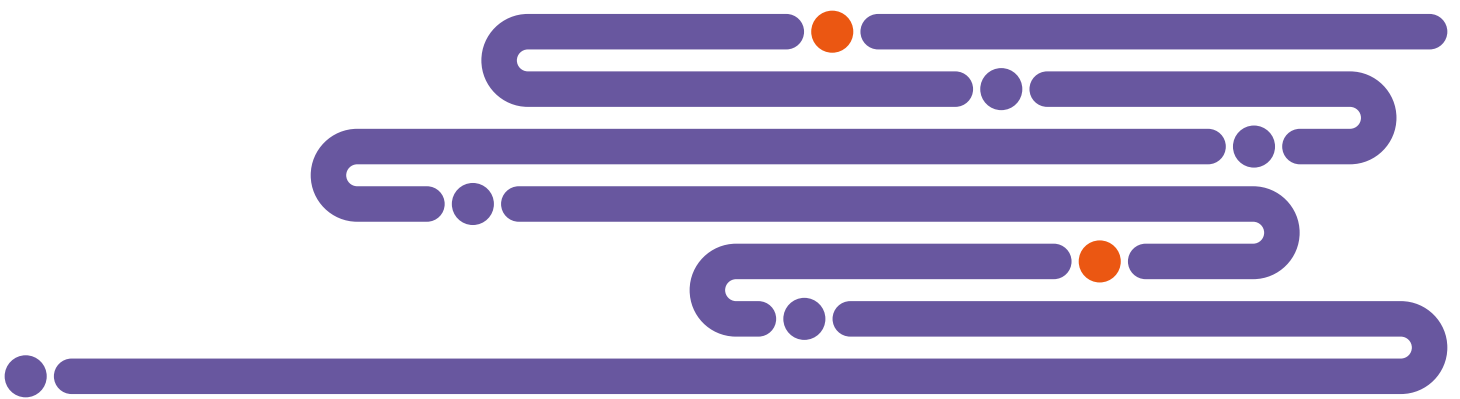


Chart your course to clinical-supply integration



The current merger and acquisition environment in health care, combined with continual changes in the reimbursement model, makes the need to move beyond physician preference items and typical value analysis paramount. While merger and acquisitions can have financial and strategic benefits, an increased number of practicing clinicians can create additional silos, thus decreasing economies of scale.

Enter clinical-supply integration (CSI), a system-based approach to remove practice variation around consumption of medical devices, medical equipment and pharmaceuticals. A CSI approach ultimately changes how clinical supply decisions are made and is a valuable strategy for any health system wanting to improve costs, quality and outcomes.

CSI is a multiyear venture into uncharted territory requiring a significant, sustainable commitment—a challenging progression that includes stubborn pain points but high rewards. Each organization’s CSI process is unique and designed to work to its strengths. The end result is supply chain teams and clinicians working as partners, supported by leadership, to leverage data, reduce practice variation and costs—and above all, support high-quality patient care.

One Vizient member **saved more than \$120 million over 10 years** through CSI, collaborating to make decisions and improve clinical practice.

Implementing CSI: launch

Engage supply chain and clinicians

Health systems need the kind of quality and financial benefits that CSI offers to thrive in today’s reimbursement-driven environment, but that requires supply chain staff and clinicians working together at the highest level to form a committed, sustainable partnership.

“If supply chain operations focuses only on cost reduction and clinical stakeholders solely focus on patient care, the opportunities for mutual success are relatively small,” said Martin Lucenti, MD, PhD, chief medical officer and senior vice president, product strategy and innovation, performance improvement services at Vizient®. “If instead, the objective is delivering the best quality care at the most competitive total cost, success takes a broader form.”

The effectiveness of CSI rests on the relationships you build and are able to sustain. Executive leadership, clinical champion support and informed knowledge-sharing are three critical elements to CSI success. Ultimately, however, clinicians are the catalyst for successful CSI because supply and device decisions designed to drive out unnecessary clinical variation reside with them.

You must also establish a governance structure—the ground rules—for exactly how CSI will live and grow within your organization.

This includes the following elements:

- Cross-functional representation involving clinicians, supply chain and executive leadership
- Rules of engagement and frequency
- Decision-making processes
- Physician alignment strategy
- Implementation and adoption plan

However it's achieved, supply chain and clinicians must form a sustainable, committed partnership as the basis for all CSI efforts, and the overarching governance structure is necessary to systematically pull all supply chain endeavors together in an integrated, holistic approach.

“If supply chain operations focuses only on cost reduction and clinical stakeholders solely focus on patient care, the opportunities for mutual success are relatively small. If instead, the objective is delivering the best quality care at the most competitive total cost, success takes a broader form.”

Martin Lucenti, MD, PhD
Chief Medical Officer and Senior Vice President
Product Strategy and Innovation,
Performance Improvement Services
Vizient

While some clinicians may want to be meaningfully involved in their hospitals' performance improvement, you may also face their question of “what's in it for me.” It's a question you must be prepared to answer with an engagement strategy such as gainsharing, capital reinvestment, improved patient outcomes or good citizenship.

At the same time, reassure clinicians that CSI is not a means to challenge their decision-making. Instead the CSI initiative is designed to decrease costs while freeing up their valuable time to focus on more complex issues. Ensure that clinicians realize they are still encouraged to make decisions regarding their practice as clinically warranted.

Provide actionable insights

During this stage you need the right data for your CSI efforts to thrive. This includes clinicians and supply chain gaining a deeper understanding of the other's perspective. Clinicians must learn about supply costs, while supply chain teams need a firmer grasp on physician preferences. And both need access to utilization and patient outcomes data to ensure they make the right decisions moving forward.

You must provide cost and utilization data that is transparent, credible, reliable, accurate and verifiable. Show your clinicians how their practice and utilization patterns affect outcomes. At the same time, utilization data helps supply chain staff broaden their perspectives to include both costs and outcomes.

“Data is the foundation of CSI and also the driver that sustains it,” said Debbie Schuhardt, MHA, FACHE, principal, clinical advisory solutions at Vizient, in her blog *How to Use Data to Achieve a Clinically Integrated Supply Chain*. “The keys to CSI success involve sharing reliable information in a meaningful, actionable way and having a structure that places physicians in a position to take action.”

You must provide more than just the cost of devices and supplies, according to Schuhardt. “You want to link clinician, patient and outcomes data in a storyline that shows the economic and clinical impacts of a clinician's decisions.” This addresses both the cost of devices and supplies as well as unnecessary clinical variation.

“If you look at what's challenged most people in the CSI space, it's the ability to show clinicians how they're doing.”

Martin Lucenti, MD, PhD

Schuhardt shares an example of how to link outcomes data with costs. She suggests to educate a clinician about the variables of implant selections by showing the cost of the device and supplies the clinician uses relative to other clinicians. This will provide a better understanding of where an individual clinician stands relative to peers from a cost perspective. But why stop there? Show how much the device and supply selections affect overall procedure cost, the downstream financial impact of the selections and the outcomes. “Provide the total economic and clinical perspectives in relation to a clinician's internal and external peer groups,” said Schuhardt.

A balanced scorecard of how they are doing on quality scores, length of stay, readmissions and patient satisfaction will put things in perspective for clinicians, according to Lucenti. “If you look at what's challenged most people in the CSI space, it's the ability to show clinicians how they're doing,” he said. “Clinicians are fairly competitive people, and if you

can show them that they're an outlier or that they're performing poorly relative to their peer group, they usually will move their behavior.”

The more questions your data answers for clinicians, the deeper their commitment will be. Integrated data answers complex questions, and often encompasses supply, clinical and operational information.

Consider how both supply chain and clinicians might work and operate differently if they knew the answers to questions such as:

- What is driving utilization variation for bone cement?
- How do different closure devices in catheterization laboratory procedures relate to complications?
- Are gender-specific knees worth the price differential?

Implementing CSI: expansion

Expand stakeholder knowledge

For clinicians to move from participants to owners of the CSI process, they must be able to make informed, efficient, evidence-based decisions. Resources often include peer-reviewed clinical literature, prioritized unbiased product assessments, leading practices and peer learnings, and product knowledge repositories.

Clinicians also may need additional professional training on supply chain operations and logistics, for example, depending on how much they understand during the front end of CSI efforts. Clinicians leading the program may need additional leadership training to strengthen relationships.

During this time, clinicians and supply chain professionals may benefit from joining a Vizient network or collaborative to gain more ideas and insights on how to structure their CSI program.

Prepare to manage change

As you work to standardize and achieve commonality of practice, you must also implement a system-based approach to introduce new products and devices while managing vendor relationships. Supplier relationships must now be with the entire health system, not individual clinicians. The new CSI model requires health systems to manage the supplier and clinician relationship differently than past years when suppliers were allowed to interact directly with clinicians. All stakeholders must understand that they are now working together to improve the health system's cost, quality and outcomes.

Implementing CSI: maturity

When your CSI program matures, your organization begins witnessing success firsthand. You have in place all the necessary CSI elements to sustain your efforts, including a

smoothly functioning supply chain and clinician partnership, a continuous flow of actionable data, a governance structure, and a systematic approach to change management. Traditional clinician silos are a thing of the past. With CSI maturity, supply chain teams and clinicians work cooperatively within a system-based approach to reduce practice variation.

It is important to emphasize that while successful CSI programs have certain elements in common, no two look exactly alike. “When you've seen one health system solution to CSI, you've seen one health system solution to CSI,” said Lucenti.

There are, however, some key learnings that health systems have found effective in reaching a mature CSI solution:

- **Build purposeful and productive clinician relationships.** CSI is a clinician-led initiative, so take the necessary time to establish trust and truly listen to what clinicians have to say.
- **Bring clinicians over to the “system” way of thinking.** Clinicians need to own the CSI process while viewing themselves as system leaders—not as representatives of their respective regions.
- **Cultivate an effective interdisciplinary governance structure.** Ensure that your governance structure supports conversations, and structural leaders act as good stewards who are open to listening to what your clinicians have to say. Schedule ongoing clinician-led meetings with supply chain to discuss products and make decisions. Facilitate and support—rather than direct—decision-making.
- **Affect cost and utilization through information transparency.** Provide comprehensive, unbiased evidence to allow informed decision-making and promote a trusting environment. This is imperative to ensure physician support for standardization and CSI efforts.
- **Consider hiring a clinical analyst to synthesize your data.** A seasoned expert can connect the data dots for clinicians. With credible data, clinicians can be powerful change agents. Bringing in an expert to help get clinicians and supply chain on the same page could put your CSI efforts over the top.
- **Deliver continuous information.** Data isn't just something you bring to the table to win physician support. It's also important to keep the data coming throughout your efforts to keep interest levels high.
- **Focus on your weakest link.** While all mature CSI solutions must solve certain functional requirements, your efforts are only as strong as your weakest link. So remain focused on that weaker area as a continual improvement initiative.

The challenges and rewards of CSI

In today's reimbursement-challenged environment, physician preference and value analysis initiatives alone are not enough to keep health care organizations financially viable. CSI has proven to lower costs, improve quality and create improved patient outcomes—and it can be an invaluable part of your health system's broader sustainability strategy.

CSI is a complete transformation in clinician thinking, where clinical and financial decisions merge together to improve care and decrease costs. It can also be your biggest challenge, an unpredictable evolution you begin without the end in sight.

If your organization is willing to make the commitment and chart a course to clinical-supply integration, the financial savings and improved patient outcomes can position your health system for a healthy future.

Providence St. Joseph Health: A CSI success story

Providence St. Joseph Health, with 51 hospitals and 800 clinics across Alaska, California, Montana, New Mexico, Oregon, Texas and Washington, began working toward a clinically integrated supply chain approximately seven years ago. The long and arduous process, complicated by extensive merger and acquisition activity, included redefining regions and their executive oversight, as well as redeveloping an executive-level governance structure to ensure region and hospital alignment.

The integrated delivery network established a systemwide value analysis structure based on the 80-20 rule. If 80% of cases can be done by one or two vendors, then that is the route Providence will take. "We've tried to move away from the all-play model because we're looking at things from a patient care standpoint," said Jimmy Chung, MD, MBA, FACS, associate vice president, perioperative portfolio, Providence St. Joseph Health. "If you're a patient going into the hospital and you have no idea which one of 20 or 30 different vendors you're going to have implanted, you have a right to know that. We want to protect patients. We also don't want to teach our operating room staff 20 or 30 different ways of doing something. So to reduce the risk of complications and errors, looking at it from a patient safety perspective, we needed to reduce variation."

To move its standardization efforts forward, Providence created an internal tool linking outcomes and costs, enabling drill-down to each facility, region and hospital, based on DRG and procedure. "Not only are we able to see how much each product costs, but we can see how often it's used and how much it costs each time it's

used compared to others who use it across the system," said Chung.

To expand its data strategy even further, Providence hired a clinical analyst to transform its data into a story, while establishing a business case. The concept expanded into an entire clinical analytics department within the last two years. Both outcomes and patient care improved as a result, according to Chung.

The health system's endomechanical standardization efforts are a shining example of sustainable CSI success. The health system has a sole-source agreement for endomechanicals. However, Providence acquired two new hospitals, each with their own endomechanical supplier agreements.

In May 2017, Providence executives decided to convert the two newly acquired hospitals to the system's sole-source endomechanical contract. There was immediate concern, however, as to how surgeons at the two new system hospitals might react to the change. Some worried that the surgeons could potentially leave, resulting in lower overall health system volumes. Some even anticipated worse surgical outcomes because surgeons would not understand how to use the new devices.

A retrospective review one year later proved the fears unfounded. The system maintained volumes and quality of care while saving money. "The reoperation rate didn't get worse, mortality didn't get worse, the deep abscess rates didn't get worse and the length of stay didn't get worse. If anything, it improved a little bit," said Chung. "In reviewing the clinical data and outcomes, the clinicians are now reassured that the conversion was a success, and supply chain can see the positive effect they had on outcomes." And that, said Chung, is a success to be celebrated together.



To learn more about clinical-supply integration and how Vizient can support this initiative, visit vizientinc.com/csi or contact us at vizientcsi@vizientinc.com