



Improving physician governance by incorporating data analytics saves \$92 million over three years

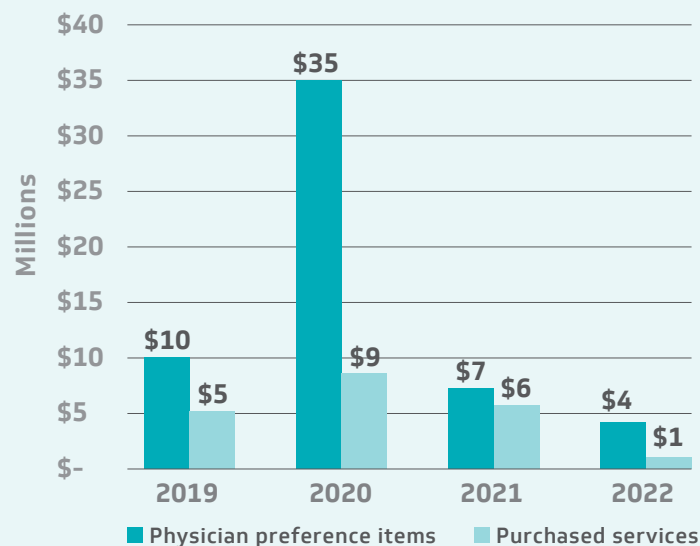
An academic health system instilled an expense management discipline that led to significant savings by partnering with Vizient

In 2018, one integrated academic health system faced declining reimbursement due to value-based care payor contracting, stiff competition in their market and was in the early stages of integrating their clinical operations within their supply chain.

Leaders at the health system met with experts from Vizient® to discuss how they could tackle large scale financial improvements, including reducing operational costs, improving patient access, growing service lines and modernizing their IT infrastructure.

Significant expense reduction opportunities were identified in labor productivity, clinical supply chain, clinical operations, purchased services and pharmacy using Vizient operational and expense data. Together, the team developed a new governance infrastructure model capable of improving margins by engaging physicians in cost containment strategies and operational improvement measures.

The health system's value analysis committees have delivered \$77 million in savings



With the support of Vizient, the health system focused on new system-level top priorities and aligned improvement efforts down to the frontline staff. Integrating their clinician and supply chain teams was crucial to their success as physician-led governance committees were designed to drive the decision-making process.

Today, the partnership has reduced non-labor expenses by \$77 million and captured \$15 million in other operational financial improvement work, including increased capacity and throughput and reduced labor expenses.

Positioning supply chain as a strategic value driver

Since engaging with Vizient, the health system has been recognized as a top performer among academic medical centers (AMCs) for the metric supply expense/adjusted discharge and achieved best-in-class supply chain performance in their peer group.



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The governance structure that was established is currently empowered to manage sustained performance and evaluate new performance improvement opportunities.

In total, the health system has completed a total of 173 contract conversion initiatives over three years driving \$24.3 million in annualized savings for physician preference items and purchased services supporting orthopedic, spine, surgery, cardiology and ad-hoc services.

Vizient, Inc. provides solutions and services that improve the delivery of high-value care by aligning cost, quality and market performance for more than half of the nation's healthcare providers. Vizient provides expertise, analytics, advisory services, and a contract portfolio representing more than \$130 billion in annual member purchasing volume, to improve patient outcomes and lower costs.