

Healthcare's First Direct Contracting Market Launches Today; Will Offer Mutually Beneficial Approach for Hospitals and Suppliers

PR Newswire

IRVING, Texas, April 22, 2013 /PRNewswire/ -- Today [aptitude](#) [1] announced the launch of the healthcare industry's first online direct contracting market, a one-stop destination designed to complement a hospital's existing contracting model or provide an alternative for those looking to modernize the business of healthcare. Offering a balanced value proposition, this unique approach is open to any hospital or healthcare supplier in the country.

"This is a day we've been anticipating for some time now," said Troy Kirchenbauer , general manager of **aptitude**. "We're excited and proud to introduce an online direct contracting market designed to drive innovation in the healthcare supply chain."

The concept of an online market for hospitals and suppliers was created and proven successful in a pilot program entailing detailed research, prototype reviews, and close collaboration with a select group of hospitals and suppliers. Pilot program participants considered **aptitude** to be a true innovation, functioning in the real world just as it had been envisioned. In market testing, direct contracts awarded through **aptitude** were executed with market-leading savings in an average of 33 days.

"Our desire is to challenge the status quo by creating a more logical and empowered contracting market," Kirchenbauer continued. "By doing so, we feel that both hospitals and suppliers will benefit from this new streamlined approach."

While self/local contracting is more prevalent in certain product categories than in others, approximately one third of the supply chain business is directly negotiated between hospitals and suppliers. While this activity is estimated to represent approximately \$55 billion in spending, recent market analysis suggests this trend increasing. However, the self/local contracting model itself remains imperfect. Hospitals and suppliers experience inefficiencies and redundancies, and may not have adequate access to data or to the tools necessary to make the best decisions.

Despite efforts to change, including the increased use of technology, the industry has not made significant progress in improving the self/local contracting process. The founders of **aptitude** believed that there had to be an innovative approach that combines the flexibility of direct contracting with the advantages of the time-tested national model.

"Today, **aptitude** is being introduced as a contracting alternative; one that

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complements existing models," Mr. Kirchenbauer said. "Our early adopters --both on the supplier and the hospital side -- have been pleased with initial results. And while these organizations stand to benefit from this new approach, we feel that **aptitude** has the potential to lower the overall cost of providing care in our industry."

The **aptitude** philosophy is not a one-sided approach, nor is it an RFP generator or a reverse auction tool. As the industry's first online contracting market, it facilitates the entire contracting process and life cycle while providing insight and value to both hospitals and suppliers. By January, 2014, **aptitude** expects participation from over 75 healthcare organizations and 80 product categories available for direct contracting.

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Links:

[1] <http://www.aptitude.com/>