

MDSI Distribution Summit Meeting
January 24-25, 2013
Irvine, California

Scottsdale Healthcare:
Challenges and Opportunities in Supply Chain

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Mission, Vision, Values

➤ **Mission:**

Provide the highest quality and most compassionate care for all individuals

➤ **Vision:**

Setting the standard for Excellence in personalized healthcare

➤ **Values:**

**ICARE – Integrity, Caring, Accountability,
Respect, Excellence**



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Introduction

Scottsdale Healthcare

- **Founded in 1962**
- **Regional health care system serving Scottsdale / Phoenix in the NE Valley**
 - **Three medical centers - 800+ beds**
 - **Variety of outpatient services including surgery centers**
 - **Home health services**
 - **Research institute**
 - **Community outreach and health education services**
 - **Level One Trauma Center**
 - **Centers of excellence for Orthopedics, Oncology, Cardiology, Women's and Children's Health, Stroke Care.**
- **Among country's first to achieve system wide *Magnet* nursing status, one of only 25 national "system" *Magnet* designations**



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Recognition

SHC Osborn Medical

One of the first U.S. hospitals to receive approval to perform a new nonsurgical heart valve replacement procedure, the Transcatheter Aortic Valve Replacement (TAVR)

SHC recognized as a “Top 5” supply chain performer by GHX in 2012

SHC Shea Medical Center

The only hospital in greater Phoenix to earn the 2009 Thomson Reuters 100 Top Hospitals: National Benchmarks Award, recognizing facilities that deliver efficient high-quality care.

SHC selected as one of the Elite 11 Supply Chain Operations in 2012 by Healthcare Purchasing News

SHC earned the Healthcare Purchasing News 2011 Sure Award for Excellence in Supply Chain Leadership

SHC is the state’s only recipient of the 2010 Pioneer Award for Quality from the Arizona Quality Alliance (AQA).



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Volumes and Statistics

Patient Days	170,000
Adjusted Patient Days	300,000
Deliveries	6,000
Emergency Visits	180,000
Surgical Cases	41,000
FTE's	6,500
Net Revenue	\$1B
<i>Supply Expenses</i>	<i>\$200M</i>



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Results

Annualized Savings

Team	FY2010 Annualized Savings Implemented	FY2011 Annualized Savings Implemented	FY2012 Annualized Savings Implemented	Total
Cardiology	\$1,990,605	\$611,471	\$1,067,516	\$3,669,592
IR/Radiology	\$77,993	\$244,705	\$482,176	\$804,874
*OrthoSpine		\$1,391,540	\$125,465	\$1,517,005
*CVOR		\$62,339	\$4,208	\$66,547
Peri-Op	\$5,066,089	\$1,425,251	\$1,600,147	\$8,091,487
Med-Surg	\$988,093	\$519,161	\$469,737	\$1,976,991
Support	\$766,076	\$355,051	\$1,698,131	\$2,819,258
Lab	\$583,049			\$583,049
Pharmacy	\$3,542,721	\$835,163	\$318,209	\$4,696,093
Total	\$13,014,626	\$5,444,681	\$5,765,589	\$24,224,896
*Reported as part of Peri-op in FY 2010				



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Top Trends – SHC Strategy

- **Integration of supply chain in organizational response to healthcare reform regulation**
 - SHC has established a Medicare break-even / sustainability three year objective to reduce operational expenses by 20%
 - Supply Chain actively participates in this overall objective while leading the supply expense reduction portion
 - Specific targets have been established for 2013, including a \$7 million supply expense reduction and a \$3.5 million purchased services reduction
 - Supply chain leadership serves on the hospital-wide Medicare break-even committee and leads the Value Analysis team committees
 - SHC strongly supports the 3 part aim of better health, better care, and lower costs
 - These aims are incorporated into the SHC Balanced Scorecard and are tracked on a quarterly basis



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SHC Supply Chain Physician Engagement Strategies

- **Be flexible with your schedule**
- **Expect to meet with physicians before and after normal business hours**
- **Volunteer to serve on medical staff and section meetings**
- **Provide supply chain updates and reports during these meetings**



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SHC Supply Chain Physician Engagement Strategies

- **Partner with GPO and Distributor to provide physician purchasing contracting and cost savings for physician practices**
- **Collaborate with quality process improvement to provide better start times, block schedules, and operational advantages for physicians**
- **Work with physicians to insure their capital equipment needs are met**
- **Entered into bundled payment program with physicians in the areas of orthopedics, spinal implants, and cardiac rhythm devices**
- **Submitted bundled payment application and are awaiting response**



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Questions?

