

**CHALLENGE**

Early in the Pointcore Collaborative, the approach to drive savings by leveraging custom contracting was developed. For this effort, Pointcore combined the pharmacy volumes of OSF HealthCare Supply Chain and Health Enterprises Cooperative (HEC).

**SOLUTION**

- Pointcore combined \$277M annual distribution volume.
- Contracting discussions with Cardinal, McKesson and Amerisource Bergen were initiated. HEC had been primarily contracted with McKesson, creating an enticing growth opportunity for Amerisource Bergen.
- The Pointcore Contract Administrator engaged the cohort's pharmacy leaders through the process to ensure stakeholder participation.
- During the process, hospital leadership had to be aligned by Pointcore. For example, as the contract award approached, pharmacy leaders at two hospitals wanted to back out prior to the award, stating uncertainty about aligning IT resources to update the EMR. In this case, administrative leadership was presented with the significant financial value of the contract, which they championed and aligned resources to make the transition possible.

**RESULTS**



- Year 1 saw a Growth Incentive Rebate of \$1.4M.
- Three years in, the membership has risen four tiers to improve the cost minus structure through acquisitions, recruitment and sourcing standardization. Pointcore serves as a strong advocate for the members when service disruptions occur. ↕

Pointcore Supply Chain Services provides access to national GPO contracts by aggregating your spend with the Pointcore Supply Chain Services Membership. Members also network, collaborate and guide contracting efforts to create our clinically preferred portfolio of physician preference, capital and purchased services contract.

**Pointcore Supply Chain Services is a Premier Certified Sponsor of Affiliates with 60 hospital members and 1,200 non-acute members.**

**Pointcore Supply Chain Collaborative has been in operation for more than 40 years.**

# Pointcore Supply Chain Services Drives Savings For Clients, While Achieving Acceptance On The Clinical Level



Healthcare systems are facing increasing pressure around cost, supply availability, contractual efficiencies and operational effectiveness. For many systems that lack scale and internal expertise, the opportunity to realize savings and contribute to the overall financial health of their organization is out of reach. There are complexities around obtaining the best products at the right price, plus the added obstacle of having products that will be accepted by healthcare providers.

portfolio of physician preference items (PPI), purchased services and capital equipment categories. Our process balances clinician and physician preferences with cost effectiveness and acceptance.

Pointcore Supply Chain Services (PSCS) can help solve these concerns for your organization. As a member, we will collaborate with you to guide your contracting efforts, tapping into saving opportunities by leveraging Premier as our sole GPO. This, in turn, creates our clinically-preferred

**The following three examples illustrate the value of savings Pointcore is able to deliver for Supply Chain Collaborative Members across different categories, while incorporating physician preference and alignment to ensure the right suppliers are selected.**

**About Pointcore**

Pointcore serves the healthcare industry through proven excellence in key services including: supply chain, technology, network, IT and cybersecurity, healthcare technology management (HTM, Biomedical Equipment) and construction. As an extension of OSF HealthCare, one of the nation's leading healthcare organizations, Pointcore leverages decades of experience serving hospitals and clinics of all sizes to extend resources, reduce cost and utilize common infrastructure with external clients, all to the benefit of patients.

**Talk to a Pointcore representative to learn more. 309.683.7569 | Pointcore.com**

## NICHE CATEGORY - Spinal Hardware

### CHALLENGE

Early in the formation of the Pointcore collaborative, the concept for aggregated PPI contracting was tested on spinal hardware contracts. With seven different membership facilities performing spine surgery, Pointcore had to create a spinal hardware portfolio that could address the needs of all members, providing surgeon preference while realizing competitive market pricing.

### SOLUTION

- Pointcore merged \$13.5M in volume to take to market.
- Pointcore developed a model that was crafted with surgeon engagement. This approach capped the price for similar components across four suppliers, committing 90% of market share among them.
- A deep data modeling was performed, comparing current pricing to national pricing, targeting top quartile pricing benchmarks.
- Executive Leadership, Surgery and Spine Surgeons were engaged through multiple webinars to secure their alignment. The webinars showed how the current model was not providing market-relevant costs. Once alignment was reached, the parties were also involved in late-stage negotiations to push market shift for supplier non-compliance and encourage supplier agreement.



### RESULTS

 **\$2.74M**  
(20.2%)  
NET SAVINGS

- Market share remains around 93% after two years with the top four suppliers (Aesculap, DePuy, Medtronic and Nuvasive).
- Pointcore serves as a central point for new product requests, engaging the surgical leaders when necessary for guidance.

## COMMON CATEGORY - Hip & Knee Arthroplasty

### CHALLENGE

Hip and knee is a common category that had secured top quartile pricing historically. In this case, Pointcore reconfigured the non-owned member category, leveraging the successful approach in niche categories.

### SOLUTION

- Pointcore merged over \$31M in volume to take to market.
- Pointcore developed a component capitated model with surgeon engagement, capping the price for similar components across suppliers. The program structure also made a 90% commitment to the top five suppliers.
- Collaboration with the members' administration, surgery and key orthopedic surgeons took place, to garner their alignment through multiple web conferences.
- Supplier alignment was achieved by requiring administration and surgeons to be engaged in the late stages of negotiation to threaten market shift or supplier non-compliance.

### RESULTS

 **\$3.9M**  
(12.5%)  
NET SAVINGS

- All five suppliers provided similar pricing, at the targeted top quartile.
- In this instance, the smaller members achieved greater benefit than the larger members. This was a function of their starting price points. The larger members supported the final agreement, recognizing the importance of the entire membership performing well.

