

MEMBER SUCCESS STORY

OBJECTIVE

OhioHealth, a 2,093-bed hospital system serving south Central Ohio, sought a customized approach to reduce and better manage supply costs.

STRATEGY

For a two-year period, VHA's Consulting Services and Novation partnered with OhioHealth and provided an onsite contract maximization consultant to help the materials management department analyze purchasing practices, identify opportunities for cost reduction, implement cost-saving tactics and track the progress of measures implemented.

OhioHealth's materials management department employed three registered nurses as materials clinical specialists who were assigned to oversee clinical product utilization teams. The materials management department, with the consultant's help, developed a scoring system to prioritize projects for each team. The consultant then worked with the teams to analyze current purchases against the Novation contract portfolio, as well as local contracts where appropriate, and identify products for conversion as well as related cost savings.

Once products were identified, the consultant and materials clinical specialists discussed the findings with the teams, who were responsible for ensuring the new products were clinically acceptable and equivalent to the products in use.

RESULTS

During the first year, OhioHealth realized a cost savings of more than \$9 million, primarily through standardization of lower-tech areas and products.

More than \$6 million in savings were realized during the second year of the project.



OVERVIEW

Member:
OhioHealth Corporation
Columbus, Ohio

Objective:
Reduce Supply Costs

Strategy:
Contract maximization and standardization of lower-tech areas and products

Results:
\$9 million in cost savings realized during first year of analysis