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Message from the President

Welcome to the first edition of our newsletter for the Chicago Metro Chapter of AHRMM. Our chapter strives to support local supply chain professionals in advancing their careers through the provision of educational resources and networking opportunities with both peers and healthcare vendors. Our newsletters will be one tool to communicate upcoming and past chapter events, educational content, and updates that serve those principles. We hope you enjoy this new way to keep you up to date and we welcome any feedback or suggestions on what you would like to be including in this newsletter going forward.

In October we held our 3rd Annual Showcase Series of Hospital Tours at the University of Chicago. I want to thank the University of Chicago, the over 100 attendees and the organizers for making this another great event. Topics included Operational Excellence to Preference Cards and Kanban/ Distribution to Strategic Sourcing. Along with a tour of their beautiful facility, there was a wide range of topics discussed. I believe there is a great deal of value in sharing with our peers. Given the positive feedback that we've received, I look forward to continuing to support this event on an annual basis.

Our Spring Education Meeting and Vendor Fair is being held on Thursday March 29th at the Eaglewood Resort in Itasca. Speakers include Scott Clausen from Amazon Business and Ed Hisscock from Trinity Health. Our Annual Summer Golf Outing is scheduled for Friday August 17th (Location TBD).

The AHRMM National 2018 Conference and Exhibition is being held in Chicago on August 12th-15th at McCormick Place. This is a great chance to connect with members and vendors on a national level. Please see page 3 for more details.

Finally, we've been working hard behind the scenes.

- We've revamped our website, and it will be routinely updated with useful news, events, and job listings. [Come check it out!](#)
- We are now on social media. Follow us on Twitter, [Linkedin](#) and [Facebook!](#)
- Want to be a Chicago Metro Chapter AHRMM member? Just email our Membership Chair, Keri Soukup, at keri@obriencorp.com.

Thank you for your support, I look forward to seeing you at one of our events this year.

Debbie Schmidt

Debbie Schmidt
2017-2018 President
Chicago Metro Chapter for AHRMM

AHRMMCHICAGOMETRO.COM

Spring Educational Meeting and Vendor Fair Thursday, March 29, 2018



Our biggest event of the year!

- + NETWORKING
- + FUTURE OF SUPPLY CHAIN MANAGEMENT
- + 45 VENDORS SHARING NEW PRODUCTS & COST REDUCTION IDEAS
- + WIN GREAT PRIZES IN OUR RAFFLE
- + NO CHARGE FOR HOSPITAL EMPLOYEES




Eaglewood Resort
1401 Nordic Road
Itasca, IL 60143

7:30am - 2:00pm
www.eaglewoodresort.com

**“Changing Dynamics of the
Healthcare Supply Chain”**



Scott C. Clausen, MBA
Principal, Large Enterprise – Healthcare

**“The Need for Supply
Chain Transformation”**



Ed Hisscock
*Vice President, Strategic
Sourcing & Transformation*

Save the Date for AHRMM National's 2018 Conference & Exhibition August 12-15th at McCormick Place in Chicago, IL



Join us at AHRMM18 - the leading education event and the central meeting place for providers, academics, affiliates, and vendors working in all facets of healthcare supply chain.

Make plans to attend AHRMM18, August 12-15, 2018, in Chicago, so you can connect with people, and explore the products, technology, and ideas that are advancing healthcare. You can expect four days of insightful keynotes, practical learning labs, vendor presentations on the latest technology and products, and face-to-face networking with the leading supply chain thought leaders.

Registration Rates:

Early Bird Member: \$800
 Early Bird Non-Member: \$1,000
 Regular Rate Member: \$1,000
 Regular Rate Non-Member: \$1,200
 On-Site Member: \$1,135
 On-Site Non-Member: \$1,365

[Register Here](#)

Early Bird will close on May 11, 2018.

Hotel Rate:

\$209 Single/Double plus 17.4% tax

For More Information:

[AHRMM18 Conference Webpage](#)





While there are varying opinions about the success or failure of the ACA, it is undeniable that it forced the focus within healthcare organizations to recognize the need to reach across disciplines to achieve success.

Photo: Shutterstock.com

How a Clinically Integrated Supply Chain Can Improve Outcomes

BY TERESA DAIL, RN, BSN, CMRP
CHIEF SUPPLY CHAIN OFFICER
VANDERBILT UNIVERSITY MEDICAL CENTER
NASHVILLE, TN

In 1946, the Hill Burton Act was passed, which created a funding mechanism for states to build hospitals in communities where they were most needed. In addition, Congress passed the Hospital Survey and Construction Act of 1946, which essentially provided an annual grant to assist in the building of hospitals, as well as other sites of alternative care in underserved areas. Thus began an expansion of healthcare facilities that had not been seen between 1929 and the 1940s. Responding to the need to support professional growth and development, the Association of Healthcare Resource and Materials Management (AHRMM) was formed in 1951 as a professional membership group under the American Hospital Association.¹ That same

year Alice in Wonderland was released, the 22nd amendment of the constitution was ratified, limiting presidential terms to two years, and the "shot heard round the world" occurred in the bottom of the 9th inning; sending the Giants to a win over the Dodgers.² Fifty-two years later, in 2003, the Association of Healthcare Value Analysis Professionals (AHVAP) was formed with the intended purpose of providing tools and skills necessary to help healthcare organizations evaluate services as it relates to clinical quality and cost effectiveness.³ In 2003, the United States went to war with Iraq, the space shuttle Columbia crew was lost, and Myspace was launched.⁴ And so began the integration of clinical input, focusing not just on cost but equally on outcomes and

quality, to inform the decision making for the contracting and procurement of medical supplies and services.

Fast forward to 2006, when President Bush signed the Deficit Reduction Act, which initiated the focus on pay-for-performance with a reduction in Medicare reimbursement for hospital acquired conditions with the change in payment structure going into effect in 2008. Imagine the challenges hospitals would have faced if not for the existence of AHRMM and AHVAP. Almost in an attempt to accentuate the need for continued clinical integration of supply chain, the Affordable Care Act (ACA) was signed into law in March 2010 with ongoing changes in reimbursement, including the introduction of Phase 1 of

AHRMM Feature Continued

bundled payments in April 2013.⁴ While there are varying opinions about the success or failure of the ACA, it is undeniable that it forced the focus within healthcare organizations to recognize the need to reach across disciplines to achieve success.

Understanding the drivers of the total cost of care and using comparative data such as length of stay, complication rates/causes, readmission rates/causes, and mortality to assess clinical performance in forums that are transparent and collaborative are critical for an organization to have a sustainable proposition. This should include utilizing these same metrics to assess the performance/effectiveness of the products utilized. Health systems are at varying stages of maturity in the traditional value analysis approach, so the suggestion that the process needs to be even more comprehensive can be overwhelming. Even today, many healthcare organizational decisions are still made in silos without supply chain engagement. Understanding how to harvest data and use it to drive decisions on what new products, technology or services will be introduced within the hospital can start with supply chain, but requires collaboration across many disciplines.


Working toward developing an integrated structure, which begins with putting

together a clinical engagement strategy, is a necessity. Physicians and nursing colleagues are extremely vested in the outcomes they achieve, or not, when providing care. They have the ability to look at literature to assess the evidence to support or refute a peer request, thereby making them the most qualified to have that conversation. However, while critically evaluating published studies is an important consideration in this assessment, the ability to look at data that can directly correlate to whether or not the outcome for a patient is impacted in a positive or negative way is just as critical. While there are a number of companies that are attempting to solve this issue for the larger population through a commercial product, one could argue there are tools and databases currently available within the hospital to at least allow an initial first pass internally, with regard to looking at the relational relevance of product use to outcomes.

While imperfect, it can be directional and help to begin to inform the conversation. This requires furthering the relationship outside of the traditional physician/clinician engagement, and begin to work with colleagues in quality who have access to data which provides insight into the performance of other peer organizations in specific patient populations. Additionally,

understanding how and where to garner data from clinical registries or patient reported outcomes will provide another source of information. Table one has an example of a physician request for a product that is not new to the market, but new to the organization. What tools do you utilize to evaluate the clinical advantages and related outcomes the physician is citing for reasons to adding this product to your formulary?

The next generation of supply chain leaders will need individuals who have the skills and the willingness to work across the aisle in an effort to impact change. With the evolution of a clinically integrated supply chain within the organization, the goal now should be to move to a structure that ensures all key stakeholders are at the table, equally contributing to bringing his/her expertise to represent the work at hand. Cost, quality, and outcome measures need to be assessed across the continuum of care, not just within the four walls of the hospital or even more narrowly, the four walls of an OR suite.

The challenge is to expand thinking and efforts by using clinical data as a part of the decision-making process when evaluating a specific category of products or services, and then trying to determine if there really is a clinical difference. Is it so unreasonable to expect that ultimately we should be able to rank a products' performance just like the automotive field ranks vehicles—routinely comparing cost, quality, and outcomes. This can be the key differentiator of health systems, as well as suppliers going forward. I am quite certain those who follow in our footsteps will someday look back and ask why it took us so long. Hopefully, it will be before history records milestones much more difficult than this to achieve. "Beam me up Scotty." 

References

- ¹ <http://www.healthstate.mn.us/about/history/Chapter6>
- ² https://en.wikipedia.org/wiki/History_of_hospitals
- ³ www.ahvap.org
- ⁴ <https://www.cms.gov/>

Clinical Advantages:

- A large sewing cuff which makes implantation faster
- Less risk of paravalvular leak particularly in setting of reoperations and endocarditis
- Decreased overall OR time
- No safety concerns as was implanted at (revious medical center

One size makes inventory easy. Never have to worry about checking on stock every morning and then scrambling to find a valve at the last minute.

SOURCE: T. DAIL, VANDERBILT UNIVERSITY MEDICAL CENTER

Industry News

Amazon Pushes to Become Major Hospital Supplier: 7 Things to Know

Deepening its move into healthcare, Amazon is pushing to turn its developing medical supplies business into a major supplier to U.S. hospitals and outpatient clinics, reports [The Wall Street Journal](#).

The latest push into the healthcare arena comes less than two weeks after Amazon announced it would collaborate JPMorgan Chase & Co. and Berkshire Hathaway to launch a new company aimed at cutting healthcare costs for their U.S. employees. [Read More.](#)

Walgreens Reportedly in Talks to Purchase Amerisource Bergan

Walgreens is reportedly in talks to purchase the portion of Amerisource Bergan it doesn't already own – a move that could help the company in the increasingly competitive healthcare landscape. Here are seven things to know. [Read More.](#)

IV Shortage Causing Some Nurses to Use Alternatives to IV's

Hospitals across the country are doing whatever they can to save IV bags so they'll have them when there's no substitute. The bad flu season is creating unexpected need for IV bags.

But there are alternatives to using IVs: Some drugs can be delivered with nasal sprays, suppositories or through pricks to the skin. [Read More.](#)

Hospitals Look to Create Non-Profit Generic Drug Company

For years, hospital executives have expressed frustration when essential drugs like heart medicines have become scarce, or when prices have skyrocketed because investors manipulated the market. Now, some of the country's largest hospital systems are taking an aggressive step to combat the problem. [Read More.](#)

Budget Deal Includes Big Win for Hospitals

A last-minute budget deal signed into law in the early morning of Feb. 9 includes a range of funding and policies long-sought by hospitals. [Read More.](#)

Medtronic Moves to a New Healthcare Model: Pay Only if it Works

Omar Ishrak, chief executive of Medtronic, sees a future in which medical-technology companies accept more risk in how they get paid for their products. [Read More.](#)

Apple is Launching Medical Clinics for Employees

Apple is launching primary care clinics called AC Wellness for employees this spring. Initially, it has two clinics in Santa Clara County, California. [Read More.](#)

Career Resource Center

Local Job Listings

[Manager, Supply Chain Systems](#)

University of Chicago Medicine – Chicago, IL

[Manager, Supply Chain](#)

Presence Health – Chicago, IL

[Materials Management Supervisor](#)

Northwest Community Hospital – Arlington Heights, IL

[Director of Supply Chain - Multi-Site](#)

Advocate Health Care - Downers Grove, IL

[Director of Supply Chain - Multi-Site](#)

Advocate Health Care – Oak Lawn

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

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)



Resources & Certification Opportunities

[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.

[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](#)

[Supply Chain Disaster Preparedness Manual](#)



*Some links may require national AHRMM membership

AHRMM 2018 Calendar of Events

Chapter Education Events		
Spring Education Meeting & Vendor Fair	Mar. 29, 2018	Eaglewood Resort, Itasca, IL
AHRMM18 National Conference & Exhibition*	Aug. 12-15, 2018	McCormick Place, Chicago, IL
4th Annual Showcase Series Hospital Tour	TBD Oct. 2018	Location TBD
Other Chapter Meetings & Events		
Summer Golf Outing	Aug. 17, 2018	Location TBD
Webinar & Co-Sponsorship Events		
Shared Risk Contracting: Provider & Supplier	Mar. 14, 2018	Click Here to Register
Beckers 9th Annual Hospital Meeting	April 9-14, 2018	Hyatt Regency Chicago
1st Annual Philanthropy Event	Fall 2018	Location TBD
Additional Event 4	TBD	Location TBD

* Look for an announcement of an AHRMM Chicago social event at this year's AHRMM National conference!