



#### CASE STUDY

## Why McLeod Health Chose GHX Marketplace Bill Only to Automate Bill-Only Implant and Consignment Orders



GHX Marketplace Bill Only has transformed our processes by removing the need for manual work, paper and the resources used to resolve invoice discrepancies. It has streamlined the payment process for our suppliers, ensuring they receive their payments on time."

**Carmen Winfield**

Vice President of Supply Chain, McLeod Health

## Highlights

### Challenges

- Paper-based, resource-intensive order processing
- Inconsistent manual processes and data entry errors
- A high exception rate that resulted in extensive rework, inaccurate and late payments, shipping delays, and credit holds

### Solution

- Automation of bill-only implant and consignment ordering process using GHX Marketplace Bill Only
- Front-end formulary control that drives item and price compliance from requisition through payment
- Standardized workflows and curated item master data maintenance that minimize manual interventions
- Data integrity that supports successful ERP and EHR system migration and integration

### Results

- **96%** contract compliance rate and **98.8%** perfect order rate for bill-only implant and consignment orders
- Faster, more accurate payments
- Significant staff resource and time savings for McLeod Health and its suppliers
- Actionable analytics derived from credible and complete data
- Improved financial planning and cash management control

## Client

McLeod Health is a locally owned and managed, not-for-profit health system in northeastern South Carolina. It provides services to over one million people and comprises seven hospitals with over 900 beds, along with multiple outpatient facilities and physician practices.

## Challenges

### Paper-based processes were duplicative and resource-intensive

The McLeod Health supply chain team, led by Vice President of Supply Chain Carmen Winfield, has introduced digital technologies and process automation to reduce waste and lower costs while optimizing care delivery. But like many health systems, their manual bill-only implant and consignment order processes remained archaic, resource-intensive, inefficient and error-prone.

Following a surgical procedure, a clinical staff member and the supplier would independently document on paper items used in the case (including product ID/part number, quantities, price, etc.). The staff member then manually keyed this information into the electronic health record (EHR) system; meanwhile, the supplier wrote and hand-delivered a requisition to someone in the procedural area.

Once the paper requisition reached the clinical team, they manually cross-referenced it with the data in the EHR, resolving any discrepancies. They then forwarded the requisition to the supply chain team, who re-entered product information, including price and quantity, into McLeod Health's enterprise resource planning (ERP) system.

"Every aspect of our bill-only ordering process was manual and relied on paperwork," Winfield said. "We had probably six individuals involved in passing around paper copies of bill-only orders in different areas leading up to procurement staff manually keying in purchase orders. It was a mess."

### High exception rate led to inaccuracies, delays

This duplicative, manual work led to widespread errors that frequently resulted in mismatched POs and invoices. McLeod Health's clinical and supply chain teams had to spend tremendous time and effort to identify and correct these errors, delaying invoice payments. Additionally, without an automated way to match the price on an invoice with contracted pricing, the health system was potentially overpaying for high-dollar items.

According to Winfield, significant lag times between requisitions, cases, POs, invoicing and payments also caused "huge fluctuations in our financials." Resolving discrepancies and exceptions required substantial staff resources, which led to unpaid invoices piling up. When a staff member found time to process them and issue payments, the expense would not match that time period's case volumes.



Some suppliers put us on credit hold when we couldn't pay their invoices on time, or they would delay product shipments until we dropped everything, resolved the issues and delivered payments."

**Carmen Winfield**

### Strategic insights lacked credibility

If an item fell outside McLeod Health's item master, upon receipt of the requisition the supply chain team would key the product data into its ERP system and generate a "special order." Without an automated way to verify the accuracy of the information in the requisition and inconsistencies in the way it was entered, this process introduced errors and discrepancies into McLeod Health's purchase history data, a critical source for supply chain analytics and reporting.

Because the supply chain team lacked faith in the integrity of their ERP system data, they questioned the reliability of the insights derived from it. "When it came to visibility into items used during surgical procedures, we were at the mercy of someone keying items, descriptions, quantities and pricing freehanded into our purchase history," Winfield said. "When we attempted to perform analytics, the information didn't match up because our data wasn't clean."

## Solution

McLeod Health implemented GHX Marketplace Bill Only to help automate bill-only implant and consignment orders and drive item and price compliance from requisition through payment. The collaborative use of GHX Marketplace Bill Only among McLeod Health's clinical and supply chain teams, along with suppliers, has replaced manual documentation and order processing, improving efficiency and productivity for everyone involved.



## Automation drives touchless transactions

When suppliers log into GHX Marketplace Bill Only, they are presented with an on-contract item formulary along with the agreed-upon prices, which drives contract compliance and pricing accuracy. They add the items needed for a case into their cart, and during check out, assign that cart to a McLeod Health clinical staff member for review and approval.

The clinical staff member then uses GHX Marketplace Bill Only to compare the information in the cart (e.g., items, quantities, pricing) to the information captured on the case in their EHR, flagging any discrepancies between the two sources. Upon approval, the ERP system generates a digital PO and sends it to the supplier, which can, in turn, transmit a digital invoice to McLeod Health for processing and payment.

"We don't want people touching things they don't have to touch," Winfield said.

## Dynamic data integration supports documentation accuracy

GHX maintains, cleanses and enriches the system's item master data and provides requisitioners access to a specific virtual item formulary of health system-contracted products with pricing. This level of data integrity has supported McLeod Health's successful transition to its Oracle Cloud ERP and Epic EHR systems.

GHX Marketplace Bill Only's integration with McLeod Health's Oracle Cloud ERP system facilitates sharing of accurate and complete product and pricing data to maintain item master integrity and support accurate documentation in the electronic patient medical record.

If McLeod Health's clinical and supply chain teams approve the use of a product that falls outside of the item master, instead of relying on the supplier to provide the information required for documentation, the details are sourced from GHX's collection of enriched and validated supply chain data.

Because McLeod Health's ERP and EHR systems are integrated, product details contained within its item master flow into its EHR. Clinical staff have access to this accurate, up-to-date information when documenting products used in a case in the patient's electronic medical record.

"With GHX Marketplace Bill Only, we have more data available at the point of demand for products that are on-contract but not necessarily in our item master," Winfield said. "This has helped with our new ERP and EHR implementations by improving data integrity in both systems."

## Results

McLeod Health is currently using GHX Marketplace Bill Only to automate bill-only implant and consignment orders with over 100 representatives from nearly 80 supplier organizations.

### A perfect order rate of nearly 100%

Automation has led to a perfect order rate of **98.8%** based on data provided by McLeod Health. McLeod Health's clinical and supply chain staff members spend less time on upfront order processing and backend resolution of PO/invoice data discrepancies, which has reduced the administrative burden and costs associated with these activities.



"GHX Marketplace Bill Only aligns perfectly with our supply chain automation strategy. Whenever I hear about a manual process, that becomes my target for improvement."

**Carmen Winfield**



“Automation through GHX Marketplace Bill Only has reduced our resource costs,” Winfield said. “That’s a given as we no longer have numerous individuals touching each order. Staff members who previously spent hours per week working bill-only discrepancies are now spending that time on more valuable activities. As for suppliers, we are paying them faster and on-time, which is an incentive for them to use the solution.”

### **96% contract compliance rate**

By driving contract utilization at the point of requisition, McLeod Health reports that they have achieved a **96%** contract compliance rate for bill-only implant and consignment orders.

Before implementing GHX Marketplace Bill Only, the McLeod Health team was uncertain whether they were paying agreed-upon contract prices; today they have automated validation from the time of requisition through to payment.

### **Spend visibility and cash management control**

For Winfield, one of the greatest benefits of GHX Marketplace Bill Only is real-time expense accruals. With end-to-end visibility into the bill-only implant and consignment process in the ERP system – requisition, PO creation, invoice receipt and payment generation – expenses for a case accrue in the health system’s financials in real-time. This more accurate picture of volume and spend has helped drive better financial planning and cash control.

“I personally feel real-time expense accrual has been one of the biggest benefits of bill-only order automation because we don’t have all this spend out there off our radar,” Winfield said. “Having our volume and our expenses in sync with one another is very important when we’re evaluating our financials each month.”



With close to a 100% bill-only contract compliance rate, I’m now confident we’re paying the right prices and only paying for items that we have approved.”

**Carmen Winfield**

### **Actionable analytics and reporting**

Additionally, Winfield and her team have clean, comprehensive and consistent data on bill-only implant and consignment product spend and utilization to support strategic analytics and planning. This data feeds not only McLeod Health’s dashboards and analytics tools but also other GHX products, including the company’s value analysis solutions.



We have seen a great improvement in our analytics capabilities because the data is clean and we trust it.”

**Carmen Winfield**

## Looking ahead

The McLeod Health team plans to stay on target with their bill-only implant and consignment order process improvements. They are also expanding their use of the clean and enriched data to investigate new areas for optimization.

“Looking at data access overall, I believe there is a great deal of potential to have better information on which to make good product decisions, whether it’s to improve utilization or prepare for emerging supply disruptions,” Winfield said.

While McLeod Health’s suppliers are currently using Oracle to log into GHX Marketplace Bill Only, Winfield and team are exploring use of the GHX Marketplace mobile edition application and the potential benefits that can be derived.

With the mobile edition, clinical staff and/or suppliers can access their approved GHX Marketplace item catalog and content on their mobile device to build an order for items used in a procedure as documented on the case ID sheet. They simply scan item barcodes when building carts, as opposed to manually keying in each item.



»» **Start automating your bill-only implant and consignment order processes with help from GHX Marketplace Bill Only and mobile edition.**

**[Schedule a demo to learn more.](#)**