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# MISSING LYNX

Get the most from your spend, without spending hours doing so.  
By Judy Levene

Shrink costs and operate more efficiently – who wouldn't want to go there? Thanks to VHA SupplyLYNX, members now have a powerful new suite of products and services to help them improve supply chain management and reduce costs without sacrificing quality.

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VHA also brings extensive expertise and customized support to this unified analytics platform, giving members the visibility to maximize contracts, fully optimize purchasing data and make better decisions about their supply chain activities.

How does it work? VHA SupplyLYNX gives members the total picture on their supply chain performance, enabling laser-sharp focus on areas where changes can make the most meaningful impact. It offers specialized resources across five sourcing categories: physician preference, medical/surgical, pharmacy, capital and services.

How effective is VHA SupplyLYNX? In 2008 alone, it helped members implement more than \$700 million in savings.

### Maximizing contract value

Today, hospitals face four key contracting challenges:

1. Determine new savings opportunities
2. Implement contracts to capitalize on opportunities
3. Stay abreast of changing prices and contracted items

4. Know with certainty that they are paying the correct price

"If you're not using contracts that are available because you don't know about them, or you have the wrong pricing loaded in your system and you're not sure what you're paying, how can you possibly maximize savings?" asks Troy Kirchenbauer, Novation's senior director, Member e-Business. "VHA SupplyLYNX ensures that VHA members maximize contract value at every step in the contract management life cycle."

### Savings through spend analysis

The first step to determine where a member can save money is taking advantage of a spend analysis. This process generates reports that reveal, in ranked order, the greatest opportunities for savings. Members use this visibility to identify pricing issues and contract conversion opportunities and places where vendors can be consolidated. With these insights, members can determine which changes make sense for their hospitals and move forward with implementing favorable contracts.

### Eastern Maine saves \$3.2 million

By integrating the capabilities of VHA SupplyLYNX, Eastern Maine Healthcare Systems decreased its supply costs by \$3.2 million in just eight months. Through VHA SupplyLYNX, VHA is helping EMHS with three key challenges: managing physician preferences, ensuring that its hospitals get the best prices possible and having the right items on formulary.

VHA's Spend Analysis has strengthened the system's negotiating position with vendors, while the Pharmacy Spend Analysis has helped EMHS' flagship hospital manage inventory, reduce costs and ensure drug efficacy. Instead of spending approximately \$10,000 per month above best practice benchmarks, EMHS now spends only about \$300.

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**—Troy Kirchenbauer**

#### Identifying price eligibility

When a commitment form or letter of participation is required to access preferred contract pricing, VHA facilitates the process by providing automated work flow and tracking. Pricing eligibility is gathered electronically and published in the contract catalog, making the newly contracted pricing visible through VHA Marketplace.

#### Maintaining current prices

To address prices and products that are constantly in flux, members automatically receive “My Alerts” e-mails when their items have upcoming price changes or when contracts will expire. This provides the pricing in an exportable format. Rather than force members to review the entire portfolio for changes, they focus only on agreements they use through VHA SupplyLYNX.

#### Assuring price accuracy

When members keep their ordering systems current, they can confidently question any discrepancy while ordering. But if they seek a way to guarantee that the price they submit is the one on the contract, VHA SupplyLYNX offers contract price verification capabilities through collaboration with the Global Healthcare Exchange. Processed orders are compared with the correct price

#### Eastern Maine Healthcare System



Hear how Eastern Main Healthcare System is partnering with VHA, verifying pricing to save on purchases.

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configured for that member. If the contract price in “My Contracts” is lower than the purchase order or supplier confirmation price, the member receives a dashboard alert.

“The key to maximizing contracts is to manage the ongoing processes associated with them,” Kirchenbauer stresses. “VHA SupplyLYNX automates many of those functions so members can be more effective. We streamline the execution of contracts, which automatically populates pricing, and alert members only to the things that matter to them.”

### Optimizing data for better decision making

To support cost savings initiatives and operational excellence, members have access to VHA DataLYNX™, a single, integrated source for ensuring the accuracy of purchasing data. This fee-based service cleanses and synchronizes item file data for easier analysis of existing contract opportunities. The member’s item master is returned with standardized descriptions and codes, manufacturer name and catalog numbers, packaging strings, conversion factors, applicable Novation contract and identified duplicate items.

Reprocessing the data every quarter ensures its accuracy.

“Using this service, members gain higher-quality item master data and avert data decay,” says Guillermo Ramas, VHA senior director of supply chain services. “It boosts purchasing efficiency by reducing exceptions in purchase order processing, improving reporting and promoting greater contract compliance.”

### Achieving new savings through VHA SupplyLYNX

Contracts that are tiered properly, contain accurate price points and allow for evolving market conditions are vital to managing contracts. VHA PriceLYNX™ (originally piloted under the name Price Performance) offers access to a sophisticated benchmarking application – refreshed weekly – that provides unique insight into pricing performance for contracted and non-contracted products alike.

“VHA PriceLYNX is giving members unprecedented visibility into market pricing,” says Ramas. “Hospitals can now see full price curves at the item level and roll them up by vendor, category or manufacturer.”

### Cost savings through price comparisons

Allina Hospitals & Clinics is a large not-for-profit network that serves Minnesota and western Wisconsin. As supply projects are launched or as supply contracts come up for renewal, Allina’s purchasing team checks out current or proposed pricing on VHA PriceLYNX. It has revealed unfavorable positions with some suppliers, especially where physicians had dealt with them directly.

Today, Allina’s supply chain management team uses VHA PriceLYNX data to provide expertise and data to departments throughout Allina that previously managed supplier relationships and negotiations on their own.

“It’s been a huge benefit to be able to go into VHA PriceLYNX and get a sense of where our pricing sits relative to other VHA members,” says Ginny Borncamp, director of purchasing.

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The best part? With all of this integrated through the VHA SupplyLYNX platform, VHA members now can get the most from their spend, without spending endless hours doing so.

To learn more about VHA SupplyLYNX, visit [www.vha.com/SupplyLYNX](http://www.vha.com/SupplyLYNX).

### Hartford Hospital



Learn how VHA helped Hartford Hospital cleanse their data through Spend Analysis, resulting in a \$700,000 improvement in cooperative dividends.

### Alliance FOCUS Extras

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Danny Abar Wed, Aug 12, 2009 at 12:44 PM

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