Pilot Results Move GHX Closer to Delivery of Healthcare Industry’s First Implantable Device Supply Chain Solution

GHX

GHX today announced successful results from its initial implantable device supply chain (IDSC) pilot sites. The company began rolling out the first phase of its pilot program earlier this year with sites including both healthcare provider and manufacturer organizations. Based on its extensive research into implantable device use, GHX believes better management of clinical, operational and financial processes can help increase revenue capture, lower supply chain costs and improve staff productivity to help reduce the estimated $5 billion in annual loss in this market segment, which results from a number of issues including inefficient manual business processes and lost, wasted and expired products.

With the past 12 years dedicated to creating solutions that help automate the medical-surgical supply chain, GHX has worked with both provider and supplier organizations and has unique expertise that can now be applied to the IDSC, leveraging the lessons GHX and its customers have learned as they’ve worked to drive out billions of dollars of supply chain costs. The first phase of IDSC pilot results confirmed:

- Solving problems in purchasing, tracking and using implantable devices requires collaboration among providers and suppliers, as they must work together to address and improve shared processes.
- Even basic automation begins to identify process gaps and breakdowns, leading to opportunities for process improvements and greater savings than from just the automation itself.
- Clean, accurate and up-to-date item information and the ability to manage accurate pricing are essential to a successful IDSC.

"We knew we wanted to be in the early pilot phase," said Randy Hayas, corporate director, Materials Management at Orlando Health. "The value to Orlando Health in improving the implantable device supply chain was too important not to tackle it head on with GHX. Our results after just a few months have proven worth the investment of time. The process changes we are putting in place along with the new automation are a dual opportunity for organizational improvement."

"Twelve years ago, GHX was the company that said you can’t have automation without accurate data. We’ve proven this to again be true as we move into the operating room," said Derek Smith, executive vice president, Product Management and Marketing at GHX. "The ability to identify the correct products and match product information and pricing is an absolute requirement for organizations to move ahead with implantable device management."

Initial pilot results demonstrate that by enabling collaboration and automation, one provider pilot site reduced the number of touch points for purchase order creation from eight to one. Another pilot site reduced the average days to generate a purchase order from nearly five days to just over one day.

"We define this first phase success by our ability to introduce incremental change while creating a long-term solution," said Smith. "What we have discovered working with both healthcare suppliers and providers is that process improvements are critical to solving the historical breakdowns and gaps in the implantable device supply chain and these improvements can absolutely be supported by automation."

Additional findings from these initial pilot deployments included underscoring the importance of accurate, shared master data to allow catalog and pricing synchronization between healthcare providers and suppliers, and secondly, identifying current challenges for clinicians and sales representatives to more accurately capture and report on the implantable devices used in the operating room. Other progress included materials management information system (MMIS) integration and manufacturer and provider process alignment to enable suppliers to get same-day replenishment signals.

"GHX has proven its unique ability to bring providers and suppliers together and the value of an industry-wide approach to improving the quality and efficiency of the healthcare supply chain," said Jim Walker, senior vice president of Corporate Sales, Boston Scientific. "If we apply what GHX and the industry have done with medical products to the implantable device supply chain, we can achieve even greater value for all involved, including hospitals, manufacturers, clinicians and most importantly the patients who depend upon all of us."

In February, GHX announced the company’s development efforts to deliver the first comprehensive supply chain solution for physician preference items (PPI) and implantable medical devices. The GHX IDSC solution will capture data from product purchase to product usage at the point of care, creating capture capability while helping enable accurate billing, purchasing and inventory tracking.

GHX estimates the cardiac and orthopedic implantable device market is a more than $40 billion market with no current solution addressing the entire healthcare value chain from device supplier to hospital or surgical center to patient. The company currently manages $46 billion in annual medical-surgical spend through its GHX Exchange, which connects and supports the same healthcare community that drives a significant amount of the annual spend within the implantable device market.

With development of this solution, GHX is building on its capabilities in cloud-based technology, expanding its cross-healthcare solution connecting supply chain, finance and clinical professionals with their suppliers and partners. General availability is planned for early 2013.

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 [1], on Twitter @GHX_LLC [2] and on Facebook @GHX. [3]

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