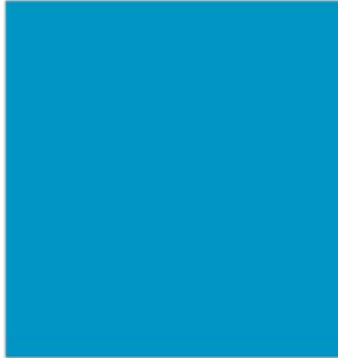


Selecting your GPO

HFMA Southern
California Region
Meeting
August 20, 2009



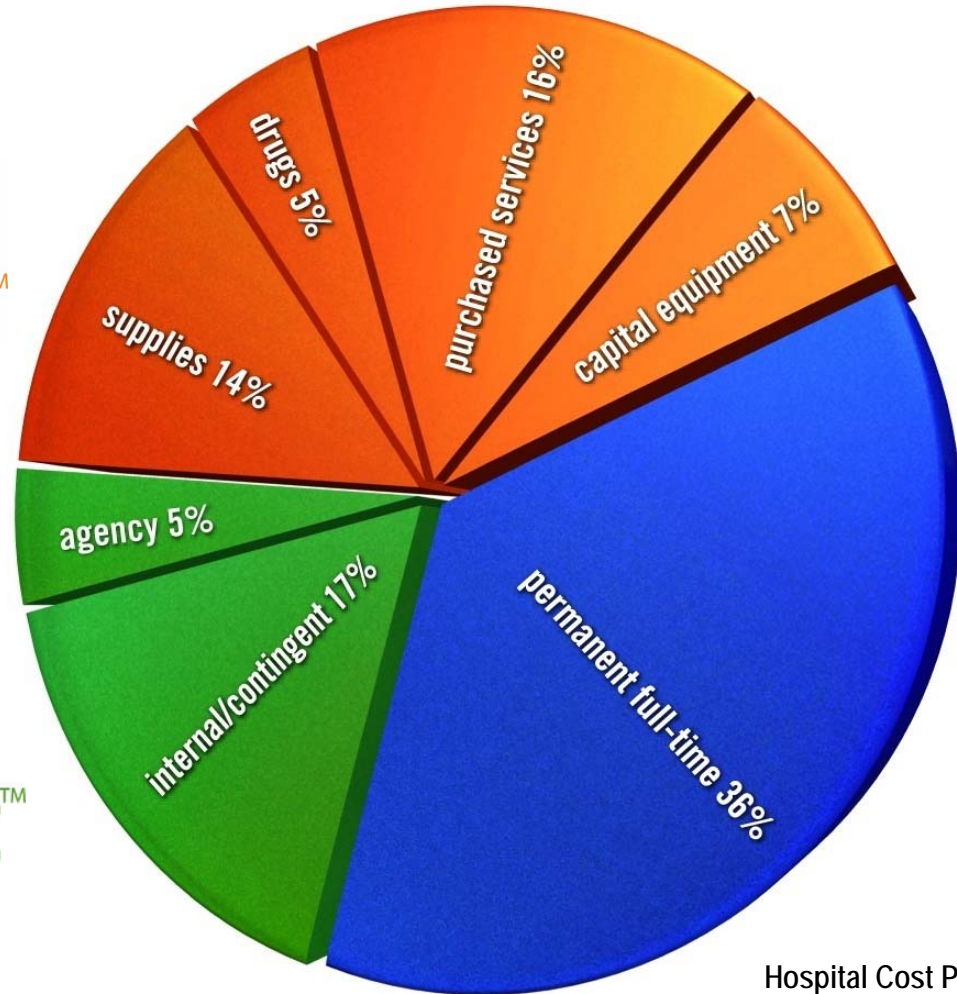
Cheryl Weatherford- Vice President, Account Management

- Broadlane the leading cost management company. Broadlane's scalable business solutions optimize operational performance and achieve significant cost savings, thereby improving the overall financial performance of its clients. It's core services include supply chain management and clinical workforce management services.

Broadlane's cost management service addresses all areas of "source-able" spend

broadlane
supply chain
services™

broadlane
workforce
management™



Hospital Cost Profile *

* Broadlane client reference data and estimates based on CMS 2007 acute care cost data



Selecting a GPO Partner

How many times have you completed a comprehensive GPO review?

Agenda

- Define the Process
- Determine the Analysis and Questions to be submitted
- Analyzing the Responses
- Case Study- IHHI
- Questions

Defining the Review Process- Questions to Ask Before Beginning

- What is the timeframe for review and making a final decision?
- Who will be the decision makers in the process? What will be the criteria for making a final award?
- What specific questions will be included in the written document?
- What will be factored in as a part of the final decision- Cost Savings, Value Adds, Technology, Conversion Costs, etc.
- What is the specific criteria for the cost analysis? What areas will or will not be included?
- Who will you send the RFP's to?

RFP written questions should be specifically crafted around current and future business requirements

- Customized questions around the following areas should be asked:
 - Organization Information
 - Organizational Profile
 - Business Model
 - Strategic Sourcing Services
 - Clinical Input and Implementation
 - Customer Service and Account Management
 - Value Added Services
 - Technology
 - Implementation
 - Costs Associated with Conversion
 - Support and Training

Data Template for Cost Analysis to Perspective GPO's Needs to Include

- Your file for the analysis needs to include the following information:

Facility ID	Vendor Name	Vendor Catalog Number	Product Description	Purchase Price	Unit Of Measure	Qty UOM	Annual Qty	Annual Spend
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- Manufacturer name
- Don't include every item purchased, but look to the 80/20 rule.
- Look for the number of items to be reasonable
- Pharmacy would need to include NDC number as well in the template

Cost Analysis – Responses Defined

- You want to ensure an “apples to apples” comparison of the total extended price per products

- The Cost Analysis Audit Template needs to include elements that affect total extended cost and needed to be clearly identified and included in the analysis. They are as follows:
 - Tier Levels
 - Tier Descriptions
 - Eligibility requirements
 - LOC Requirements
 - Rebate Payments
 - Direct or Distributed
 - Expiration Date of pricing

Other Areas for Analysis- Things to Consider

- Dietary Analysis
 - Need to provide pricing for a specific date in time.
- Capital Equipment
- Pharmacy Analysis needs to be for a specific period of time.
- Pricing submitted in RFP needs to be pricing that the facility will be able to receive
- Provide Internal Number or Number Rows to assist in the analysis.

Evaluating the Responses

- Summarizing the written responses:
 - Responses to facilities priorities and associated GPO offerings
 - Include additional services included that may have been included in responses, or unique offerings

- Summarizing the audit needs to include:
 - Annual Cost Savings
 - Number of exact product matches and associated savings (No product conversion required)
 - Number of product conversion and associated savings
 - Conversion opportunities need to be reviewed. Are these conversions that the facility/system could make?
 - Number and percent of non contracted items
 - Volume based contracts

Case Study

- Review of IHHI process for GPO selection

Questions

