



# CAPTIS

## Captis 101 Webinar Series

An Introduction to Captis

# HOUSEKEEPING ITEMS

## Presentation Copies:

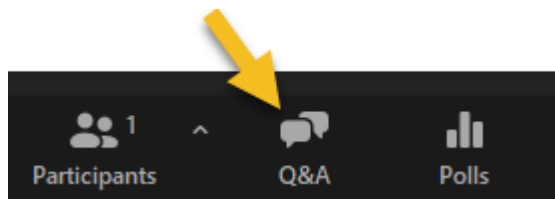
*Members and Captis Service Provider Staff* - This meeting will be recorded and shared to the Training Corner on the Captis website (member access only).

*Vizient Staff* (non-Captis Service Provider Staff) – See the OneDrive link in the Chat.

*Suppliers* – Pertinent content from this presentation and other resources are available on <https://www.vizientinc.com/what-we-do/supply-chain/aggregation-solutions/captis>

You will be muted upon entry.

If you have questions, use the Q&A feature located in your toolbar and we will answer the questions live, or address at the end of the meeting:



# OUR PRESENTERS



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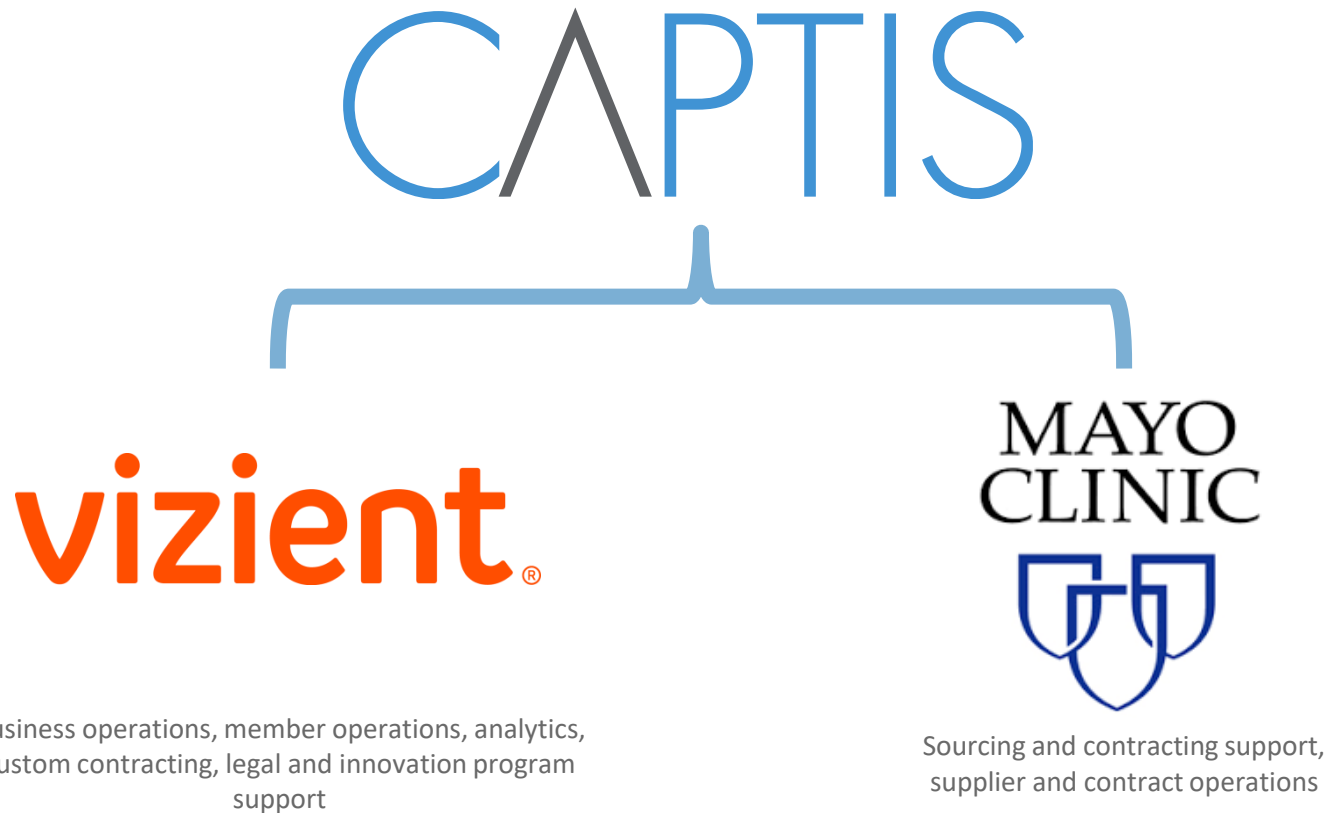
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Who we are

# MEMBER SUPPORT

Captis has **two service providers** supporting its membership.



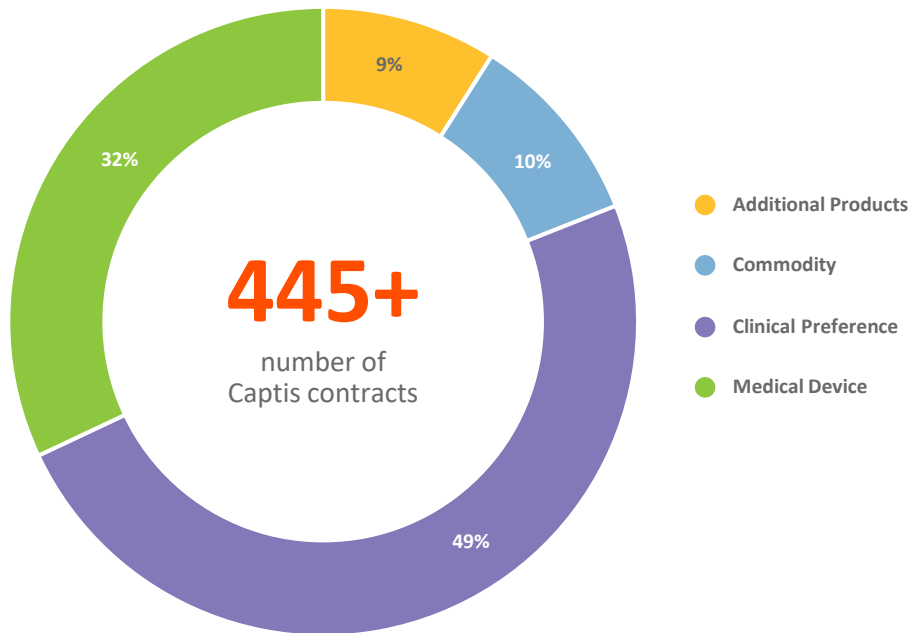
# COLLABORATIVE CONTRACTING

Utilizing Vizient as its foundation, Captis leverages existing resources and tools to negotiate additional value based on the ability to aggregate and deliver commitments that result in better cost efficiency.



# WHO IS CAPTIS?

Since 2008, Captis has positioned itself as a leading Vizient aggregation group.



## \$25B

Member spend potential

## \$224.5M

Savings achieved in 2023  
*(First-year savings and rebates received in 2023)*

## \$93M

Rebates received in 2023

## \$1.77B

Savings since inception  
*(First-year savings and rebates since inception)*

# MEMBERSHIP DEMOGRAPHICS

**101 MEMBERS**  
8,108 AFFILIATES | 30 STATES REPRESENTED

**527**

Hospitals

**56,000+**

Total Hospital Beds

**593,000+**

Annual Inpatient Surgeries

**\$25 Billion**

Supply Spend Potential

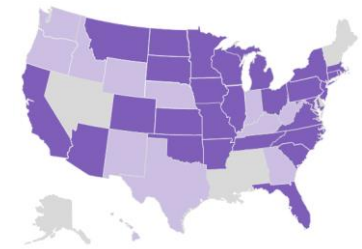
**350,000+**

Employees



# CAPTIS MEMBERSHIP

101 Members\* | 30 States | \$18B Annual Supply Spend Potential



## Class A (9 members)

- Aspirus Health
- Bellin Gundersen Health Systems
- CentraCare
- Froedtert Health
- Mayo Clinic
- NCH Healthcare System
- North Memorial Health
- ProHealth Care
- ThedaCare

## Class A1 (27 members)

- Baptist Health
- CarolinaEast Health System
- Centra Health
- Cooper University Health Care
- Covenant Health
- Denver Health
- Guthrie
- INTEGRIS Health
- Lakeland Regional Health
- Lifespan <sup>^</sup>
- Main Line Health
- Memorial Health <sup>^</sup>
- Mercy Cedar Rapids
- MUSC Health <sup>^</sup>
- MyMichigan Health <sup>^</sup>
- Endeavor Health
- Sparrow Health System
- SSM Health <sup>^</sup>
- St. Bernards Healthcare
- Stormont Vail Health <sup>^</sup>
- The University of Kansas Health System
- UC Health <sup>^</sup>
- UnityHealth
- University of Arkansas for Medical

## Sciences (UAMS)

- University of Rochester Medical Center
- Washington Regional
- Westchester Medical Center

## Class N (1 member)

- Inspirity

## Class CCP (1 member)

- Sanford Health

## Class B (52 members)

- Alomere Health
- Altru Health System
- Arkansas Methodist Medical Center
- Arnot Health
- Bassett Healthcare Network
- Beloit Health System
- Blount Memorial Hospital
- Boulder Community Health
- Cape Regional Health System
- Care New England <sup>^</sup>
- Cayuga Health System
- Children's Minnesota <sup>^</sup>
- Children's National <sup>^</sup>
- City of Hope
- Comanche County Memorial Hospital
- Community Memorial Health System
- Covenant Healthcare <sup>^</sup>
- DRH Health
- FHN Memorial Hospital
- Finger Lakes Health
- Freeman Health System <sup>^</sup>
- Grady Health System
- Great Plains Regional Medical Center
- HaysMed

- Hunterdon Health
- Independence Health System
- Jackson County Memorial Hospital
- Kingman Regional Medical Center
- Lake Region Healthcare
- LMH Health <sup>^</sup>
- MaineGeneral Health <sup>^</sup>
- McAlester Regional Health Center
- Mosaic Life Care
- Norman Regional Health System
- North Kansas City Hospital
- NorthBay Health
- Northeastern Health System
- Penn Highlands Healthcare
- Phoenix Children's
- Prairie Lakes Healthcare System
- Redeemer Health
- Reid Health <sup>^</sup>
- Ridgeview
- St. Clair Health
- St. Luke's
- St. Peter's Health
- Stillwater Medical Center
- Summit Healthcare Regional Medical Center
- Trinity Health
- Valleywise Health
- Yavapai Regional Medical Center
- Yuma Regional Medical Center

## Class C (11 members)

- Bristol Health
- Cambridge Health Alliance
- Dickinson County Healthcare System
- Elkview General Hospital
- Lawrence General Hospital <sup>^</sup>

- LifeCare Medical Center
- Oneida Health
- Regional Medical Center
- Signature HealthCARE
- Thorek Memorial Hospital
- Tri-City Medical Center

## Additional Members\*

### Class V (1 member)

- Vizient

### Class S (1 member)

- Allina Health (Rx)

<sup>^</sup> New member in 2024

<sup>^</sup> New member in 2023

<sup>^</sup> New member in 2022

\*Total health systems. Does not include Class V or S members.

# 2024-2026 STRATEGIC PRIORITIES, GOALS AND INITIATIVES

## Commitment

Managed spend

Contract compliance

Member performance improvement



## Innovation and Investment

New programs

Analytics investments

Innovative contracting strategies

Operational efficiencies



## Strategic Growth

Revenue to maintain stable net income, business operations and investments

Recruitment and retention of members who are a positive financial impact and cultural fit





# Operating Principles

How we operate

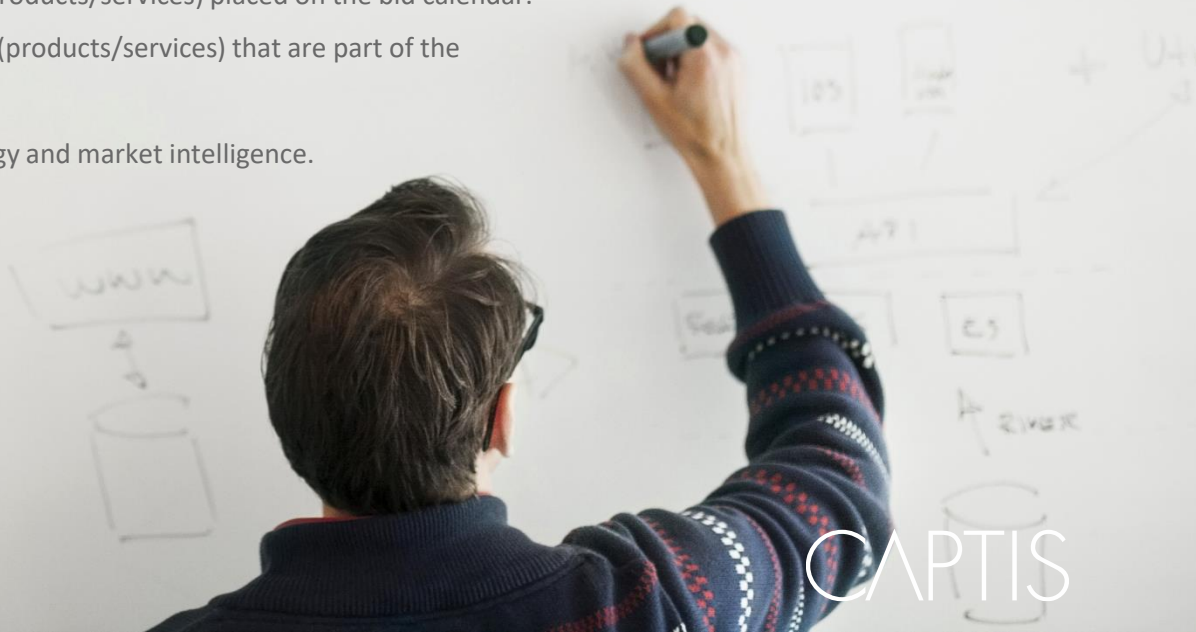
The commitment and key behaviors required  
of our members

Governance, structure and accountabilities

# KEY MEMBER BEHAVIORS

Our members:

- Make decisions collectively based on what is best for the network as a whole, rather than individually for their organization.
- Commit to aggregating volume and market share.
- Participate in Mayo Clinic and Vizient sourcing and contracting strategy.
- Hold each other accountable for delivering upon commitments to Captis (active member participation in governance structure, enforcement of penalties for non-compliance).
- Participate in innovation that drives value.
- Create a single voice during the sourcing and contracting process, members refrain from negotiating local or individual agreements on behalf of their respective organization.
  - **Quiet Period:** Applies to new initiatives (products/services) placed on the bid calendar.
  - **Prohibition:** Applies to existing initiatives (products/services) that are part of the Captis contract / services portfolio.
- Ensure confidentiality of Captis pricing, strategy and market intelligence.



CAPTIS

# GOVERNING BODIES | Member owned, member governed, member driven



## **Board of Managers:**

Sets the strategic direction and guides all business activities.

*Class A: One representative per member organization*

*Class B: One representative per cohort, each cohort comprised of 4-5 members*

*Class C: No participation*



## **Business Development:**

Develops innovative and strategic programs in support of the mission and vision.

*Comprised of representatives from Board/committees and ad hoc representatives*



## **Clinical:**

Ensures physician and clinical engagement in medical device product evaluation and focus on clinical leading practices and outcomes.

*Two representatives per member organization*



## **Finance:**

Monitors financial performance, budgets, accounting of savings, fees, revenue and distribution.

*Class A: One representative per member organization*

*Class B: One representative per cohort, each cohort comprised of 4-5 members*

*Class C: No participation*



## **Operations:**

Develops, implements and assesses strategies to enhance contract portfolio, gains supply chain efficiencies and approves contracts.

*Class A: One representative per member organization*

*Class B: One representative per cohort, each cohort comprised of 4-5 members*

*Class C: No participation*



## **Pharmacy:**

Provides fiscal, clinical, intellectual and operational value to pharmacy program members.

*One representative per member organization*

# CATEGORY COMPLIANCE | SPEND PERFORMANCE



Members are obligated to purchase from the Captis portfolio annually as described below.



Members may choose which contracts to participate as long as spend requirement/category compliance commitments are met.

The table below illustrates the percentage of spend required in each of the Captis categories, and how compliant members are in achieving the spend requirement.

	A Member	B Member	C Member
Category	Spend Required	Spend Required	Spend Required
Commodity Items	90%	85%	75%
Clinical Preference	80%	75%	65%
Medical Device	25%	20%	15%

Members who do not fulfill their spend requirement are subject to review by the Audit Subcommittee. This committee is comprised of several Finance Committee Representatives.

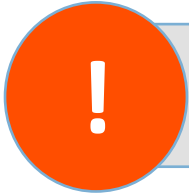
# QUIET PERIOD

To create a single voice during the sourcing and contracting process, members refrain from negotiating local or individual agreements on behalf of their respective organization.

**Quiet Period (Phases):** Applies to new initiatives (products/services) placed on the bid calendar.

	Permitted to:	Not Permitted to:
<b>Phase 1</b> Quarterly Bid Calendar Approved	<ul style="list-style-type: none"><li>• Conduct product trials</li><li>• Make product changes</li><li>• Finalize local negotiations in process</li><li>• Standardize products</li></ul>	<ul style="list-style-type: none"><li>• Initiate supplier negotiations</li><li>• Engage in price discussions</li><li>• Distribute local RFP</li><li>• Change Contract commitment</li></ul>
<b>Phase 2</b> RFP Released	<ul style="list-style-type: none"><li>• Make limited product changes</li><li>• Conduct membership-wide product trials if authorized by the Service Provider team</li></ul>	<ul style="list-style-type: none"><li>• Initiate supplier negotiations</li><li>• Engage in price discussions</li><li>• Distribute local RFP</li><li>• Change contract commitments</li><li>• Conduct individual member product trials unless approved by clinical committee</li><li>• Standardize products</li></ul>
<b>Phase 3</b> Initiative approved by Ops. Com.	<ul style="list-style-type: none"><li>• Conduct product trials</li><li>• Make product changes</li><li>• Standardize products</li></ul>	<ul style="list-style-type: none"><li>• Initiate supplier negotiations</li><li>• Engage in price discussions</li><li>• Distribute local RFP</li><li>• Change contract commitments</li></ul>
<b>Phase 4</b> Quiet period lifted upon Launch	<ul style="list-style-type: none"><li>• Conduct business as usual</li><li>• Submit eLOC</li><li>• Begin product conversion</li></ul>	<ul style="list-style-type: none"><li>• Negotiate with Captis awarded suppliers (prohibition).</li></ul>

# PROHIBITION



Members are **not permitted** to negotiate or maintain local contracts with Captis-awarded suppliers for Captis contracted products

Prohibition applies to ALL existing initiatives (products/services) that are part of the Captis contract/services portfolio.

## Prohibition supports the Captis founding principles:

### ACT

and speak with one voice to the supplier community

### MAKE

decisions collectively based on what is best for the network as a whole, rather than individually for their organization

### HOLD

each other accountable for delivering upon commitments to Captis

### COMMIT

to aggregating volume and market share

### PROTECT

the credibility, reputation, and name brand of Captis



# MEMBERS INDIVIDUAL CONTRACTUAL COMMITMENTS

When our members commit to an initiative, they commit to:



Captis as a network



Other members



Suppliers




The market

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Our commitments are considered legal obligations and members unable to uphold their commitments are subject to the contract non-compliance procedure which includes notification, actions to remedy compliance and price adjustment (if applicable). **Contract compliance is reported via a quarterly email, the Member Performance Scorecard and within aptitude.**

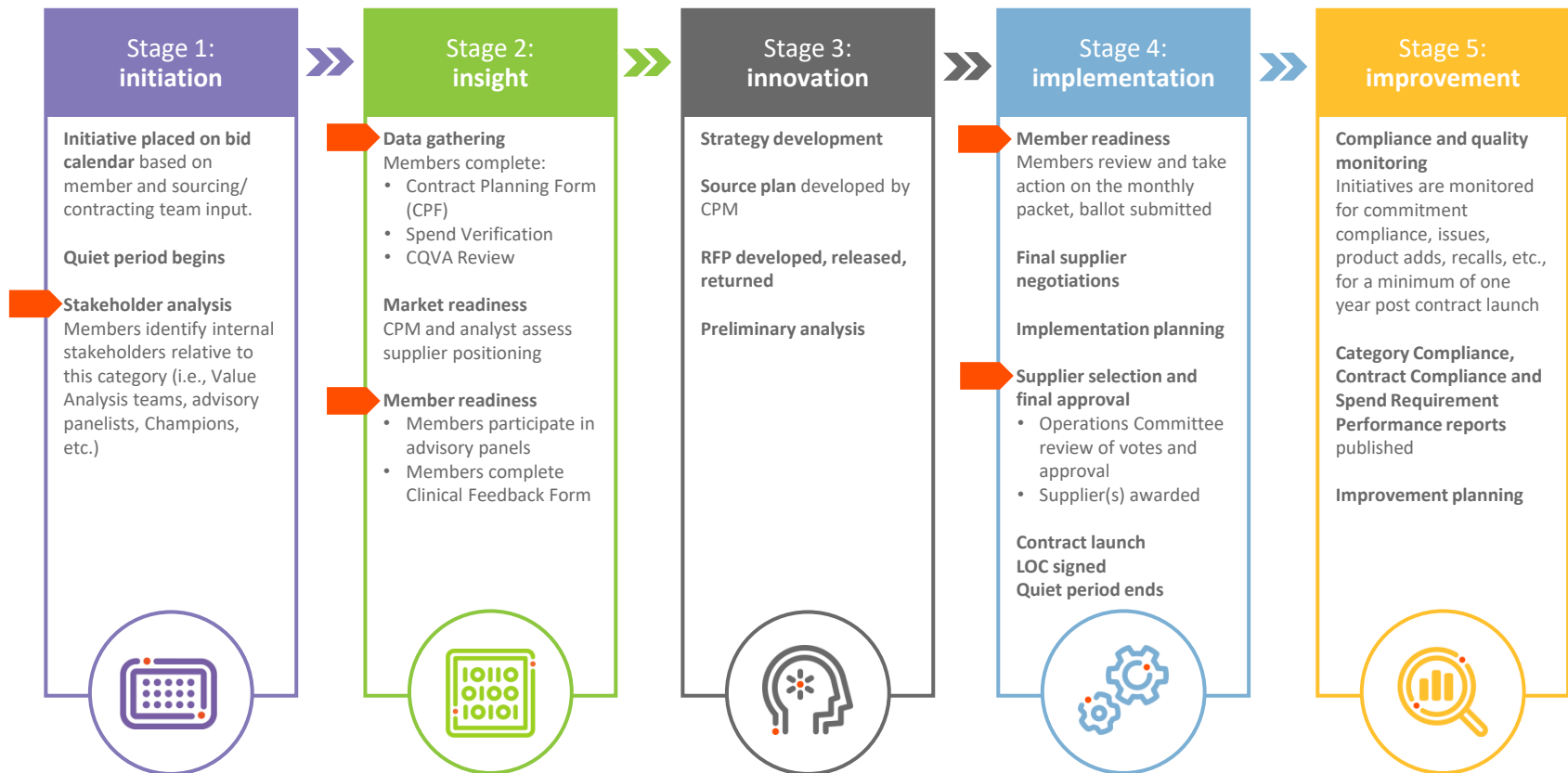
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Upholding our contract commitments protects our network's brand and buying power, and impacts all present and future value for Captis members.



# Sourcing and Contracting Process

# THE CAPTIS CONTRACTING AND CATEGORY MANAGEMENT PROCESS



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# STATE 1: INITIATION

## Stage 1: initiation

**Initiative placed on bid calendar** based on member and sourcing/contracting team input.

**Quiet period begins**

**Stakeholder analysis**

Members identify internal stakeholders relative to this category (i.e., Value Analysis teams, advisory panelists, Champions, etc.)



**Bid Calendar:** The Operations Committee approves initiatives to be added to the bid calendar. This is available at <https://www.vizientinc.com/what-we-do/supply-chain/aggregation-solutions/captis>

**Quiet Period Begins:** See slide 14.

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# STAGE 2: INSIGHT

## Stage 2: insight

### Data gathering

Members complete:

- Contract Planning Form (CPF)
- Spend Verification
- CQVA Review

### Market readiness

CPM and analyst assess supplier positioning

### Member readiness

- Members participate in advisory panels
- Members complete Clinical Feedback Form



**Contract Planning Form:** Survey is sent to supply chain leaders to gain contracting feedback.

**Spend Verification:** Members confirm their initiative spend which is communicated in aggregate to suppliers for the RFP and used to measure Category Compliance.

**CQVA Review:** The Mayo Clinic Value Analysis Team reviews all Clinical Preference and Commodity (CCP) initiatives.

**Market Readiness:** RFI meetings are held with suppliers to gather information as it relates to current market, supplier product lines, similarities and differences in products to competitor products, visual representation of products, supply capabilities, and future of supplier organization and pipeline. Suppliers with a Vizient National Agreement and those with Captis market share are typically invited to participate in RFI meetings and the RFP.

### Member Readiness:

**Advisory Panels/Councils:** Advisory panels are convened to help guide the sourcing and contracting strategy for various initiatives. Feedback ensures sound contracting strategies and wide adoption by members. Advisory panels are convened for Medical Device initiatives (clinicians), Commodity/Clinical Preference initiatives (supply chain professionals), Lab initiatives and others as needed.

**Clinical Feedback Form (Medical Device Initiatives):** All providers within a specialty are invited to provide input on suppliers, products and the contracting strategy.

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# STAGE 3: INNOVATION

## Stage 3: innovation

### Strategy development

Source plan developed by  
CPM

RFP developed, released,  
returned

Preliminary analysis

**Strategy and source plan development:** The Mayo Clinic Category Manager uses the data gathered and member/CQVA feedback to devise the overall go-to-market strategy.

**RFP:** Includes a request for Price Files, Cross Reference, Verified Purchase Data.



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# STAGE 4: IMPLEMENTATION

## Stage 4: implementation

### Member readiness

Members review and take action on the monthly packet, ballot submitted

### Final supplier negotiations

### Implementation planning

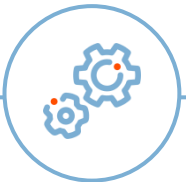
### Supplier selection and final approval

- Operations Committee review of votes and approval
- Supplier(s) awarded

### Contract launch

LOC signed

Quiet period ends



**Member Readiness – Contract review and vote:** Captis member feedback, clinical acceptability, financial savings, individual member commitment, and supplier's product breadth, ability to supply and conversion assistance plan determine which suppliers are advanced for Operations Committee approval.

**Supplier awarded:** Operations Committee Approval. Contracts are executed by Vizient Addendum, Custom Agreement, or aptitude Agreement. Suppliers provide final price file, complete addendum, send price file to distributors and prepare for product education and conversion assistance.

**Contract Launch:** Members receive a contract launch communication, information such as the price file is posted to the Captis contracts page and Vizient Catalog.

**Letter of Commitment (LOC) signatures:** Members enroll in Captis agreements via the LOC tool on the Captis website. Weekly participation reports are sent to suppliers and distributors to process.

**Quiet period/Prohibition:** Quiet period is lifted and prohibition begins. See slide 15.

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# STAGE 5: IMPROVEMENT

## Stage 5: improvement

### Compliance and quality monitoring

Initiatives are monitored for commitment compliance, issues, product adds, recalls, etc., for a minimum of one year post contract launch

Category Compliance, Contract Compliance and Spend Requirement Performance reports published

Improvement planning



**Compliance and quality monitoring:** Supplier and member business reviews are conducted. Members use the Captis Question Tool to submit questions about contracts and report issues.

**Category Compliance, Contract Compliance, Spend Requirements:** Members receive quarterly reporting.

**Improvement planning:** Clinically aligned products are considered for addition to Captis agreements after review of pricing and impact to compliance is determined. Captis performs price benchmarking throughout the life of the agreement.

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Questions?



For more information or to learn more  
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