



Leveraging data and analytics to drive operational efficiencies and savings

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USPI goals for 2017

General cost per case

- Fully loaded cost that is expressed as a dollar amount

Drugs and medical expense ratio (DMI)

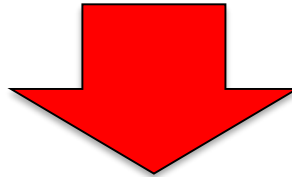
- Drugs and medical expenses as a percentage of income

Reduce costs by \$22 million



Phase one: product spend

Focus on identifying opportunities to reduce SKUs and standardize products across the entire USPI system.



Phase two: clinical assessment

Start with standardizing procedure packs across all USPI facilities where possible.

Focus on clinical processes to identify opportunities to improve preference cards, and workflow

Overall results for USPI of 2017

- Supply and pharmacy costs are below budget by **5.8%**
- Supply and pharmacy DMI began the year at **12%**
 - Fell **0.7%** to **11.3%** during the first three quarters
- USPI's goal is to implement a similar trend for the implant DMI

Components of the clinical assessment

1. Process improvements and safety standards
2. Evaluating current procedure supply efficiency
3. Identifying cost savings initiatives

Over the past year, clinical assessments have created significant savings

Facility in North Texas: more than \$35K in total savings

- \$5,500 in procedure pack savings
- \$30,000 in single sterile supply savings

Implementation



Key takeaways



- Focus on managing supplies and lowering costs with product conversions to help offset the rising cost of medical devices and pharmaceuticals.
- Set specific, realistic goals that are customized for each facility.
- Focus on data analytics to drive operational efficiencies.

Q&A

Thank you!

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