



HEALTHTRUSTSM
inSight AdvisorySM

One of the Strongest. Becomes Stronger.



Client:

ArdentHealth Services

Locations:

4 divisions with 20 hospitals in six states of Florida, Idaho, New Mexico, New Jersey, Oklahoma, Texas,

Background:

Ardent Health Services has earned the reputation for being one of the industry's strongest and most innovative hospital operators. Comprised of three health systems with sixteen hospitals in three markets, Arden Health Services include primary care, urgent care and surgical clinics across Texas, Oklahoma, and New Mexico. With over 2,000 licensed beds, 12,000 employees, three physicians groups with 350 employed physicians, they've invested more than \$835 million to raise the standard of care in the communities they serve.

Supply Expense Reduction

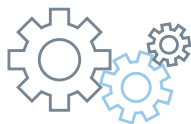
Problem:

As the health system expanded its footprint, it was imperative for Ardent to maintain a strong, powerful structure that would contain costs and at the same time, allow them to maintain their financial strength while not having to compromise their quality of care.

Our Approach:

Looking to identify opportunities to reduce supply expenses across the organization, and with a purposeful focus in pharmacy, Ardent appointed HealthTrust. Also wanting to standardize operations across the organization while searching for answers on previously identified savings methods, they had Ardent perform product reviews and implement a system-wide value analysis program.

The HealthTrust team was onsite throughout the implementation process, placing a system-wide Clinical Resource Director (CRD) within the organization. Their job was to address and provide best practices, clinical expertise, and a consistent management approach that would be the future framework for all supply related decisions, including physician preference items.

Results and Benefits:

HealthTrust was the leadership and clinical support for all supply chain initiatives, plus was able to **standardize supply chain policies and procedures across the organization.**



With full integration of supply chain into the process, clinicians started participating in supply-related decisions. This resulted in an **overall better understanding of supply and practice evaluation.** In the first 18 months of our contract, HealthTrust was able to identify **\$9.5M in savings** opportunities.



Not only that, Ardent contracted several positions through HealthTrust, including: **a part-time director of pharmacy, a clinical resource director, and VP of supply chain.** This led to even **more defined savings opportunities** and **more future cost-saving opportunities** just waiting to be implemented.

Pharmacy Leadership Staffing

Problem:

It is widely recognized that operating a hospital pharmacy department is becoming more complex each year. All of this complexity is coming at a time of budget restraints across the healthcare industry. That's why Ardent was in need of pharmacy supply expense savings opportunities, inventory management and IT optimization. Internal audits revealed high levels of inventory on the shelves and in the pharmacy automated dispensing cabinets (ADCs), which resulted in low inventory turns and an excess of certain medications. The formulary and non-formulary processes needed to be revised and a focus was to be placed on technology based efficiency gains (i.e. Epic, clinical surveillance, Pyxis ES and Pharmogistics).

Our Approach:

In July of 2016 Ardent engaged HealthTrust to identify pharmacy strategies to reduce medication costs, standardize operations and establish a system-wide formulary across facilities.

That's when HealthTrust utilized the services of a part-time Director of Pharmacy at Ardent. This Director conducted onsite visits that assisted with operations and implementation processes, became a resource to provide best practices, clinical expertise, and instill consistent management approaches. This would all be the framework for future corporate pharmacy related decisions.

Results and Benefits:

HealthTrust was able to work with **Ardent's pharmacy leadership** in each market to **establish a standardized formulary** across the organization with leadership and clinical support for all initiatives.



IT platforms (i.e. Epic, clinical surveillance, Pyxis ES and Pharmogistics) are now currently in the beginning stages of launch and on the path to **creating a strong operational foundation.**

Purchased Services

Problem:

Ardent lacked of an effective management system and dedicated resources for purchased services. Service contracts were often negotiated independently across the organization for the same service, causing confusion and disagreements across the facilities and leaving savings on the table.

Our Approach:

Ardent engaged HealthTrust to identify savings opportunities across their organization on their purchased services. The process began with a comprehensive analysis of Ardent's purchased services spend, including a 12-month accounts payable spend report, three months of invoices and a thorough review of all existing contracts. For any non-contracted areas of spend, Healthtrust negotiated and implemented new contracts and were readily available to support the process, as needed

Results and Benefits:



HealthTrust focused the first phase on select categories, targeting **\$14.6M spend for savings of 13%, or \$1.9M in savings** on purchased services contracts.



Savings by category

- 25%** Record Storage
- 12%** Laundry & Linen
- 23%** Scope & Instrument Repair
- 9%** Blood Products & Services



Categories in scope

- Scope and Instrument Repair
- Record Retention
- Pest Prevention
- Lithotripsy
- Yellow Pages Advertising
- Linen Processing
- Waste Disposal All Streams
- Blood Products and Services
- Background Checks
- Med Gas Bulk/Cylinders
- Intra-Op Neuromonitoring
- Rental Equipment

To evaluate your care delivery processes, identify improvement opportunities and implement physician-approved clinical protocols, contact the inSight AdvisorySM Clinical Performance team today at **615.344.3000** or e-mail **hpgsvc@healthtrustpg.com**.