



Medical-Surgical Supplies Case Study

# ProviderWorks

Next generation expense-reduction for healthcare providers

## Midwest Hospital Cuts \$1.9M in Medical-Surgical Supplies

ProviderWorks' industry knowledge, benchmark analytics, and proprietary process lead to significant savings in non-labor operating expense

### About Us

ProviderWorks is a professional advisory firm, deeply rooted in healthcare management and operations, with experience delivering effective strategies and implementing programs to address the industry's need for improved business performance. Services include:

- ✓ Strategic Planning & Plan Implementation
- ✓ Non-Labor Cost Reduction
- ✓ Business Process Improvement
- ✓ Strategic Sourcing
- ✓ Contract Management
- ✓ Organizational Alignment & Integration
- ✓ Revenue Enhancement

### Business Case

A Midwestern acute care hospital engaged ProviderWorks to examine their medical-surgical supply expense. The results: savings of \$1.9 million identified while achieving equal or better quality and service.



### Client Business Challenges

- ✓ Reduced reimbursement
- ✓ Rising cost of purchased products and services
- ✓ Small internal support staff
- ✓ Inadequate and inconsistent internal processes
- ✓ No budget for outside consulting
- ✓ Lack of organizational alignment

### The ProviderWorks Approach

ProviderWorks initially examined the client's general ledger and prepared a "profit improvement plan." With over \$100 million of the hospital's operating expenses under review, ProviderWorks analysts identified specific cost savings of more than \$1.9 million for medical supplies alone.

### Expenses Reviewed

- ✓ Primary distribution agreement
- ✓ Core lab and diabetes testing
- ✓ Enteral feeding equipment
- ✓ Wound care and ostomy supplies
- ✓ Surgical and cardiac implants
- ✓ Custom packs, surgical gowns and apparel
- ✓ Disposable consumable items

### Strategies Implemented

- ✓ Rationalized supply chain
- ✓ Aggregated facility spends and renegotiated vendor, GPO and service level agreements
- ✓ Reduced sources of process variation
- ✓ Fostered lean supply chain methods and fewer SKUs
- ✓ Implemented common processes, improved metrics and controls
- ✓ Audited performance monthly over contract period

***The ProviderWorks pledge:  
no savings, no fees.***

Contact ProviderWorks for more information: (877) 411-2121 or [www.provider-works.com](http://www.provider-works.com)