

Association *for* Healthcare Foodservice



AHF NATIONAL CONFERENCE

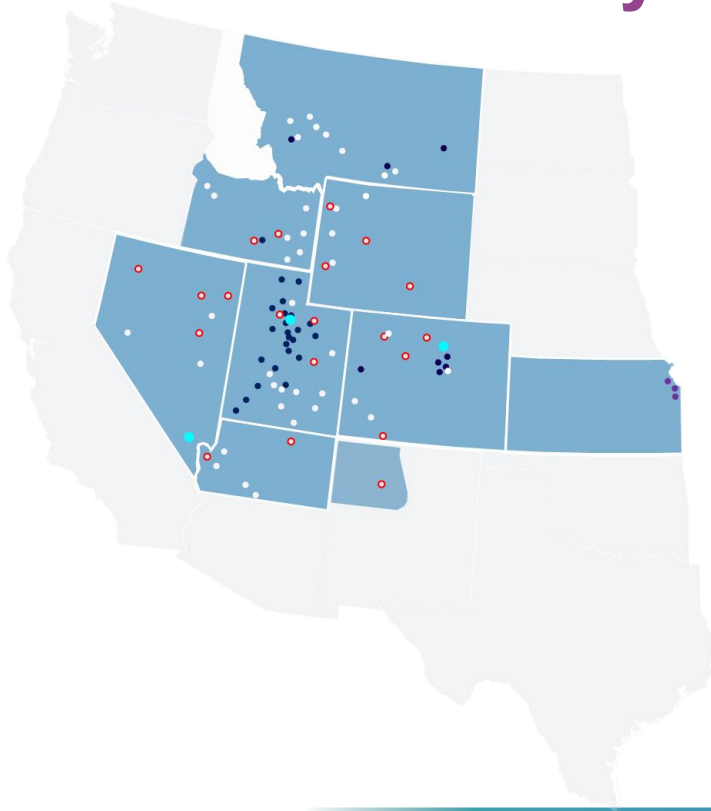
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Taking Advantage of GPO Incentives

Presenters

Parker Schultz, Alex Govern, Eric Wilkinson

Our Health System's Current Foot Print



- Hospitals
- Region HQ
- Affiliate/Outreach Partnerships
- Medical Bases

Our Health System by the Numbers



6 Primary States
(UT, NV, ID, CO, MT, WY)



66,000+
Caregivers



33 Hospitals
Including 1
Virtual Hospital



\$16.06 billion
Total Revenue



400
Clinics



4,800
Licensed Beds



4,600+ employed
Physicians & APPs

¹ Numbers reflect through year end, December 31, 2023

² Health System also provides air medical transport services in other states through Classic Air Medical

Recognition

- Six Magnet Designated Hospitals
- #1 of 5 Top Large Health Systems
- U.S News & World Report
 - 4 of Top 5 Hospitals in Utah
- LeapFrog Hospital Safety Grade
 - 13 of 20 eligible hospitals received “A” rating
- CMS – 14 hospitals recognized
- 18 Hospitals received top equity honors

Looking at Health in a New Way

Let's look at health
in a whole new way

We believe caring for your health is a journey. From helping you get well to guiding you to live your healthiest life possible, we're here to support you every step of the way.

Our Mission

Helping People Live the Healthiest Lives Possible®

Nutrition Services Vision

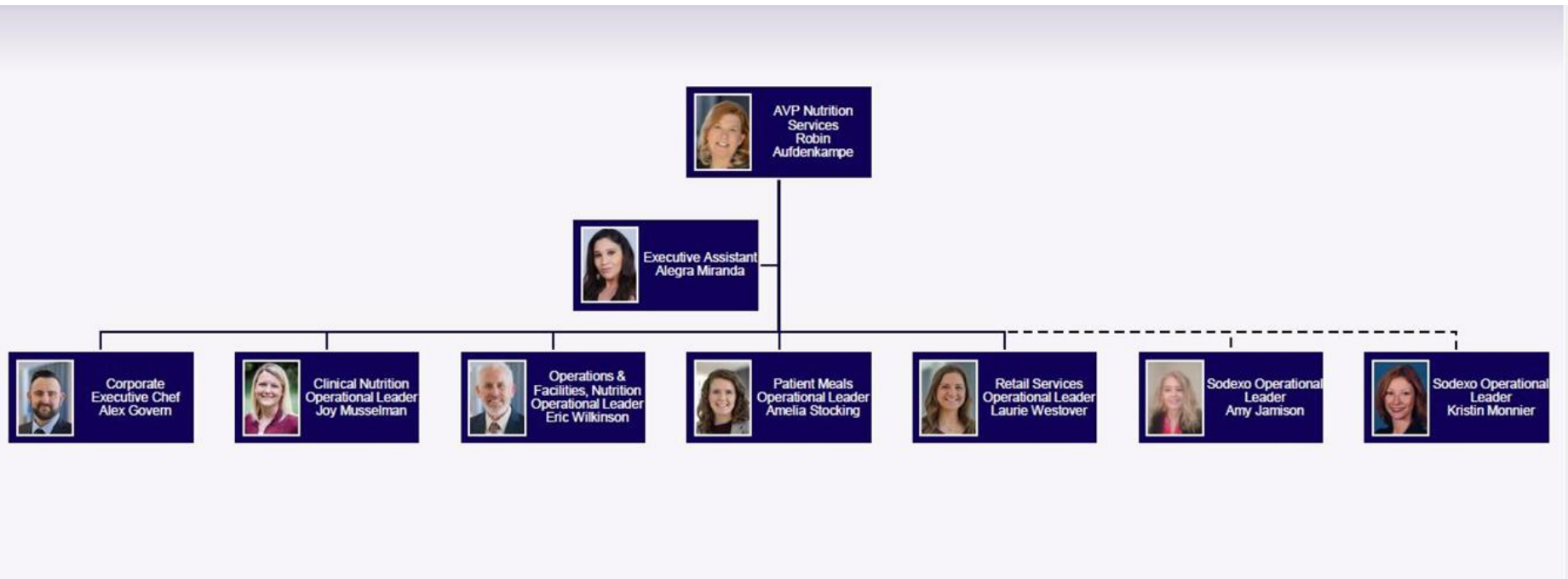
To have the nation's most well-nourished communities.

Lives driven by nutrition, powered by delicious food

Mission for our Catholic entities

“We reveal and foster God’s healing love by improving the health of the people and communities we serve, especially those who are poor and vulnerable.”

Nutrition Services – Top Line Org Structure





INTALERESM
ELEVATING THE HEALTH OF HEALTHCARE



Foodbuy



vizient[®]





Nutrition Service Goals

- Understand incentives and maximize financial gains
- Manage quality of products
- Understand GPOs alignment with broadline distributor
- Getting timely information to drive decisions
- Be a part of the team

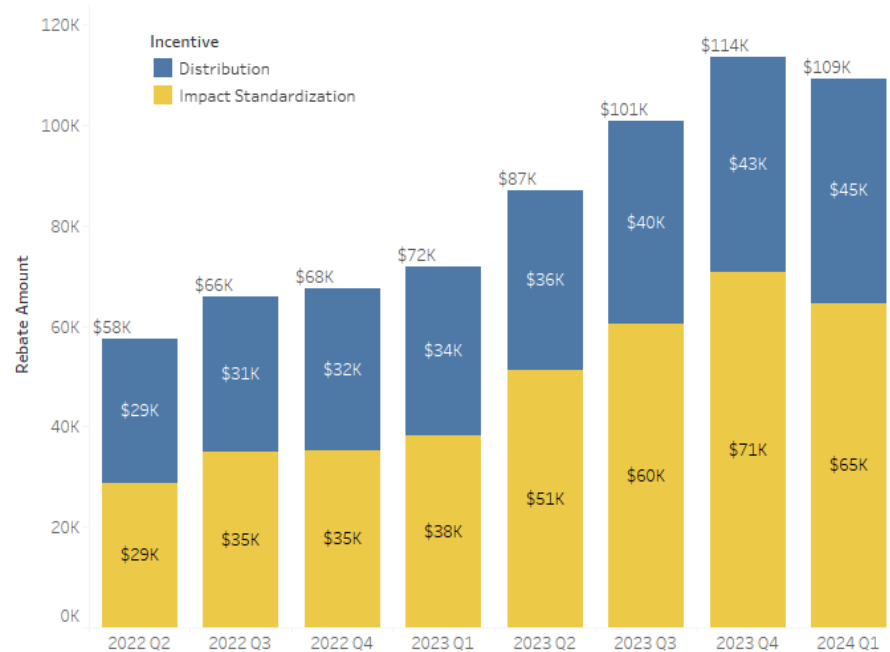


Understanding Your GPO and Incentives

- Distribution Incentives
 - Rebates
 - Purchases with broadline distributor must reach 80% (Started at below 60%) compliance for total food & beverage purchases
 - Distributor pays out % of total purchases, GPO aligned or not
 - Additional passive incentives unlocked
 - Vizient manufacturer agreement discounts, average order delivery size incentives, volume incentives, quarterly group buy products
- Impact Standardization
 - Program requiring 80%(started at below 50%) aggregate compliance across specific categories (purchases vs potential)
 - Participating suppliers pay out quarterly based on purchases of their contracted items
 - Additional cost savings

Current Outcomes

- \$450k annual rebates with current food program participation
- Distribution Incentives
 - 86% current compliance
 - 73% of purchases are contracted
 - ~\$180k annual rebate
- Impact Standardization
 - 90-100% aggregate current compliance
 - ~\$280k annual rebate



How did we get these outcomes

- Prior menu standardization
- Aligning Quickly with GPO
 - Finding Suitable Products
 - Tools Used
 - Evaluation Metrics
 - Cost
 - Nutritional Equivalence
 - Quality
 - Availability
 - Procurement/Operations
- Analysis of current purchases
 - Initially looked at top 300 purchased items by dollar amount and identified matches that aligned with GPO contracted items
 - Grouped by categories
 - Switched 50-100 items each month first year
 - Made simple switches weekly and cut & sampled others monthly

Collaborative Work

Committees & Stakeholder Alignment

- Clinical Shared Services Leadership – meets monthly
- Nutrition Guidance Council – meets quarterly
- Nutrition Services Stakeholders Advisory Council – meets quarterly
- Nutrition Operations Council – meets monthly
- Clinical Nutrition Operations Council – meets monthly
- Nutrition Services Leadership Meeting – meets weekly
- Culinary Managers Meetings – meets monthly
- Products Committee – meets weekly
- Formulary Committee – meets monthly



A Chef's Perspective

- Is this solution 'Worth it'
 - Am I the decision maker?
 - Focus on the goals
 - Specialty / Small and Local Providers
 - Ownership
- Growth Mindset



Everyone Has a Voice; Feedback is a Gift

- Every Culinarian Leader is empowered to submit new recipes and changes to existing recipes to be validated. Executive Chef Team validates, edits, and works with our digital systems specialists to merge To all locations
- The Same is True for Product Changes, Vendor Challenges, Standard Works, and Marketing Needs

Managing Programs at The Enterprise Level

Within Our Internal Systems, We're Able to Ensure Specific Product Purchases, Pricing Based on Food Costs, and Proper Nutritional Analysis



Regular Meetings

- Products Committee
 - Weekly & Monthly Meetings
 - Microsoft Teams
 - Focus changed/shifted to GPO work – paused all other work
- Tracking & Implementation
 - Updating standard recipes
 - Constancy across hospitals
 - Roll out “merging” to system
 - Feedback

- Testing, and More testing



Living & Evolving Systems

- The kitchen experience for chefs and cooks has and will continue to evolve. The enterprise Executive Chefs strive to strike a balance between achieving precision and consistency while encouraging creativity and maintaining quality. Facility chefs adhere to established recipes for retail cafes but are also empowered to create their own signature dishes.
- Engagement Drives Success
- Standardization Enables Fast Paced Change



Addressing Quality Issues



GPO Support



Understanding Supplier
Contracts



Feedback – actual issues
or resistance to change -
“new product syndrome”

Getting Data vs Pulling Own

- Understanding your data

Total Rebate	Quarter						
	202202-Final	202203-Final	202204-Final	202301-Final	202302-Final	202303-Final	202304-Final
Total Program Rebate	\$57,510	\$65,967	\$67,507	\$71,821	\$87,038	\$100,815	\$113,591
Quarterly % Change	14.70%	2.34%	6.39%	21.19%	15.83%	12.67%	

Quarterly Distributer

Quarterly Distributer	Quarter						
	202202-Final	202203-Final	202204-Final	202301-Final	202302-Final	202303-Final	202304-Final
Qualified Sales	\$3,838,462	\$4,136,009	\$4,296,237	\$4,479,602	\$4,766,781	\$5,383,358	\$5,717,986
Rebate Amount	\$28,788	\$31,020	\$32,222	\$33,597	\$35,751	\$40,375	\$42,885
Quarterly % Change/Growth	7.8%	3.9%	4.3%	6.4%	12.9%	6.2%	
Category Compliance	72.9%	78.6%	81.6%	74.1%	78.9%	89.1%	94.6%

Quarterly Impact

Quarterly Impact	Quarter						
	202202-Final	202203-Final	202204-Final	202301-Final	202302-Final	202303-Final	202304-Final
Qualified Sales	\$735,681	\$881,889	\$886,125	\$971,839	\$1,317,909	\$1,684,566	\$1,930,952
Rebate Amount	\$28,722	\$34,947	\$35,286	\$38,224	\$51,287	\$60,439	\$70,706
Quarterly % Change/Growth	21.7%	1.0%	8.3%	34.2%	17.8%	17.0%	
Category Compliance	48.7%	58.4%	58.7%	52.7%	71.5%	64.5%	81.5%

- Part of all Program Change Evaluation Includes GPO Impact



Must haves with GPOs

- Onboarding
- Clear Communication
- Positive Relationships
- Expectation Transparency
- SMART Goals
- Continuous Monitoring



Lessons Learned

- Understanding incentive programs – ask all the questions as many times as it takes
- **Importance of digital product evaluation, analysis, & tracking**
- Accurate forecasting & current state of product availability
- Implementation timelines
- Reporting errors happen
- Distributor & GPO Support



Continued Challenges

- Contracted supplier & product expirations
- Distributor stocking requirements
- Contracted supplier shortages and supply chain challenges







QUESTIONS

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