

GHX Global Network Drives More Than \$811 Million Out of the Cost of U.S. Healthcare in 2011

The Associated Press

The GHX community of U.S. healthcare provider organizations and the medical-surgical suppliers with which they do business drove more than \$811 million out of the cost of healthcare in 2011 through supply chain automation and optimization. It marked the second straight year in which GHX has documented significant savings toward a strategic goal of cutting healthcare costs in the U.S. by \$5 billion over five years. Total program savings through 2011 reached more than \$1.6 billion, demonstrating the company is on track to achieve its goal by the end of 2014.

GHX highlighted the savings and other key accomplishments in the company's 2012 Business Update. According to the report, GHX achieved a significant milestone in 2011. For the first time, it logged an annual run rate of \$44 billion in electronic dollar volume through the exchange in the U.S. and Canada over a 12-month period. That compares with an annual run rate of \$38 billion last year—a nearly 18 percent increase.

In the report, GHX details a two-pronged strategic initiative to prepare for the future and to strengthen its leadership position in the marketplace. The initiative, one of the largest the company has ever undertaken, involves enhancing its core electronic trading exchange for greater scalability and security as trading volume grows, while expanding its product offerings, especially into the implantable device supply chain market.

"We took an important step in 2011 to address one of the largest challenges facing healthcare when our board of directors approved the business case and funding to develop industry-level solutions to manage the implantable device supply chain," said Bruce Johnson, GHX president and CEO. "This segment of healthcare presents a large-scale opportunity for cost savings and a large-scale problem if left unmanaged. GHX is well positioned to offer an industry-level solution because we can uniquely consider the needs of all sides of the supply chain, as well as patients." GHX has concluded its research and market assessment efforts, and the action by the GHX board enabled the company to move into the operational phase, which will involve a series of pilots in 2012. GHX has created two advisory boards, one for providers and one for suppliers, to help guide the direction of the solution and its launch in the marketplace.

The GHX Global Network consists of 22,880 healthcare provider facilities, including 3,777 acute-care hospitals in the U.S., and 10,607 medical-surgical supplier divisions able to do business through GHX in North America and an additional 1,600 provider organizations and nearly 370 suppliers in Europe that use GHX technology and services to improve business efficiency and cut costs.

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About GHX Global Healthcare Exchange, LLC (GHX), a healthcare technology and services company, helps reduce the cost of doing business in healthcare by enabling better supply chain management. GHX makes it easier for hospitals, other healthcare providers and the suppliers that do business with them to drive cost and inefficiency out of their processes. Working with GHX, the healthcare organizations that make up the GHX Global Network are on track to save \$5 billion by 2014-savings that can be invested in such things as hiring more nurses, providing care to uninsured children or developing new medical products. GHX is owned by organizations on both the buy and sell side of the healthcare supply chain, including some of the largest companies in the world. Find GHX on the Web, on Twitter @GHX_LLCC and on Facebook @GHX.

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