

Chartering a new course for alignment

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Kelly Matwiejczyk, RN,
Senior consulting director
Vizient

With 25 member hospitals and hundreds of physicians, the IHN Sourcing Group has successfully executed many physician preference item (PPI) initiatives over the years. By aggregating their purchasing power, the members of the group can secure better pricing than they could on their own.

However, Shawn Katusin, senior director of IHN, felt the group was ready to move beyond individual initiatives to a more holistic strategy. “In the past, some members might participate but not fully embrace what we were doing,” said Katusin. “We felt like we needed a better way to bring physicians together, ensure compliance and maximize the value we were getting from suppliers.”

Working together with Vizient expertise and data resources, IHN developed a new process that took physician engagement and PPI value to a whole new level.

Creating the rules of engagement

To help them take a fresh look at the group’s processes, IHN turned to Kelly Matwiejczyk, RN, senior consulting director at Vizient, who has years of experience working PPI initiatives.

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The answer: Create a Physician Advisory Council. The council requires the participation of at least one physician representative from each member related to the specialty and products they are considering, from cardiology to trauma to spine. Physicians on the council act as liaisons between the IHN Sourcing Group and their own facilities, and become champions for council initiatives.

“Managing physician preference categories is complex, and there’s always room for improvement,” said Katusin. “But we feel like we have a solid foundation and will continue to make great strides in advancing our business.”

Shawn Katusin
Senior director
IHN

The Physician Advisory Council identifies clinically acceptable products and services for each category, keeps an eye on advances in technology and supports supplier negotiations when necessary. The council’s overall goals are to gain physician and administration alignment for each initiative and, ultimately, significantly reduce product acquisition costs while improving the standard of care.

To formalize the new process, IHN created a PPI Charter that outlines the structure of the council, defines specific duties and objectives, and provides an overview of the product analysis and supplier request for proposal (RFP) procedures.

“None of this can happen without the engagement and support of physicians at each member hospital,” said Katusin. “The PPI Charter really clarifies what they’re committing to once they join an initiative while the Physician Advisory Council ensures everyone is communicating and moving in the right direction. If they opt in, they know they’re agreeing to certain criteria and expectations.”

A third component to their approach is weekly meetings with the supply chain team at each facility.

“Once a PPI project is kicked off, IHN and supply chain personnel meet weekly to make sure everything is going according to plan,” he said.

Opening the lines of communication

To help drive initiatives forward, there are three IHN implementation managers, who support the 25 hospitals. They work closely with supply chain leaders at each facility to ensure that everyone is on the same page.

“The implementation managers are pretty unique to aggregation groups, and I think they’ve been a key component to success,” said Matwiejczyk.

With the new PPI charter in place to help ensure compliance and improve communication, suppliers have responded positively to the new process.

“We now have physicians, the supply chain and suppliers all working towards the same goals,” said Katusin. “If an account hits a roadblock or is not compliant, we get the different parties together to talk it over. Our well-documented, collaborative process is really helping us achieve unprecedented levels of success in complex clinical preference categories.”

In addition to providing subject matter expertise and support, Vizient plays a key role in data analytics for IHN.

“With 25 member hospitals involved, it can be extremely difficult to pull historical data from electronic medical records. The files are enormous,” said Matwiejczyk.

Using **aptitude**[®], a Vizient performance improvement solution that combines technology, analytics, and market insight to support a clinically aligned supply chain, IHN can access highly accurate data quickly and easily to aid the analyses for each PPI initiative.

\$900M

in supply spend with aggressive contracts in PPI.

\$2.18M

in savings through an endomechanicals, sutures and trocars initiative.

\$3.6M

savings generated in a trauma initiative.

Taking member savings to the max

In a short period of time, the new process has allowed IHN to achieve greater savings and alignment for its member hospitals. An initiative involving endomechanicals, sutures and trocars led to \$2.18 million in savings, while a trauma initiative generated \$3.6 million in savings.

Going forward, the PPI Charter will become part of the code of regulations for any new health care organization wanting to join IHN.

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About IHN Sourcing Group

IHN Sourcing Group, LLC is a member-owned, Vizient-supported network comprised of 25 independent hospitals covering Ohio, Indiana, Michigan, Virginia, New York and New Jersey. The network currently has more than \$900 million in supply spend with aggressive contracts in PPI, clinical preference, commodity, pharmacy and purchased services. IHN is based on commitment and collaboration to drive efficiencies, standardization and choice while integrating greater clinical value from subject matter experts. IHN also has a robust clinical quality value analysis team that utilizes state-of-the-art solutions to research outcomes and provide best-in-practice products at the best price.

About Vizient's integrated clinical preference solution

Improving clinical alignment while reducing costs for clinical preference items requires collaborative discussions among supply chain leaders, clinicians and strategic supply partners. The Vizient integrated clinical preference solution (ICPS) combines category expertise, data insights and technology to foster more productive conversations and improve clinical supply chain performance for long-term stability.



For more information, contact consulting@vizientinc.com.

As the nation's largest member-driven health care performance improvement company, Vizient provides solutions and services that empower health care providers to deliver high-value care by aligning cost, quality and market performance. With analytics, advisory services and a robust sourcing portfolio, we help members improve patient outcomes and lower costs.