

# Case Study

## INTEGRIS

### INTEGRIS Leverages GHX Content and Contract Management Solutions to Achieve an Estimated \$3M in Annual Savings

#### Overview

INTEGRIS is the largest Oklahoma-owned healthcare corporation and one of the state's largest private employers (about 9,000 employees statewide), with hospitals, rehabilitation centers, physician clinics, mental health facilities, fitness centers, independent living centers and home health agencies. Corporate headquarters are located on the campus of INTEGRIS Baptist Medical Center in Oklahoma City. It is a not-for-profit corporation governed by a 15-member board of directors made up of business, medical and community leaders.

#### Challenges

Getting all parties to a contract – healthcare provider, supplier and distributor – to apply correct product pricing is a tremendous challenge. It can often take 45 to 60 days for agreed-upon contract prices to be loaded into their respective systems, and in the meantime, they struggle with discrepancies in the procure-to-pay process, such as mismatches between the pricing on purchase orders (PO) and invoices. This not only places hospitals and health systems at risk for overpayments, but also leads to incremental costs and added labor throughout the supply chain as the various parties work to resolve the issues manually.

According to Micah Parker, AVP of Supply Chain for INTEGRIS, he and his team experienced these challenges first hand as they worked to align contract pricing with the organization's GPO, distributor and suppliers.

"We didn't know if purchases were hitting contract and many times we didn't know if we had a contract for the products we were purchasing," said Parker. "There was potential for significant dollars being lost."

Compounding the issue was INTEGRIS' master data management challenges. Like most healthcare organizations, INTEGRIS faced an uphill battle attempting to maintain accurate product data within its item master. On average, changes are made each year to one-third of the 30 million plus medical-surgical products on the market in the United States (that's 10 million changes each year). Furthermore, multiple parties were entering product data into the

#### Organization:

- INTEGRIS
- Oklahoma City, Oklahoma
- Total licensed beds: 1,515

#### GHX Products & Services:

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

#### Highlights:

Engaged with GHX on a master data management and contract management strategy to improve item master data quality and better leverage its negotiated contract prices for product purchases. Achieved an estimated \$3M in annual savings through better contract compliance and lower non-file spend, driving down price exceptions by 25 percent and contract exceptions by 65 percent.



“We didn’t know if purchases were hitting contract and many times we didn’t know if we had a contract for the products we were purchasing. There was potential for significant dollars being lost.”

— Micah Parker, AVP of Supply Chain, INTEGRIS

item master, resulting in discrepant, erroneous and duplicate information.

“Bad data in is bad data out,” said Parker. “Starting a new cost savings initiative was always a struggle because our analytics team had to spend so much time cleaning our data before they could get to directional information. An initial query might show we had \$2M in spend for a specific product line, but by the time we were done cleaning, that \$2M might only be \$300,000 because products were entered into the item master multiple times with different pricing.”

## Solution

To take control of contract and content management, INTEGRIS implemented several GHX solutions to improve order accuracy, better manage contracts and enhance visibility to data, which could be leveraged for strategic decision-making.

### Driving Greater Contract Compliance

To help INTEGRIS purchase products at the correct contract prices and reduce the labor required to check prices manually, the organization 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 (PO), purchase order acknowledgement (POA) and contract price to help validate that the right product is purchased at the right price.

“CCXpert takes us beyond negotiations and ensures we get the true value of that contract,” said Parker.

He notes how the CCXpert solution helped his team identify a major contract error in INTEGRIS’ systems, enabling the organization to capitalize on significant savings opportunities.

“We had negotiated a hidden tier contract with our local GPO, which offered far better pricing over our standard contracts,” said Parker. “But when we purchased products from the GPO through our ERP system, the system would overlook the hidden tier and default to a different one, resulting in huge pricing errors. It wasn’t until we started using CCXpert that we identified the error and began hitting contracts we had never hit before. We immediately

achieved a return on our GHX investment by capitalizing on these high dollar savings opportunities.”

### Taking Control of the Item Master

Once INTEGRIS knew it was purchasing products at the right contract prices, it implemented the GHX NuVia content management solution to maintain correct product data within its item master. The GHX NuVia solution is a cloud-based virtual item master that continually monitors an organization’s item master for changes and updates, and then systematically corrects product data inaccuracies, removing duplicates and infilling missing information.

“There are various tools out there that will help you clean up your item master, but NuVia will help you sustain it, that’s why it really floated to the top for us,” said Parker. “After enacting policy changes around who can manipulate product data and our NuVia implementation, we finally have full control over our item master.”

### The Combined Benefits of Contract and Content Management

Parker comments on how the CCXpert and NuVia solutions complement each other. He explains how before implementing NuVia, the CCXpert solution would reject transactions due to product data inaccuracies, such as incorrect manufacturer identification numbers, and his staff would have to manually research the correct information before the transaction could proceed.

“Now with our item master being cleaned every 24 hours we are alerted to data issues and can be on the forefront leading the charge instead of playing catch up all of the time,” said Parker. “While CCXpert and NuVia offer their own unique advantages, the combined use of both solutions helps us ensure every ‘i’ is dotted and ‘t’ is crossed throughout the procure-to-pay process.”

Parker adds that the CCXpert and NuVia solutions have enabled his team to gain visibility into their data and systems, allowing them to make more strategic decisions around purchasing and allocation of resources.

“These two solutions have provided us with knowledge that we never had before,” said Parker. “We now have objective data to help us determine

*"CCXpert takes us beyond negotiations and ensures we get the true value of that contract."*

*"After enacting policy changes around who can manipulate product data and our NuVia implementation, we finally have full control over our item master."*

*— Micah Parker, AVP of Supply Chain, INTEGRIS*

where we must focus our time and energy. And, we can problem solve much faster than when we had manual processes in place. This has led to cost savings, improved efficiency and higher employee satisfaction because it has reduced the level of frustration with all the hard work we were doing on clean up and rework."

Parker and his team plan to use the knowledge gained through GHX solutions to evaluate product utilization, including what types of products in what quantities physicians are using for particular procedures.

"Instead of just looking at supply standardization, we want to dive into utilization, and GHX is helping

us get there" said Parker. "Previously when we ran a report it would show Dr. A was using a case of product B every time she performed a procedure, and we knew that wasn't true. Now with accurate product data flowing through our systems, we can get a clear picture of product consumption to drive better purchasing decisions."

## Results

Working with GHX, INTEGRIS achieved the following in 18 months (January 2013-June 2014):

- Decreased price exceptions by 25 percent
- Decreased contract exceptions by 65 percent
- Achieved an estimated \$3M in annual savings through better contract compliance and lower non-file spend



1315 W. Century Drive  
Louisville, CO 80027  
USA  
1.800.YOUR.GHX

10 Carlson Court  
Suite 701  
Etobicoke, ON M9W 6L2  
1.647.351.8434