



NJHA Healthcare Business Solutions Supply Chain Support Services

NJHA Healthcare Business Solutions has provided supply chain services to our clients for more than 30 years, first, as an independent regional Group Purchasing Organization (GPO), and since 1996, as a partner with Provista and its supply chain contracting sister company, **Novation**. Together, we bring NJHA's more than 1700 clients the leverage of \$33.1 billion in annual purchases combined with a consultative, personalized approach that works with our clients to maximize the benefit of our contract portfolios as they define it – not as dictated by compliance mandates.

In addition to the up-front benefits that all our clients realize from the programs themselves, NJHA Member-owners gain additional value in the form of direct share-backs, dues credits and indirect financial support. Program revenues also contribute significantly to the financial viability of NJHA, greatly reducing the reliance on Member dues to finance NJHA's critical advocacy and education efforts, and initiatives such as the NJHA Quality Institute's ICU, pressure ulcer and antimicrobial collaboratives; the Center for Nursing and Health Careers; Emergency Preparedness activities, and various public outreach campaigns.

Supply Chain Management Program Overview

Our program provides access to a portfolio leveraged by a national GPO, but with the flexibility not often available through national programs:

- ▶ All participation is voluntary
- ▶ No separate membership or participation fees
- ▶ No minimum participation requirements
- ▶ No minimum timeframe for participation – membership is “at will”
- ▶ No mandatory compliance
- ▶ No required programs
- ▶ No required contracts
- ▶ No linked programs
- ▶ No GPO exclusivity
- ▶ Ability to improve on NJHA/Novation contracts where possible
- ▶ Ability to contract independently where deemed necessary

While we are confident that the breadth and pricing of our contract portfolio takes a back seat to no one, it is our unparalleled commitment to providing local, responsive, personal service that enables our clients to obtain maximum value from their relationship with NJHA. The collaborative environment resulting from our consultative service approach and voluntary participation platform enables us to provide our clients with an array of tools, flexibility and control to identify and choose solutions that best meet their unique needs.

Our service professionals concentrate on developing a consultative partnership to identify cost savings and performance improvement opportunities, and to provide the support necessary to take advantage of them. Our capabilities include:

- On-site assistance to identify standardization opportunities, analyze savings potential, educate staff, coordinate vendor presentations and assist with implementation. Participation on internal committees, as requested.
- Direct interface with suppliers and distributors to ensure maximum value.
- Best practice standards on diverse topics that can affect patient care, safety and healthcare practice operations.
- Convenient electronic catalog plus on-line management reports and tools that highlight value-added services and continuing education programs available from suppliers.
- Identification of rebate and revenue enhancement opportunities where available on a contract-by-contract basis, and assistance in rebate tracking and collection.
- Monitoring usage to identify opportunities to further optimize the contract portfolio and pursue additional value available through internal product standardization initiatives and voluntary Novation Standardization Programs.
- Ensure that suppliers are available to assist with contract conversions, and assist staff in “selling” the benefits of new product selections internally.
- Audit or facilitate an audit of any vendor or distributor as requested, or as appears necessary due to apparent reporting irregularities.
- Conduct storeroom analysis and/or analysis of most frequently used items.
- A suite of margin optimization services available through our relationship with Computer Sciences Corporation, featuring solutions for Supply Chain and ERP, Healthcare Strategy & Clinical Operations, and more (Separate Fee).

Pharmaceutical Resources

Pharmacy Analysis Reports - Realize greater cost savings on pharmacy purchasing through a selection of custom analysis reports designed to provide customers valuable information and insights that enhance their understanding of pharmacy supply issues and dynamics:

- ▶ **Contract Potential Savings Report** - real-time access to a list of items purchased by a facility, and the equivalent NJHA contract item along with a calculation of the potential savings for purchased items, if they had purchased on contract.
- ▶ **Failure-to-Supply Report** - designed to facilitate the recouping of failure-to-supply dollars from manufacturers based on NJHA contract provisions, this on demand report tracks the additional expense a hospital incurs for the purchase of a substitute item when a contract item was not shipped due to manufacturer failure to supply.
- ▶ **Custom Market Share Report** - provides accurate, timely information that enables member pharmacies to monitor their purchasing performance in NJHA tiered contracts and customized market baskets
- ▶ **Contract Price Verification Report** - compares invoice pricing to the NJHA baseline contract pricing on a daily basis to validate invoice-level pricing against the NJHA contract pricing and provides exception reporting based on user-established criteria.
- ▶ **Pharmacy Tier Capture Report** - provides new insight into the supply chain by highlighting the tier(s) actually invoiced by the wholesaler, to help determine participation in specific programs and to identify the price paid for products in NJHA agreements.

Cost Management Program - provides tools and information to assist pharmacy directors in managing pharmaceutical costs and educates administrators about factors contributing to escalating costs.

Economic Evaluations of Clinical Pharmacy Services - this comprehensive program provides tools to measure the economic impact of clinical pharmacy services. Includes impact evaluation of formulation, prevention of drug-drug interaction, drug-allergy interactions and medication dosing.

White Papers, Newsletters and Guides - cover a variety of clinical and cost topics so that healthcare organizations may optimize pharmaceutical use.

ISMP Medication Safety Alert! – subscription service provided to clients.

Failure-to-Supply Recovery Service - simplifies the collection of lost dollars by centralizing the recovery of failure-to-supply funds on behalf of members in the form of a wholesaler credit on a quarterly basis.

Employing the above tools in concert with customized utilization oversight has enabled NJHA's Pharmacy clients to achieve an average 99.5% pharmacy contract compliance rate in the face of ongoing market shortages and physician preference obstacles compared to an average national compliance rate of 94% - 96%.

Additionally, NJHA has extensive financial consulting, data manipulation capabilities and vast New Jersey specific and national healthcare data resources. These data resources are used by staff to generate consulting analyses on topics such as cost analysis, general finance, Medicare, Medicaid and managed care reimbursement.