Success Story

Physician Preference Items

Intalere Member Woodlawn Hospital Reduces Physician Preference Spend by 24 Percent through Intalere Clinical Advantage Program

THE CHALLENGE

For more than 100 years, Woodlawn Hospital has provided quality healthcare to the residents of Fulton County, Ind., and surrounding areas. The facility has grown from a small house on the community’s Pontiac Street, to a 25-bed critical access hospital and recognized leader in rural healthcare. With state-of-the-art technology and compassionate, patient-centered care, Woodlawn Hospital offers a wide range of services including a birthing center, cancer center, emergency medical services, laboratory services, critical care and medical/surgical units, radiology, rehabilitation services, respiratory care services, sleep center, inpatient and outpatient surgical services, and more.

When a new supply chain director who had worked very closely and successfully with Intalere in the past joined the facility, he immediately looked to push cost reduction initiatives in areas including pharmacy, foodservice and med surg items. One particular area of concern for Woodlawn, as with many other facilities, was the cost of orthopedic implants. “Woodlawn Hospital was seeing a cost increase on orthopedic implants every year while our reimbursement stayed the same,” said James Truman, director of materials management. “We needed to reduce our cost of implants.”

THE SOLUTION

Two years prior to engaging Intalere to assist in reducing their implant costs, Woodlawn tried to negotiate directly with their supplier and to “piggyback” onto another local facility’s contract. “Our supplier was able to reduce costs by 10 percent but wouldn’t allow us to piggyback,” said Truman. “Although we reached some savings, we felt that too much money was still on the table.”

Intalere’s local representative, Bobbie Smith, contacted Woodlawn about Intalere Clinical Advantage®, a program to reduce high-dollar implant costs, that he felt could help Woodlawn to maximize savings. Intalere Clinical Advantage Program (ICAP) offers a proven strategy for reducing costs of physician preference items and positively impacting clinical outcomes and physician support through a customized, collaborative approach that brings physicians, healthcare executives and materials managers together to work toward a common goal of reducing healthcare costs, while improving patient care.
ICAP is designed to facilitate savings by:

- Reducing costs on all physician and clinician preference items.
- Engaging and collaborating with physicians to develop key relationships supported through evidence-based outcomes.
- Improving quality outcomes.
- Implementing a customized, collaborative process involving hospital leadership and physician champions all working towards the same goal.

“Bobbie put us in contact with the Intalere Clinical Advantage team and, ultimately, working with David Forquer we were able to reach our solution,” said Truman.

THE OUTCOME
Woodlawn provided seven months of total spend on all implants. The ICAP team reviewed the data for potential savings, with the ultimate objective being to save 20 percent of spend while maintaining current supplier relationships. A unique aspect of ICAP is that standardization is not a requirement and there are no required suppliers or minimum spend requirements per category. Organizations can customize their engagement to meet their particular needs.

“Once the Intalere Clinical Advantage savings potential was reported to hospital administration, we felt it was necessary to have our surgeons’ support,” said Truman. “A meeting was held that included our surgeons, during which we shared with them our current cost compared to what other hospitals were paying.”

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James Truman ∙ Director, Materials Management ∙ Woodlawn Hospital

The physicians were assured that the goal was to maintain the current supplier if they would meet the facility’s requirement, but if not, the business would be taken out to bid. “Once they saw the data, we had complete backing and everyone was on the same page.”

The outcome was a reduction of implant cost by 24 percent. The Materials Management department monitors the invoices with new current pricing. If a discrepancy occurs, the invoice is held. To date, all pricing has been correct.

“Our professional services, knowledgeable staff and commitment to maintain the highest standard of care, allow us to confidently handle the present and future needs of patients in our community,” said Truman. “Tools like Intalere Clinical Advantage help us ensure we can maintain the best clinical outcomes at the lowest possible cost.”