



Supply Chain Management

FY'2022 Year in Review

September 2022

TriHealth Team Members:

I am proud to announce that FY'22 was a record year for the TriHealth Supply Chain Team.

We exceeded our savings target, increased both Team Member Engagement and Internal Customer Service scores, and continued to drive diverse spending. Our team continued to face global supply chain shortages and intermittent stock outs while improving customer service.

This year in review will highlight several of the accomplishments and wins that our team achieved. As you know, Supply Chain includes the purchasing, receiving, logistics, virtually every aspect of flow of supplies throughout our complex and vast network. We are so proud of all our Team Members throughout the TriHealth Supply Chain.

We continue to manage excess COVID PPE and have large inventories ready to use if we endure another surge. We have been able to donate supplies to various not-for-profits and worked with the State Government to get beds, ventilators and other needed supplies to Ukraine.

Overall, I am excited to see what we can accomplish in FY'23 and thank all of you for your support throughout FY'22.

Warm Regards,

A handwritten signature in blue ink that reads "Kevin J. Connor".

Kevin J. Connor
VP, Supply Chain

WINS!

✓ Greenway Innovations

- Converted entire system to new waste management company (Greenway Innovations), which included 185 sites, and 4,654 containers, wheels and brackets

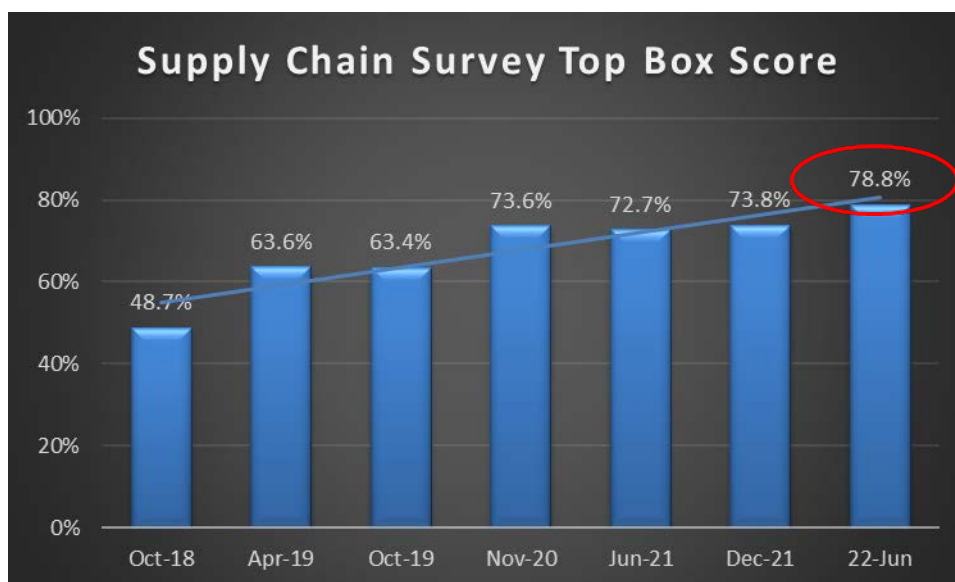
✓ Purchase Order Confirmations

- With the help of Olive and our Buyers keying in confirmations over these eight months (September, June, May, April, March, February, January and December) we have increased our confirmations roughly over 177%. Over that time frame, this has also reduced 64 open purchase orders we would have had open last year at this time.

✓ Bayer IUD – Women’s Health

- We continuously exceed our purchase commitment volume pertaining to our Bayer IUD’s. Our volume rebate for 2021 was **\$78,816.48**. This was an increase of \$13,288.88 from 2020.

✓ Supply Chain Internal Customer Survey



Abbott Afinion HbA1C Testing Off-Site

Originally, we had 23 separate contracts, one for each off-site for when they obtained an Afinion HbA1C analyzer. We were able to sign a master agreement combining all sites to one agreement allowing us to combine our purchase commitment, help standardize this testing in our facilities, and add an additional 15 analyzers to our offices. Estimated savings of **\$9,700**

Vaccines for Non-Acute

Before this initiative, we had no standard process for ordering, majority of sites were not linked to any contract, and we were not taking advantage of rebates and incentives that were offered from our vendors. With the help of all non-acute offices and their willingness to change, we were able to develop a process for standardize ordering and have linked close to 91 sites now to all four major vaccine contracts. With this change we have increased our rebates from CPP, received a rebate in the amount of **\$3,500** for purchasing vaccine refrigerators, identified **\$228,981** in savings based off previous years spend just by ordering with the new identified process, and another **\$223,884** in savings based off previous years spend by taking advantage of ordering online and prompt pay.

TriHealth RALS - Laboratory

TriHealth and Accumen worked together to increase our term from two years to five years and combine device modules such as the Piccolo, i-STAT, Clinitek, and CoaguChek onto one agreement. This term change allowed us to negotiate pricing for an estimated **\$23,547** savings in our first year.

Value Analysis

Peri-op Value Analysis

As we move forward, away from the COVID-19 pandemic and into an endemic, new product requests continue to increase each year. In FY'19 and FY'20 we had 89 product requests and 93 requests, respectively. This past year the Peri-Op Value Analysis team reviewed and voted on 118 new requests. Continuing the new format, products are now reviewed on an ad-hoc basis with the requesting physician or clinician, department team members, and budget leaders. This model has worked well and has improved participation. We appreciate each team members time and collaboration this past year!

Patient Care Value Analysis

The Patient Care Value Analysis team continues to meet on the first Wednesday of every month when new products and initiatives are introduced. We sincerely appreciate the great level of participation and discussion during each meeting, especially through the multiple surges of COVID-19. During this past year the team helped drive standardization on blood pressure cuffs, increase standardization on intermediate disinfectant wipes, and added products to help keep the system's CLABSI and CAUTI rates low.

With the transition of TriHealth's GPO from Premier to Vizient later this year, the team will be very busy reviewing new products. FY '23 will be a great year!



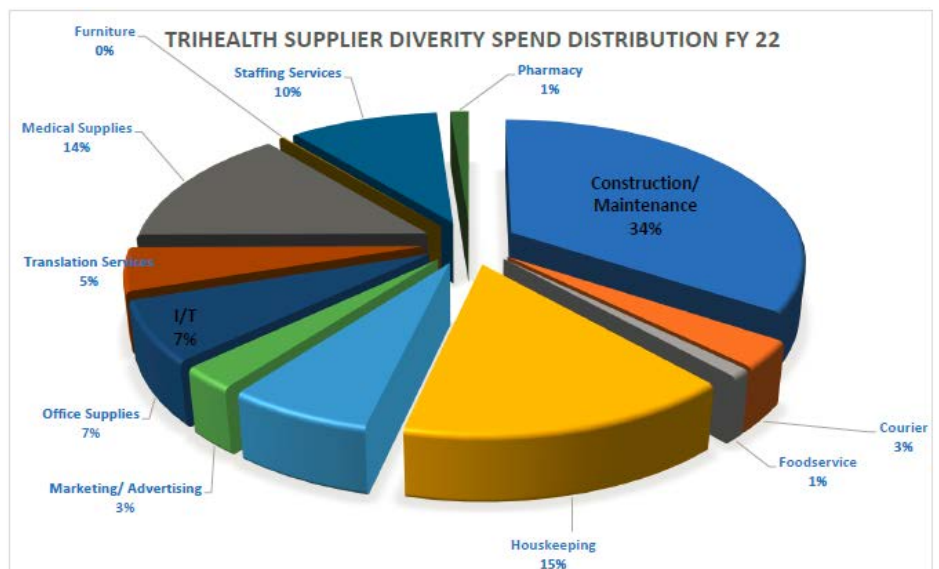
Implemented in March of 2022, GreenLight Medical is our new platform for all product requests. The online portal helps streamline the submission process and allows for greater transparency and enhanced communication between requestors, the Value Analysis teams, and our vendor partners. The new tool pulls information from the FDA/MAUDE database, clinical evidence from journal articles and published research, and identifies any previous recalls or product safety concerns so the team can make a well-informed decision. The online portal is a great resource for anyone interested in submitting a new product request and helps manage new product requests.

Supplier Diversity

Below are the final results of our Supplier Diversity Spend for FY'22. Once again TriHealth exceeded our target of \$16M in spending with Minority, Women and Veteran – owned firms! This is our 5th straight year of meeting or exceeding our Diversity spending goals! Not only did we achieve our target (LEM3) we did so by more than doubling the number of vendors we transacted business with in the prior year!

Category	Sum of Spend	12
Construction/ Maintenance	\$ 5,483,864.98	
Courier	\$ 489,452.65	
Foodservice	\$ 151,892.08	
Houskeeping	\$ 2,445,378.31	
I/T	\$ 1,066,177.65	
Marketing/ Advertising	\$ 421,085.08	
Office Supplies	\$ 1,110,194.48	
Translation Services	\$ 801,470.78	
Medical Supplies	\$ 2,248,669.05	
Furniture	\$ 22,530.73	
Staffing Services	\$ 1,548,019.00	
Pharmacy	\$ 191,186.44	
Consulting Services	\$ 24,505.00	
Grand Total	\$ 16,004,426	

Projected FY 2022 Diverse Spend	\$16,004,426
FY 2022 Goal	\$16,000,000



Demographics		
Type	# of Vendors	Spend
Total Diverse Vendors	154	\$16,004,426
Minority Vendors	60	\$5,672,003
Women Vendors	86	\$10,011,543
Veteran Vendors	8	\$320,880

LEM Goal	
Diverse %	LEM
3.16%	3



New Group Purchasing Organization (GPO) - Vizient

After several years of working with Premier, Inc., TriHealth has decided to move to Vizient as our prime GPO. Vizient offered TriHealth substantial savings to help off-set the staggering inflation caused by Global Supply Chain challenges. The new relationship will also include clinical documentation review, supply variation consulting and some new analytical tools to help reduce expense. The supply contract component will begin in early November and we will be providing more detail as the date grows closer.

WaveMark- FY22 Update

Patient Safety		Driving Savings		Digitizing Supply Chain	
366	Proactively removed expired products from usable inventory	\$6,048	Waste/Loss Avoidance	\$25.0M	Costs captured in WaveMark and sent to Epic
441	Expired products removed from usable inventory within 5 days	\$1.65M	Expiration Avoidance <small>Expired (purchased) inventory 7/1/2021 – 6/30/2022: 5327,945K Non-WaveMark Industry Average at 7%: 55.94M</small>	\$2.51M	Inventory Right Sizing <small>Smart Par Recommendation</small>
0	Expired products scanned at Point of Use				
7	Proactive ID & removal of recalled products from usable inventory	\$0.12M	Cost (Charge) Capture Losses Identified <small>Does not include Hospital mark up</small>	\$7.08M	Real Time RFID Inventory Visibility

Courier – Accurate Courier Services

- Throughout constant changes with Covid-19 vaccination sites, ACS remained flexible accommodating all needs with quick turnaround times
- With the growing needs of Hospice sites, ACS was able to absorb added stops and time sensitive pharmacy deliveries into their current routing for lower cost impacts
- ACS took over delivery of specific ambulatory prime vendor local supply deliveries to lower costs and improve delivery times
- ACS remains flexible, accommodating all requests of new clients for TriHealth’s growing lab services

Mail & Copy Center

- All mail for old 619 Oak St address is now returned to sender
- Relocated meter machine to Baldwin to eliminate \$15k+ annual courier expenses to meter at Norwood
- Location Scans implemented at both Norwood and Baldwin for mail deliveries for increased accountability
- Color Printer being utilized more than B&W Printer
 - Color Clicks: 1,020,531
 - B&W Clicks: 740,840
- USPS Postage increases are occurring a few times each year. Budget impacts are being neutralized by shifting more volume towards presort and commercial labeling
- Total Mail and Copy FY’21 Savings: \$1,286,900
- Envelope/Address Printing continues to nearly match estimated savings
 - Estimated Annual Savings: \$60,706
 - Actual FY’21 Savings: \$58,807

Physical Inventories

FY'22 continues to bring challenges and opportunities as we normalize after a global pandemic, and the global economy continues to recover from the last few years. Labor shortages impacting both transportation carriers and manufacturers continue to impact daily operations across our organization. Storeroom valuations continue to fluctuate significantly due to basic commodities and specialty items going on and off backorder, vendors pulling items from the market, and the lack of raw materials or labor to process the materials. The Logistics teams have done an outstanding job of working to ensure that the patients are taken care of. Our TriHealth nursing and clinical teams have always been and continue to be our best partners; helping to direct and brainstorm ideas and review substitutes from vendors or bring forward new vendors to review. The work over the coming year will focus on what is kept on par carts, as well as how much- to balance our turns of stock with productivity.

	21-Jun	22-Jun
AWSP	\$8,052.92	\$7,707.17
BBH	\$28,243.65	\$34,226.69
GSH	\$545,700.40	\$642,566.72
MHMH	\$177,916.04	\$137,258.49
North	\$335,307.92	\$348,340.65



In January 2022, Supply Chain implemented OneRecall - a recall management portal that has a direct link to the FDA and other safety authorities. It is critical to quickly communicate recall details to all affected stakeholders within the healthcare supply chain. Through this portal, recalls are sent to hospitals *almost* real time. The application also gets TriHealth purchase order detail and connects TriHealth product purchases with the recall for faster action. Furthermore, it tracks our work and remediation steps and provides detailed workflows for review by Joint Commission and the Department of Health.

By standardizing to this new system and process, Supply Chain, Pharmacy and Clinical Engineering are better able to help reduce legal risk, simplify regulatory reporting, and most importantly improve patient safety through one comprehensive portal without delay.



Prodigio's Marketplace provides a modern e-commerce front-end for Lawson users. Through a single, managed connection to the enterprise resource planning (ERP) system, Marketplace integrates content from a health system's group purchasing organization (GPO) contract portfolio, local price agreements, catalogs and vendor punch-out sites into a seamless, compliant requisitioning workflow.

The TriHealth implementation involved the integration of Marketplace and Prodigio's Buyer application with Lawson v10. It also included the use of web-services federation to enable Single-Sign-On as the method for all TriHealth users to access the Marketplace. This allows the end users to save time by having a 'one stop shop', seeing detailed item descriptions along with pricing options to better select the products that fit TriHealth contracted pricing.

In FY'21 we implemented Prodigio to all of Trihealth in March and quickly started seeing growth. From March to the end of FY'21 we had just shy of 2 million dollars of products purchased through Prodigio. We continue to see an increase in utilization of Prodigio. Today we currently have 153 users and plan to add Hospice to Prodigio October 1, 2022.

MARKETPLACE ACTIVITY REPORT

TOTAL CHECKOUT ORDERS	TOTAL CHECKOUT LINES	TOTAL CHECKOUT QUANTITY	TOTAL SPEND
1,844	11,714	58,484	\$1,946,681.74

In FY'22 TriHealth Supply Chain had a \$12.5M savings goal which was successfully achieved and exceeded by 15% at **\$14.3M**.

FY 22 Supply Chain Implemented Savings-all TH (Annualized)						
Summary		Jul-Sep 2021	Oct-Dec 2021	Jan-Mar 2022	Apr-Jun 2022	
Sum of FY22 Actual Achieved Savings Column Lat						
Row Labels	Q1	Q2	Q3	Q4	Grand Total	
Supply Chain (includes Curvo)	\$797,535	\$172,212	\$836,915	\$915,577	\$2,722,239	
Rebate	\$1,033,276	\$2,004,926	\$909,274	\$1,619,428	\$5,566,904	
Premier	\$1,558,516	\$1,078,861	\$1,105,090	\$1,724,317	\$5,466,784	
Pharmacy	\$570,000				\$570,000	
Grand Total	\$3,959,327	\$3,255,999	\$2,851,279	\$4,259,323	\$14,325,927	



	Q1	Q2	Q3	Q4
YTD Cumulative Total	\$3,959,327	\$7,215,326	\$10,066,605	\$14,325,927

