

CASE STUDY

Baptist Memorial Health Care

Evolving a healthcare strategic partnership

Expanding its alignment beyond the GPO helps Baptist Memorial improve quality scores and meet cost-savings goals across its healthcare system



Deepening its existing relationship with Vizient has enabled Memphis-based Baptist Memorial Health Care—a 22-hospital healthcare system in Tennessee, Mississippi and Arkansas—to develop a strategic partnership, improving patient outcomes and operations while realizing workforce, pharmacy, supply chain and purchased services savings.

Initially, Baptist relied on Vizient solely for supply-chain savings and group purchasing organization (GPO) services. In 2018 after Vizient demonstrated the ability to create and

implement a financial improvement roadmap impacting care delivery, quality, cost and revenue to Baptist leadership, the companies signed an initial two-year total performance management (TPM) agreement.

“They substantively want to help us reach a better point with regard to efficiency and effectiveness of care,” says Paul DePriest, MD, executive vice president and chief operating officer. “We have faith in that, because we’ve seen it in action now, year over year.”

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Moving toward a shared goal

In 2015, Baptist joined MedAssets' GPO. A year later, Vizient was created through a merger between MedAssets, VHA, Novation and the University HealthSystem Consortium, and Baptist continued working with Vizient as their GPO. In 2017, Baptist Memorial merged with the largest health system in Mississippi and challenged Vizient to identify opportunities to generate cost savings, beginning the journey toward a long-term partnership.

"They came to the table [with] \$40 to \$50 million in opportunities, not just from GPO opportunity savings, but they identified some total performance management opportunities for us to consider in the areas of clinical effectiveness, labor and pharmacy," says Derick Ziegler, vice president, affiliate integration and West Tennessee operations.



However, the relationship is based on more than cost savings. Early on, it became clear that Vizient's values and goals aligned with Baptist's: Vizient took time to become intimately familiar with Baptist's culture. Both organizations value relationship continuity and regular communication through weekly meetings. Additionally, because some of Vizient's fees hinge on Baptist's execution of its strategies, both organizations are invested in Baptist's success.

"In working with third-party partners on financial improvement initiatives, it's imperative that the proposed target savings be clearly defined, accurately measurable and evident in contribution to the financial statements," explains Bill Griffin, executive vice president and chief financial officer at Baptist. "There was an understanding from the beginning of our relationship regarding these initiative expectations, and they have delivered consistently with accountable savings targets that I can clearly see have a positive impact on our financial performance."



Weathering the pandemic together

As the COVID-19 pandemic dominated every aspect of the healthcare industry, the TPM savings goals set prior to the global event became challenging to realize. Both organizations have patiently understood that certain expected outcomes have been delayed.

"Unfortunately, your focus shifts when you're experiencing these surges, and we lost ground," says Randy King, vice president of metro operations.

Some of Vizient's facility observations were postponed when there were lockdowns or staff shortages.

"If our patient load was really high and it showed that we were understaffed, [the] observation would be skewed," says Kimberly Young, vice president of finance operations. "I appreciate Vizient being very understanding and willing to postpone and do observations later when it made more sense."

Because of Vizient's performance record and the level of trust the organizations have built, Baptist renewed its TPM for 24 months and GPO contract for three years during the pandemic. Baptist and Vizient continue to identify new opportunities for cost reduction and revenue enhancement as the system focuses on financial recovery.

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Baptist continually relies on Vizient’s clinical and analytical expertise, consistent follow-up, onsite resources to drive implementation, and ability to pivot as needed.

Optimizing the workforce

After Baptist merged with the Mississippi-based healthcare system, Vizient provided workforce recommendations. The success of those solutions emboldened Baptist to seek additional guidance. Vizient’s ability to work with Baptist leaders to most efficiently and effectively use their labor resources has reduced Baptist’s labor costs by \$4.7 million.

“They’ve got some phenomenal experts in workforce, and they’ve stayed with us every step of the way to help us successfully implement some of the

changes,” Ziegler says. “[They] do it in a way that it’s not going to impact the quality, the safety or the productivity of the staff. That’s been powerful.”

Vizient’s workforce recommendations are based on analytics and observation, but they are also collaborative.

“The workforce optimization project could have felt very threatening to our staff, but throughout the entire scope of work, it’s been a collaborative process focused on getting the right staffing levels for the workload,” says Chris Anderson, vice president of Mississippi operations. “I haven’t heard a single team member in any of the departments express concern about the process. Rather, I’ve seen and heard firsthand the positive results of the work, which have been outstanding.”

Since initiating the total performance management agreement, Baptist Memorial Health Care has been able to achieve sustainable performance improvements, including:

\$9.2M Pay for performance earned and costs avoided

\$23M GPO savings including Mountain States Pharmacy Network and S3P Supply Network

\$4.7M Reduction in labor costs

11:1 First year Vizient Savings Actualizer Pharmacy ROI

\$7.5M Across a five-year CBRE agreement with value adds

3% Reduction in excess days
50%–95% Reduction in CLABSI and C. difficile

\$5.8M+ Annualized cost savings for PPI

\$4M Ambulatory pharmacy revenue generation

By the end of the respective engagements, the aim is to achieve approximately \$44 million from the TPM and \$25 million from the national quality scorecard work in annualized financial value.

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Improving performance in national quality scorecards

Building upon early successes in infection prevention, Baptist recently turned to Vizient for help with its most important initiative: improving performance in the national quality scorecards by developing a reliable and repeatable quality system. This undertaking solidified Vizient's role as strategic partner.

The work stemmed from Vizient's work to help Baptist achieve 50%–95% reductions in patients' hospital-acquired central line-associated bloodstream infections—(CLABSI) and Clostridium difficile (C. diff).

“They were able to bring resources along a fairly thin staffing model to help build in ‘What does the standard work look like? How do we implement the standard work, and how do we bring it to sustainability?’” Dr. DePriest says. “It was those different components that helped us move the needle more quickly than we could have on our own.”

Baptist and Vizient then committed to a three-year partnership to more broadly address the most relevant clinical and



operational metrics impacting Baptist's quality scores. The organizations are working together to develop a performance improvement project management office (PMO), build out a change management plan, develop an approach to organizational learning and leverage this infrastructure to implement clinical improvements. The approach will be documented into a playbook that can be replicated across all of Baptist's facilities. Baptist's recent adoption of the Vizient Clinical Data Base will be a key component for measuring and sustaining performance.

“They were able to take their advanced analytics and do a lot of ‘if, then’ analysis and say, ‘What are the indicators that are the most important that we should focus on so that we have the highest level of performance?’” says Skip Steward, vice president and chief improvement officer.



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Dr. Paul DePriest, MD

Executive Vice President and Chief Operating Officer, Baptist Memorial Health Care

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