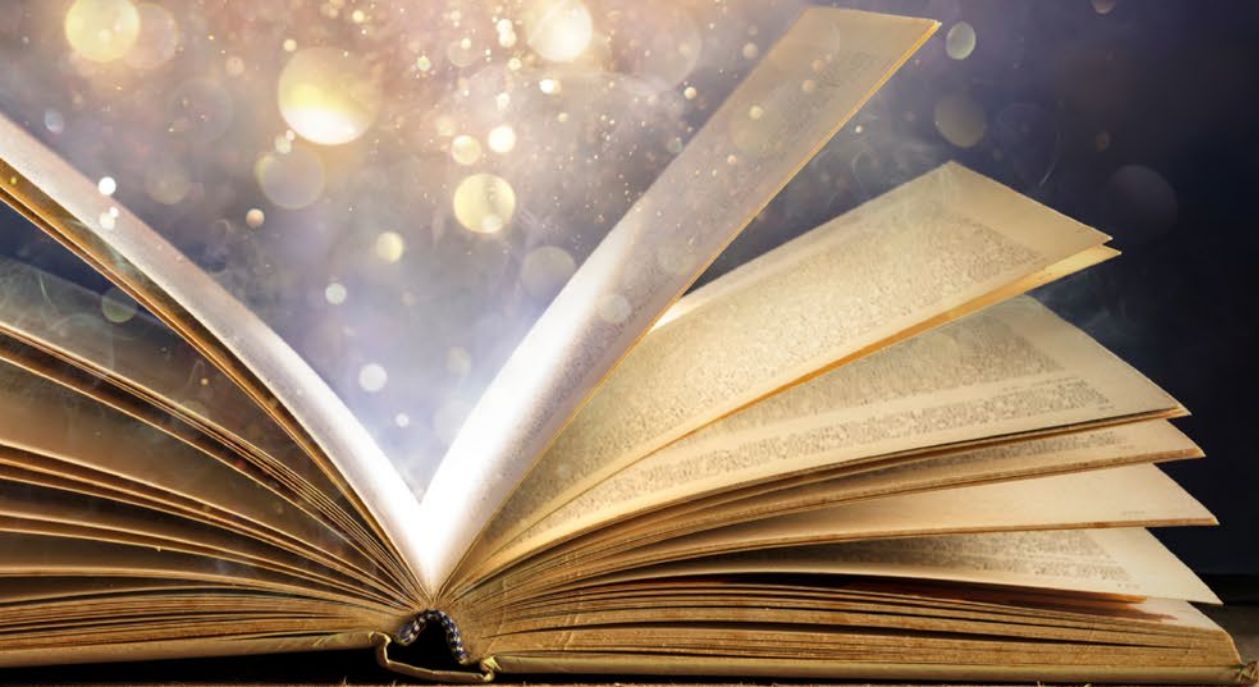


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Driving Value Through Supply Chain Transformation and Clinical Engagement

Emily Bailey, MPA, Senior Director, Clinical Sourcing

Kristen Podein, DPT, Manager, Clinical Sourcing

Corewell Health

Disclosure of relevant financial relationship



Kristen Podein, DPT, speaker for this educational activity, is a stockholder for Stryker, Globus Medical, SI-Bone, and Varex Imaging.

All relevant financial relationships listed for these individual(s) have been mitigated.

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Learning Objectives



- Identify strategies to engage senior leadership and gain surgeon buy-in for the successful implementation of supply chain initiatives.
- Discuss methods to streamline decision-making to achieve clinical standardization and operational efficiencies.

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Overview of the Legacy GPO Partnership



New integrated healthcare system in 2022

East Region

Leveraged a highly committed GPO, requiring committed awards with limited flexibility

West Region

Primarily used local agreements with limited reliance on a GPO

Obstacles

Physician landscape, lack of standardization, limited resources, headwinds, integration related activities

Goal

Advance clinical excellence by fostering flexibility that amplifies clinicians' voices, managing costs, reducing variation, and optimizing time and resources – all to deliver simple, affordable, equitable, and exceptional care

GPO + Aggregated GPO = System Solution

Aggregated GPO – Original Agreement



No Contract Compliance

Access to All Contracts

Flexible Sourcing
Strategies

Resulted in:

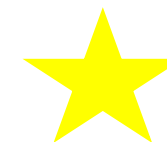
- Activation of 27 agreements
- Expansion of network
- Staffing resources
- Management of rebates
- Achievement of **\$15.2M** in savings
- Frustration among members and supplier base
- Strained partnership between Corewell and aggregate group
- Inefficiencies in the sourcing process

Decision Point

Option 1: End the Relationship

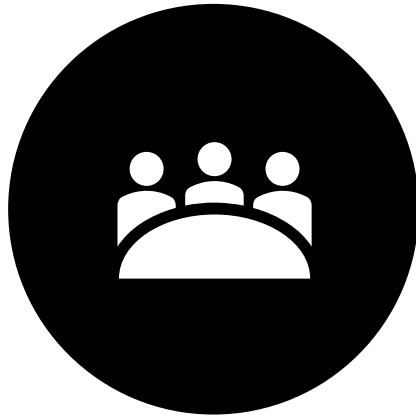
- Advantages:
 - Greater control over product choices and suppliers
- Disadvantages:
 - Termination of current contracts
 - Loss of 140 agreements
 - Missed expected savings
 - Less time and resources available
 - Possible harm to relationships with founding GPO members

Option 2: Focus on PPI and Commodities



- Advantages:
 - Enhance member relationships
 - Leverage SME knowledge from GPO
 - Save time and resources
 - Streamline bidding
 - Promote clinical standardization
 - Preserve cost savings for current and future categories
- Disadvantage:
 - Less control over category award decisions

Essential Actions to Maximize the Partnership



**ALIGN GOVERNANCE
STRUCTURE**

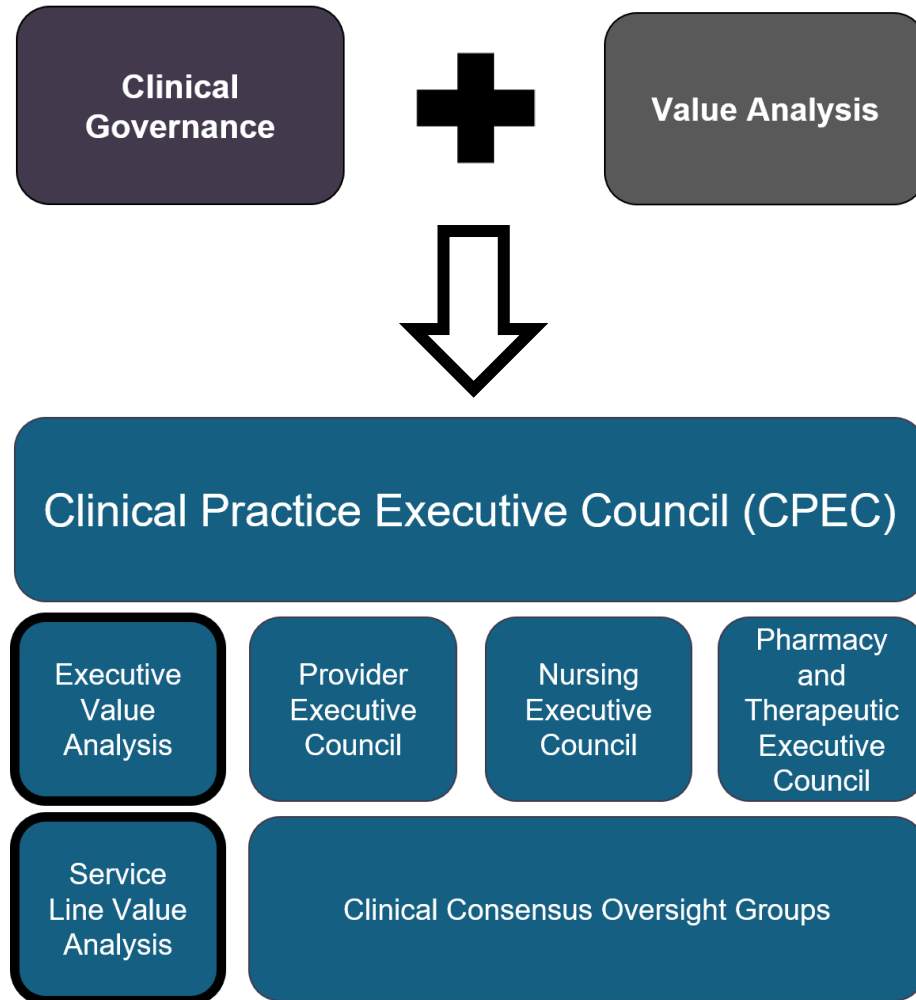


**OPTIMIZE SPEED TO
VALUE**



**INCREASE PHYSICIAN
ENGAGEMENT**

Clinical Governance + Value Analysis



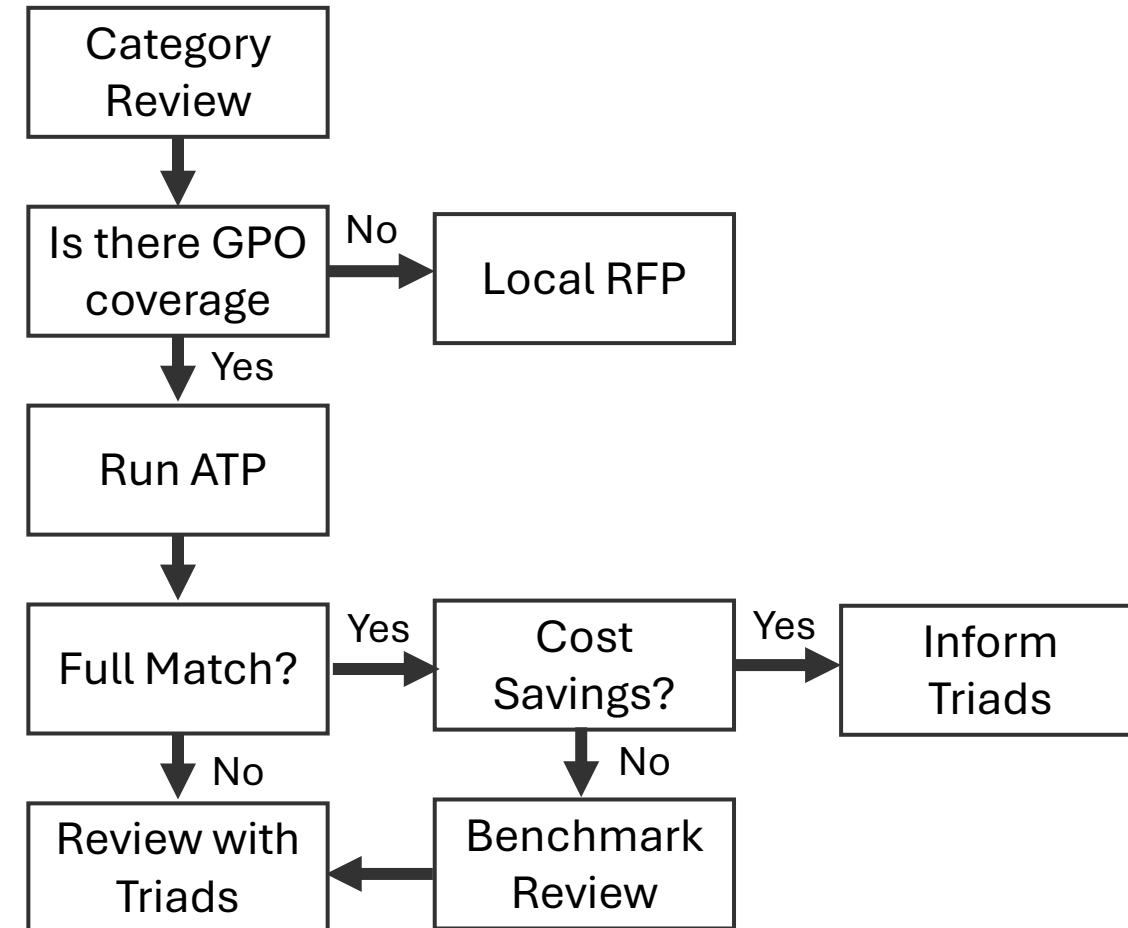
Benefits of Integration

- Streamlines team alignment
- Accelerates decision-making
- Strengthens physician engagement
- Promotes consistency across clinical operations
- Leverages organizational strengths
- Empowers teams through ownership
- Expands leadership communication
- Establishes clear escalation pathways

Source: Corewell Health internal clinical governance/value analysis structure

Optimize Speed to Value

- Strategically align category roadmaps
- Engage indirect resources
- Integrate with aggregated GPO RFP processes
- Drive meaningful clinical involvement
- Define roles, escalation pathways, and decision criteria



Increase Physician Engagement



Gainshare program to incentivize physicians to participate in Corewell and aggregate GPO savings initiatives



Communication

- Gainshare process and timeline
- Service line balance
- Key contributing projects



Request Submission

- Single front door
- Regional champions following category review



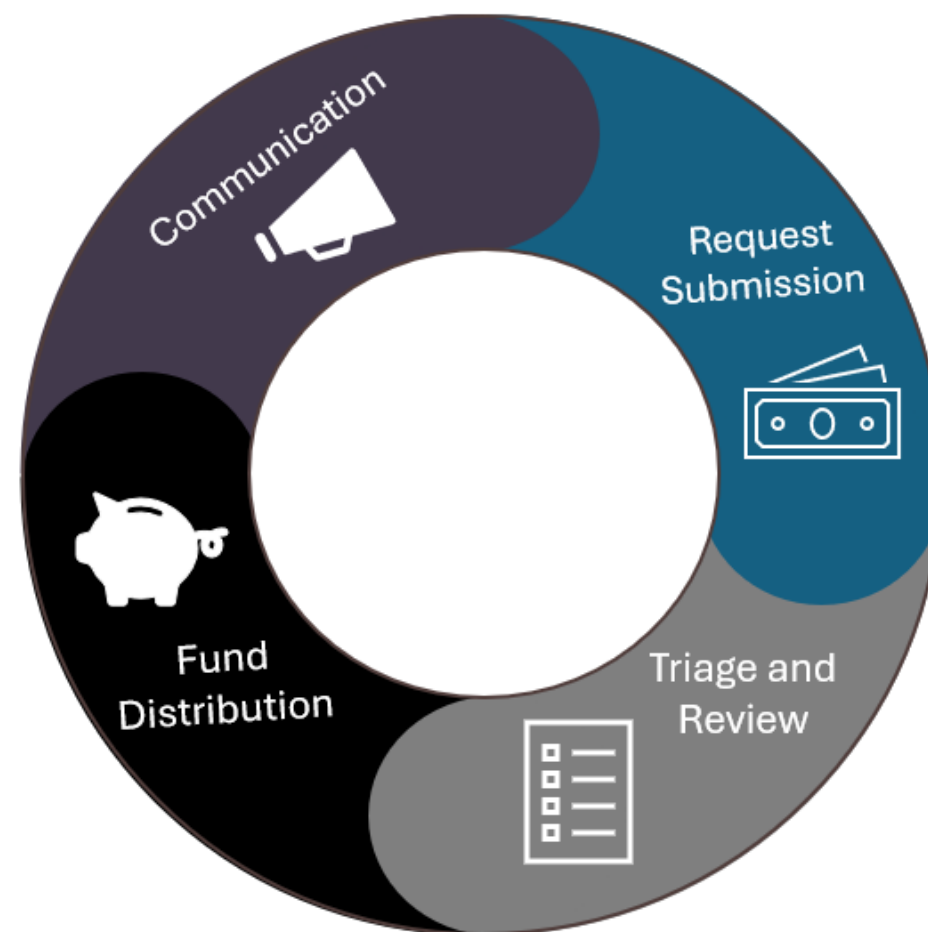
Triage and Review

- Biannual review
- Prioritize requests based on system prioritization
- Consult with Corewell Health leadership as needed



Fund Distribution

- Clear visibility and transparency of fund allocation



Corewell Health internal physician engagement process

Lessons Learned



- Leverage external networks
- Embrace transparency and collaboration
- Clarify before acting
- Delegate approval authority to the appropriate level
- Set clear expectations
- Adopt a learning mindset

Key Takeaways



- Flexibility without structure leads to inefficiencies
- Commitment enables strategic gains
- Governance structure is critical
- Speed to value requires coordination
- Physician engagement must be intentional
- Cross-functional collaboration is essential

Questions?



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