

DRIVING COLLABORATION AND ALIGNMENT WITH A CLINICALLY INTEGRATED SUPPLY CHAIN

IDEAS THAT MATTER

- In an environment of rising expenses, clinical and supply chain alignment can positively impact costs and patient outcomes.¹
- Supply chain integration enhances workflow and breaks down silos between supply chain and clinical teams.
- Best practices include the use of analytics and automation technologies. Analytics improves decision making, and automation technologies pull together data and improve visibility. In combination these tools improve alignment and provide a significant financial impact.²

Key Takeaways

Clinical and supply chain alignment can positively impact costs and patient outcomes.³

Within hospitals, expenses are rising faster than revenues. This is due to lower reimbursements, a shift to outpatient care, rising ambulatory competition, and increased M&A activity.⁴

At the same time, there has been a lack of trust and even conflicts between the clinical and supply chain teams.

- Only 43% of surgeons believe their procurement department improves costs and quality of care.⁵
- 47% of frontline clinicians don't trust the quality of their organization's supply chain process.⁶
- 69% of hospital staff reported delays or cancellations due to missing supplies.⁶
- 73% of physicians didn't have the right product available during a procedure.⁶

Clearly, improvements are needed to address rising expenses and build trust between the clinical and supply chain teams. The best approach is an aligned, clinically integrated supply chain. An integrated supply chain:

- Incorporates all key hospital stakeholders including clinical teams, the supply chain team, and leadership
- Creates new processes for enhanced collaboration

FEATURED SPEAKERS



Morgan Shradar
Manager, Procedural Services
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- Is a new way of operating that brings all parties together to focus on cost, quality, and the patient experience

When the supply chain is clinically integrated and aligned, hospitals achieve hard and soft dollar savings. Savings come from many sources such as reduced inventory, decreased overnight freight spend, and increased sourcing leverage. One study found that hospitals with integrated supply chains can **reduce supply expenses by 17% or nearly \$11 million per hospital.**⁷ They can also increase efficiency and have a positive patient impact by having the right products at the right place at the right time.

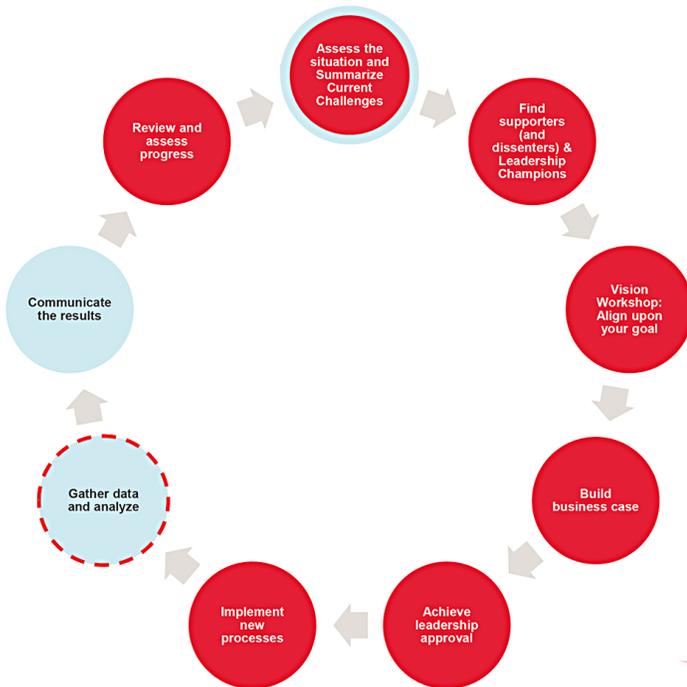
Supply chain integration helps break down communication silos and enhances workflows.

At Nebraska Medicine (NM)—with two hospitals, more than 1,000 physicians, and over 8,000 employees—there were previously misaligned priorities between the clinical and supply chain teams, lack of transparency, and communication gaps.

By creating a more collaborative, integrated supply chain, Nebraska Medicine Bellevue has broken down silos and improved its workflows.

Trust doesn't organically form between the supply chain and clinical teams. It is a process of conversations and collaboration. In many instances these conversations are driven by data, such as data about which products have been used (or not used) by clinicians.

Based on the experience at NM, steps an organization can take to get started in creating a clinically integrated supply chain are shown below. These steps start with assessing the situation and summarizing current challenges, finding supporters and leadership champions, aligning on goals, building the business case, getting leadership approval, implementing new processes, gathering and analyzing data, and communicating the results.

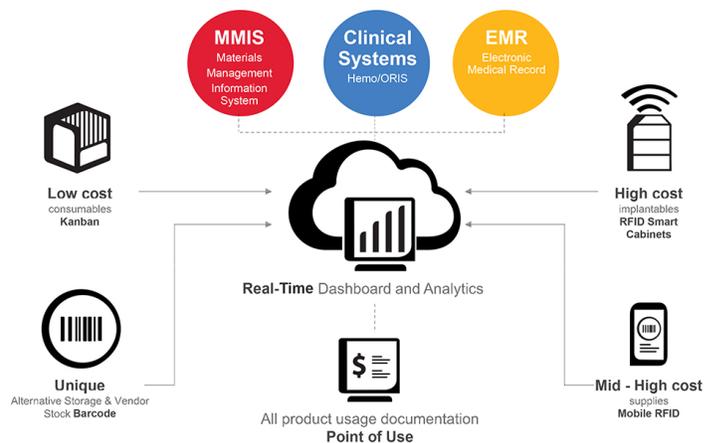


Best practices in achieving supply chain integration include use of analytics and automation technology.

Among the best practices in driving collaboration and alignment in a clinically integrated supply chain are:

- **Using analytics.** NM has found that using data has tremendous value. For example, the supply chain team can provide data showing that a clinician hasn't used a product in the past 90 days or that one product costs appreciably more than another with no difference in outcome or quality. Data can influence supply chain decisions, resulting in lower costs.

A recent analysis found that use of analytics can bring health care supply chain savings of 18%.⁸ Among supply chain leaders, 66% say advanced analytics will be critically important to their supply chain operations over the next few years.⁹



- **Using automation technology.** Today, every provider has multiple systems including their MMIS, clinical systems, and EMR. NM relies on technology from Cardinal Health WaveMark to automate the data collection process. WaveMark brings together data from these core systems as well as data from multiple other sources to provide enhanced real-time visibility.

WaveMark's supply management and workflow solutions improve the patient experience, produce workflow, and provide greater operational clarity. The result is a significant financial impact due to minimizing unnecessary costs.

^{1,3,5} [Front Line of Healthcare Report 2017: Why Involving Doctors Can Help Improve US Healthcare.](#) Bain & Company, May 11, 2017.
² Data on file, WaveMark™ case studies conducted 2013-2018.
⁴ [Moody's Data Shows Expenses Continue to Outpace Revenue for Nonprofit Hospitals.](#) Healthcare Finance, August 29, 2018.
⁶ Cardinal Health Supply Chain Survey Data conducted Oct-Nov. 2017 by SERMO.
⁷ [Hospitals' Supply Chain Savings Opportunity Jumps to \\$25.4 Billion a Year.](#)
⁸ [Data Analytics Add Value to Healthcare Supply Chain Management.](#) Revcycle Intelligence, August 17, 2018.
⁹ [Analytics Will Revolutionize Supply Chains in 2018.](#) Forbes, January 15, 2018.

ABOUT CARDINAL HEALTH

Cardinal Health is a global, integrated healthcare services and products company, providing customized solutions for hospitals, health systems, pharmacies, ambulatory surgery centers, clinical laboratories and physician offices worldwide.

The company provides clinically proven medical products and pharmaceuticals and cost-effective solutions that enhance supply chain efficiency from hospital to home. Cardinal Health connects patients, providers, payers, pharmacists and manufacturers for integrated care coordination and better patient management. Backed by nearly 100 years of experience, with approximately 50,000 employees in 46 countries, Cardinal Health ranks among the top 25 on the Fortune 500.

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