



Seeking data-driven savings solutions, SCL Health finds collaboration

Clinician-engaged sourcing leads health system to \$10M in savings on physician preference items

In 2017, when SCL Health's contract with its then supply chain vendor expired, the SCL Health team decided to search for a new partner that could provide more comprehensive solutions. SCL Health—an eight-hospital system with facilities in Colorado, Montana and Kansas—partnered with Excelerate in order to reach organizational cost-reduction goals in its heart and vascular health division. The goals of the partnership included improving physician alignment, developing broader cost-reduction strategies based on quality outcomes and developing a repeatable model for success. The partnership flourished, and SCL Health used—and continues to use—the analytics and communications tools to build a repeatable model that can expand into other departments.

Cost reduction leads to improved service

In healthcare, cost reduction isn't always the top priority. However, when savings are realized, the dollars can be used to further improve patient care. At SCL Health, that's exactly what leaders work toward.

“SCL Health prides itself on high-quality, low-cost care, and we reinvest in our business when we can. Excelerate helps contribute to that,” says Steven Chyung, former senior vice president of supply chain and real estate at SCL Health. SCL Health has realized a total savings of around \$10 million annualized, which has allowed for significant reinvestment.

“We have been able to have a very robust cardiovascular service line,” says Nancy Ewing, director of supply chain at SCL Health. “We have fantastic leadership within the organization.”

The cardiovascular contract between SCL Health and Excelerate is now in its third contract renewal, and the partnership continues to produce success. The two organizations are strategic partners with the common goal of engaging physicians, improving patient care and driving down costs to further SCL Health’s mission.

Early and clear communication matters

The broad perspective of the other Excelerate members offered SCL Health a breadth of unexpected resources. One such resource was the physician peer-to-peer program. Getting physicians aligned and engaged around changes in products, product categories or processes can be challenging. But with the processes that Excelerate had in place, SCL Health was able to build physician confidence in the portfolio.



Physicians are more comfortable making changes when they know their opinions—and those of their peers—have been taken into consideration. “Doctors want to be heard. That’s the bottom line,” says Ewing. To improve communications, physicians receive surveys pertaining to potential changes, which are then followed by discussions among peers within the Excelerate network. This collaboration gives SCL Health physicians the opportunity to discuss their concerns or questions with someone who understands the issues clearly. Only after these conversations occur does the health system make changes.

Excelerate at a glance

Excelerate is a group purchasing organization (GPO) built on the strength of three industry leaders: Cleveland Clinic, OhioHealth and Vizient. Together, they developed a provider-led, physician-engaged sourcing model that uses evidence-based clinical outcomes to facilitate product decision-making. The portfolio includes:



Heart and vascular



Orthopedics and spine



Surgical specialty



Pharmacy



Commodities

Partnership, trust, collaboration and value

One of the first things that the SCL Health team noticed and appreciated about the partnership with Excelerate was the robustness and effectiveness of the relationship-building and collaborations aspect of Excelerate's processes. Chyung notes that the value Excelerate brings, including the analytics, tools and collaboration networks that help the SCL Health team learn and shape the strategies centered on outcomes that have led to improved physician alignment and cost reduction.



Transitioning from one vendor to another can be a chaotic process. It was during those difficult early days Ewing realized working with Excelerate would be different. She

says the availability and willingness on Excelerate's part helped build trust almost immediately.

One of the ways that the teams have been able to build trust is through the transparency that results from Excelerate's embedded account resources at SCL Health. "The Excelerate team can access our data and our systems," says Chyung. "That kind of access allows them to make suggestions that are applicable, actionable and relevant to our needs."

Flexibility is also vital to the continued partnership. Rather than forcing SCL Health to adhere to a rigid contract structure, Excelerate has adjusted its membership options to better fit the health system's needs. Prior to contracting with Excelerate, SCL Health undertook an initiative to reduce costs in its orthopedics division. The efforts were successful and represented a big win in physician engagement and cost savings. However, two of the suppliers they were working with weren't included in the membership portfolio. To accommodate, Excelerate adjusted its membership options for the program to meet SCL Health's needs.

Ewing sums it up: "They listen. I think that's the biggest thing. They listen to what our needs are, and they're observing what we're doing without being invasive. Then they make suggestions as to what we might consider. That has helped, but if we decide to go a different direction, they're not pushing."

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Steven Chyung
Former SVP of supply chain and real estate, SCL Health

CASE STUDY

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About Excelerate

Excelerate, created in 2012, is built on the strength of three industry leaders: Cleveland Clinic, OhioHealth and Vizient. Together they developed a provider-led, physician-engaged sourcing model that uses evidence-based clinical outcomes to facilitate product decision-making.