



ProviderWorks

Next generation expense-reduction for healthcare providers

Nursing home chain saves 21% in medical 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 nursing home company engaged ProviderWorks to examine their medical supply expenses. The result: a 21% savings identified -- while achieving equal or better quality and service.

"It is one thing to come up with great pricing on a spend category. But it's the monthly auditing you do that really keeps the vendors honest. I appreciate the work that you do."

Connie R.
*Director of Purchasing
Midwest nursing home firm*

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." In the medical supplies category, ProviderWorks analysts identified an annual cost savings of more than \$800,000 -- a 21% expense reduction.

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
- ✓ Renegotiated vendor, GPO and service level agreements
- ✓ Reduced sources of process variation
- ✓ Fostered lean supply chain methods & fewer SKUs
- ✓ Implemented common processes, improved metrics and controls
- ✓ Audited performance monthly

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