

Case Study



SAINT FRANCIS *Care*

Automated Content and Contract Management Drives Greater Savings for Saint Francis Hospital and Medical Center

Overview

With 617 licensed beds and 65 bassinets, Saint Francis Hospital and Medical Center is the flagship of Saint Francis Care. The hospital expanded in 2011 with the addition of the 10-story John T. O'Connell Tower, featuring a new, state-of-the-art surgical pavilion, dedicated space for the Connecticut Joint Replacement Institute and an expanded emergency department with 70 treatment areas and a rooftop helipad for the LIFESTAR helicopter. In addition to the joint replacement institute, Saint Francis offers centers of excellence in cancer care, heart and vascular disease, women and infants' services and rehabilitation medicine.

Challenges

According to David Walsh, administrative director, Supply Chain, Saint Francis Hospital and Medical Center (SFHMC), "taking control of the item master is one of the most important initiatives a hospital can undertake because data integrity is the super glue that holds everything together."

When Walsh joined SFHMC in January 2012, he soon realized that the healthcare organization's item master data was far from reliable. The item master was missing or contained inaccurate manufacturer information for over 3,000 items. Only 18.9 percent of the over 77,000 products within the item master could be matched to contracts and 4,223 products (27 percent) had been ordered with two or more prices. These issues contributed to revenue leakage, including a 12 percent overpayment rate and 24 percent (\$33 million) in non-file spend.

"When I joined Saint Francis I quickly realized there was something very wrong with the item master and processes around it," said Walsh. "After investigating the issues I realized the problem was bigger than I had initially thought and not something we could fix ourselves."

Solution

SFHMC partnered with GHX on a master data management strategy to not only clean up the organization's item master but also maintain its integrity over time.

Organization:

- Saint Francis Hospital and Medical Center
- Hartford, Conn.
- Total licensed beds: 617

GHX Products & Services:

- GHX Exchange
- NuViaSM
- CCXpert

Highlights:

Implemented automated content and contract management solutions to establish and maintain item master data integrity, resulting in an 87% reduction in non-file spend (from \$33M to \$4.3M), increased contract compliance and greater process efficiency.



“In today’s healthcare market where the business decisions we make are critical and every penny counts we can’t be making decisions based on junk data. We’ve strengthened our organization’s data integrity by creating and maintaining our item master as our single source of truth that feeds everything else.”

—David Walsh,
Administrative Director,
Supply Chain, Saint
Francis Hospital and
Medical Center

Automating content management

At the core of this new strategy is the GHX NuViaSM content management solution. Using NuVia, GHX cleansed and enriched SFHMC’s item master data, correcting product data inaccuracies and infilling missing information, such as manufacturer item numbers and units of measure (UOM). GHX and SFHMC worked together to standardize product descriptions, gaining input from clinicians and nurses to ensure clinical staff can easily find the products they need within the item master, which minimizes off-file purchases.

Using NuVia, GHX also assigned United Nations Standard Products and Services Codes (UNSPSC) to the products within SFHMC’s item master, enabling the organization to analyze their spend by product type, class or category and determine which vendors they are purchasing from within each category.

“When doing an RFP or evaluating our pricing we used to have to go through our item master vendor by vendor to determine which products we were purchasing,” said Walsh. “Today we can just pull the categories using the UNSPSC. It’s so much easier and now that we’ve mapped the item master to the charge master, everything is aligned, standardized and streamlined throughout.”

NuVia continually cleans and conditions SFHMC’s data, assigning UNSPSC codes to new products, and providing recommendations on items to remove, descriptions to change and how to prioritize duplicate reconciliation. This has enabled Walsh and his team to automate many of their previously manual

processes, minimizing the risk for human errors and protecting data integrity. Equipped with an item master that contains complete, accurate and up-to-date information, the organization has performed an internal systems integration so that its item master now feeds data to its clinical and business systems, including its charge master.

Aligning contract data for savings

To drive more on-contract purchases and increase contract compliance, SFHMC also implemented GHX CCXpert, a contract management tool that helps maintain pricing accuracy through price validation, detailed historical purchasing reports and contract updates. When an order is placed, CCXpert performs a three-way price match between the purchase order, acknowledgement and contract price to help ensure the right product is purchased at the right price. With immediate access to accurate contract data and real-time price validation, SFHMC has reigned in rogue purchases, increased on-file purchases and reduced over-payments.

Results

Working with GHX, SFHMC has achieved the following:

- Cut item master down from 88K to 18K items
- Decreased non-file spend by 87% (from \$33M to \$4.3M)
- Reduced number of non-file items purchased over 12 months by 68% (from 52,338 to 16,607 items)
- Decreased off-contract spend by 3.3% resulting in recognized GPO contracts activated
- First word NOUN reduction of 67% (from 2,759 to 909)



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