

# Case Study



## Wake Forest<sup>®</sup> Baptist Medical Center

### Wake Forest Baptist Medical Center Cuts Costs and Gains Efficiencies Through Content and Contract Management Strategy

#### Overview

Wake Forest Baptist Medical Center (WFBMC), located in Winston-Salem, North Carolina, comprises the medical education and research components of Wake Forest School of Medicine; the integrated clinical structure and consumer brand Wake Forest Baptist Health; the commercialization of research discoveries through Wake Forest Innovations, and a network of affiliated community-based hospitals, physician practices, outpatient services and other medical facilities.

#### Challenges

When William T. Brewer, MHA, MS, Director of Strategic Sourcing and Value Analysis, joined WFBMC in 2010, the existing item master covered only half of the organization's purchases. WFBMC comprises of three distinct units: its clinical, educational and research enterprises. In 2010, only the medical-surgical products purchased by the clinical enterprise were contained within WFBMC's item master. All purchases for the other two units were purchased off-file.

Various clinical departments within WFBMC, including the operating room (OR), Cath Lab and the interventional radiology department, had their own subsets of the item master, which resulted in duplicate items and disparate product and price information.

Furthermore, the process for researching product and pricing information and resolving discrepancies was manual and paper-based. The data team contacted manufacturers or used the Internet in an attempt to find current information and then manually entered it into the item master. When a discrepancy was discovered, such as a pricing discrepancy, the purchasing agents, contract managers and data management team engaged in what Brewer describes as "a massive paper exchange" to correct the discrepant transaction and the item master data.

"That paper trail was their lifeblood," said Brewer. "Everything was filed in a filing cabinet and that ended up being the source of truth for our item master. It was definitely not optimal but it was the best they could do with the resources they had at the time."

#### Organization:

Wake Forest Baptist Medical Center  
Winston-Salem, NC  
Total licensed beds: 885

#### GHX Products & Services:

- GHX Exchange
- NuVia<sup>SM</sup>
- CCXpert

#### Highlights:

Wake Forest Baptist Medical Center has improved its operational and financial performance by leveraging automated content and contract management solutions, which are significantly increasing on-file and on-contract purchases while streamlining previously labor-intensive, manual processes.



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## Solution

To drive greater accuracy and efficiency in the procure-to-pay process, Brewer and his team developed a content and contract management strategy based on technology integration and data and process standardization and automation. The strategy would establish WFBMC’s materials management information system (MMIS) as the single source of truth for organization-wide product and pricing information.

“Most people outside of the healthcare industry probably have a tough time appreciating how disparate data is and how challenged we are in creating an efficient supply chain. This is not the retail or automotive sector. Healthcare is extraordinarily complex,” said Brewer. “In order for a master data management strategy to work it should effectively eliminate the duplication of data sources for item and pricing and charge information within the organization. We now use our MMIS as the single source of truth to push out item master data to ancillary systems.”

Brewer and his team restructured WFBMC’s medical-surgical product purchasing so that purchases made by all three of its enterprises (clinical, educational and research) would flow through a single item master contained within its MMIS. They then leveraged the GHX Exchange for electronic trading and implemented the GHX NuVia<sup>SM</sup> content management solution and the GHX CCXpert contract management tool to drive greater transactional accuracy and efficiency through automation.

The NuVia solution serves as a cloud-based virtual item master for WFBMC, continually monitoring its item master for changes and updates, and then correcting product data inaccuracies, removing duplicates and filling in missing information, such as manufacturer item numbers and units of measure (UOM), to help reduce transaction errors. NuVia reduces manual item master maintenance by synchronizing, cleansing and enriching WFBMC’s item master data with product and pricing information derived directly from medical-surgical manufacturers and group purchasing organizations (GPOs).

Using NuVia, GHX cleansed and enriched WFBMC’s item master data, correcting product data

inaccuracies and filling in missing information. GHX and WFBMC also worked together to standardize product descriptions, gaining input from clinicians to make it easier for clinical staff to find the products they need within the item master.

The CCXpert solution helps WFBMC maintain pricing accuracy through price validation, detailed historical purchasing reports and contract updates. When an order is placed through the GHX Exchange, CCXpert performs a three-way price match between the purchase order (PO), purchase order acknowledgement (POA) and contract price to confirm the right product is being purchased at the right price.

Working with GHX, WFBMC loaded all GPO contracts and local contracts into CCXpert so it could actively manage its entire contract portfolio electronically. Now when the organization purchases a contracted item, the product price in the PO and POA are matched against the contract to improve pricing accuracy at the time of purchase.

## A single interoperable platform drives efficiency and savings

Brewer notes that a “light bulb went off” when he and his team saw the benefits that could be derived from using the GHX Exchange, NuVia and CCXpert together in an interoperable fashion. They had been working to implement the individual solutions — transacting through the Exchange, cleansing and enriching item master data with NuVia and loading contracts into CCXpert — but didn’t recognize the full potential of the three solutions until they saw them function as a single platform.

“I remember the day when I brought the whole team together and showed them how NuVia’s virtual item master aligned with the contract data loaded in CCXpert and how they could use the My Exchange Order Center to identify and address product and price exceptions,” said Brewer. “Everyone was so excited — it was the highlight of my year. When all of the pieces come together it really paints an amazing picture.”

“The solutions that GHX has developed are truly best-in-class,” adds Brewer. “I don’t think there is anyone else out there that has put the pieces of the puzzle together the way GHX has done. We made an investment in NuVia, CCXpert and the Exchange

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not just because of what these individual solutions can do on their own but, more importantly, what can be achieved through their interoperability. Other vendors might have bits and pieces, such as data cleansing or management tools, but nobody has put it all together like GHX.”

Using GHX solutions, WFBMC has cut costs by operating more efficiently and increasing on-file, on-contract purchases. Before implementing GHX solutions, approximately half of WFBMC’s medical-surgical product purchases were off-file. Today, nearly 70 percent of purchase order lines are processed through its item master.

“We are no longer shuffling paper back and forth. What once was days of effort to conduct research, update item numbers and change prices is now a matter of a couple of clicks once a week for my data management team,” said Brewer. “It helps me sleep at night knowing that we have GHX in the background validating all of this information because

at the end of the day, we spend a tremendous amount of time working toward optimal pricing and none of that means anything if there are no checks and balances in place to ensure we are purchasing products at the correct contract prices.”

## Results

Working with GHX, WFBMC has achieved the following in 12 months:

- Driven significantly more on-file purchases, with nearly 70% of purchase order lines processed through its item master
- Increased its on-contract spend rate from 35.8% to 59%
- More than doubled its contract line validation rate, from 32.7% to 67.26%
- Significantly increased efficiency by moving from manual to automated processes
- Increased its number of electronic PO (850) trading partners from 1 to 75
- Increased its number of electronic invoice (810) trading partners from 6 to 60



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