

# Harnessing the power of data to drive efficiency and care quality



## **The potential to impact lives**

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The focus on value-based care initiatives brings health care data to the forefront of business and clinical decision making, with data having the potential to impact the lives and health of individuals and entire populations. But data is hard to gather, and even more difficult to analyze longitudinally. Stronger operational and clinical coordination creates opportunities for the right data to be gathered and analyzed, to improve health system operations overall. Used well, data should improve not only health system efficiency, but also point to ways to increase care quality.

## **Identifying key relationships and connections**

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We believe that supply chain can leverage both clinical and non-clinical data to support operational and clinical outcomes by taking a longer term view of care delivery, and contributing to risk and opportunity analysis. Supply chain can identify key relationships and connections between care delivery and outcomes that rely on the right products delivered at the right time. Working well, supply chain anticipates opportunities to manage risk at scale — including risks that can otherwise have adverse effects on patient care.

## **A coordinated effort**

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Leveraging analytics at scale is never easy, but wins are happening in increments. Health systems are deploying dynamic business decision support tools to access better insights, and to inform allocation of resources to increase productivity.<sup>1</sup> A best-in-class example of a coordinated initiative between clinicians and supply chain to leverage data has taken place at a number of larger health systems that inventory the total costs — clinical and operational workflows and supplies — around specific, frequently performed procedures.<sup>2</sup>

## **Using data to drive performance**

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The first moves health systems need to make, before implementing any process technology, is to improve workflows and inventory costs. Cost drivers can range from patient safety initiatives, change management around alternative payment models, and the range of treatment approaches used in the system. Health systems must ask themselves: What would it take to gather and use data that can truly inform impactful transformation, and how might this enable performance improvements?

Inventory management is not just a cost-cutting strategy, when products are part of life-saving procedures. Health systems have not had tools that provide line of sight into what they use, what they need, and what inventory levels ensure efficiency and availability. This is not only about cost-cutting, but also about supporting patient safety and experience.

These efforts can successfully pinpoint elements that drive up costs for individual procedures. By identifying inefficiencies or cost variances, the team is able to identify scenarios that caused costs to increase, as well as opportunities to better manage those costs, in key areas:



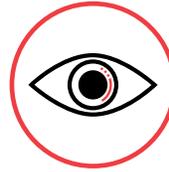
### **Achieve spend data standardization**

Supply chain can gain insights to drive implementation and acquisition analysis and enable SKU reduction. Users of Cardinal Health Spend Essentials™, an interactive cost-management tool, can identify actionable savings and SKU optimization opportunities, based on current purchasing patterns. The tool provides visibility into purchasing trends across the entire health system, and leverages enhanced data, clinically standardized categorization, and cross-referencing capabilities to optimize purchasing decisions. One large health system that used Spend Essentials™ realized a median cost savings of 27% per SKU standardized.<sup>3</sup>



### **Align purchasing behavior to GPO product formularies or to custom strategies**

Supply chain managers can also use Spend Essentials™ to align their purchasing behavior to GPO product formularies or to their own custom strategies. Surveilling their spend patterns over time also gives them the power to gain control over undesired purchasing patterns within their health system.



### **Gain visibility into supply spend and utilization to make informed decisions for lowering costs, improving efficiency and supporting patient satisfaction and quality of care**

Objective, credible data and analysis is the foundation of improving supply chain and supporting critical procurement conversations between supply chain and clinicians. Cardinal Health Wavemark™ Supply Management and Workflow Solutions provides change management support to enhance workflows that close gaps, then introduces technology to support data-driven decisions. This helps customers drive down costs and gain savings at scale — with a proven ROI.<sup>3</sup>

### **Leverage clinical and non-clinical data to support clinical outcomes**

Supply chain can play a critical role in enabling these efforts and connecting to clinical workflows by better leveraging data and analytics, which can help health systems put patient and provider needs at the center of everything they do. In addition, improvements from having the right tools on hand to manage and analyze supply chain metrics related to costs can ladder up to larger anticipated savings in total annual spend. With clean data and the right data management tools at hand, supply chain can contribute to — if not lead — the greater charge of elevating and enabling clinical performance and outcomes.

Learn more. Dive deeper into our perspectives at [cardinalhealth.com/ourperspective](https://cardinalhealth.com/ourperspective)

Footnotes:

<sup>1</sup> *Beckers Hospital Review*, "Hospital Management Administration: the Number One Takeaway from the 2019 JP Morgan Healthcare Conference – it's the Platform, Stupid." January 2019.

<sup>2</sup> *The Wall Street Journal*, "What does knee surgery cost? Few know and that's a problem." August 21, 2018.

<sup>3</sup> Cardinal Health case study, BJC Healthcare, 2018

