

## **The Ongoing Saga of a Hospital, a MMIS, and Technology that Delivers True Control**

### **Episode I: A New Contract Workbench**

#### **Scene 1 – Baptist Faces a Challenge**

Contract management was already a constant challenge for Baptist Health System of East Tennessee – but in early 2008, the supply chain team found out it was about to get 218 times more complicated.

The network of four hospitals and more than 500 licensed beds was already employing the power of MediClick's supply chain solutions to track materials across its network. But after being acquired by Catholic Health Partners (CHP) – a 33 hospital IDN – the team was tasked with integrating 218 contracts as quickly as possible to capitalize on CHP's purchasing power.

#### **Scene 2 – Under Pressure**

"After the merger, we had to get all the pricing into our system and ensure it was correct," said Allyson Nolan, contract manager. "Then we needed to sort through which tiers we were on and which we'd be moving to."

Neil Hartwig – the corporate director of supply chain management – noted that when time is of the essence, the focus is always placed on getting the prices right. Sometimes that means that contracts don't get "attached" to the item file correctly, interfering later with the hospital's ability to track rebates and validate pricing. "And we're under more and more pressure to improve pricing, but we need to have the proof," he said.

With a single 2,200 item contract requiring as much as a week to complete, Baptist was looking at up to six months of post-merger integration. And of course, every day the hospitals purchased something under an old price meant dollars lost.

#### **Scene 3 – Contracts & Analysis Saves the Day**

MediClick for Contracts & Analysis was installed at Baptist Health System to help them through their merger and deliver ultimate control of the supply chain.

"I haven't been more excited about anything in 10 years," said Bobbie McDaniel, purchasing manager. "It couldn't have happened at a better time."

Contracts & Analysis eliminates nearly all manual input time by automating contract updates from GPOs and manufacturers. The application also ensures accurate pricing by synchronizing contract and item files. Each contract's overview includes such details as price activation date, total items on contract, and amount of spend.

What did that mean to Baptist?

"Everything became streamlined and integration took only a few months," said Nolan. "That same 2,200 item contract – previously a week-long project – was updated in less than 15 minutes."

"Under the old system, I had to do a lot of the manual work – going in and touching every single item we needed to update," added McDaniel. "There was no way to do mass maintenance. Contracts & Analysis has just saved us so much time."

Hartwig adds that it has allowed the hospital to "standardize and centralize our contracts. It's integrated in with your core system, so you don't have to get out of the application to do anything."

#### **Scene 4 – The Long Run**

"In the supply chain, information is such a powerful tool – and to have it at your fingertips without spending days, weeks, months preparing is amazing," said McDaniel. "Contracts & Analysis lets you optimize your GPO compliance, something we just couldn't do before because of time constraints."

"We didn't move tiers very often, particularly since that meant going back through and adjusting all the prices yet again," she adds. "It got bumped to the lowest priority, since you hardly ever had time to run analyses."

Hartwig notes that before Contracts & Analysis, tier changes didn't usually occur unless "the vendor brought it to our attention or we stumbled across it. Now we are able to be much more proactive about adjusting the pricing tiers on our contracts as our volume changes, making sure that we always have the correct pricing loaded. Compliance and spend against the contract are easy to track and the automation insures that the proof I need is there – whether I'm reporting it up the ladder or to an outside source."

Hartwig and his team have also enjoyed how the program has freed up internal resources.

"In a typical week there might be 20 contracts or more to update in our system, and each one might have 10, 100 or 500 items," explained McDaniel. "You just never know what you're going to have to deal with."

"But with the automation in Contracts & Analysis, the team can actually plan out their time," said Hartwig. "The probable match function looks for things we use but haven't ordered yet, so it puts us ahead of the game. It also lets you input pricing information before a contract goes live and set it to activate at a certain date, so we're able to work on things when we have time. It's even improved our relationship with our major distributor because there are no credits and no rebills to hassle with – all the information is correct the first time."

"This is a good tool that will be a blessing to those who choose to adopt it," concludes Hartwig.

"It's a no-brainer," adds McDaniel. "It takes care of itself, you just have to manage it. It's far superior to what people do now – many of them are just spinning their wheels. Other hospital systems should not make a decision on a supply chain system until they've seen Contracts & Analysis. It's changed our lives."

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