



highlights

→ Saved \$1M in total supply cost

→ Saved \$500K in capital expense

→ Increased costing accuracy via increased supply data use

To learn more about how to impact supply cost reduction at your organization, visit our website at www.stratadecision.com.

impact story

True Cost & Margin Data Helps to Save \$1M+ in Supply Costs

problem

Increasing Cost of Supplies and Decreasing Reimbursement

Health systems are constantly balancing the need to grow margin and reduce cost. As healthcare technology continues to flourish, health systems are barraged with increasingly more advanced – and more expensive – procedures, implants, and drugs. Without being able to compare true acquisition cost, the full capital expense, and the expected reimbursement to improvements in health outcomes and quality, providers are making high cost decisions with limited data.

Collaborating with Strata Decision Technology, a large Texas-based health system introduced a Decision Support Analytics program to drive a new data validation process for reliable, accurate, timely and relevant data. They found that this new process drove accountability, also providing a new way to anticipate downstream impacts of their decision-making.

play

Leverage Supply & Pharmacy-Based Data in Cost Model (DS 103)

This large Texas-based health system is changing the game by having a single platform that helps them understand the true cost and margin of care – and make decisions that align with their goals of financial stewardship.

Within this organization, the Decision Support team integrated supply data with the StrataJazz analytics tool. Now, they can better access their supply costs, capital projects and spend data by vendors in the same

database, along with reimbursement and hospital-acquired conditions. As a result, this health system is able to identify opportunities for financial improvement through vendor consolidation, vendor price negotiation, and payer negotiations.impact

Reduce the Cost of Care While Improving Clinical Outcomes

As a result of having a single platform for supply acquisition cost, capital expense, and reimbursement and quality data, this health system is making more informed decisions about what procedures and services to offer.

In piloting a cardiovascular procedure that required a higher investment, the organization began reviewing the margin. The health system discovered that they lost approximately \$9,000 per case and that the clinical outcomes were no better than that when using lower cost items as part of the procedure. With this information, the health system chose not to expand the number of sites where the high cost procedure was performed – and avoided upfront investment in a money-losing, low clinical value procedure.

The enhanced analytics empowered the organization to save over \$1M in total supply cost by way of re-evaluating their clinical procedure and reviewing cost, quality, and value.