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Message from the President

As I turn the calendar to December, it's hard to believe the year is almost over. Looking back on 2018, I'm reminded of all the great events we've enjoyed together. The Spring Event certainly gave us all something to talk about. I missed seeing many of you at the golf outing in August (it barely rained) but it was a great turnout of our chapter at the AHRMM National Conference held here in Chicago. The conference was packed with learning sessions on current topics and hopefully gave you ideas on something to implement back at your office.

To jumpstart 2019, we've adjusted our usual timeline and will host the 4th Annual Showcase of Hospitals on January 31st at Ann and Robert H Lurie Children's Hospital of Chicago. We're looking forward to hearing how they are revamping their Supply Chain and how they keep things moving at their hospital. Tours will help illustrate their Supply Chain vision and what's yet to come. I hope you'll be able to join us.

Our Spring Education Meeting and Vendor Fair will be held on Thursday April 18th at the Eaglewood Resort in Itasca. Speakers are still being finalized at this time but we hope to provide a great day with topics worth talking about.

The Board has been working hard behind the scenes.

- Our website continues to evolve with new content, a blog and other news from around the industry as well as event information and job listings. [Come check it out!](#)
- We are now on social media. Follow us on Twitter, [LinkedIn](#) and [Facebook!](#)
- Working toward National recognition status for the chapter
- Want to be a Chicago Metro Chapter AHRMM member? Go to our webpage and join our mailing list ~ it's that easy! www.ahrmmchicagometro.com

Thank you for your support, I look forward to seeing you at one of our events in 2019. Happy Holidays!

Debbie Schmidt

Debbie Schmidt
2018-2019 President
Chicago Metro Chapter for AHRMM

**2019 AHRMM Chicago Chapter 4th Annual
Showcase Series of Hospital Tours
Thursday January 31, 2019
8:00am – 2:00pm**



**Ann & Robert H. Lurie
Children's Hospital of Chicago
225 E. Chicago Ave.
Chicago, IL 60611**

Registration Rates:

Healthcare Professionals: **Free!**

Vendors & Non-Healthcare Professionals: \$100

[Register Here](#)

Parking:

Parking Vouchers Will Be Available

For More Information:

[Click Here For More Info](#)

The Chicago Metro Chapter invites you to attend our fourth annual Showcase Series of Hospital Tours. Join us for a tour of Lurie Children's Hospital, one of the top pediatric providers in the nation.

Schedule

| | |
|------------------------|--|
| 8:00 – 9:00am | Welcome Breakfast & Networking |
| 9:00 – 9:30am | Introduction Speaker: Ron Blaustein - Sr. Vice President & Chief Financial Officer |
| 9:30 – 10:00am | Lurie Children's Supply Chain Transportation Journey Speaker: Erika Wakefield - Sr. Director of Supply Chain |
| 10:00 – 10:30am | Overview & Vision Speaker: Michelle Stephenson - Executive Vice President & COO |
| 10:30 – 11:00am | Expansion on Research Speaker: Cassandra Lucas, COO, Stanley Manne Children's |
| 11:00 – 11:30am | Lurie Children's Growth & Expansion Speaker: Eric Hoffman, Sr. Director Facility Services |
| 11:30 – 12:30pm | Lunch & Networking |
| 12:30 – 1:00pm | Road to Transforming Our Supply Chain to a Procure-to-Pay Model Speaker: Doris Concepcion, Sr. Director of Supply Chain Business Ops. |
| 1:00 – 2:00pm | Hospital Tours of Clinical Supply Chain |

20th Annual Spring Educational Meeting & Vendor Fair

April 18, 2019

Eaglewood Resort, Itasca, IL



Twenty years ago, the Chicago Chapter of AHRMM held the first Educational Meeting & Vendor Fair. It has become the top event of the Chapter each year!

Please mark your calendars and plan to attend this event next year. As a Chapter Member you will enjoy:

- Educational presentations covering the latest topics in Supply Chain Management.
- Opportunity to meet with over 40 Healthcare Vendors sharing their latest products & services to assist you improve operations and reduce costs.
- Networking time with your colleagues throughout the day
- A mid-day break in the action featuring:
 - A great lunch
 - Dorian Wright Award- Supply Chain Manager recipient
 - Glen Anderson Award- Vendor recipient
 - Great Raffle Prizes

Further Information can be found at www.ahrmchicagometro.com

We hope to see you there!

Annual Chicago Metro Chapter Golf Event

August 24, 2018

Orchard Valley



The lovely Orchard Valley Golf Course was the host for our annual Chicago Metro AHRMM golf event on August 24th. The weather looked grim but as our tee time came up the clouds went away and we actually had a dry day for golf. This event is always carefree and casual and a chance for friends, new and old alike, to get out on the links and out of the office.

The nineteenth hole provided more time for networking and munchies before everyone headed home to enjoy their weekend.

We had 32 participants this year but are always hoping to bring out as many as possible, so please let us know if you have ideas to spur on signups or other ways to promote this event. We'll plan to tee it up again in August 2019 (exact date to be determined).

AHRMM18 Recap

ON AUGUST 12-15, more than 1,000 supply chain professionals and exhibitors gathered in Chicago, IL for the 2018 AHRMM Conference & Exhibition. AHRMM18 Attendees experienced world-class education sessions, explored new and innovative products and solutions in the Exhibit Hall, and took advantage of various face-to-face networking opportunities with leading supply chain thought leaders and fellow professionals.

Attendees had the opportunity to maximize their AHRMM18 experience by attending numerous Pre-Conference workshops, which included on-site CMRP testing and a first-time attendee/new-member orientation, in addition to the Welcome Reception on Sunday, August 23, sponsored by Cook Medical.

General Sessions



AHRMM18 kicked off Monday morning with AHRMM's Board Chair, Teresa Dail presenting AHRMM's Executive Director, Deborah Sprindzunas with the 2018 George R. Gossett

Deborah Sprindzunas Leadership Award.

This award is given out to individuals whom have made significant contributions to AHRMM and the health care supply chain field. Sprindzunas has been AHRMM's executive director for 20 years and remains dedicated to the field and organization.

After Sprindzunas received her award, the opening general session began with a passionate and lively presentation from entrepreneur and international best-selling author, Dr. Jackie Freiberg, during the **Opening General Session & Keynote Address, Change: Do Something Now**, sponsored by Halyard Health. Change is a constant, and leading and owning change is a requirement for ongoing success.



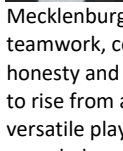
Freiberg's presentation offered attendees strategies for driving, owning, and being the change they want to see in their organization or field. Freiberg challenged everyone to stop moaning and start doing. She urged attendees to be the change, reach across functional boundaries, collaborate, and engage others to drive positive change.



Eric O'Daffer, research vice president in Gartner's Healthcare Supply Chain Group, led Tuesday's General Session, **Disruption and Innovation – Health Care Supply Chain at a Crossroads**, sponsored by Boston Scientific.

O'Daffer really focused on how change is accelerating and no matter if you are in the first five years of your supply chain career, the last five years or somewhere in between you had better be paying attention. There will be winners and losers. He spoke to the importance of anticipating upcoming changes across health care providers, manufacturers, payers, retailers, and how having a plan will be important to attendees and their organization.

AHRMM18 concluded on Wednesday, with the final General Session, **Six Keys to Success**, sponsored by Phillips, presented by former Denver Bronco, Karl Mecklenburg.



Mecklenburg used these six keys – teamwork, courage, dedication, desire, honesty and forgiveness, and goal setting – to rise from a college walk-on to the most versatile player in the NFL. Throughout Karl's speech, he reiterated that success is overcoming obstacles on the way to your dreams. It doesn't happen by accident.

There is a pattern, a template that these accomplishments have in common.

Education and Exhibit Hall

Educational sessions throughout the four-day event included more than 60 learning labs, nine poster sessions, roundtable discussions, and panels on the latest health care supply chain best practices and tools led by industry experts.

The AHRMM18 Exhibition showcased the latest products, platforms, and services helping to drive health care innovation and bring efficiency to organizations. Some of the AHRMM18 exhibitors presented 30-minute education sessions during Learning Pavilions, right on the exhibit floor for attendees to enjoy.

This year inside the AHRMM Hub of the exhibit hall, attendees had the opportunity to participate in short presentations in the Education Center on the CMRP designation and AHRMM Fellow program, learn more about the benefits of an AHRMM membership, while also having their professional headshot taken courtesy of Premier.

AHRMM would like to extend its sincere THANK YOU to all the presenters, participants, sponsors, and volunteers for contributing their time and efforts to make this year's conference a resounding success.

Want the entire learning experience? AHRMM offers an online version of this year's Learning Labs (audio synched with PowerPoint presentations). Visit www.AHRMM18.org for more information.

Breaking Barriers: Creating an Outcomes-Based Contracting Strategy

BY JEFFREY A. ASHKENASE
MPA, EXECUTIVE VICE PRESIDENT
ACURITY, INC. AND NEXERA, INC.



Having a comprehensive contract management strategy in place is essential to providing quality care at an affordable cost. While price should always be a factor in considering what product to purchase from which supplier, a product's ability to affect patient outcomes is an important consideration – especially in today's value-based environment. We must challenge ourselves to take our contract management strategies a step further. How can we create a relationship of mutual trust between our hospital and a product (or service) vendor to manage patient care jointly?

Put in simple terms, outcomes-based (or risk-based) contracting looks at the total cost of a product and requires that the vendor play a role in supporting the provider's transition to value-based reimbursement by agreeing to share either savings or risk based on the ability of its product to improve patient outcomes. This is a progressive approach and no easy feat. However, when conducted properly, this kind of agreement can provide long-term care quality and financial benefits.

Several elements must come together in order to create a synergistic model, including

- supply chain readiness;



- an appropriate governance structure and clinically integrated culture;
- effective technology and data reporting; and
- a trusted provider-supplier relationship.

Supply Chain Readiness

Your contracting practices must be standardized and effective before you can begin to take on an outcomes-based

approach. Outcomes-based contracting is both labor and data intensive. Therefore, it should only be used for strategic opportunities that promise significantly improved outcomes. The following parameters are good indicators of whether or not your supply chain is ready to move forward:

- At least 75 percent of the hospital's predictable purchase expenses are on fixed-price contracts.

AHRMM Feature (Continued)

- Contracts are centralized in a single, electronic requisitioning program across the enterprise (individual departments should not be contracting independently).
- The hospital maintains a database of prices and use that can be reported by specific end user (cost center).
- The hospital's group purchasing organization (GPO) is used for a majority of its product purchases.
- Contract pricing is regularly validated to ensure that the provider is getting the agreed-upon price.
- The hospital collects and maintains all state and federally required quality metrics.
- Contracts are electronically activated, validated, and maintained.
- There is a mandate to ensure that contracts in GPO categories that must be negotiated locally are executed using GPO-vendor reporting.
- Value-added services from the hospital's partners – such as analytics support and education – are used broadly.

Governance Structure and Clinically Integrated Culture

Before embarking on any outcomes-based initiative, there must be an organization-wide commitment to multidisciplinary collaboration and continuous improvement, including a shared allegiance to the new program that is backed by clearly communicated executive support and measures that ensure accountability. Without cultural readiness, you run the risk of putting a great deal of effort into a program that will ultimately grind to a halt.

Outcomes-based contracting requires a team approach. This means uniting all stakeholders and subject matter experts (including the C-suite, clinicians, regulatory, IT, biomed, and legal professionals) – who can provide valuable insight into metrics, product use, and other factors – then arming them with the right information. Clinical input should occur by way of formal clinical value teams that are part of an overarching clinical integration strategy and structure. And it means using service line or initiative-specific teams to determine what to purchase based on evidence that demonstrates both the clinical and the

financial outcomes of a certain product.

Effective Data Reporting

To conduct outcomes-based contracting, supply chain professionals must be prepared to identify all elements of a procedure that might impact outcomes. Most importantly, the outcome must be isolated in a way that demonstrates that the product change was the cause (or contributed to the cause). To do this, you need data. Accurate data – and the confidence that the data can be replicated – is essential to measuring whether an item is meeting a performance goal. This level of quality and outcome reporting is still evolving. However, as hospitals move from implementing to maximizing clinical information systems, and state and federal regulations and reimbursement methods continue to generate more outcomes-based reporting, the information necessary for outcomes-based contracts are becoming more widely available. Supply chain professionals should work with their quality teams and clinical data managers to assess the insights that are available.

The Provider-Supplier Relationship

This new contracting paradigm calls for an even more communicative, transparent, trusted relationship between providers and suppliers. But both sides have reason to align. Hospitals want to provide the best care possible in a financially viable manner; vendors want to grow their business. You will find that many vendors are actually eager to provide value beyond price, assuming there is a good match between their product and a significantly beneficial outcome – and the cause and effect can be measured. The challenge lies in receiving authorization from internal and vendor leadership that they will be held accountable for the changes in the predetermined outcome and the subsequent risk payments or shared rewards.

A carefully negotiated shared-savings or risksharing agreement includes descriptions of the following:

- The metric that will be used to measure performance and can be easily tracked.
- The quantifiable cost of that outcome or penalty avoidance.
- A mutually agreed-upon baseline.

- The time period that will influence a change in the baseline.

- An acceptable performance goal.
- An agreed-upon reporting mechanism and time frame.
- The penalty or benefit the vendor will incur based on performance.

This kind of contract means sharing data (good or bad) with the vendor, which is oftentimes another significant culture change for hospitals and will require legal and IT support.

A collaborative, multidisciplinary culture is at the core of outcomes-based contracting. Once the right structure is in place to begin testing an outcomes-based contracting approach, remember that it is a process. Start small, with one product and one measurement, both of which pertain to one clinical outcome. Chosen carefully, some medical products can help shorten lengths of stay, minimize readmissions, and avoid a never event. These positive outcomes are the reason for this progressive approach – they not only benefit patient care, they can also help your hospital avoid unnecessary costs or increase the amount of reimbursement.

Consider engaging a third party, such as your GPO, to help kick-start discussions, build confidence, and potentially bring both parties to the table. Some GPOs (including Acurity) already have outcomes-based contracts in place, or are privy to working models in other parts of the country.

No matter where you are in this process, remember that making incremental improvements is progress toward optimal performance. Outcomes-based contracting represents the culmination of the supply chain's transformation to a strategic, clinically integrated program. It's a progressive but important step in truly embracing supply chain's role in improving patient care.

Want to learn more? Register for AHRMM's webinar with Jeff Ashkenase on September 26, titled "Creating an Outcomes-Based Contracting Strategy."

Industry News

Forbes: Why The 'Patient-Centered Supply Chain' Is Critical To The Future of Healthcare [Read More.](#)

PwC Names 6 healthcare issues to watch in 2019 [Read More.](#)

Cracking the Bullwhip – See How Demand Variation Affects the Supply Chain

For free access to AHRMM Members [Click Here.](#)

3 Ways to Improve Supply Chain Performance In & Out of the Hospital
[Read More.](#)

Hospitals Seek Value-Based Contracting in Healthcare Supply Chain
[Read More.](#)

AHA: Tariffs on Chinese Goods Will Impact Hospital Supply Chain [Read More.](#)

Top 25 Healthcare Supply Chains in 2018. [Read More.](#)

Career Resource Center

Local Job Listings

[Manager Supply Chain Operations & Logistics](#)

Ann & Robert Lurie Children's Hospital – Chicago, IL

[Director, Supply Chain](#)

Saint Anthony Hospital – Chicago, IL

[Director, Supply Chain, Strategic Sourcing and Purchasing](#)

Rush University Medical Center – Chicago, IL

[Executive Director of Supply Chain](#)

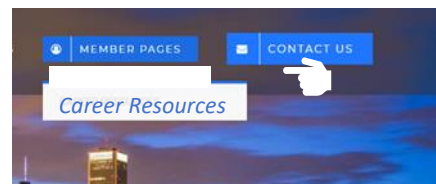
Northwest Community Hospital – Arlington Heights, IL

[Director of Supply Chain](#)

Methodist Hospitals – Gary, IN

*For additional up to date listings, please visit [Career Resources Page](#) in the Membership Section of the Chicago Metro Chapter Website. For access please [Register For Free](#).

If you'd like to advertise a position you have open at your facility, please contact Pete Stille at p-stille@sourcing-results.com (co-Director of Communication).



Additional Resources

[2017 AHRMM Cost, Quality, and Outcome \(CQO\) Report](#)

[Career Development Guide: Healthcare Supply Chain Leader of the Future](#)

[Professional Development Matrix](#)

[Baptist Health UDI Capture Work Case Study](#)

[Implementing RFID in the Medical Device Supply Chain](#)

JOIN THE DISCUSSION!
ASK OR ANSWER A QUESTION WITH YOUR PEERS



CMRP Certification

Invest in your future by earning the Certified Materials & Resource Professional (CMRP) professional designation. Nationally recognized, CMRP is a premier credential based on sound assessment that provides distinction in a competitive marketplace. CMRP status delivers both internal and external rewards.



WHY CMRP?

- Validate skills & knowledge
- Enhance industry & professional credibility
- Gain a competitive edge & increase marketability
- Networking
- Increase earnings potential
- Career advancement

Fees

Examination:

\$275 Member / \$425 Non-Member

Renewal:

\$135 Member / \$225 Non-Member

Self Assessment Exam (SAE):

\$115 Member / \$200 Non-Member

[Apply Online](#)

Renewal Info

Renewal Cycle: Every 3 Years

Renewal may be achieved by completing eligible professional development activities or by retaking and passing the CRMP Examination

[Renewal Application](#)

For More Information:

[AHA CMRP Certification Center](#)

[CMRP FAQs Page](#)

AHRMM 2018-2019 Calendar of Events

| Chapter Education Events | | |
|--|------------------|--|
| 4th Annual Showcase Series Hospital Tour | Jan. 31, 2019 | Lurie Children's Hospital |
| Spring Educational Meeting & Vendor Fair | Apr. 18, 2019 | Eaglewood Resort, Itasca, IL |
| AHRMM19 Conference & Exhibition | Jul. 28-31, 2019 | San Diego, CA |
| Other Chapter Meetings & Events | | |
| Summer Golf Outing | Aug 2019 | Location TBD |
| Webinar & Co-Sponsorship Events | | |
| Reduce Costs Through Collaboration | Dec 6, 2019 | Click Here to Register |
| HIMSS19 Conference & Exhibition | Feb 11-15, 2019 | Click Here to Register |

Chapter Information

Chicago Metro Chapter Board of Directors

Debbie Schmidt

[President](#)

Director, Supply Chain Services
Carle Foundation

Pete Stille

[Director of Communication](#)

President
Strategic Sourcing Results

Mary Beth Marsh

[Director of Membership](#)

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Director of Supply Chain
Saint Anthony's Hospital

Patrick Sonin

[Board Member](#)

Vice President of Group Purchasing
Illinois Health & Hospital Assn.

Steve Taft

[Board Member](#)

Account Executive
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Glen Anderson Award Recipients

2018 – Denise Hoth – Mobile Instrument Company

2017 – Steve Knippen – Haworth

2016 – Margaret Goodwin – Ricoh USA

2015 – Steve Zindell – Acute Medical Care Products

2014 – Mike McAvoy

2013 – Brian O'Brien – O'Brien Corporation

2012 – John DeSantis – C.R. Bard