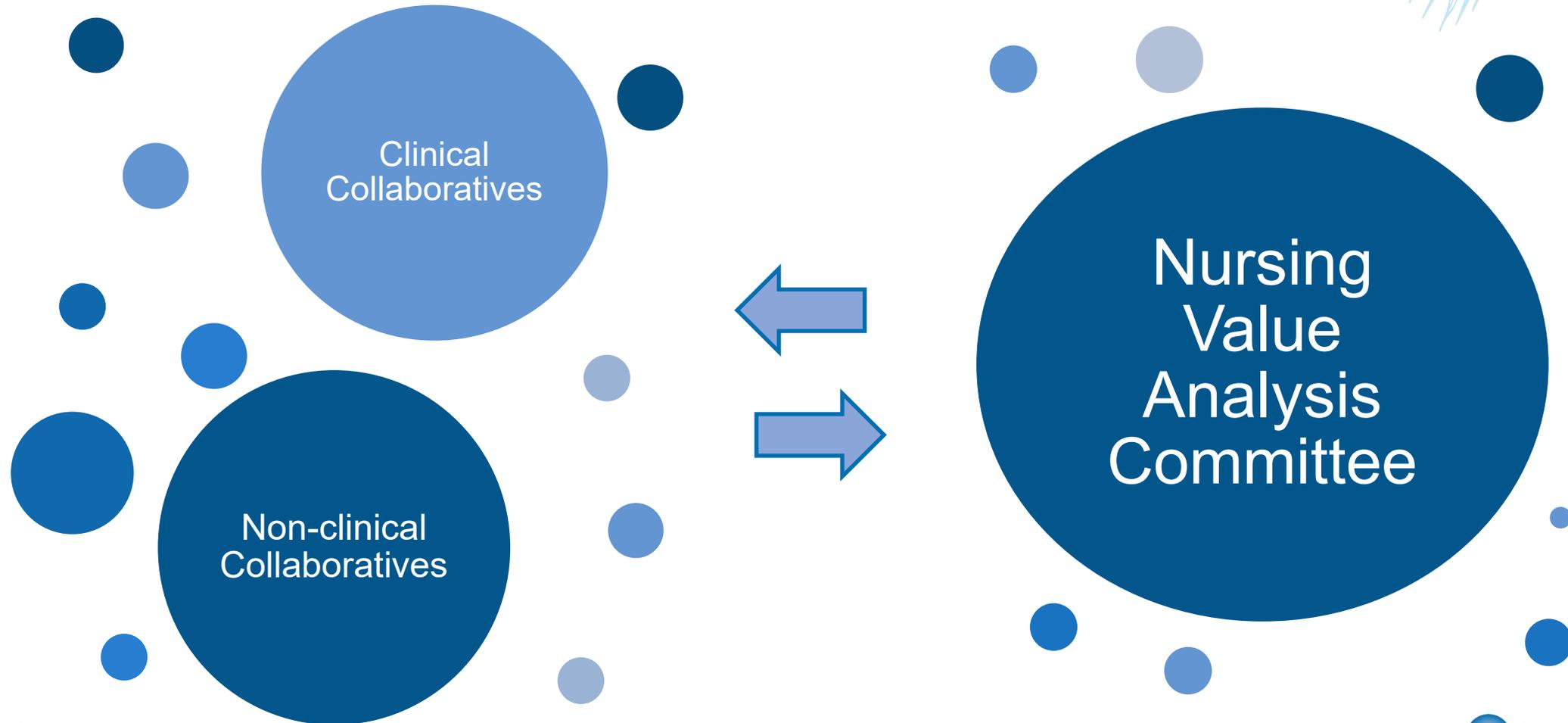
Strategic Relationships

Value Analysis Coordinator

From Facility-based...



...to Bidirectional Relationships



Milestones

- Product request form became electronic
- ERP software conversion
 - Finance
 - Human Resources
 - Supply Chain/Logistics
- Workforce transformation
- Pandemic



Align Committees With VA Categories



6 Unique Committees — Multidisciplinary



Clinical

Acute, Ambulatory, Interventional, Perioperative

- Meets regularly
- Members are nominated

Non-clinical

Capital, Purchased Services

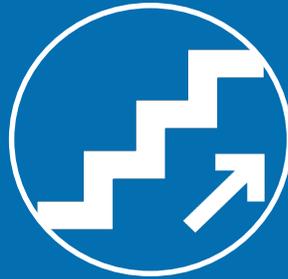
- Meets ad hoc
- Members vary

Each supported by a value analysis coordinator and contract administrator

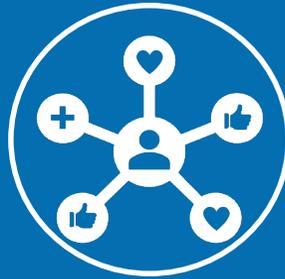
Committee Process



Review
Meeting Minutes
& Agenda



Discuss
Next Steps for
New Products



Consult
Strategic Partner
Resources



Contract
Compliance



Spend
Utilization

Governance



Governance



Executive Leaders

Operations, Finance, Clinical Oversight

Executive Chair: System Chief Operating Officer

Co-chair: Vice President of Supply Chain

Other members include:

- System CFO, CMO & CNO
- Hospital CEO
- Hospital COO
- VP of Physician Practices
- Director of Revenue Integrities
- Director of Value Analysis
- Director of Strategic Sourcing

Ad hoc members include all hospital CEOs

Savings Roadmap Creation



Project ID	Project	Kepp or not	Business Unit	Contract Team	Current	Current Supplier	Agreement Expiration	Current	Projected Savings Range %	Lowest Percentage	Highest Percentage	Projected Impact Range \$
BPM002706	Hemoglobin A1C Testing Systems (HPLC)	No	Core GPO	Laboratory	Sole	Bio-Rad Laboratc	11/30/2023	(2.00%) - 1.00%	-2%	1%	(\$15,910) - \$7,955	
BPM006541	Diagnostic Cardiology, EKG Machines	Yes	Core GPO	Diagnostic Imaging	Dual	Welch Allyn (#70	9/30/2024	0.00% - 0.00%	0%	0%	\$0 - \$0	
BPM006545	Diagnostic Cardiology, Stress Testing	Yes	Core GPO	Diagnostic Imaging	Dual	GE (#70088), Wel	9/30/2024	0.00% - 0.00%	0%	0%	\$0 - \$0	
BPM005286	Maintenance - Repair and Operations	Yes	Commercial	FIS	Sole	Grainger (#148)	5/31/2024	(2.00%) - 0.00%	-2%	0%	(\$2,153,571) - \$0	
BPM005624	Artwork	No	Commercial	FIS	Dual	HEAS (#3928), Am	12/31/2023	(3.00%) - 0.00%	-3%	0%	(\$46,505) - \$0	
BPM006485	Albumin	No	Pharmacy	Pharmacy	Sole/Du	CSL Behring (#56	3/31/2024	2.00% - 5.00%	2%	5%	\$2,000,000 - \$5,000,000	
BPM006486	Immune Globulin Intravenous RFP	No	Pharmacy	Pharmacy	Sole/Du	CSL Behring (#56	3/31/2024	2.00% - 4.00%	2%	4%	\$6,400,000 - \$12,800,000	
BPM005625	MRO - Lighting	Yes	Commercial	FIS	Option	Grainger (#363)	12/31/2023	(3.00%) - 0.00%	-3%	0%	(\$164,785) - \$0	
BPM004554	Immunohistochemical (IHC) Staining Systems	No	Core GPO	Laboratory	Sole	Roche (#4797)	8/31/2024	0.00% - 2.00%	0%	2%	\$0 - \$789,766	
BPM005626	Televisions	Yes	Commercial	FIS	Multi	Telehealth (#500	12/31/2023	(3.00%) - 0.00%	-3%	0%	(\$264,029) - \$0	
BPM005629	Roofing Materials	Yes	Commercial	FIS	Multi	Johns Manville (#	5/31/2024	(9.50%) - (5.00%)	-10%	-5%	(\$446,500) - (\$235,000)	
BPM005634	Building Life Safety Systems (Fire and Smoke) And Building Systems Equipment And Services	Yes	Commercial	FIS	Option	JCFP (#6493), Sie	3/31/2024	(5.00%) - (2.00%)	-5%	-2%	(\$925,000) - (\$370,000)	
BPM004702	HR Services - Employee Flu Vaccinations	No	Pharmacy	HR	Option	OccuVax (#1256	8/31/2024	0.00% - 3.00%	0%	3%	\$0 - \$1,500	
BPM005637	Mechanical Systems & Controls	Yes	Commercial	FIS	Multi	Trane (#3572), Ce	3/31/2024	(3.00%) - 1.00%	-3%	1%	(\$5,378,265) - \$1,792,755	
BPM005865	Low Voltage Equipment & Distribution	Yes	Commercial	FIS	Option	ACCU-TECH (#671	3/31/2024	(10.00%) - (3.00%)	-10%	-3%	(\$1,316,050) - (\$394,815)	
BPM006044	Flooring	Yes	Commercial	FIS	Option	Armstrong (#546	12/31/2023	(5.00%) - 0.00%	-5%	0%	(\$689,269) - \$0	
BPM006645	Water Treatment Products & Services	Yes	Commercial	FIS	Option	Nalco (#3923), Gi	9/30/2024	0.00% - 0.00%	0%	0%	\$0 - \$0	
BPM006648	Air Filters	Yes	Commercial	FIS	Multi	Grainger (#6397)	3/31/2024	(5.00%) - (2.00%)	-5%	-2%	(\$379,489) - (\$151,796)	
BPM006649	Ice Machines	Yes	Commercial	FIS	Sole	Follett (#500041)	3/31/2024	(6.00%) - (2.00%)	-6%	-2%	(\$422,229) - (\$140,743)	
BPM006655	Interchangeable Patient Marker Boards	Yes	Commercial	FIS	Option	Chameleon (#711	7/31/2024	0.00% - 0.00%	0%	0%	\$0 - \$0	

Category	Project Category	Title	Project Description	Sourcing Strategy	Type	Target Start QTR	Target End QTR	Estimated Spend	Cost Savings	Cost Avoidance	Planned Opportunities	Total Savings	Status	Contract Admin	Key Initiative	Project Needs Attention
CV Heart, Interv. Rad.	Cardiovascular	AngioDynamics Auryn Trial Return Avoidance	The trial for the AngioDynamics Auryn atherectomy laser was stopped early due to two cases of guidewires shearing. Originally AngioDynamics wanted to charge restocking fees for supplies Franciscan purchased, but we were able to negotiate with them to return with a full refund. This was approved by their national VP of Sales Michael DeCarlo. If catheters at \$2395 will be refunded in full instead of \$5 that were not eligible for return at all and \$1 that would have taken a 20% restocking fee. Refunds will be going to Dr. Dyer, Munster, Crown Point, Lafayette	Negotiation	GENR	2024-Q1	2024-Q1	\$ 32,945	\$ -	\$ 32,945	\$ -	\$ 32,945	Completed	Stojan Trajkovski	Yes	No
CV Heart, Interv. Rad.	Cardiovascular	Atherectomy		Standardization	GENR	2023-Q4	2024-Q3	\$ -	\$ -	\$ -	\$ -	\$ -	Active - In Progress	Stojan Trajkovski		No
CV Heart, Interv. Rad.	Cardiovascular	Biosense Webster - S2 Negotiation	Negotiated S2 with Biosense/Sterimed for a commitment of \$5,000,000/year in EP and reprocessing.	Negotiation	GENR	2024-Q1	2024-Q1	\$ 6,000,000	\$ 945,985	\$ -	\$ -	\$ 345,985	Completed	Stojan Trajkovski	Yes	No
CV Heart, Interv. Rad.	Cardiovascular	CV Vascular Access and Closure - Radial Access, Intervention, and Closure Devices		SPD	GENR	2024-Q1	2024-Q3	\$ 432,599	\$ -	\$ -	\$ 8,651	\$ 8,651	Active - Discovery	Stojan Trajkovski		No
CV Heart, Interv. Rad.	Cardiovascular	Drug Eluting Stents Proposal for 2024	Strategic Sourcing for Drug Eluting Stents for 2024	RFP	SRG	2024-Q1	2024-Q3	\$ 2,738,000	\$ 500,000	\$ -	\$ -	\$ 500,000	Active - Sourcing	Stojan Trajkovski	Yes	Yes
Capital	Capital Equipment	13 Pace Subaru Forester	Acquisition of 13 Subaru for Pace	Negotiation	GENR	2023-Q3	2024-Q1	\$ 358,000	\$ 10,000	\$ -	\$ -	\$ 10,000	Completed	John Sampson	No	No
Capital	Capital Equipment	2024 Siemens Capital	2024 Siemens Capital Savings Throughout the Year	Negotiation	GENR	2024-Q1	2024-Q4	\$ 7,000,000	\$ -	\$ 3,000,000	\$ -	\$ 3,000,000	Active - In Progress	John Sampson		No

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Executive Report-out



In Progress Project Opportunities						Completed Projects with Savings			
Categories	Category Spend	Cost Avoidance	Cost Savings	Opportunities	Savings Total	Recognized Savings	End QTR		
Capital	18,655,948	3,000,000	144,615	1,330,904	4,475,519	Category	2024-Q1	2024-Q2	Grand Total
Clinical Acute	11,009,009	1,583,763	922,199	191,662	2,697,624	Capital	100,000	2,366,554	2,466,554
Clinical, NonAcute	-	-	4,877	-	4,877	Clinical Acute	1,516,989	876,771	2,393,760
CV-Heart Interv. Rad.	10,296,544	32,945	853,712	142,380	1,029,037	CV-Heart Interv. Rad.	353,712	32,945	386,657
IT	4,367,595	389,986	-	345,979	735,965	Perioperative Services	541,494	536,698	1,078,192
Perioperative Services	37,599,158	91,051	1,410,891	1,084,381	2,586,323	Purchased Services	1,296,270	50,400	1,346,670
Purchased Services	131,505,129	465,561	82,050	1,574,465	2,122,076	IT	21,962	549,546	571,508
Clinical, NonAcute	-	-	-	-	-	4,877	4,877	4,877	-
Grand Total	213,433,383	5,583,305	3,418,344	4,663,771	13,651,420	Grand Total	3,835,305	4,412,913	8,248,218

Key Sourcing Events and Contract Opportunities					HealthTrust Metrics					
Key Initiative Yes					Metric					
Project Description	Contract Admin	Status	Target Start QTR	Target End QTR	2023-Q3	2023-Q4	2024-Q1	2024-Q2	Total	
ADP Payroll Services	Kaitlin Sharp	Active - Discovery	2023-Q2	2024-Q2	89.6%	89.7%	91.6%	91.7%	90.7%	
Biosense Webster - S2 Negotiation	Stojan Trajkovski	Completed	2024-Q1	2024-Q1	2,994,107	3,244,818	2,251,752	2,616,857	11,107,534	
Drug Eluting Stents Proposal for 2024	Stojan Trajkovski	Active - Sourcing	2024-Q1	2024-Q3	1,490,659	986,379	1,589,172	813,401	4,879,611	
Education Software EMMI B Elsevier RFP	Kaitlin Sharp	Active - Discovery	2023-Q1	2024-Q3						
Intelligent Observation Inc.	Jessica Corso	Completed	2023-Q4	2024-Q1						
Labor Services RFP	Kaitlin Sharp	Active - Discovery	2024-Q1	2024-Q2						
Medline Distribution Savings	Mallorie Watkins	Active - Discovery	2024-Q1	2024-Q4						
Printed Documents/ Business Forms - Phase I	Joy Warren	Active - In Progress	2023-Q1	2024-Q2						
Security Services - NWI	Joy Warren	Completed	2023-Q4	2024-Q1						
Solid Waste RFP 2024	Joy Warren	Active - Sourcing	2024-Q1	2024-Q3						
Agiliti Scope Repair - Lafayette	Mallorie Watkins	Completed	2023-Q4	2024-Q1						
CDW - Consulting Credits	Mallorie Watkins	Completed	2024-Q1	2024-Q4						
AngioDynamics Auryon Trial Return Avoidance	Stojan Trajkovski	Completed	2024-Q1	2024-Q1						
Grand Total										

GPO Contract Compliance* - GPO contract goal is 80% or greater.
 Administration Rebate* - This is 2.4% of all spend through HealthTrust Contracts
 Supplier Rebates* - This is for supplier rebates tied to specific contracts and items tied to HPG contracts

Day to Day

Value Analysis Coordinator

Hub & Spoke method

- Dedicated resource
- Communication
- Analytic experience
- Excel, Word, Power Point



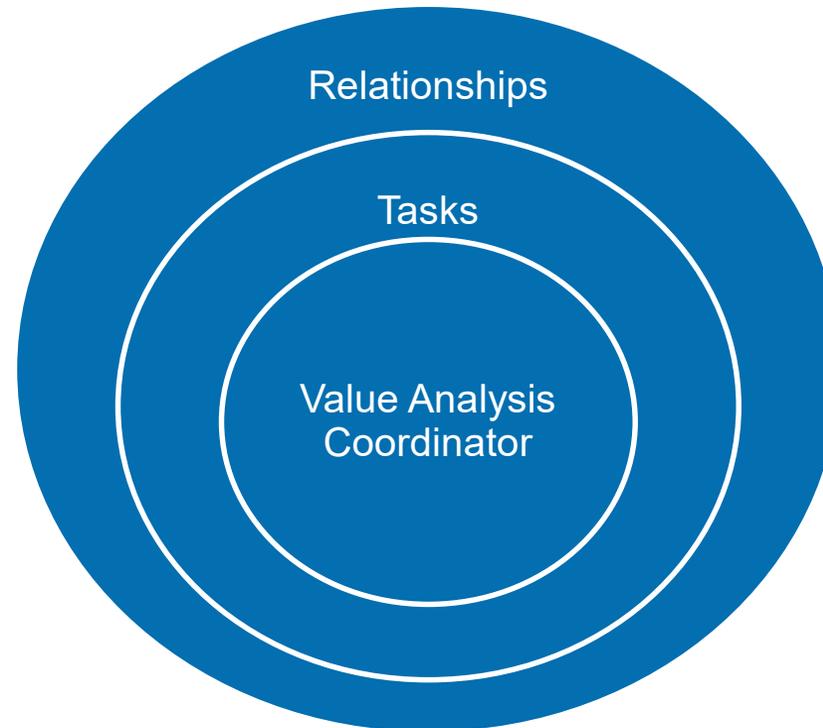
Value Analysis Coordinator



Established Definition:

A dedicated resource to ensure that the goals of Value Analysis are achieved, who maintains meeting agendas and provides widespread communication

Some Additional Responsibilities:



Value Analysis Coordinator

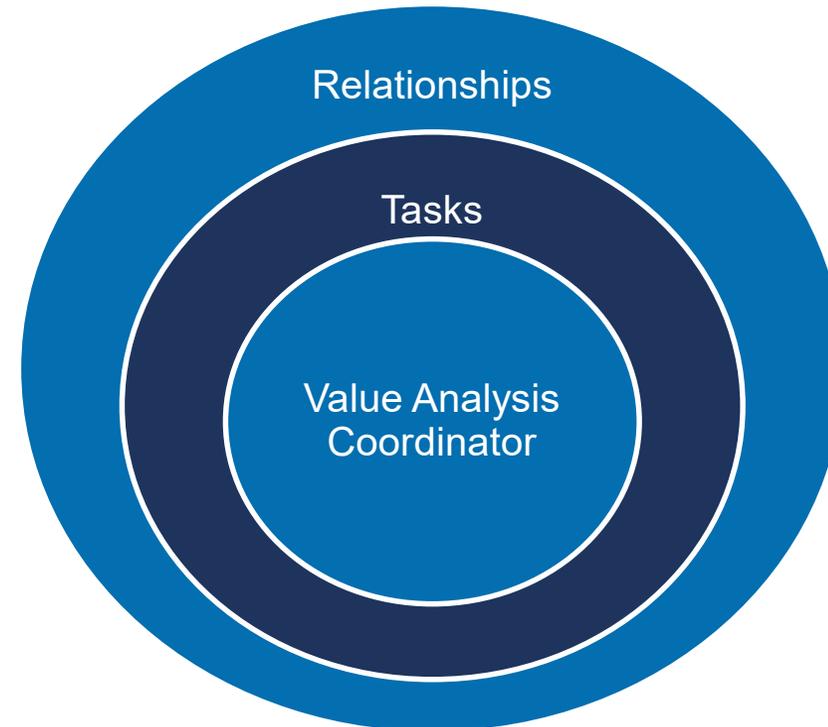


Established Definition:

A dedicated resource to ensure that the goals of Value Analysis are achieved, who maintains meeting agendas and provides widespread communication

Some Additional Responsibilities:

- Project Analytics
- Spend Utilization Analytics
- Monitors Contract Compliance
- Monthly HealthTrust Contract Evaluation
- Identifies Opportunities for Cost Savings
- Assessment of all New Product Requests
- Coordinates Value Analysis Committee Agenda
- Monitors Product Analytics (e.g., recalls, backorders)



Value Analysis Coordinator

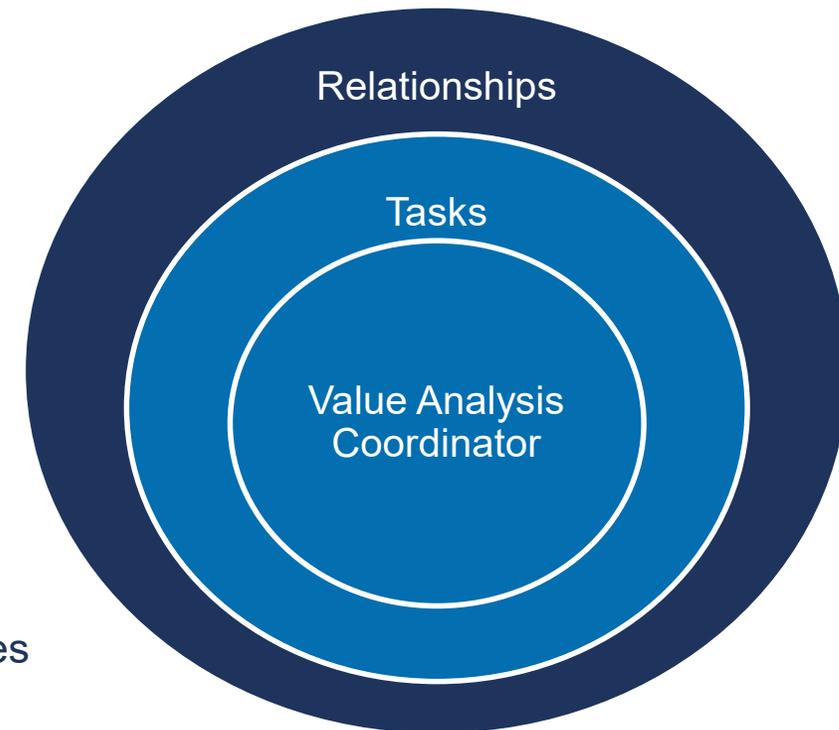


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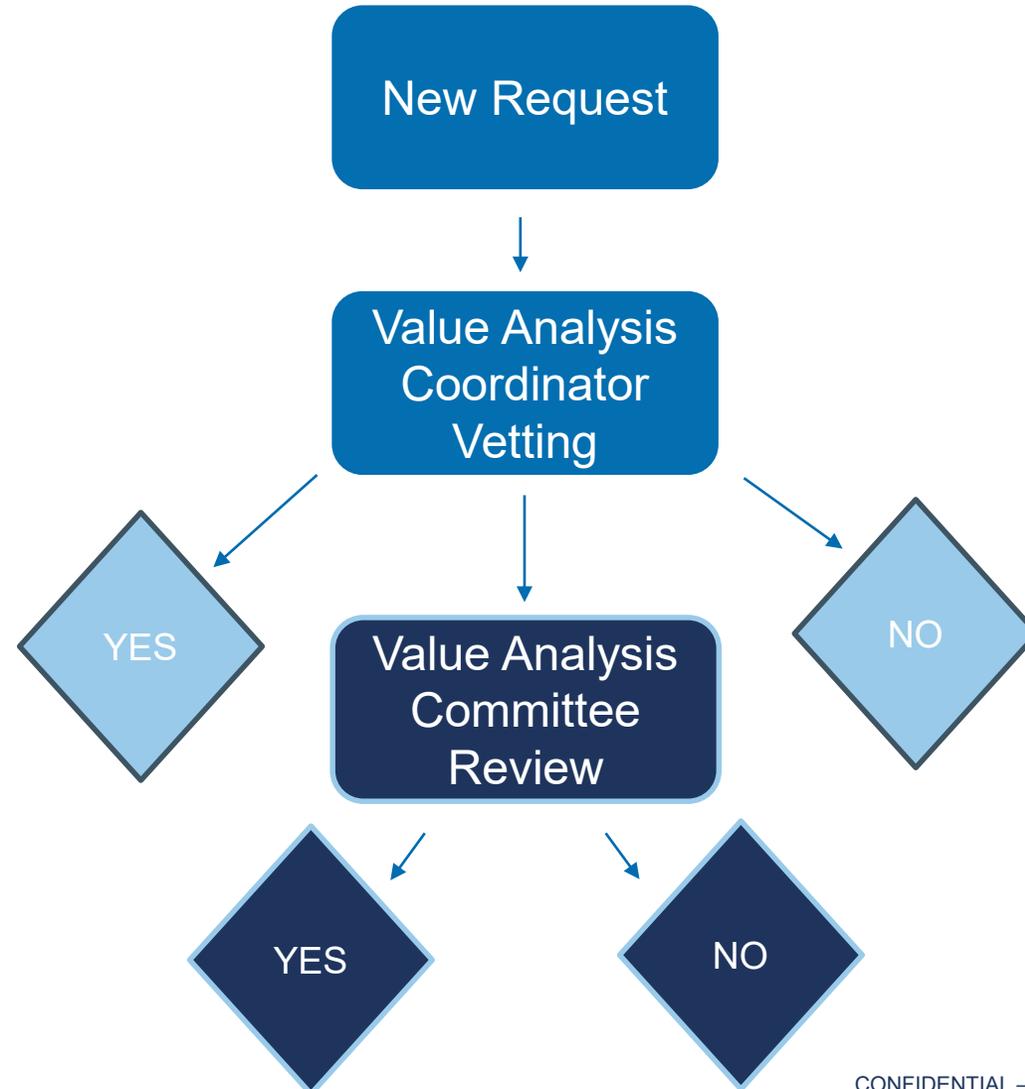
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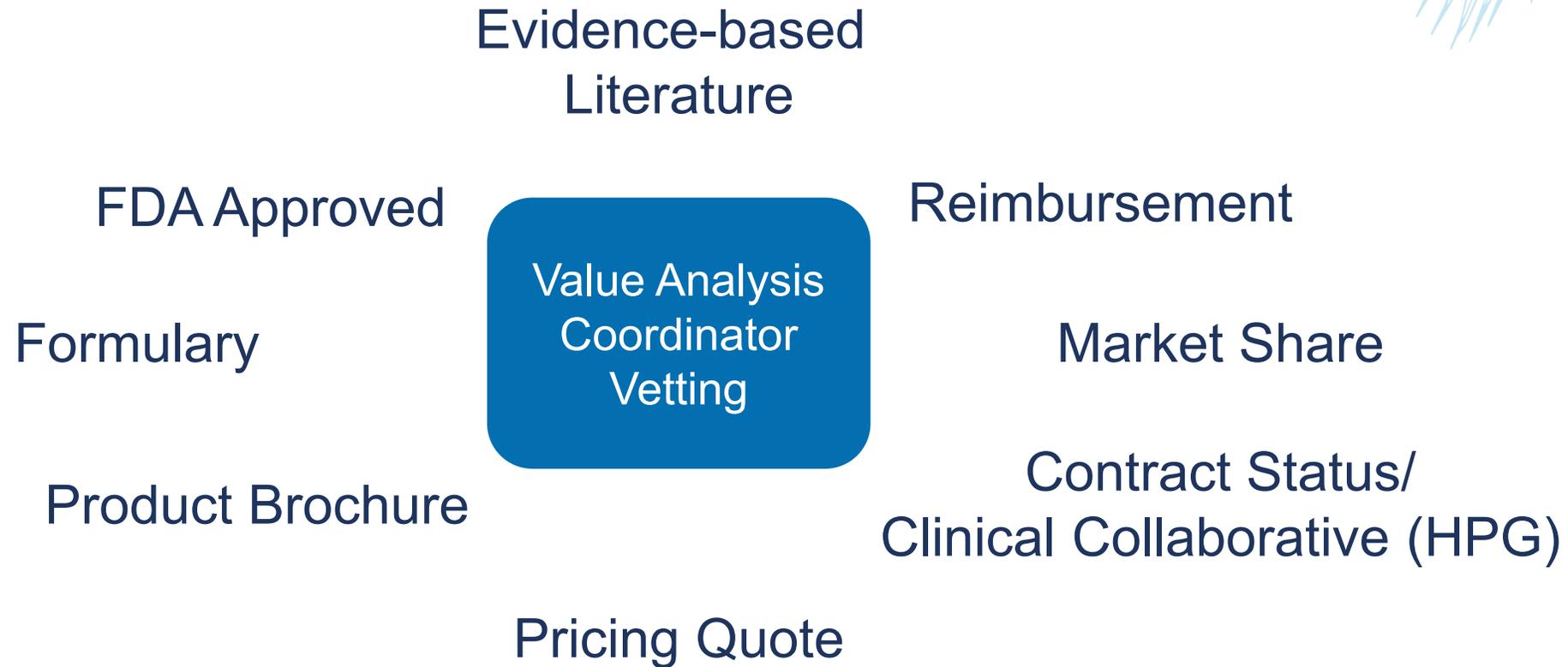
- Daily meetings with Contract Administrators
- Enlists collaboratives and specialty groups
- Engages SMEs and Physicians for advisement
- Guides new vendor relationships
- Distribution partner engagement
- Notifies revenue staff of new items in formulary
- Conversion Package Notifications
- Engages Supply Chain/Logistic staff for project support
- Influencer/Non-voting member of Value Analysis Committees



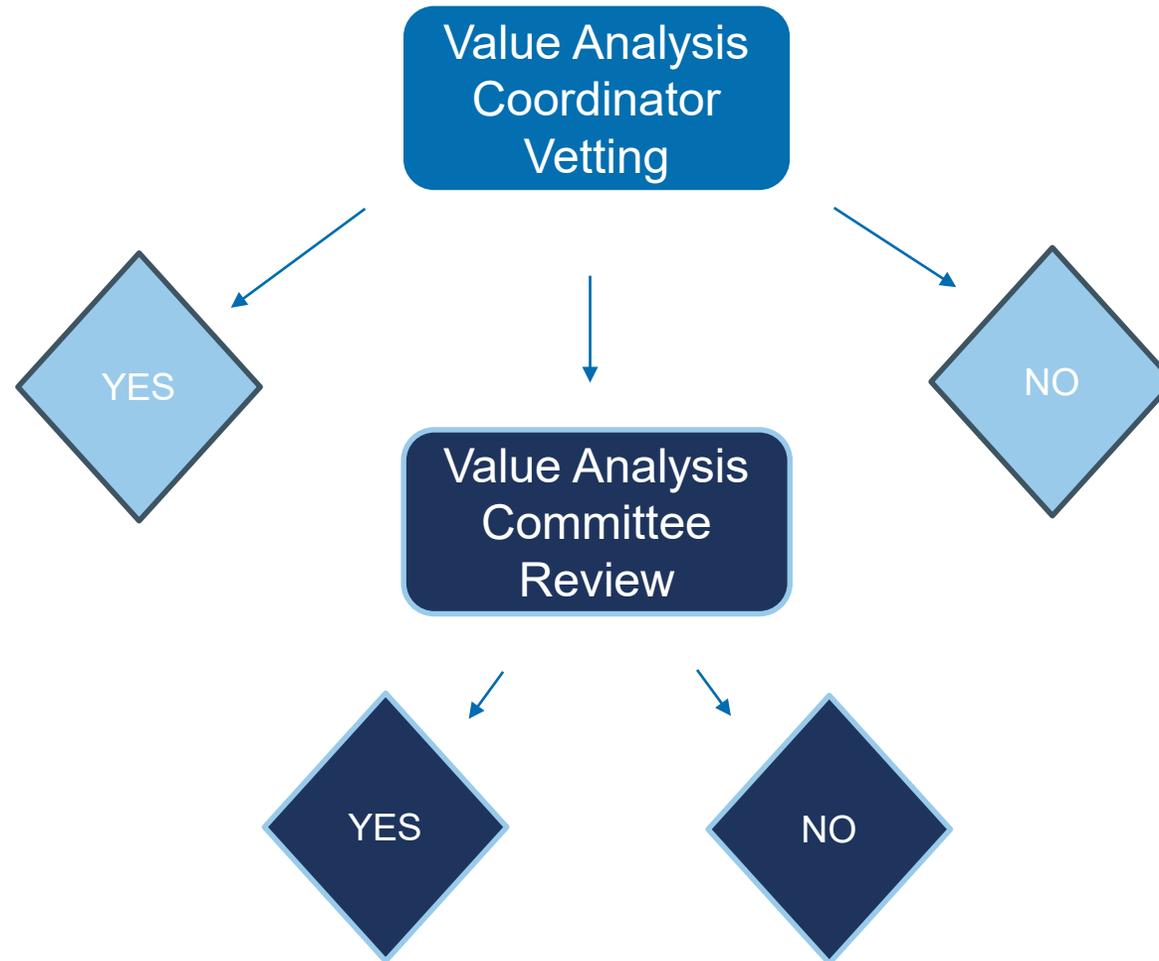
Value Analysis Process Simplified



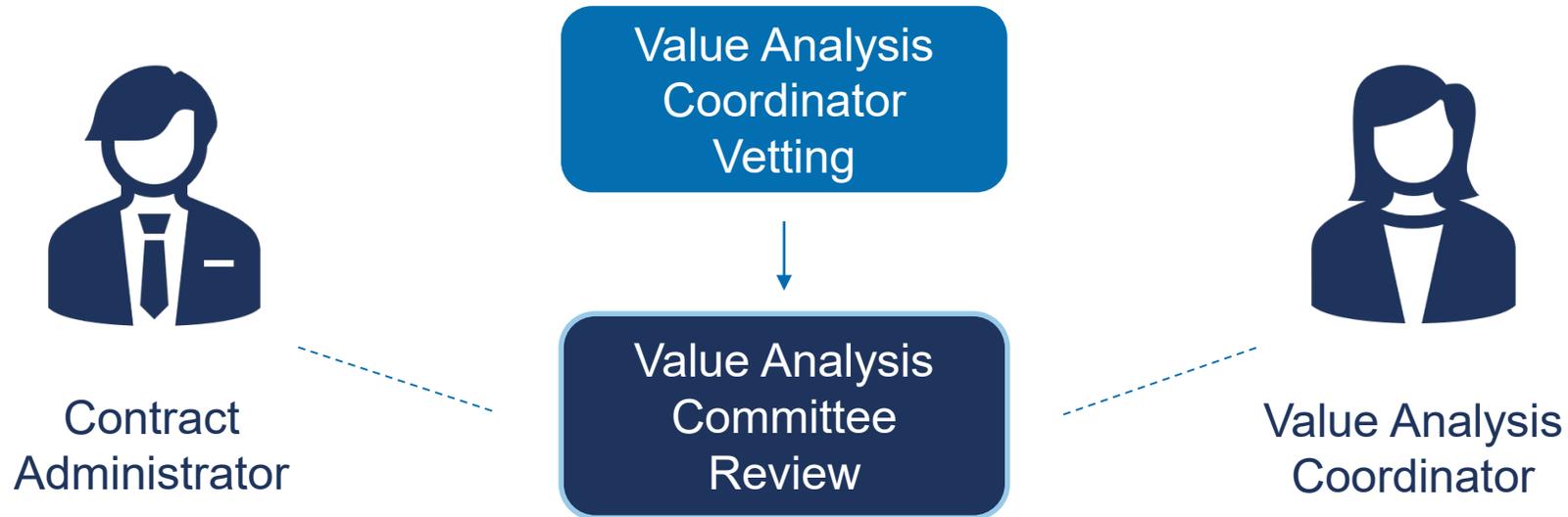
Value Analysis Process Simplified



Value Analysis Process Simplified



Value Analysis Process Simplified



Value Analysis Process Overview



Audience Poll

How do you communicate value analysis initiatives across your organization? (CHECK ALL THAT APPLY)

- Conversion package
- Memos
- Written communication, such as email
- Flyers
- Meetings
- Word of mouth
- All of the above
- None of the above
- Other



Value Analysis Communication

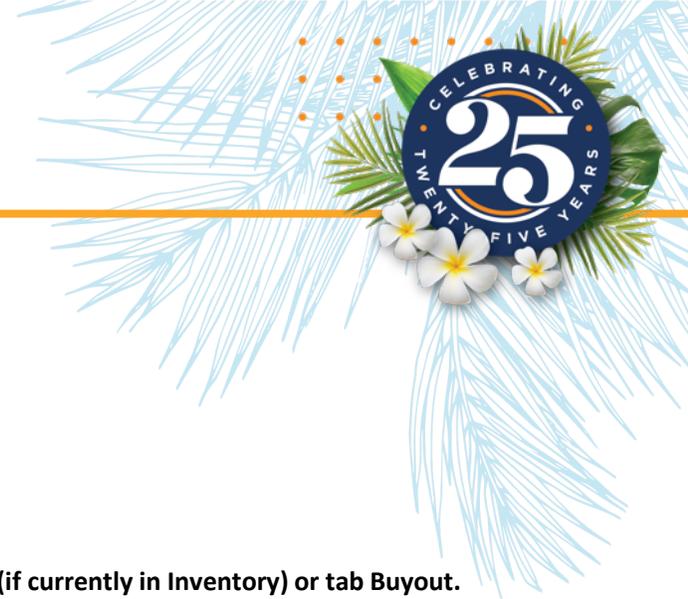


Next Steps



- Approval or rejection notice is sent to the requestor
- Contract administrator is engaged for contract execution
- Item built into formulary/built for financial charging
- Notify business partners (e.g., distribution, logistics)
- Conversion package/standardization communication
- Monitor compliance

Value Analysis Conversion Package



DATE: 1/22/2024

WHAT: General Wound Care

WHY: Standardization

WHO: All Franciscan Facilities

WHEN: This is a SOFT CONVERSION. Please utilize any remaining stock prior to converting. To view any buyouts, please see tab Logistics - Column I (if currently in Inventory) or tab Buyout.

IMPACT: Estimated savings of \$10,837

PRODUCTS HIGHLIGHTED IN GREY ARE REMAINING THE SAME

Current Product			New Product Information		
Catalog Number	Item Number	Item Description	New Catalog Number	New Item Number	New Vendor Desc
NON25660	37615	BANDAGE STRIP WOVEN COMFORT CLOTH STRL 1 X 3IN	NON25600	37609	BANDAGE STRIP PLASTIC LF STRL 1 X 3IN
PRM25865	38141	BANDAGE GAUZE CONFORMING 6PLY STRL 4 X 3.5YD	NON27498	37529	BANDAGE GAUZE CONFORM BULKEE LITE STRL 3PLY 4 X 4.1YD
NON27498	37529	BANDAGE GAUZE CONFORM BULKEE LITE STRL 3PLY 4 X 4.1YD	NON27498	37529	BANDAGE GAUZE CONFORM BULKEE LITE STRL 3PLY 4 X 4.1YD
NON25853	37631	DRESSING GAUZE SPONGE FLUFF BULKEE II STRL 6 X 6.75IN 5S	NON25853	37631	DRESSING GAUZE SPONGE FLUFF BULKEE II STRL 6 X 6.75IN 5S
NON25444	37689	DRESSING GAUZE SPONGE AVENT NONWOVEN 4PLY NS BULK 4 X 4	PRM25444	38149	DRESSING GAUZE SPONGE CARING 4PLY NONWOVEN LF NS 4 X 4IN
NON21453	37514	PAD ABD LF STRL 8 X 7.5IN	PRM21453	37520	PAD ABD STRL 8 X 7.5IN

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Value Analysis Conversion Package



DATE:

1/22/2024

WHAT: General Wound Care

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IMPACT: Estimated savings of \$10,837

Value Analysis Compliance Monitoring



Standardization Status (Workday Data)

Sum of Standard Spe Column	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	Grand Total
Project A	89%	30%	93%	58%	96%	81%	18%	75%	100%	100%	78%	100%	68%
Project B	81%	81%	85%	83%	74%	88%	88%	88%	85%	93%	90%	92%	85%
Project C	92%	96%	96%	95%	89%	92%	95%	90%	87%	60%	95%	96%	89%
Project D	53%	69%	67%	65%	74%	69%	71%	77%	82%	90%	85%	100%	75%
Project E	83%	74%	74%	77%	66%	59%	67%	62%	67%	75%	89%	97%	74%
Project F	66%	83%	65%	73%	82%	60%	73%	79%	62%	76%	79%	75%	74%
Project G	96%	91%	90%	83%	97%	89%	72%	80%	95%	60%	95%	61%	83%
Project H	89%	96%	99%	100%	97%	98%	100%	99%	100%	92%	100%	96%	97%

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Committee Development



Committee Development



Physician Advisory Committee

Multispecialty physician group that functions in an advisory capacity, responsible for peer-to-peer conversations, assists with contract strategy direction and subject matter expert identification



Committee Development

Physician Advisory Committee

Includes:

- Cardiology
- Interventional Cardiology
- Interventional Radiology
- Sleep Medicine
- Surgery
 - Bariatric
 - Colorectal
 - ENT
 - Orthopedics
 - Vascular Surgery
 - Neurosurgery



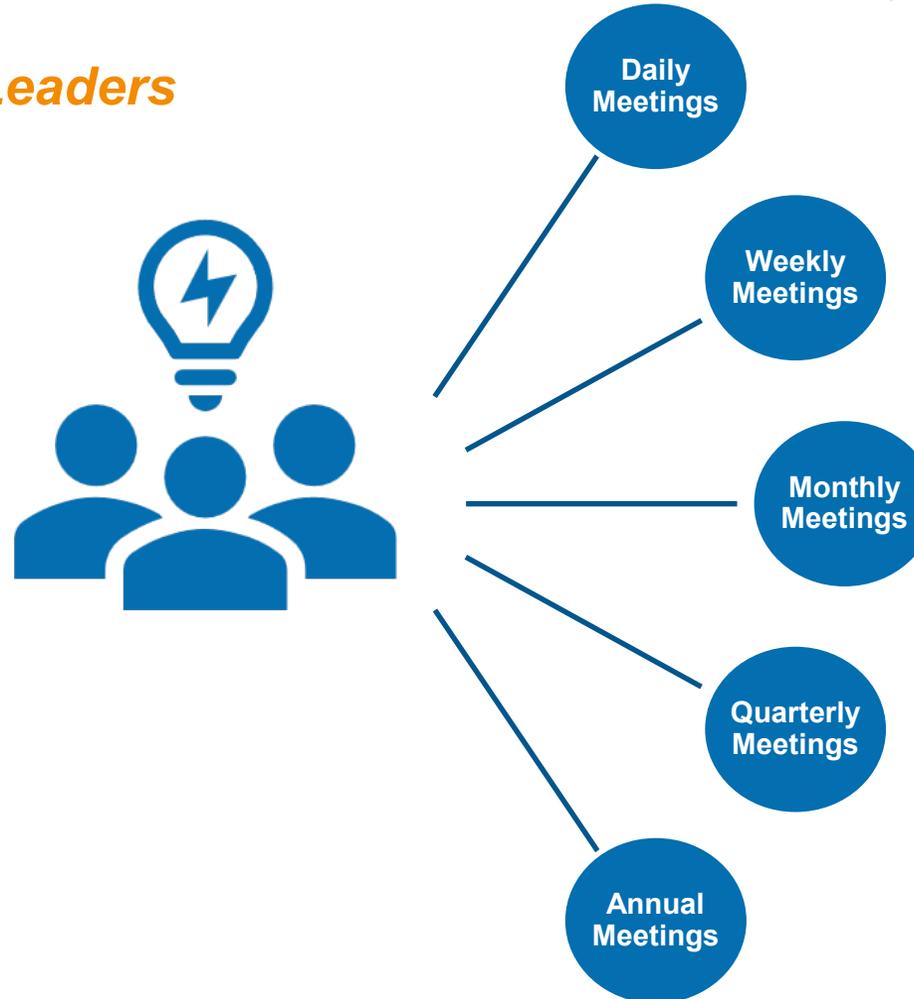
Clinically Integrated Supply Chain Team



Community of Experts

Clinical/Non-clinical Supply Chain Leaders

- Accounts Payable
- Administrators
- Analysts
- Logistics
- Nurses
- Physicians
- Procurement
- Technicians



HealthTrust University 2023

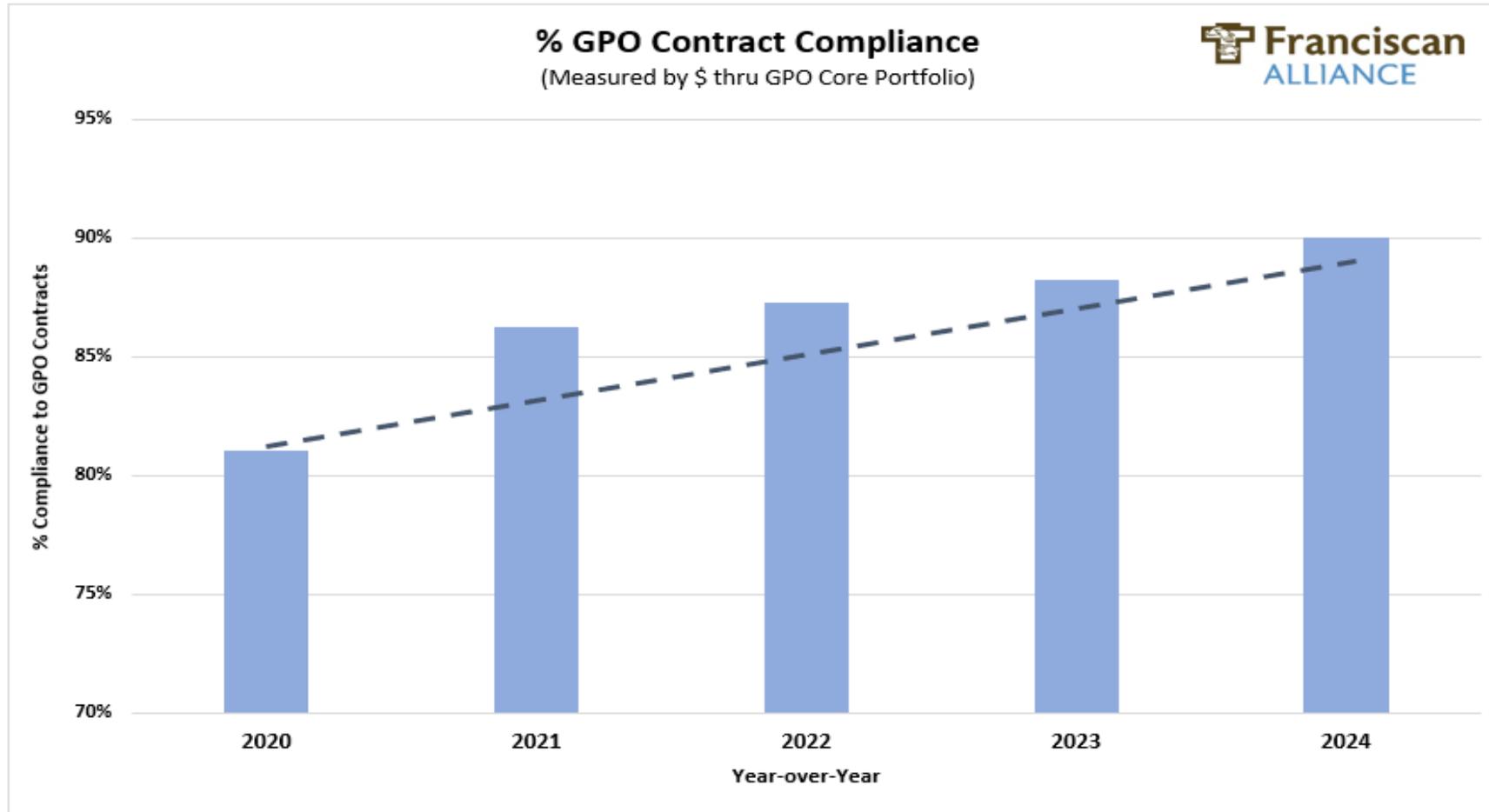


Outstanding Member Award Winner Franciscan Alliance

For collaboration with physicians, key business leaders and clinical stakeholders to drive change, identify opportunities and attain value through HealthTrust contracts and parallel services.



Performance



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References

- 7 ways to foster physician engagement with supply chain decision-makers to bolster value analysis. HealthTrust, *The Source* magazine <https://healthtrustpg.com/thesource/cqo/value-analysis/coming-together/>
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Thank you.... Rebecca Lindenman





Thank you...

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