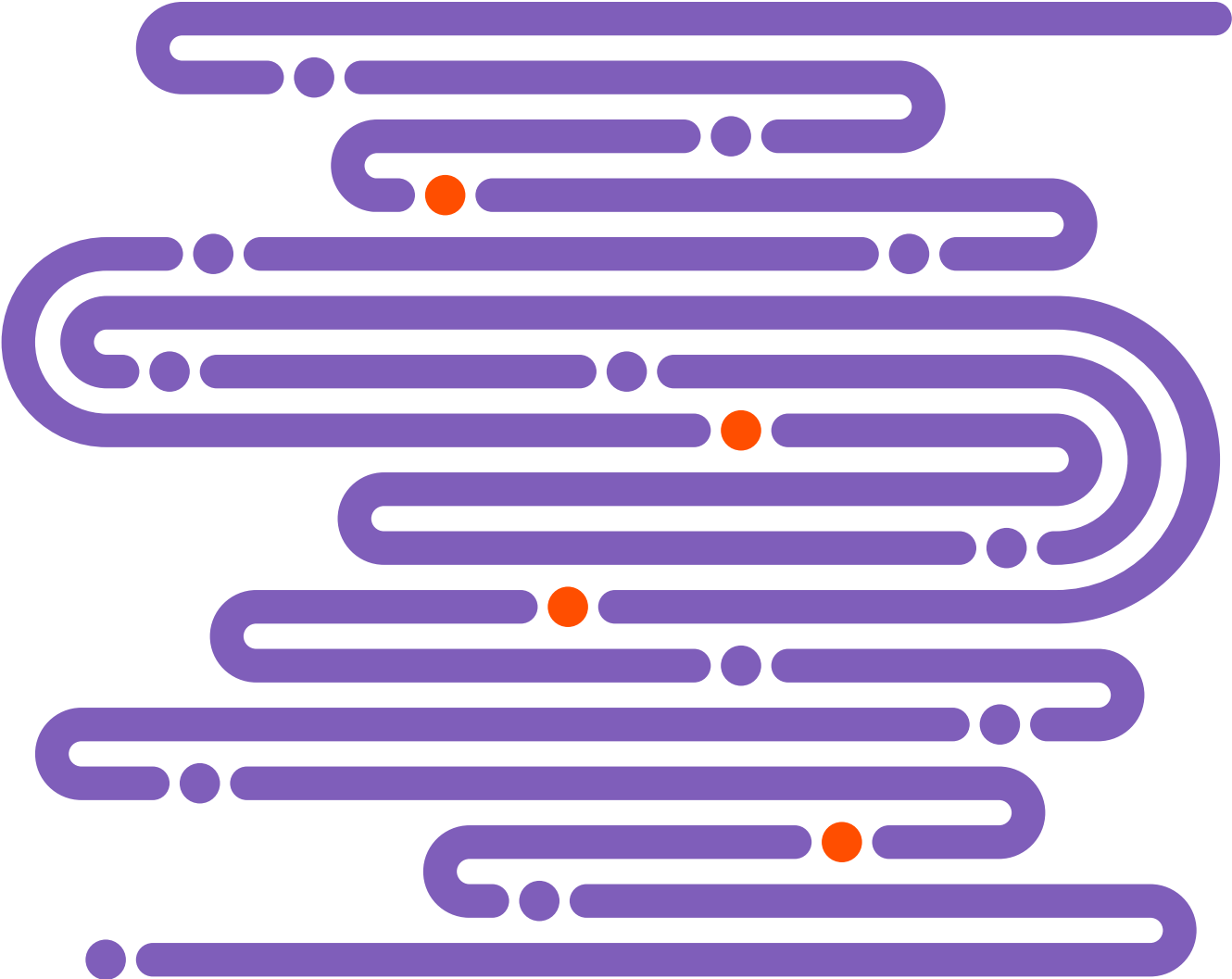


Clinical-supply integration:
accelerating performance
improvement



The course to clinical-supply integration



Over the last decade, clinical-supply integration (CSI) has created an evolution in the world of health care supply chain that experts predict will to grow. The shift from volume- to value-based care, as well as other forces, show that health care organizations must dig deeper, think longer term, and most importantly, form a sustainable, committed partnership between supply chain and clinicians.

With many of today's razor-thin operating margins, CSI is often a necessary financial shift for long-term sustainability. Leadership, supply chain and clinicians must work together to make data-driven decisions for the good of the organization if it is to succeed well into the future. Safety is another strong motivator to pursue CSI because improved resource utilization and standardized practices decrease the chance for mistakes.

Clinical-supply integration is an ongoing, interdisciplinary strategy that reduces unnecessary variation, lowers costs and optimizes utilization to improve care delivery and financial performance.

Charting progress at your own pace

While health care organizations' reasons for pursuing CSI are usually similar, their individual efforts will vary. "CSI is an incredibly customized endeavor," said Martin Lucenti, MD, PhD, chief medical officer and senior vice president of solution architecture at Vizient®. "Every health system's solution is subtly different, matching their culture, matching their priorities, matching their goals." However, they will all share some basic functional features.

The CSI maturity model

Achieving this cross-functional supply integration requires all stakeholders to understand where the organization stands currently and where it still needs to go. The CSI maturity model demonstrates how a health care supply chain can evolve over time (see figure 1). It is a road map designed to help guide your organization through the CSI journey, while navigating the various challenges you'll encounter along the way. After determining what you've achieved thus far and what phase you consider your organization to be in today, your team can design a methodology to reach the next phase—which brings additional savings, improved efficiencies and higher quality care.

Novice

Every health care organization either starts at the novice phase or has already progressed through it. Supply chain-led efforts focus on volumes and cost, purchases are driven by demand and there is little to no clinician engagement.

Emerging

In this phase, your efforts expand from pricing to standardization. Convinced by credible data, clinicians have a better understanding of utilization and now begin working with supply chain. Leaders design a high-functioning, interdisciplinary governance structure for decision-making. Savings efforts concentrate on commodity and clinical preference items.

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Solution Architecture
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Intermediate

Your initiative is flowing more smoothly and you have the opportunity to begin fine-tuning some efforts and diving deeper on others. Clinicians are now in charge, with continual support from supply chain. The focus expands to include utilization, and decisions are made based on benchmarks and objective data. To maximize resources, CSI teams often integrate appropriate use for clinical preference items in the intermediate phase. Participants increasingly focus on reducing waste, and how products and devices affect outcomes.

Advanced

At the advanced level, clinicians are leading supply chain efforts and integrated with the service line. Reducing practice variation and improving utilization as it applies to medical devices, medical equipment and pharmaceuticals is central to decision-making in this phase. The integrated supply chain evaluates the total cost of care at the procedure level, how that cost compares to others and how outcomes vary across physicians. Outcomes data drives decisions and is matched across quality and strategic growth dimensions.

Figure 1. Clinical-supply integration maturity model



Leadership roles

While every CSI journey is unique, each must be backed by a solidified commitment from leadership in order to highlight the strategic importance of the initiative to the organization. Supply chain team members need the weight of leadership behind them to convince clinicians that their CSI efforts are sincere and meant to be a permanent fixture. “Transforming a supply chain into a trusted partner entity within an organization is a complex and multistep process that needs an executive-supported strategy,” said Erik Axter, managing principal at Vizient.

Organizational leadership also plays a vital role in creating and participating in an effective interdisciplinary governance structure, a systematic process for making decisions as a practice group that serves as the foundation for your CSI efforts. What processes and procedures will the

group use to make the most efficient, effective decisions for the organization as a whole?

Managing the intricacies of physician engagement

Behind every successful CSI program are physicians who believe in the cause and are willing to dedicate their time and talents to help lead and sustain the program over time. “The best way to engage and align with physicians is to put them in charge,” said Lucenti. “They’re trained that way and it’s their natural instinct. Most importantly, they’re performing the procedures and are the only ones who really understand all the intricacies of trade-offs between products and devices and outcomes.” Physicians also understand what these changes mean in terms of operating time, complication rates, outcomes factors and other metrics.

How you initially approach physicians sets the stage for the rest of your CSI activities—think targeted, thoughtful and transparent. Here are helpful tips and strategies—backed by the CSI experiences of a large integrated delivery network (IDN) with more than 3,000 staffed beds and an academic medical center (AMC) with more than 1,000 staffed beds—to point you in the right direction and help keep your momentum high.

1. Do your historical research before you start

Before you reach out to clinicians, make sure you're aware of any previous cost savings efforts and more importantly, any that went badly. When the director of supply chain at a northeastern AMC began discussions with physician groups, he was surprised to learn of a major cost savings initiative that went wrong five years before.

"It was a bit of an eye opener," the supply chain director said. "It left a really bitter taste in a lot of the faculties' mouths about even making the effort to implement any cost savings or making any effort at all to do this kind of work." Ultimately the AMC overcame the challenge and is on a successful CSI journey today. You must invest the time and conduct the necessary research before you launch your program.

2. Consider the priorities of your physicians

You're asking physicians to volunteer their time and expertise, so there must be something in it for them. Typical engagement strategies include gainsharing, capital reinvestment, improved patient outcomes and good citizenship. You must determine which strategy or combination of strategies hits home for your physicians.

Many health care organizations are choosing good citizenship as the basis of their CSI initiatives. While it previously experimented with various incentives and capital reinvestment structures, the large IDN settled on good citizenship as the strongest motivator. Inviting physicians to help the organization design the future has become the true north for physicians, according to the IDN's vice president and chief quality officer. CSI served as an invitation to step forward, embrace that true north and have a say in the future direction of the organization and the care that it provides, he added.

3. Remember that manner and tone matter to physicians

Hospital leaders need physicians to make CSI successful because they don't have all the answers—and there's nothing wrong with saying so. "You go to the clinicians with open hands and say, 'Here's what we see and what we understand,'" said the IDN's vice president and chief quality officer. "Can you help us understand this better? And if we can't justify it or understand it, then how do we change practices and attitudes so that we can become safer and more efficient?" Make it more of an invitation than a dictation."

4. Make sure physicians understand the "why" for your organization

Share your organization's motivations for pursuing CSI as you try to engage them in your efforts. You are asking them for time away from their families and other commitments, so help them understand why CSI is important and perhaps even vital for your organization's future. The latter was the case for the large IDN when it began working toward CSI approximately eight years ago.

"We found ourselves on an upward trajectory of spend that would not be sustainable for us in very short order," said the vice president and chief quality officer. "We make a big deal out of providing excellent care to all of the communities we touch, but if we don't exist at all, then we don't accomplish that mission of caring for our communities."

Increased safety is another "why." Less practice variation and standardized protocols mean fewer opportunities for mistakes.

5. Monitor and share performance

Committing to CSI also requires a commitment to keep physicians informed on matters such as:

- Current performance data
- Status of contract negotiations
- Availability of new products and technologies
- Considerations and timing of product exceptions
- Initiative milestones and successes

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Progressing through the steps of CSI

CSI is a personal quest with various challenges and victories along the way for each health care organization. While their ultimate destination is largely the same, each system will take a slightly different route to get there. The CSI maturity model, designed to allow hospitals and health systems to proceed at their own pace, serves as a road map to help organizations maintain course while detailing the necessary shifts in thinking, approach and governance structure to reach the next phase.

Leadership's complete and unwavering support of CSI as a major, systemwide initiative is key to success. Gaining the trust of clinicians takes time and work, but having leadership support goes a long way toward the goal of an effective physician and supply chain partnership.

Leaders also participate in the governance structure, the methodology that dictates how group decisions are made.

Physicians should be the ultimate driver of a successful CSI program, so it's vital to prepare your case before approaching them. Work to uncover any history (good or bad) around previous cost savings initiatives, and keep in mind that **how** you say it matters as much as **what** you say. Consider what might be their primary motivation(s) for participating, and make sure they understand why CSI is such a need for the organization. Lastly, keep physicians in the loop on successes, failures and everything in-between. All of this will help ensure the success of your physician and supply chain partnership far into the future.





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To learn more about clinical-supply integration and how Vizient can support this initiative, visit vizientinc.com/csi or contact us at vizientcsi@vizientinc.com.

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