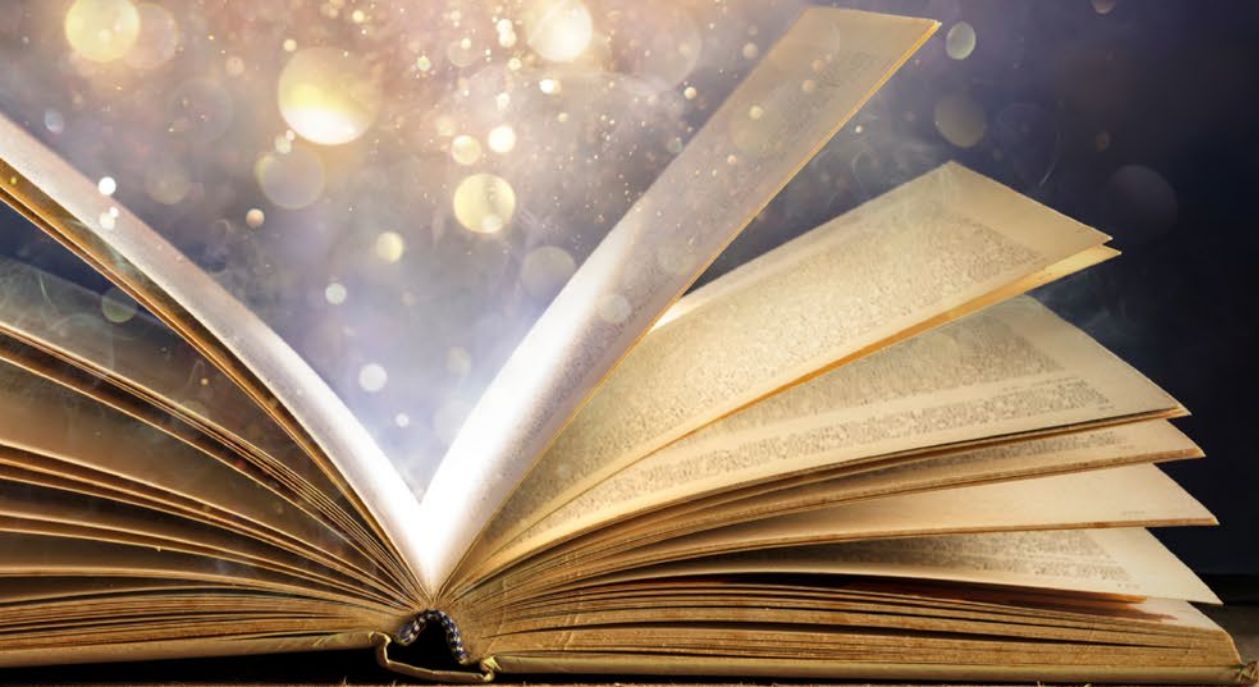


VIZIENT CONNECTIONS SUMMIT

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THE POSSIBILITIES



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# Today's Moderators



**Lorra Miracle, BSN, RN,  
CVAHP**

AVP, Health System Supply  
Chain  
University of Kentucky Health  
**SCEN Chair**



**Andrea Schiemo**

Senior Network Director  
Supply Chain  
Member Networks  
  
Vizient

# Agenda



Time	Topic	Speaker(s)
1 p.m.	Welcome & Introductions	<b>Lorra Miracle</b> , Vizient Supply Chain Executive Network Chair, AVP Health System Supply Chain University of Kentucky Health
1:10 p.m.	Clinically Integrated Sourcing: Strategies for Enhancing Outcomes, Engagement and Efficiency	University of Michigan Health <b>Daniel Bissot, BA, MA, CMRP</b> , Senior Director, Sourcing <b>Rakesh D. Patel, MD</b> , Orthopedic Spine Surgeon and Medical Director of Supply Chain  The Ohio State University Wexner Medical Center <b>Ashley Brown, MHA, CMRP, RHIA</b> , Senior Commodity Manager <b>Andrew Thomas, MD, MBA</b> , Chief Clinical Officer  The University of Vermont Health Network, Inc <b>Georgiana Perna, Esq.</b> , Sr. Project Manager Supply Chain
1:55 p.m.	Networking Break	
2:15 p.m.	Washington Update	Vizient <b>Jenna Stern</b> , VP, Regulatory Affairs & Public Policy
2:25 p.m.	Optimizing Ambulatory Growth: Contract Integration and Operational Excellence	UCHealth <b>Rob Vangermeersch</b> , Category Manager, Supply Chain  The University of Chicago Medicine <b>Brooke Weese, MHA</b> , Construction Equipment Sourcing Manager
2:55 p.m.	Expanding Supply Chain Control: Strategic Management of Indirect and Clinical IT Spend	UChicago Medicine <b>Lara Christmann, Bachelor</b> , Senior Sourcing Category Leader
3:30 p.m.	Adjourn	



# SCEN Advisory Committee

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**Pamela Bryant**  
SVP and Chief Supply  
Chain Officer  
Parkland Health



**Kevin Gordon**  
Vice President,  
Supply Chain  
Grady Health System



**Deborah Redmond**  
Vice President Supply Chain  
and Procurement  
Dana-Farber Cancer Institute



**Mike Bianchin**  
System Vice President,  
Supply Chain  
University of North Carolina



**Lorra Miracle, Chair**  
AVP, Health System  
Supply Chain  
University of Kentucky  
Health System



**Brian Zuck**  
Vice President,  
Supply Chain Management  
Essentia Health



**Jennifer Carlson**  
Vice President, Supply Chain  
Operations  
Boston Medical Center



**Brian Murray**  
System Vice President, Supply  
Chain Procurement  
Endeavor Health



**Motz Feinberg**  
VP, Chief Supply Chain Officer  
Cedars-Sinai Health System



**Brian Pollick, Chair Emeritus**  
Administrative Director,  
Supply Chain Management  
University of Utah

# Vizient Supply Chain Networks Team



**Micheal Oinonen**  
Networks Vice President  
Member Networks



**Andrea Schiemo**  
Networks Senior Director  
Member Networks



**Sydnee Cruz**  
Networks Manager  
Member Networks

# 2025 Upcoming Supply Chain Network Opportunities\*



**Clinical Resource  
Management Open Forum**  
**Virtual**  
**October 9**

Measuring success through savings, clinical KPIs and program efficiencies

[Register now](#)

**Supply Chain  
Leadership Series**  
**Virtual**

**November 5**

Non-acute care strategies - hospital at home

[Register now](#)

**Supply Chain  
Executive Network**  
**Virtual\***  
**December 11**

Bank of America Med Tech and Wall Street presentation + PPI Commit Strategy

[Register now](#)

*\*Exclusive to highest supply chain executive leader*

*\*The member's site must be a part of Vizient Member Networks subscription to participate.*



# Save the Date!

## Supply Chain Executive Network Spring Forum 2026\*



# Denver, Colorado February 25-27

## Registration opening in November



*\*The member's site must be a part of Vizient Member Networks subscription to participate.*

**vizient.**

# Supply Chain Medical Directors!



- Opportunities to **connect** Supply Chain Executives and Medical Directors
- Highlight **clinical expertise** in supply chain integrations and decision making
- Share **leading spend management practices** improving the quality patient care
- Learn **operational and cost efficiency strategies**

## → Who is eligible?

- Supply Chain Executives
- Supply Chain Medical Directors
- Selected Secondary Representatives

Get your Supply Chain Medical Director added to the Supply Chain Executive Network now<sup>\*</sup> :



*\*The member's site must be a part of Vizient Member Networks subscription to participate.*



# 2025 PI Programs Project plan\*

Key:

- Community/Ambulatory Care
- Acute Care
- Post-acute Care
- Across System of CARE



**Enroll today!**

	2025									2026		
	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
<b>Systemness</b>												
Systemwide Quality Structure Benchmarking Survey												
Systemness Assessment Survey												
<b>Workforce</b>												
<u>Executive Leadership Well-being Benchmarking Survey</u>		Enrollment deadline Sept. 1										
<b>Mortality</b>												
Establishing a Structured Mortality Review Team Collaborative												
<b>Readmissions</b>												
Emergency Department Throughput Benchmarking Survey												
<b>Capacity/LOS</b>												
Facilitating Timely Patient Transitions to Appropriate Care Settings Collaborative												
LOS Breakthrough Survey												
<b>Patient Centeredness</b>												
Patient Safety Indicators and Clinical Documentation Collaborative												
<u>Patient Centeredness Collaborative</u>												
<u>CMS Transforming Episode Accountability Model (TEAM) Workshop</u>												
<b>Ambulatory</b>												
<u>Improve Specialty Care Access Collaborative</u>												
<b>Pharmacy</b>												
Prevention of Medication Errors at Transitions of Care Collaborative												
<u>GLP-1 and GIP Receptor Agonist Stewardship Collaborative</u>												
<b>Spend Management</b>												
Early Artificial Intelligence Adoption in Supply Chain Benchmarking Survey												
<u>Reducing Supply Variation Collaborative</u>												
<b>Finance</b>												
AMC Funds Flow Benchmarking Survey												
Optimizing Payer Accountability Collaborative												

\*Vizient's PI Programs are exclusively available to Vizient members who have subscribed to Vizient Member Networks

\*Subject to change

# Reducing Supply Variation Collaborative



- **Enrollment information**

- Informational webinar September 25, [register](#)
- [Click here](#) to enroll by October 29
- View [project fact sheet](#)
- Contact: [latammy.marks@vizientinc.com](mailto:latammy.marks@vizientinc.com)

**Project scope: assist members with employing successful strategies to reduce unwarranted supply variation.**

## **Key improvement goals:**

- Identifying ways to reduce unwarranted supply variation
- Exploring proactive ways to manage uncontrollable supply spend
- Implementing a category management approach to tackle supply variation

## **Benefits of participation:**

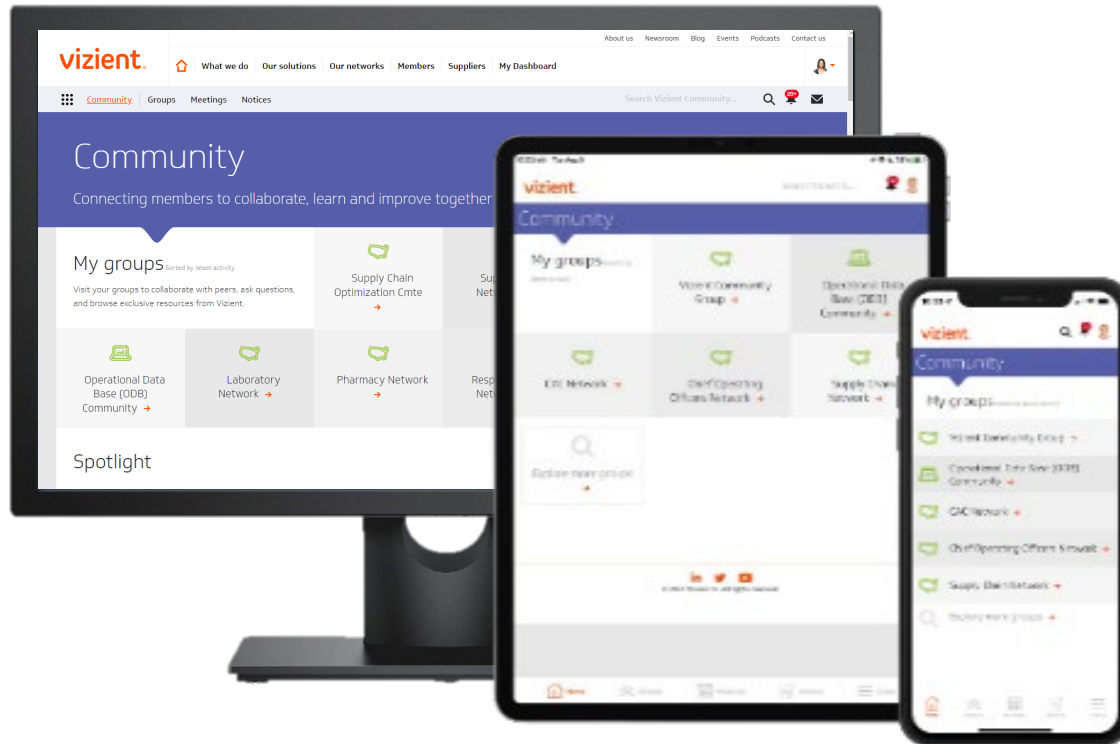
- Collaborate with peers on effective strategies to manage unnecessary supply variation
- Gain knowledge and share experiences to accelerate change with a standardized approach to optimize supply utilization

## **Potential outcome metric:**

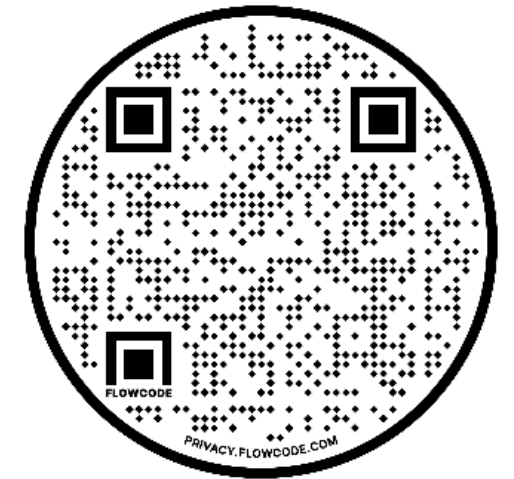
- Supply analytics: TBD

# Vizient Community

## Begin your online experience today\*



Leverage over 50,000 leaders to collaborate with at your convenience



*\*The member's site must be a part of Vizient Member Networks subscription to participate.*

### Key Community features:

- Peer discussion forums
- Calendar of Events
- Knowledge resources



Easy log in to your community group – biometrics unlocks the app

Create a query, respond to peers and more

Access your peer calendar of events to register

Access group resources including exclusive presentations, recordings, and whitepapers



# **Supply Chain Executives Peer to Peer Education Meeting**

# Overall Learning objectives



- Discuss the importance of physician engagement and consensus-building in achieving sourcing goals.
- Explain how standardizing supply chain processes and improving contract compliance in the non-acute space can enhance spend visibility, support contract tier optimization, and enable scalable growth across the health system.
- Identify the key steps to expand a health system's supply chain span of control, particularly over indirect spend categories.

# Clinically Integrated Sourcing: Strategies for Enhancing Outcomes, Engagement and Efficiency

**Dan Bissot, BA, MA, CMRP**, Senior Director, Sourcing

**Rakesh (Rock) Patel, MD**, Orthopedic Spine Surgeon and Medical Director of Supply Chain  
University of Michigan Health

**Ashley Brown, MHA, CMRP, RHIA**, Senior Commodity Manager

**Andrew Thomas, MD, MBA**, Chief Clinical Officer  
The Ohio State University Wexner Medical Center

**Georgiana Perna, Esq.**, Senior Project Manager Supply Chain The University of Vermont Health Network

**Kirtan Patel**, Associate Principal, Clinical Integration & Value Analysis, Vizient (*Moderator*)



# Disclosure of Financial Relationships



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An individual is considered to have a relevant financial relationship if the educational content an individual can control is related to the business lines or products of the ineligible company.

No one in a position to control the content of this educational activity have relevant financial relationships with ineligible companies.

# A Journey in Building a Clinically Integrated Sourcing Program

**Rock Patel, MD**, Orthopedic Spine Surgeon and Medical Director of Supply Chain

**Dan Bissot**, Senior Director, Sourcing  
University of Michigan Health

# University of Michigan Health

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**UNIVERSITY OF MICHIGAN HEALTH**  
MICHIGAN MEDICINE

## BY THE NUMBERS

In addition to the hospitals and health centers that comprise the academic medical center of the University of Michigan, the U-M Health statewide network of care includes the hospitals and health centers of UM Health-Sparrow UM Health-West.



11

Acute Care Hospitals



5,900

Providers



2,500

Physicians in Training



99K

Surgical Cases



88K

Hospital Discharges



2,200

Licensed Beds



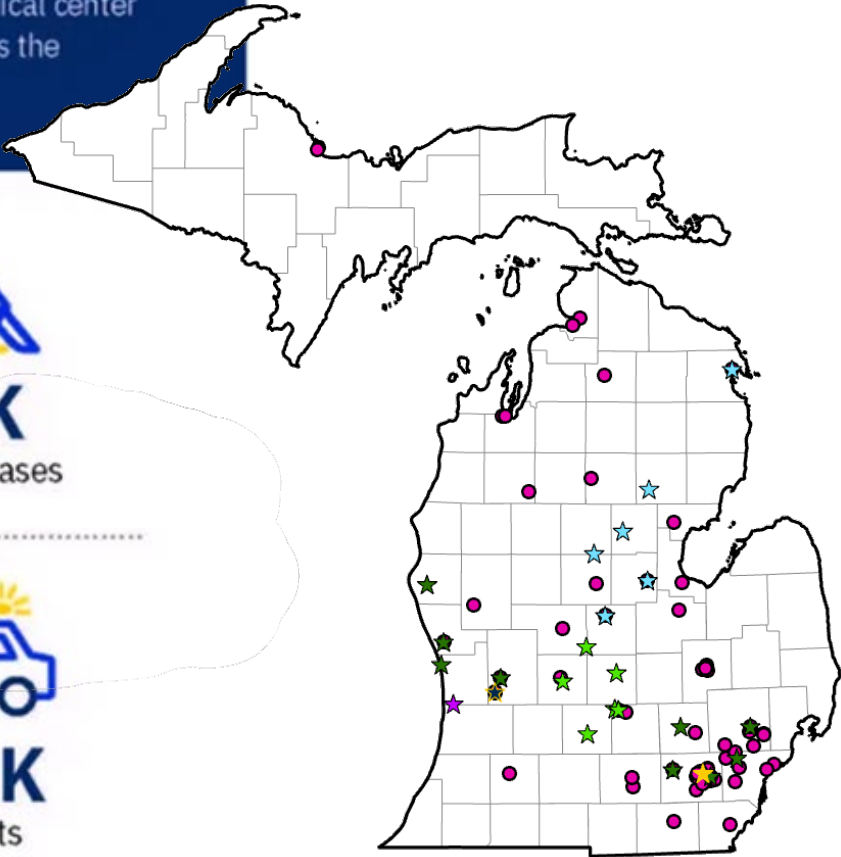
11K

Deliveries



341K

ED Visits





# Integration Journey

To a Clinically Integrated Supply Chain



## Opportunity

Achieve top tier pricing by aggregating & standardizing \$600M of spend across 3 markets.

## Challenges Addressed:

### Separate & distinct:

ERP's & EMR versions

Procurement policies.

Physician groups & ownership models.

Contracting models & end dates.

VAT structures & processes.

Supply Chain teams and employment models.

# Building Blocks to *One System* Approach

A photograph of a person in an orange jacket and black backpack climbing a steep, rocky mountain face. The climber is using ropes and gear. The background shows a vast, hazy mountain range under a cloudy sky.

University of  
Michigan  
Health  
(Systemwide)

## 1. Leadership Alignment & Support

Launched Executive Supply Chain Steering Council

## 2. Centralized *Strategic* Sourcing Process

Sourcing Calendar, Compliance & Savings Trackers.  
Sourcing Event Phases.

## 3. Value Analysis Alignment

Standardizing policy, process and technology.

## 4. Bridging Gap Between Planning & Execution

PI work focusing on hand-offs & communication and  
reducing undesirable off-contract spend.

## 5. Established Medical Director of Supply Chain Role

Critical liaison to provide *voice of the clinician* and to  
address challenging topics from a surgeon's perspective.

# Medical Director of Supply Chain Role



Statewide Sourcing Strategies

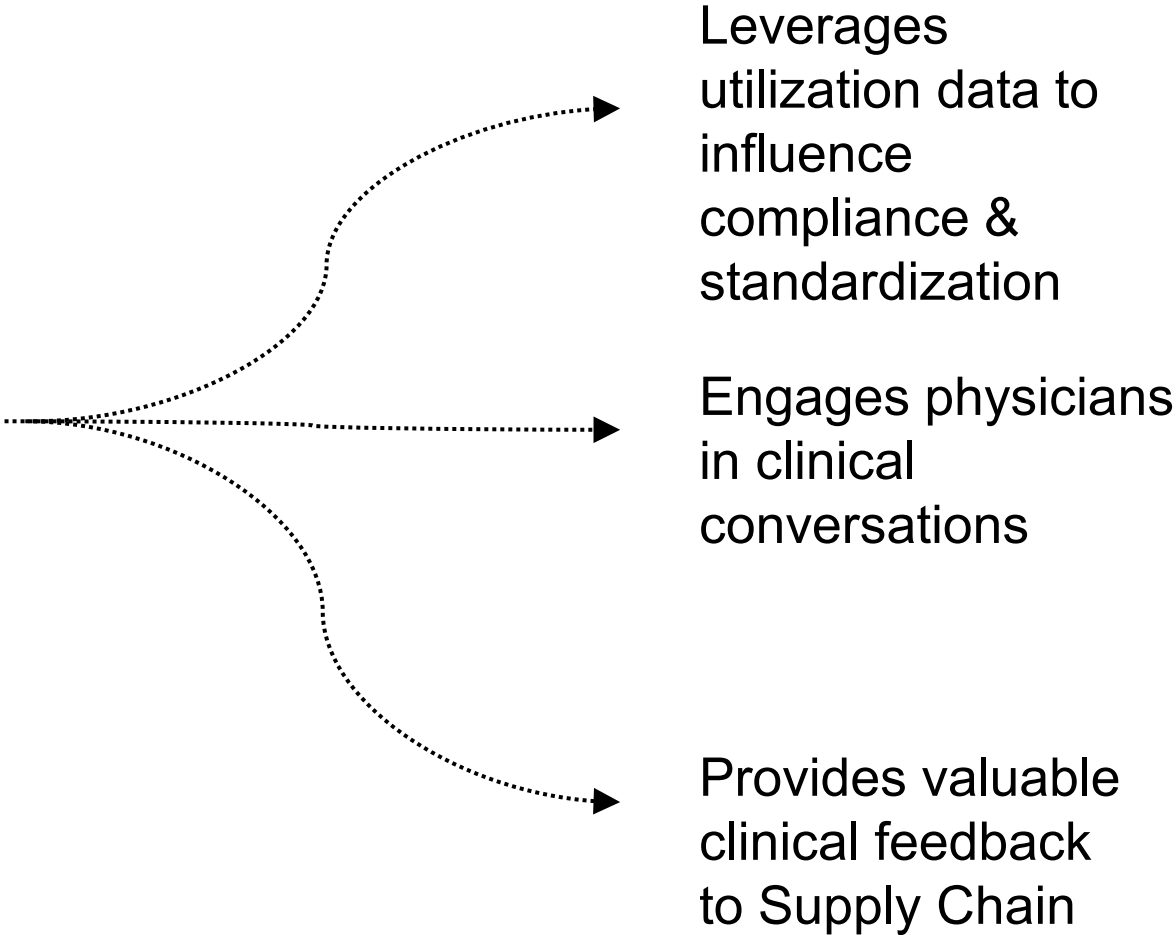
Trauma 

Orthobiologics 

CRM 



Dr. Rock Patel,  
Orthopedic Spine  
Surgeon &  
Medical Director  
of Supply Chain





# Tracking Results



## Cost Savings

FY24

FY25

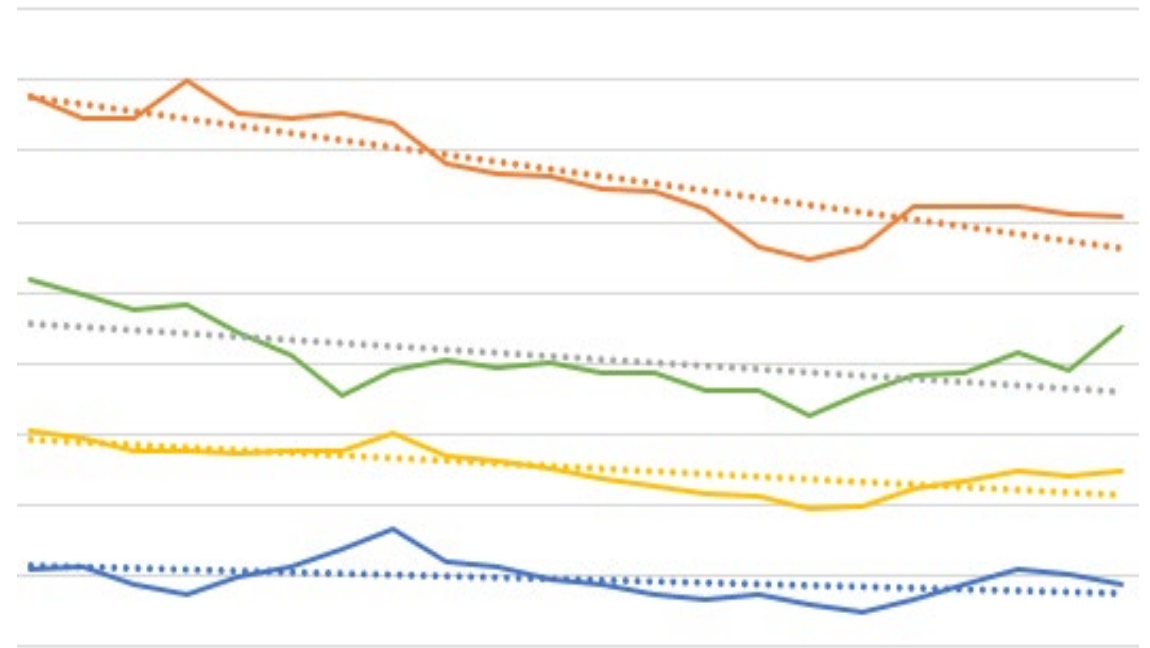
**\$15.7M**

**\$16.3M**

*~2.6% of Spend*

*~2.7% of Spend*

## Vizient Price Index Trending



Data Source: Vizient Internal Supply Analytics

# Lessons Learned



- For sourcing events, important to understand all operational impacts and connect dots further upstream in process.
- Peer-to-peer communication among physicians is a key driver in moving needle for sourcing compliance.
- Important to understand entry points for non-contract spend and develop strategies to address.
- Defining category scope early in the sourcing event is critical. (e.g. Trauma, Foot & Ankle, Arthroscopy, etc.)
- Healthcare sourcing is rarely a straight path. The journey is fraught with twists, turns, detours, and blockades. Prepare to quickly, adjust on the fly and adapt to plan B, plan C, etc.

# Key Takeaways



- Establish or re-ignite a Supply Chain Steering Council.
- Pursue Medical Director of Supply Chain, or, similar physician influencer.
- Leverage utilization data to inform decision making & compliance tracking.
- Create strategic trackers and information that close the gaps between Sourcing, Value Analysis, Execution & Compliance Tracking.
- Leverage systemness to test clinical efficacy and product equivalency questions across sites of care. Facilitate clinical conversations and share findings to spread value.
- Understand & address non-contract utilization on a daily, weekly, monthly basis.



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## Contact:

Dan Bissot, [Daniel.Bissot@umhsparrow.org](mailto:Daniel.Bissot@umhsparrow.org)

Rock Patel, [rakeshpa@med.umich.edu](mailto:rakeshpa@med.umich.edu)

*This educational session is made possible through the collaboration of Vizient Member Networks.*





**THE OHIO STATE UNIVERSITY**  
WEXNER MEDICAL CENTER



# **Clinically Integrated Sourcing: A Replicable Model for Cost and Efficiency**

**Andrew M. Thomas, MD, MBA**, Wolfe Foundation Chief Clinical Officer, Senior Associate Vice President for Health Sciences, Professor of Clinical Internal Medicine

**Ashley Brown, MHA, CMRP, RHIA**, Senior Commodity Manager – Orthopedics

The Ohio State University Wexner Medical Center

# The Ohio State University Wexner Medical Center



**7** Hospitals  
**1,439** Staffed Beds  
**60,769** Surgeries (FY25)  
**3.3M** Outpatient Visits (FY25)  
**2,072** Physicians  
**1,023** Residents and Fellows



*permission to use photo*

# Key Takeaways

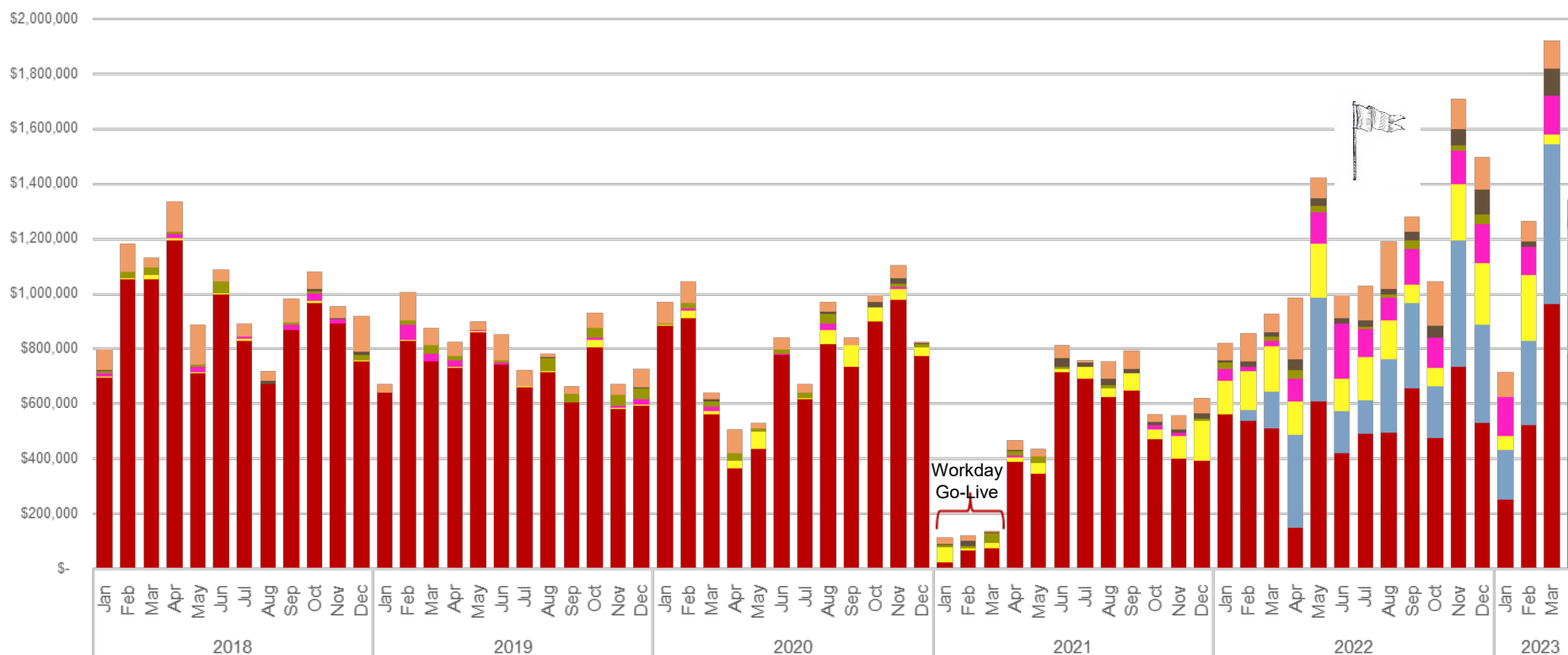


- **Implement Best Practices for a Clinically Integrated Sourcing Model**  
Gain actionable insights and practical solutions for building cross-functional teams, fostering transparent communication, and executing a strategic sourcing framework aimed at improving operational efficiency and financial outcomes.
- **Apply Practical, Data-Driven Strategies to Vendor Selection**  
Discover how leveraging benchmarking, item categorization, and a Balanced Value Scorecard can enhance supplier competition and achieve sustainable results.

# Background – Spinal Implants



## Spinal Implant Spend by Supplier



### Maintained a Prime Vendor (>90%)

Adjustments made as-needed – incremental price negotiations, onboarding new physicians, and new technology did not materially affect existing strategy

**Trifecta:** physician turnover, robot purchase, major tech disruption

### Call to Action!

Launch effort to determine new strategy

Data Source: The Ohio State University Wexner Medical Center Internal Workday / PO data feed.



# Approach



## Establish a Team



Physician Champions  
All physicians from Ortho and Neuro Spine



Clinical Sourcing, Value Analysis, Perioperative,  
Central Sterile



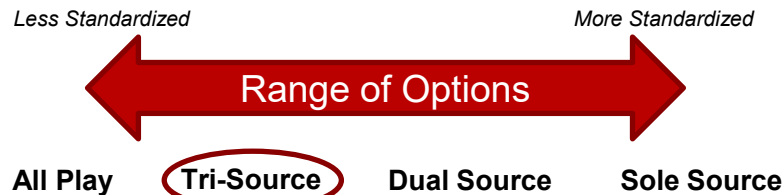
Health System and Supply Chain Leadership  
Supply Chain Medical Directors

## Balanced Value Scorecard



**Our mantra:**  
“Sourcing strategy follows clinical strategy...”

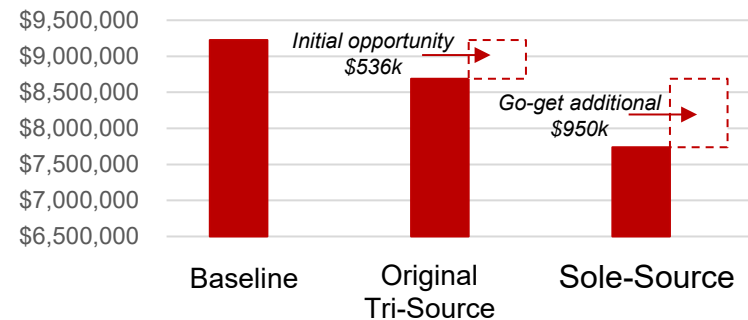
## Refine Strategy



- Physicians agreed Tri-Source offered the best overall value on the balanced scorecard.
- Physicians preferred some choice but agreed that changes were possible.
- To make it happen, needed to close a cost gap.

## Negotiate

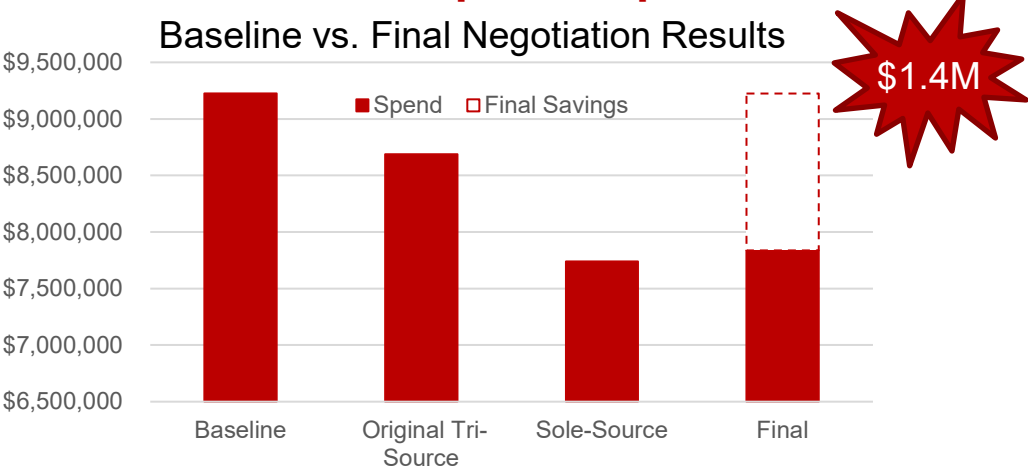
Physician involvement in supplier negotiations & suppliers knew physicians were willing to change.



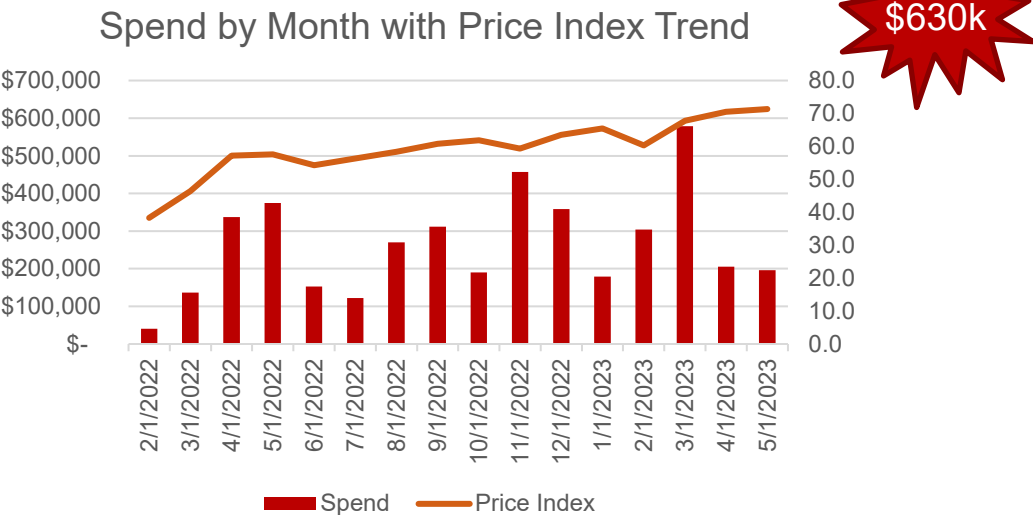
# Results



## Win #1: Traditional Spinal Implant Hardware



## Win #2: Carbon Fiber Implants



Data Source: Vizient Supply Analytics



What started as a focused initiative has grown into a **repeatable model** being applied across Electrophysiology, Adult Joint Reconstruction, and other service lines.

# Lessons Learned



- **Use Sourcing Committees & Champions Wisely:** Identify clinical champions to guide peer discussions - but don't stop there. Schedule quarterly check-ins to review progress, share updates, and reinforce strategic goals.
- **Prioritize In-Person Conversations:** Teams and emails have their place, but face-to-face interactions build trust, uncover nuance, and accelerate alignment.
- **Ask Better Questions:** Stop accepting the status quo – start asking why, why not, and what if. Challenge assumptions and dig deeper to uncover opportunities!
- **Build Collaborative Relationships:** Proactively connect with clinicians, vendors, and internal teams. Trust and collaboration don't happen overnight.
- **Lock Arms:** Present a unified front with clear, consistent expectations for suppliers.



**THE OHIO STATE UNIVERSITY**  
WEXNER MEDICAL CENTER



## Contact:

Ashley Brown, [ashley.brown2@osumc.edu](mailto:ashley.brown2@osumc.edu)

Dr. Andrew Thomas, [andrew.thomas@osumc.edu](mailto:andrew.thomas@osumc.edu)

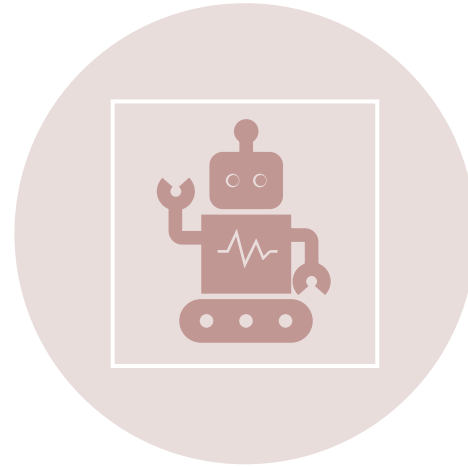
*This educational session is made possible through the collaboration of Vizient Member Networks.*



# **Robotic-Assisted Arthroplasty: How We Optimized Patient Outcomes, Physician Engagement, and Lowered Implant Costs**

**Georgiana Perna, Esq.**, Sr. Project Manager Supply Chain  
The University of Vermont Health Network, Inc.

# Project Overview

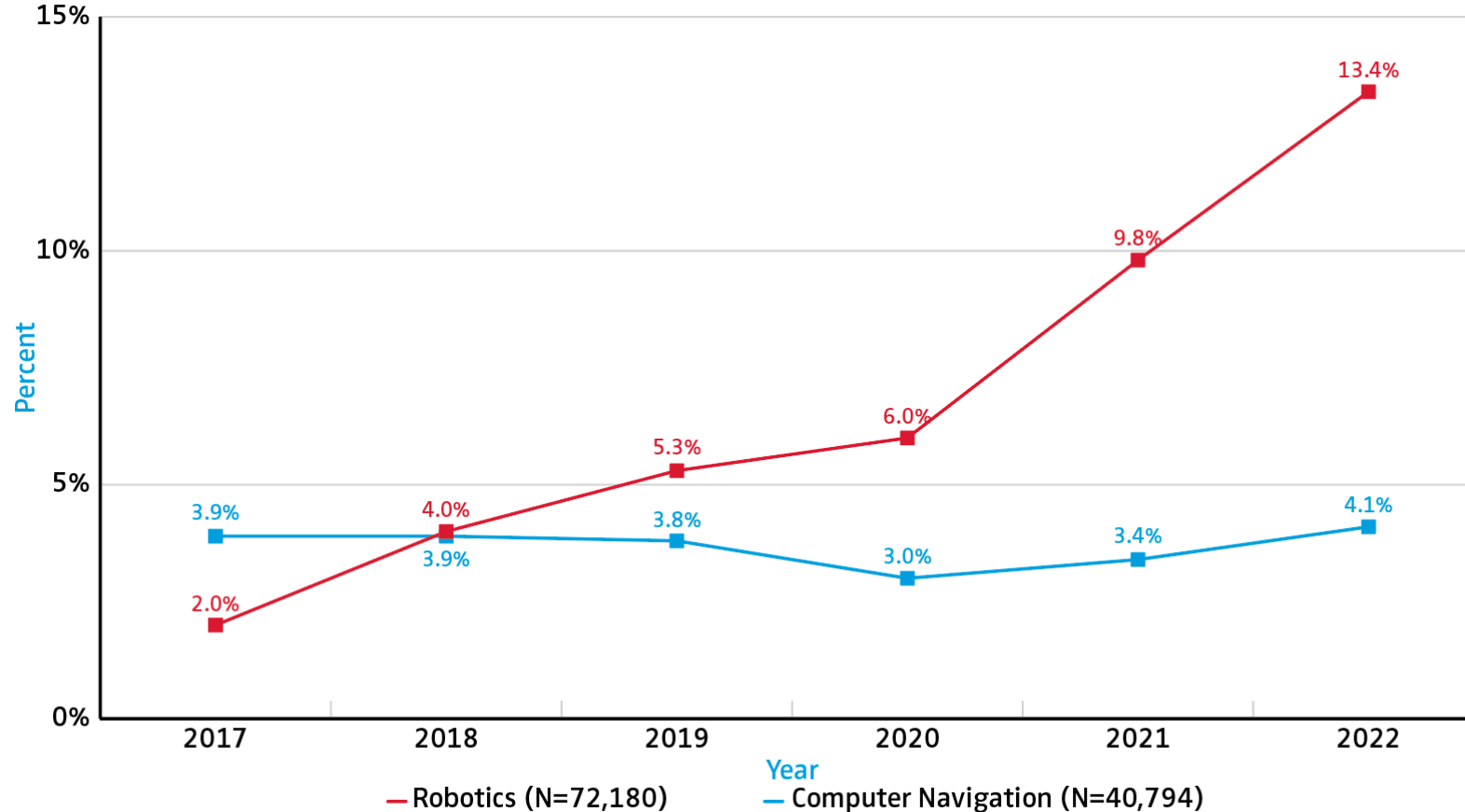


## **ROBOT-ASSISTED ARTHROPLASTY GOALS:**

- 1) ENHANCE PATIENT OUTCOMES**
- 2) ENGAGE PHYSICIANS, AND**
- 3) REDUCE IMPLANT COSTS**

# Background

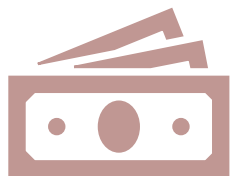
- Rising demand for robot-assisted arthroplasty presents challenges in balancing innovation, cost, and quality.
- Figure 3.16: Rate of Technology Use for Assistance in Total Knee Arthroplasty. 2017-2022



©2023 AAOS American Joint Replacement Registry

Data Source: American Academy of Orthopaedic Surgeons (AAOS) American Joint Replacement Registry, <https://www.aaos.org/registries/american-joint-replacement-registry/>, 2023. Accessed 9/9/2025.

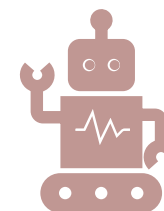
# Intervention Detail



**We engaged in strategic vendor negotiations starting in 2018.**



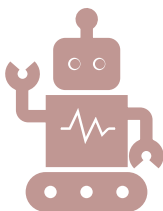
**Through innovative financial models, we scaled our program with capital, lease, and rental structures.**



**By 2024, we acquired additional robots and platforms without capital funds, leveraging implant spend across six hospitals.**



# Outcomes and Impact



**Robot-assisted arthroplasty at UVM Health Network improved outcomes, precision, and financial sustainability.**



**Clinically, we observed better implant positioning, reduced pain, and fewer outliers.**



**Financially, strategic vendor negotiations preserved capital and cut implant costs systemwide, including hospitals without robotics. Operational savings exceeded \$500,000. We continue to track outcomes, efficiency, and evolving tech.**

# Lessons Learned



**Collaboration between clinical and supply chain leaders was essential.**



**Financial creativity (lease, rental, and rebate structures) enabled scalable growth.**



**Early wins at the academic center helped drive adoption at smaller sites.**



**Continuous surgeon engagement and flexibility supported platform diversification.**



**Vendor partnership models proved more effective than transactional deals.**

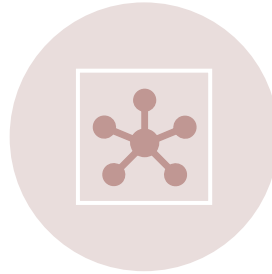
# Key Takeaways



**EXPLORE VENDOR  
PARTNERSHIPS  
THAT LEVERAGE  
IMPLANT SPEND  
TO MINIMIZE  
CAPITAL  
EXPENSE.**



**BALANCE  
INNOVATION AND  
COST BY  
BENCHMARKING  
HISTORICAL DATA  
BEFORE  
EXPANSION.**



**USE EARLY  
SUCCESS IN ONE  
FACILITY TO  
SUPPORT  
ROLLOUT ACROSS  
YOUR NETWORK.**



**ALIGN  
TECHNOLOGY  
STRATEGY WITH  
SURGEON  
ENGAGEMENT  
AND  
RECRUITMENT  
NEEDS.**



**TRACK LONG-  
TERM OUTCOMES  
AND  
OPERATIONAL ROI  
TO SUSTAIN  
GROWTH.**

# Questions?



## Contact:

Georgiana Perna, [georgiana.perna@uvmhealth.org](mailto:georgiana.perna@uvmhealth.org)

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# Networking Break

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15:00





# Washington Update

**Jenna Stern, JD**, Vice President, Regulatory Affairs  
and Public Policy  
Vizient

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# Vizient D.C. Team – Public Policy & Government Relations



Monitor

Educate

Advocate









**Bi-Partisan/Non-Partisan**

# Current State of Play

# Some Highlights...or Low-lights...



The One Big Beautiful Bill (OBBB) cuts over \$1 trillion from Medicaid, Medicare & the ACA over 10 years; Congressional Budget Office estimates 10 million more people uninsured by 2034

-\$191B	 <b>Provider tax freeze/moratorium</b>	-\$325B	 <b>Medicaid Work Requirements</b>
-\$5B	 <b>Limits Medicare eligibility for non-citizens</b>	-\$150B	 <b>Caps on State Directed Payments</b>
-\$39B	 <b>Tightened special enrollment periods in ACA</b>	-\$28.2B	 <b>Reduced FMAP for emergency care for immigrants</b>
-\$90B	 <b>Narrowed eligibility for ACA tax credits</b>	-\$63B	 <b>More frequent eligibility checks</b>



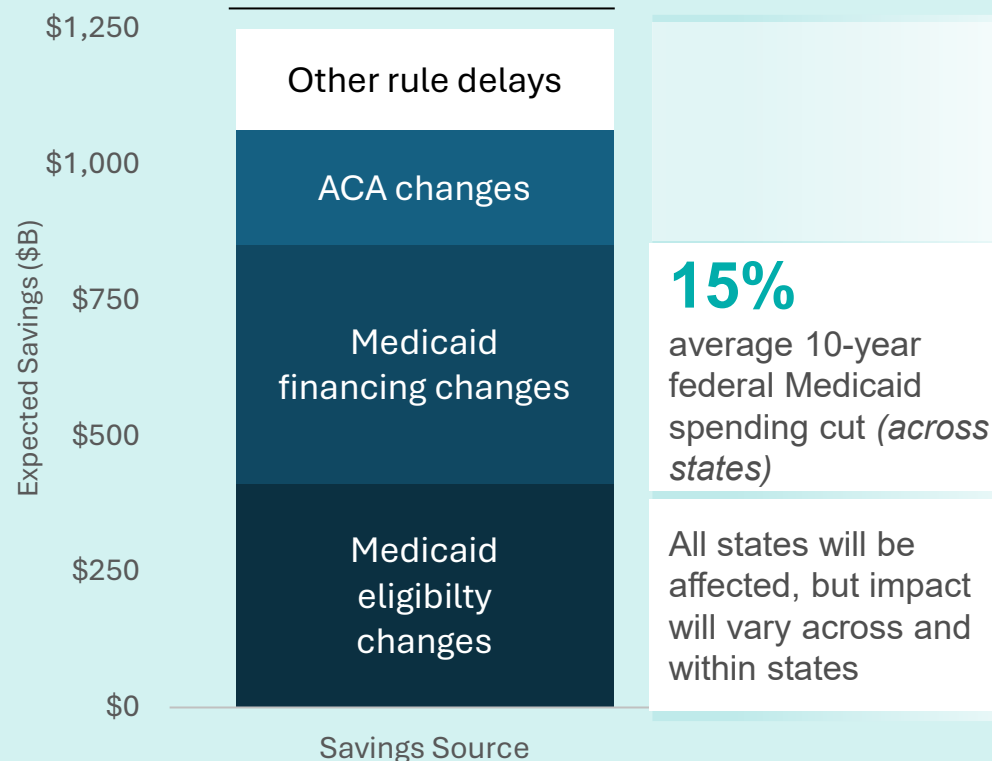
# Which Means...

>\$1T

reduction in federal  
outlays over 10 years  
(2025 – 2034)

Impact ramps up  
through 2034, with  
~59% of the bill's  
maximum annual  
impact realized by the  
end of FY 2029

## Prominent healthcare spending reductions in OBBB



~10M more **uninsured** people  
expected by 2034\*



More **uncompensated care & bad debt** for health systems



Potential **loss of 340B status** if  
DSH % drops



Pressure to **transform costs ahead of changes** and sustain  
margin

Note: see [Vizient's OBBB summary](#) for full information on OBBB changes, timing, and estimated savings impacts

Source: Kaiser Family Foundation "Allocating CBO's Estimates of Federal Medicaid Spending Reductions Across the States: Senate Reconciliation Bill", Congressional Budget Office, <https://www.cbo.gov/publication/61534>, Vizient analysis, 2025

\*This projection could increase if the enhanced premium tax credits are not extended by the end of 2025

# What's Next?



## Another reconciliation package? Maybe a third?

- Many Republican lawmakers have already made clear they view the OBBB as the first step in a broader legislative agenda.
- Among both Republican leadership and rank-and-file members, there seems to be strong support for pursuing one or more additional reconciliation packages, in part, to impose steeper cuts to Medicaid and other health programs.

## September 30, 2025

- Fiscal Year 2026 Funding (and telehealth flexibilities and DSH Cuts)

## December 31, 2025

- Pay-As-You-Go Cuts
- Expiration of Enhanced Affordable Care Act (ACA) Tax Cuts

# Regulatory Update

# Tariffs Continue to Threaten/Create Instability



Authority and Purpose	Process	Used in Trump 1.0	Use in Trump 2.0 (examples)
<b>International Emergency Economic Powers Act of 1977:</b> Empowers the president to address “unusual and extraordinary” threats	President declares national emergency (declaration and imposition of trade measures could happen quickly)	Trump threatened 5% tariff on all goods from Mexico in 2019; prevented via negotiations	EO and an emerg. declaration to impose tariffs on imports from China (10%; addt'l 10% per 3/3 EO), Mexico (25%; March 4) and Canada (25%; March 4); April 2 EO and emerg. declaration for country-specific reciprocal tariffs and 10% sweeping tariff
<b>Section 301, Trade Act of 1974:</b> Addresses unfair foreign trade practices	USTR investigates, reports within 12 months. President can impose tariffs, quotas with no set limit or duration	China: initial 25% tariffs on \$34 billion in goods (2018); later rounds affected \$370 billion. EU: 10% on aircraft and 25% on other goods	TBD; Mention in the America First Trade Policy (e.g., report on China's acts, policies, and practices related to tech transfer, IP, and innovation)
<b>Section 232, Trade Expansion Act of 1962:</b> Restricts imports that threaten national defense or economic security	Commerce dept. investigates, reports within 270 days. President decides within 90 days on tariffs, quotas. No set expiration; subject to periodic review	25% tariff on steel, 10% on aluminum	Proclamation to broaden the scope of products and countries impacted by steel and aluminum tariffs and increase aluminum tariffs to 25% (March 12); Timber and copper EOs and investigations

Source: Modified from Bloomberg Economics: <https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-restores-section-232-tariffs/> ; <https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-restore-s-section-232-tariffs/>; <https://www.whitehouse.gov/presidential-actions/2025/01/america-first-trade-policy/>

Abbreviations: EU = European Union; IP = intellectual property; USITC = United States International Trade Commission; USTR = Office of the United State Trade Representative.

# CY 2026 Hospital Outpatient Prospective Payment System Proposed Rule



**CMS proposes to increase payment rates by 2.4% (3.2% market basket minus 0.8 for productivity adjustment)**

- Total payments to providers expected to be \$100 billion (approx. \$8.1 billion more than CY 2025)
- Overall, CMS estimates the proposed rule's policies would result in 1.9% increase in OPPS payments to providers for CY 2026 ... BUT... For providers subject to the remedy offset, payments expected to be reduced by \$1.1 billion in CY 2026

## **Site Neutral**

- PFS rates for any HCPCs codes assigned to the drug administration services (APCs 5691 through 5694), when provided at an off-campus PBD excepted from section 1833(t)(21) of the Social Security Act (rural Sole Community Hospitals exempted)
- Requesting comment on potential expansion of this policy

## **340B**

- -2.0 adjustment to payment rates for hospitals subject to 340B remedy (CMS estimates this will last until 2031)
- Notice of intent to conduct Medicare OPPS Drug Acquisition Cost Survey → survey window will open early 2026 and CMS aims to use it for CY 2027 OPPS/ASC Proposed Rule

**CMS proposes to phase out the IPO list over 3 years – starting with removal of 285 services for CY 2026 (mostly musculoskeletal)**

**Shifting skin substitute reimbursement to reimbursement as a supply**

**Comments are due September 15, 2025!**



# Lessons Learned



- Legislative changes will impact patients' insurance coverage, particularly for Medicaid; states will need to adapt.
- Agency activity is also expected to have significant implications for hospitals and health systems.

# Key Takeaways



- Hospitals will continue to face challenges in caring for their communities
  - For example, increases in the rates of uninsured can result in more emergency department visits and increase bad debt.
  - Modest reimbursement increases anticipated for 2026
  - Several 340B-related changes are forthcoming (e.g., rebate model; drug acquisition cost survey; proposed modified 340B remedy).

# Questions?



## Contact:

Jenna Stern, [jenna.stern@vizientinc.com](mailto:jenna.stern@vizientinc.com)

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# Optimizing Ambulatory Growth: Contract Integration and Operational Excellence

**Rob Vangermeersch**, Category Manager, Supply Chain  
UHealth

**Brooke Weese, MHA**, Construction Equipment Sourcing Manager  
The University of Chicago Medicine

# Disclosure of Financial Relationships



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# Connecting your Non-Acute locations to your contracts to drive savings

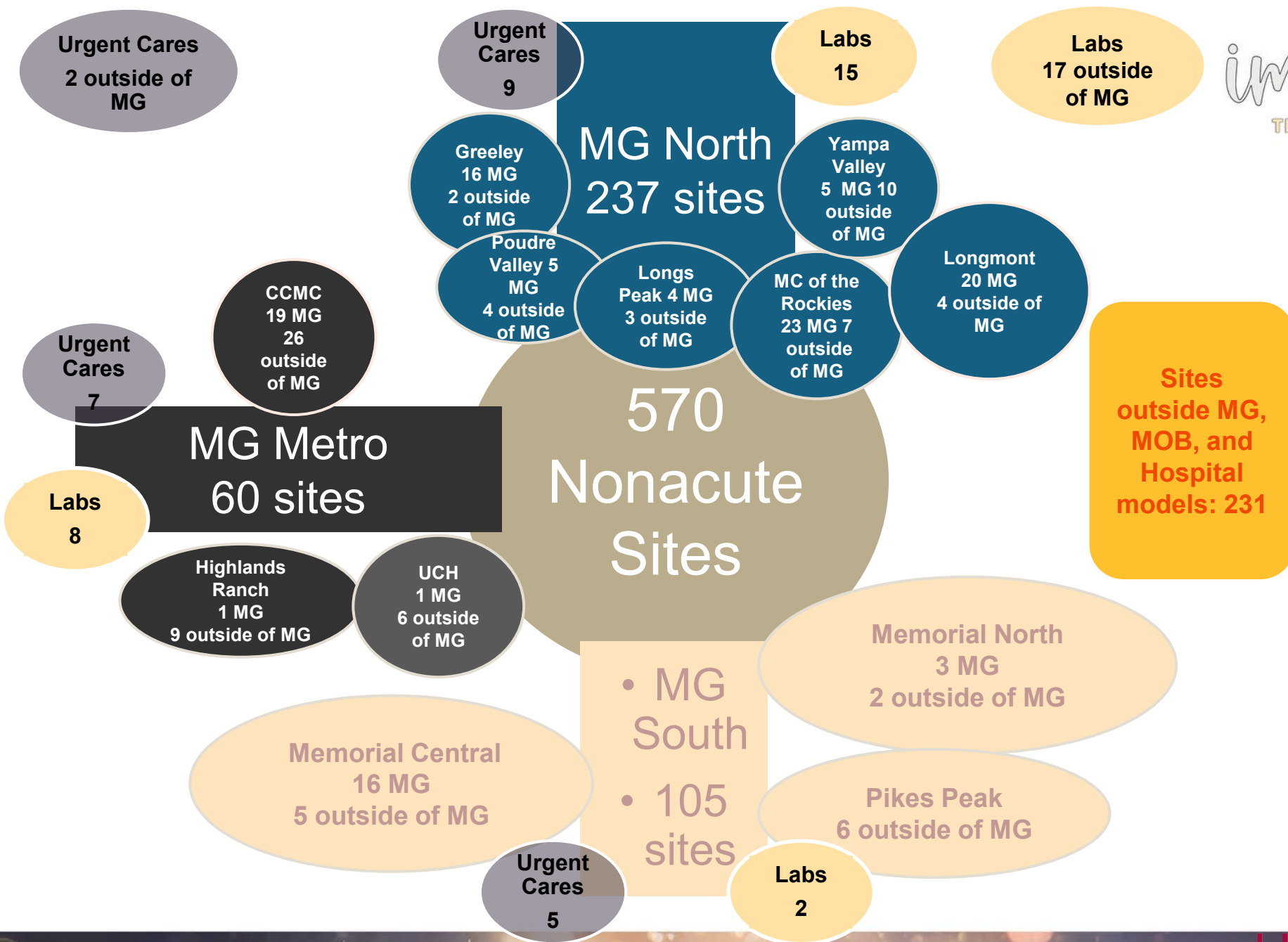
**Rob Vangermeersch**, Category Manager, Supply Chain  
UCHealth

## Challenges

- 570 Non-Acute locations
- 315 Part of one business group (Medical Group)
- 255 Report up through different business groups
- Locations across Colorado front range.

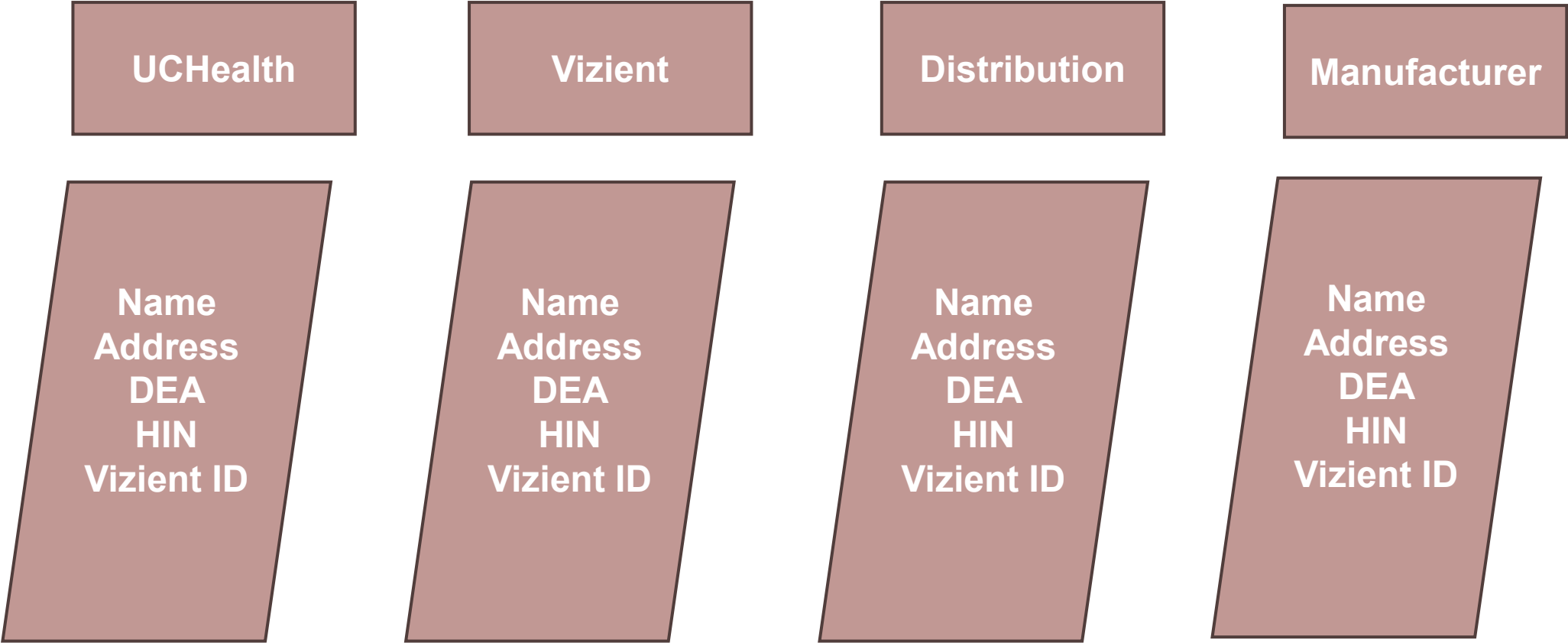
## Outcomes

- Contract connections improved from +/- 40% to 75% - 80%
- Improved one vendors contract connection from approx. 9% to 95-98%.



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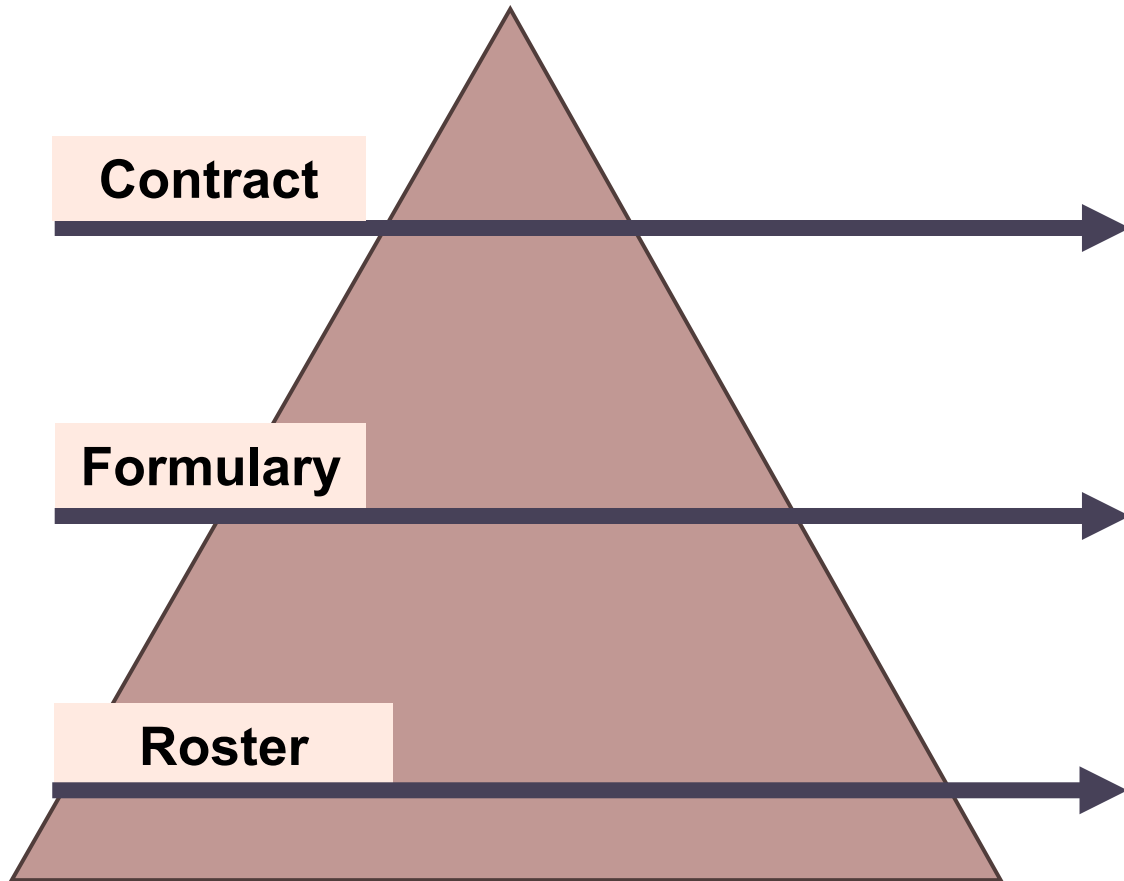
# Connecting the links in the chain (Roster)



# Focus on the base – build your roster



\$ Savings \$



- **Contract** – Drive contract compliance – Goal 80%
- **Formulary** – Reduce product variety – Goal is to make contracting easier. 190k > 6k
- **Roster** – Align Name, Address, DEA, HIN, GLN with Vizient, suppliers and vendors.

# Lessons Learned



- **The Roster is key** – Alignment of the Name, Address, DEA, HIN between your internal system, Vizient and your vendors.
- **Clinical Team to analyze savings options** – Who can determine which items have value and which are just cheap?
- **Naming convention** – Use internal location identifiers when you name a location with the vendor.
  - (Company) – (Cost Center) -
- **Engage with Finance Team early** – Make sure your leadership team understands your goals and visions. You will appreciate having their input as your journey down this path.



# Key Takeaways



- **Leadership buy-in** – Make sure your vision of this project and your goals align with what your leadership want to see. You will need their help along the way.
- **Clean Data** – How confident are you that your data is accurate? Do you match with the Vizient data?
- **HIN Numbers** – Healthcare Identification Number – From HIBCC – A unique identifier connected to the physical address and allows vendors to identify your clinic locations.



## Contact:

Rob Vangermeersch, [Rob.Vangermeersch@uchealth.org](mailto:Rob.Vangermeersch@uchealth.org)



# From Funding to Go-Live: How UCM Streamlined Ambulatory Operations to Support Rapid Expansion

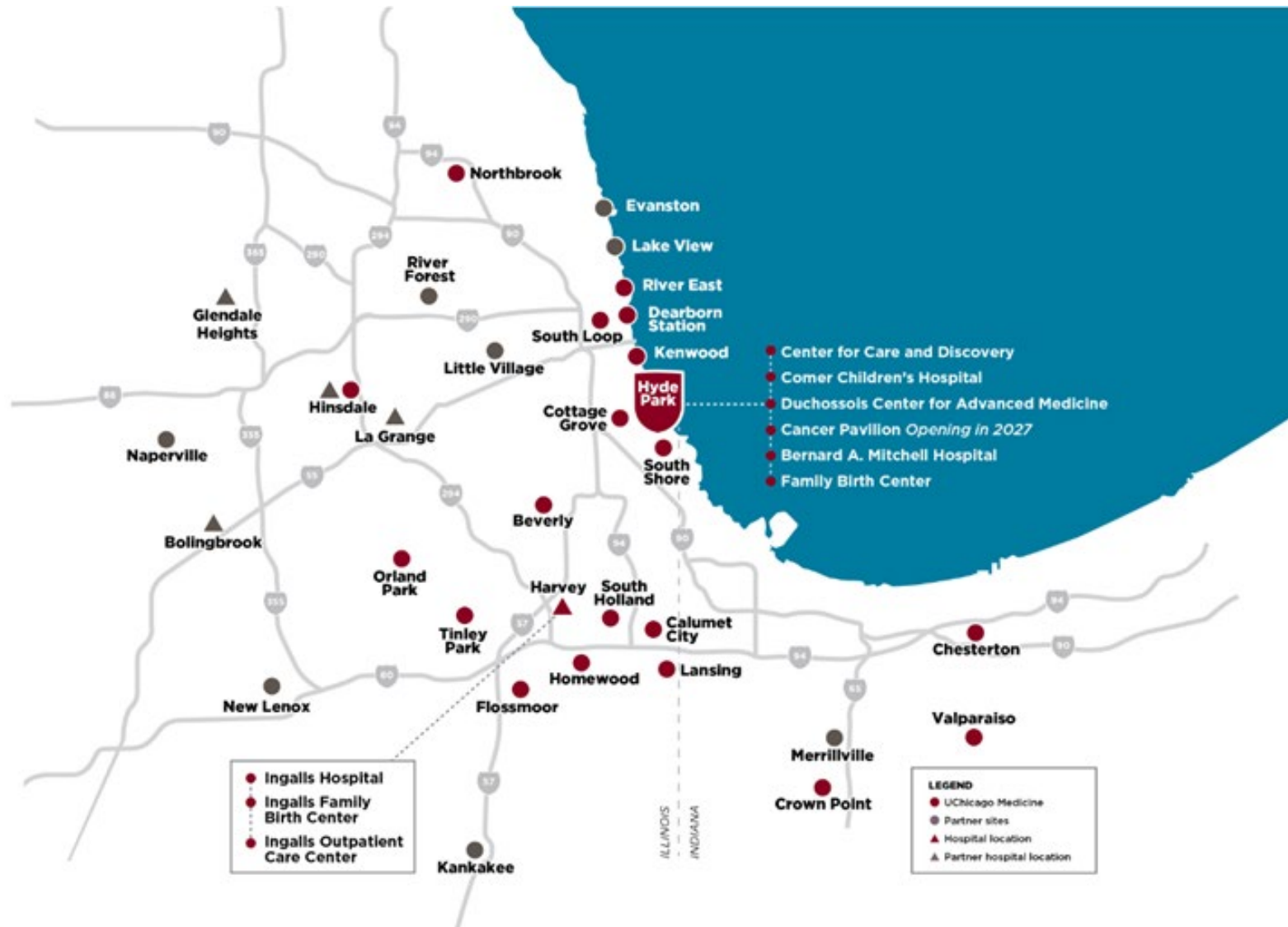
**Brooke Weese, MHA**, Construction Equipment Sourcing Manager  
The University of Chicago Medicine

# Overview



- UChicago Medicine has grown significantly in the last 5 years
  - Orland Park was the first Ambulatory site opened in 2016
  - 45+ sites have opened since
  - Multispecialty Care Center and 4 Cancer Care centers in NWI
  - Acquisitions, including Advent Health Chicagoland Region facilities
- Supply Chain Role in Ambulatory Development
  - Medical equipment sourcing and procurement
  - Non-clinical and Clinical service set up
  - Coordinating of disposable supplies and physical supply room set up

# Growth in Footprint since 2016



# UChicago Medicine: the Health System



## FACILITIES

**1,304**

**Licensed Beds\***

829 Med-Surg  
171 ICU  
67 OB-GYN  
60 General Pediatrics  
53 NICU  
78 Acute Mental Illness  
46 Rehabilitation

**14** **Ambulatory  
Care Facilities**

- 4 in Chicago: Hyde Park, River East, South Loop, Dearborn Station
- 4 in south suburbs: Harvey, Calumet City, Flossmoor and Tinley Park
- 4 in western suburbs: Hinsdale, Bolingbrook, Glendale Heights, La Grange
- Orland Park
- Crown Point, Indiana

**8** **Inpatient  
Facilities**

- Center for Care and Discovery
- Bernard M. Mitchell Hospital
- Comer Children's Hospital
- Ingalls Memorial Hospital
- UChicago Medicine AdventHealth (4)

**57** **Operating  
Rooms \***



## PEOPLE \*

**~12,500**

**Employees**

Including:

2,388 Providers  
1,680 Faculty Practice  
142 Medical Group  
566 Physician partners  
4,021 Nurses  
1,232 Residents & Fellows



## VOLUME\*

<b>1,177,494</b> Ambulatory Appointments**	<b>3,101</b> Births
<b>1,310,707</b> Outpatient Encounters	<b>220,621</b> ED Visits 186,580 Adult 34,041 Pediatric
<b>34,163</b> Surgical Cases	
<b>43,830</b> Hospital Admissions	<b>4,895</b> Trauma Activations 3,975 Adult 920 Pediatric
<b>308,580</b> Hospital Patient Days	



## FINANCIALS\*

<b>\$4.6B</b> Operating Revenue	<b>\$730.9M</b>
<b>\$3.9B</b> Net Patient Service Revenue	Community Benefit †
<b>\$343M</b> EBIDA	<b>\$276M</b>
<b>\$111M</b> Operating Income	NIH Funding

\* Legacy UCM; Does not include UCM AdventHealth

† FY23 Legacy UCM and does not include UCM AdventHealth



# Putting it into Context

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## Hinsdale- Complete

- 14,000 SF
- \$8M Budget
- 1 Year Project Endeavor



## Crown Point- Complete

- 132,000 SF
- \$160M Budget
- 3 Year Project Endeavor



## Washington Park Central Lab

- 160,000 SF
- \$250M Budget
- 3 Year Project Endeavor



## Cancer Pavilion

- 585,000 SF
- \$815M Budget
- 7 Year Project Endeavor

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# Impact



- NWI saw over 500 patients in the first week
  - A 35-year-old female patient received a positive breast cancer screening
  - She went on to receive treatment at the UChicago campus
- Bringing expert care and service lines to areas of need by keeping projects on time and on budget
- Continuing towards the goal of doubling the size of the health system by 2035

# Lessons Learned



- Building relationships is key between Facilities, Clinical, and Supply Chain Teams
- Fast-paced growth can be stressful but having a plan and cross-functional tools eases the impact
- Align with Executive Leadership to understand your organization's long-term growth strategy

# Key Takeaways



- Advocate for early involvement of Supply Chain
- Partner with Clinical Champions to develop standards
- Develop standards for equipment and supplies
- Leverage growth in contract negotiations

# Questions?



## Contact:

Brooke Weese, [Brooke.Weese@uchicagomedicine.org](mailto:Brooke.Weese@uchicagomedicine.org)

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# **Strategic Clinical IT Spend: A Unified Approach to Vendor Management**

**Lara Christmann, Strategic Sourcing Manager at  
UChicago Medicine**



# Disclosure of Financial Relationships



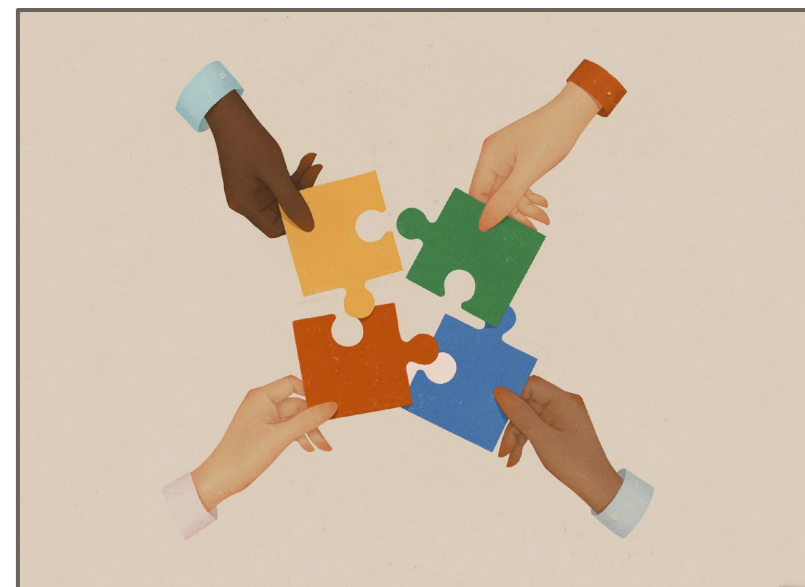
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# The Challenge

- Departments managed contracts independently
- Overlapping solutions and inconsistent pricing
- Limited visibility into total Clinical IT spend



# Our Strategy



## A Unified Vendor Management Approach

- Centralized contract and spend oversight
- RFPs/RFIs and benchmarking for cost control
- SLAs, business reviews, and vendor rationalization
- Cross-functional governance and value analysis

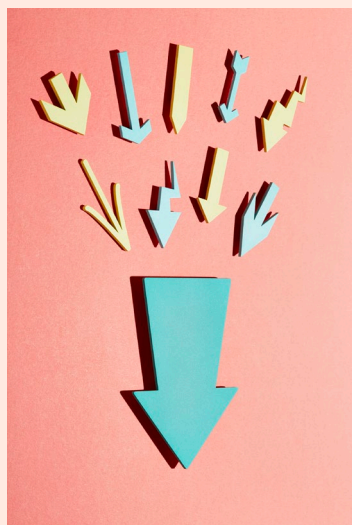
# Integrated Decision-Making Framework



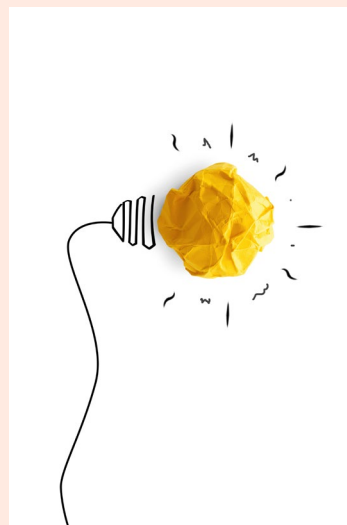
- Clinical IT Value Analysis Team
- Governance committees align requests with strategy
- Sourcing, IT, Clinical, and Finance collaboration
- Data-driven evaluation of workload, risk, and ROI



# What We Achieved



**Lowered IT spend  
through  
consolidation &  
renegotiation**



**Enhanced  
transparency and  
financial planning**



**Scalable,  
replicable model  
for future growth**

# Lessons Learned

- Independent contract handling led to duplication and inefficiencies
- Uncoordinated negotiations weakened cost control opportunities
- A lack of enterprise-wide visibility made true spend management difficult
- Cross-functional alignment was critical to making governance stick
- Vendors responded positively when clear accountability metrics were in place



# Key Takeaways



- Centralize Clinical IT contracts
- Collaborate early
- Use Value Analysis Teams for reviews
- Benchmark and bid
- Enforce KPIs and SLAs
- Prioritize investments

# Questions?



## Contact:

Lara Christmann, [Lara.Christmann@uchicagomedicine.org](mailto:Lara.Christmann@uchicagomedicine.org)

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# Save the Date!

## Supply Chain Executive Network Spring Forum 2026\*



# Denver, Colorado February 25-27

## Registration opening in November



*\*The member's site must be a part of Vizient Member Networks subscription to participate.*