

Strategic evaluation and contracting for advanced energy and smoke evacuation

Learn about UNC Health's process for physician preference item evaluations.



The team at UNC Health understood the need for informed decision making and consistency across their system. Specifically, goals were set for consistent pricing, adherence to best practices across the system and a streamlined contract renewal process.

UNC Health is not alone in their quest for improved performance. Today, many healthcare organizations are experiencing growth through mergers and acquisitions. They face the challenge of maintaining consistent pricing and adherence to clinical best practices for products used across their numerous facilities.

This issue impacts a full spectrum of supplies, but certain categories such as advanced energy, have heavy physician preference influencing purchasing decisions. Other variables, including impending government mandates for

surgical smoke evacuation systems, also add a layer of complexity in these categories, which are frequently bundled together.

UNC enlisted the help of Vizient, to enhance their product evaluation and contracting processes. This initiative led to stabilized financial value and physician-led clinical consistency for advanced energy and smoke evacuation categories.

More value and consistency

UNC Health was grappling with the imminent expiration of existing contracts and lacked a clear view of their utilization data, which was crucial for making informed decisions and maintaining consistency across their system. To tackle these challenges, they meticulously planned and executed a plan to enhance transparency, fairness and achieve

optimal project outcomes. Gretchen Steelman, the HCS Supply Chain Category Manager responsible for strategic sourcing and value analysis at UNC Health, played a pivotal role in this initiative. Her focus on proactive communication, strategic planning and coordination was essential in ensuring that the efforts delivered substantial value and were a worthwhile investment of time for the organization.

“ Before kicking off this initiative, we acknowledged that it was a massive undertaking. We prioritized communication, planning and coordination to make sure our efforts resulted in true value and time well spent for the organization. ”

Gretchen Steelman

HCS Supply Chain Category Manager,
UNC Health

Planning and communication with stakeholders

Effective, proactive communication was a cornerstone of the process. It created a shared purpose, stakeholder alignment and understanding of the project. “We sent letters to all the hospitals that explained what we were doing, and why we were doing it,” Steelman explained.

Additionally, separate communications were directed at surgeons to clarify the evaluation process and objectives. Data and expertise played a pivotal role as discussions around product selection evolved.

“Being armed with utilization data from Vizient enabled targeted communication to specific surgeons. It saved us valuable time and energy by eliminating the need to contact physicians who were not as closely impacted by the project,” Steelman continued.

Cathy Klinehoffer, RN and consulting director at Vizient supported the UNC Health team with expertise and data insights. “Working with UNC Health, it was clear that they were both progressive and persistent in their pursuit of optimized performance,” said Klinehoffer.

“The data surfaced opportunities and we were excited to work alongside their team to achieve their desired goal of unbundling the prior agreements and creating strategic contracts that would better meet their needs in the future.”

Stelman further elaborated on the importance of the data. “It gave us visibility into how our existing compliance

metrics and bundled agreements were impacting our sourcing strategy. It was time to take a fresh look at the products and categories, and Vizient was the right partner to help make that happen.”

Another aspect of the communication strategy was connecting with the supplier community. Establishing clear expectations and rules of engagement up front helped set the stage for equitable product evaluation before kicking off the project.

Product evaluation coordination

Multiple vendors, products, surgeons and facilities all added to the complexity of the evaluation phase. The hospitals were asked up front which products they’d like to see. This coordination was crucial for populating the calendar and subsequent evaluations. The UNC Health team set up and then persistently used the comprehensive calendar. Including contact information for each on-site review was another differentiator that improved the process. While managing and coordinating vendor interactions was tricky, it was also critical. The UNC Health team made sure that encounters were managed fairly.

“I made a promise to all vendors and to all hospitals, that they would only have one vendor in each hospital at a time. This policy prevented conflicts and ensured that each vendor had a fair opportunity to present their products. Anyone attempting to operate outside of our predetermined guidelines was quickly called out and the issue resolved.” Each supplier was given a week prior to the evaluation, to have a demo station and time to in-service the physicians and clinical staff. A copy of the surgical physician schedule was also provided.

All physicians then used a simple, standard evaluation form for all products. This streamlined the review and made it an easier lift, especially for busy surgeons. After all product trials were conducted, and evaluation forms were



Keys to fair evaluations:

- One supplier per day, at each facility
- Contact information provided in advance
- Standardized, simple product evaluation form
- Democratic voting process

aggregated, the system employed a democratic voting process to make the final decisions.

“Once all the product trials happened, we did a systemwide vote and for us that’s one vote per hospital, regardless of size,” Steelman stated. “This approach made sure that each hospital’s voice was equally heard, regardless of its size.”

Initiative impact and looking forward

The project delivered modest savings short term, but it protects the organization from future price increases while allowing physicians to have their clinically preferred products. Over time, the full range of financial benefits will be realized. Including the opportunity to standardize the product portfolio and avoid multiple suppliers for the same category.

Beyond the financial impact, the process was also an excellent learning experience for all involved. For example, one unforeseen issue that surfaced was a challenge with returning unused trial products. The team plans to be sure trial item pricing and terms are included in their future negotiations.

Klinehoffer reflected, noting, “The lessons learned through this project can be used in future initiatives for even greater success. Each negotiation, each contract executed

makes our team and the services we provide stronger. Having a deep understanding of what is valued by the vendors, and what providers need, helps us facilitate agreements with competitive pricing and drive improved performance across the board.”

“If I had to boil this process down, these are the most critical considerations that led to our success,” explained Steelman. “First, proactive communication and setting expectations in advance with both vendors and hospital staff is necessary. This includes providing detailed contact information and establishing clear rules of engagement. Second, organizing and coordinating the timing of product evaluations across multiple hospitals ensured that only one vendor was present at a time. This eliminated the possibility of conflicts and overlap that could hinder results. It wasn’t easy – but it was important for the integrity of the project.”

UNC Health

UNC Health is a state entity and an affiliated enterprise of the University of North Carolina system, comprised of 15 hospitals, 19 hospital campuses and more than 900 clinics along with the clinical patient care programs of the UNC School of Medicine (SOM).



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