

Health Systems

Consolidated Services and Logistics

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What is a CSC?

Self-Distribution is a rapidly growing concept being embraced by more and more integrated health systems. The concept is still new, so there is no standard cookie cutter concept of a Self-Distribution model. Those that exist are unique to the individual health system for which they were created.

At its core, the Self-Distribution concept is rather simple, shift the economic value of some or all of the programs and processes offered by supply distributors, from the distributor to the health system. It doesn't necessarily mean disintermediation from the distributor or GPO.

Existing in today's market, there are basically three versions of this model ranging from a complete insourced solution, in which the health system builds and manages their own model, to a complete outsourced version, in which a third-party (a 3PL or a distributor) builds and manages a dedicated solution. The third version is a collaborative model, in which two or more unaffiliated health systems join to develop a Self-Distribution program which can be insourced under a joint-venture type structure, or outsourced to an unbiased third-party. Unbiased in the sense that the third-party has no affiliation with any of the health systems involved

Cooperation using virtually centralized supply chain management can set hospitals on the path to controlling costs and improving service. Virtual centralization is integrating operations from the perspective of the market rather than the health system. The most developed example is consolidated service center (CSC) that is jointly owned and managed by multiple hospitals and healthcare systems. A CSC brings together geographically based groups of hospitals to form single entities that work together to centralize contracting, procurement, distribution, and logistical operations. The CSC serves as the focal point not only of distribution, but also of centralized contracting, procurement, and customer service. Key:

The following is a key to the systems. This represents the capabilities and where they are in the centralization process.

- C- Central Contracting
- P- Central Purchasing
- D- Central Distribution

LeeSar/Cooperative Services of Florida

(C,P,D)

Location:

Lehigh Acres, FL

Overview:

Cooperative Services of Florida was incorporated on May 27, 1997, as a not-for-profit corporation. The company acts as a purchasing cooperative for the Lee Memorial Health System and the Sarasota Memorial Healthcare System.

LeeSar Regional Service Center is a limited liability company organized in 1996, between Lee Memorial and Sarasota Memorial. The CSC was developed to deal directly with the manufacturers and distribute products directly to the end users in the most cost effective manner. It is run on a very tight margin and is used for more than just the distribution of product. It is used for a storage area for sensitive records for the hospitals, as well as developing a low unit of measure delivery system for the hospitals.

In its 60,000-square-foot facility in Lehigh Acres, Fla., LeeSar stores 3,000 medical/surgical supplies, and makes at least two daily deliveries to member hospitals. As a result, the facilities do not need to store a large inventory of supplies onsite. LeeSar maintains a 95 percent fill rate with 99 percent accuracy and delivers goods to member hospitals within 24 hours. Hospitals can also order special request items.

In 2005, LeeSar expanded its role by manufacturing and delivering custom sterile surgical packs to users. Although the hospitals were satisfied with the surgical packs they received from Cardinal Health, LeeSar believed it could save money and improve efficiency in the OR by packaging its own. The homemade packs offer the hospitals greater flexibility in regard to changing kit contents.

Providence Health System

System: (C)
Oregon Hospitals (C,P,D)

Location:

Portland, OR

Overview:

Providence Health & Services includes 26 hospitals, more than 35 non-acute facilities, physician clinics, a health plan, a liberal arts university, a high school, approximately 45,000 employees and numerous other health, housing and educational services. The system office is located in Seattle, Washington.

Providence is divided into four regions – Alaska, California, Oregon and Washington/Montana. Each region has control over its daily supply chain operations (procurement, inventory, distribution and receiving), while much of the contracting is handled centrally.

Providence Health & Services in Alaska, Washington/Montana and Oregon is sponsored by the Sisters of Providence religious community. In Southern California, the health ministry is cosponsored by the Sisters of Providence and the Little Company of Mary.

Providence is a member of VHA West Coast and Novation. Providence Health System has a customized group purchasing model called ProvSource. Providence Health Systems implemented Lawson's supply chain management software in 2004.

Providence's Oregon hospitals have regional materials management departments in charge of regional materials management administration, regional purchasing, regional distribution, facility based supply & distribution, clinical engineering, and transportation.

Providence established a self-distribution model with a central service center in Portland that fortifies the IDN's Oregon facilities. Providence's Oregon hospitals distribution model has been very successful. Their self-distribution model has helped them find savings, better efficiency and standardization.

Swedish Medical Center

(C,P)

Location:

Seattle, WA

Overview:

Swedish is a member of VHA, and joined Providence Health & Services System and other area health-care organizations to form a local purchasing group called Providence Alliance. Swedish has employed a central contracting, central purchasing strategy to reduce costs.

Mayo Clinic

(C.P.D)

Location:

Rochester, MN

Overview:

In 2007, Mayo expended more than \$1.6 billion on supplies, purchased services, and capital medical equipment. Consisting of the world-renowned Mayo Clinic, Mayo provides care through an integrated clinical practice, education and research model. Mayo consists of 20 acute care hospitals and more than 130 practice sites in five states

Mayo Clinic contracts centrally from Rochester, MN, but day-to-day supply chain operations are handled locally.

Mayo Clinic is a member of Novation, and VHA Upper Midwest Region.

BannerHealth

(C,P,D)

Location

Phoenix, AZ

Overview:

Based in Phoenix, AZ, Banner Health is one of the largest nonprofit hospital systems in the country, operating in seven states: Alaska, Arizona, California, Colorado, Nebraska, Nevada and Wyoming. Banner Health runs 22 hospitals and health care facilities. Banner Health's network of hospitals are geographically spread throughout the Western region of the United States, with large hospitals in metropolitan areas and smaller hospitals in more remote, rural areas.

Banner Health reported \$2.2 billion in net revenue, with supply expenses estimated at \$390 million. Of this, \$190 million were expended for medical/surgical supplies and \$90 million for pharmaceuticals. Banner is a member of Premier.

Banner has implemented Lawson's materials management system and has a central distribution warehouse to serve its members in the region.

Promedica Health System (Lake Erie Regional Collaborative)

(C.P.D.)

Location:

Toledo, OH

Overview:

ProMedica manages Lake Erie Regional Cooperative (LERC), a purchasing cooperative that conducts some of its own contracting, as well as functions as marketing affiliate of its GPO, Amerinet Inc. It spans more than 23 counties in northwest Ohio and southeast Michigan. Promedica uses Lawson ERP system to hold contracting at the system level.

Virtua Health System

(C,P,D)

Location:

Marlton, NJ

Overview:

Virtua Health is the largest integrated delivery network in southern New Jersey. With a service area that includes Burlington, Camden and Gloucester counties, Virtua is the market leader in the Philadelphia-Wilmington-Atlantic City metropolitan statistical area, with a total market share of 29.1 percent. The IDN comprises four acute-care hospitals with approximately 1,100 beds, two long-term-care facilities with a total of 300 beds, two ambulatory surgery centers, numerous clinics, home healthcare services and a fitness center.

Virtua Health – with a supply spend of approximately \$108 million – does all of its own contracting, and it acts as its own distributor as well. The IDN employs an integrated supply-chain model encompassing not only contracting and supply distribution, but clinically guided standardization.

Each of Virtua's facilities employs a direct distribution model similar to a just-in-time process. Staff members from the support services department perform daily inventories on the nursing units, then place orders with the distribution center using handheld computers. Using an automated picking system with pick-to-light functionality, orders are picked at the lowest unit of measure. Orders transmitted by 1 p.m. are picked in the distribution center by 11 p.m., and delivered to the end user via the IDN's courier services no later than 7 a.m. the next day. The distribution center averages 65,000 lines picked per month, and its fill rates exceed 98 percent. Its inventory turns exceed 18 per year.

The IDN employs the McKesson Pathways Materials Management software system, which contains a singular master item catalog with approximately 38,000 items, 99 percent of which are on contract.

For the future, Virtua is considering implementing radio frequency identification technology in its distribution center and hospitals, package tracking, and a capital equipment module for the materials management information system. The IDN also is investigating a way to promote rapid product introduction for such items as spinal implants and biologicals. Also under investigation are smart devices, which automatically transfer clinical information from medical equipment to hospital clinical information systems.

Virtua Health statistics:

Supply spending

Med/surg: \$73.7 million

Pharmacy: \$18 million

Lab: \$4 million lab products only, plus \$3.7 million blood products

Dietary: \$4.8 million

Radiology: \$3.9 million

Capital Equipment

2007: \$53 million, including over \$9 million in major moveable equipment. The majority of funds are allocated to major capital construction projects.

2008 projected capital expenditures are similar to 2007 – approximately \$50 million.

Virtua Health has a 10-year financial plan that projects annual capital expenditures over this time frame.

Centralization

Standardization process: 95 percent
Contracting: 100 percent
Ordering: 100 percent
Stocking/Distribution: 100 percent
Automation/Information Technology: 100 percent

Baycare Health System

(C,P,D)

Location:

Clearwater, FL

Overview:

Baycare Health system is located in the Tampa Bay metropolitan area. It is comprised of 10 hospitals and 11 outpatient/ambulatory centers.

Baycare Health Systems materials management created three physician-only committees covering cardiology, orthopedics and technology review. Their recommendations go to a supply chain oversight committee, which includes the CMO, COO and CFO. This intense physician and senior leadership involvement resulted in significantly greater standardization and savings.

BayCare has implemented a number of improvements in supply chain management. The consolidation of materials management and a joint purchasing initiative has led to more than \$25 million dollars in savings for the system.

Baylor Health Care System

(C.P.D)

Location:

Dallas, TX

Overview:

Baylor Health Care provides services through a network of 11 hospitals. The materials and supply chain departments at these hospitals use Lawson inventory management software. Baylor is a member of UHC and uses Novation as its GPO. Baylor utilized an internet-based, centralized contracts management system.

Iowa Health

(C,P,D)

Location:

Des Moines, IA

Overview:

Iowa Health System works with Owens & Minor as a 3PL to manage Iowa Health System's dedicated distribution center.

Owens & Minor has signed a five-year logistics agreement (Which ends in 2009) with Iowa Health System. Under terms of the innovative agreement, Owens & Minor will provide Iowa Health System with third-party logistics services and traditional distribution through a dedicated integrated service center, which is intended to serve the needs of the health system.

Aurora Healthcare

(C,P,D)

Location:

Milwaukee, WI

Overview:

Aurora Health Care is an integrated delivery network of hospitals and clinics throughout eastern Wisconsin. For these and the nonacute-care facilities, annual purchasing volume for medical-surgical supplies totals \$250 million.

Aurora is a member of Premier, and uses Cardinal Health as its prime distributor. However, neither Premier nor Cardinal are directly in charge of contracting or distribution. Aurora has a central distribution and logistics center to serve its facilities. Aurora has implemented Lawson MMIS software to centralize all transactions.

Centura Health

(C,P,D)

Location:

Englewood, CO

Overview:

Centura Health is a faith-based, nonprofit health care organization formed in 1996 by sponsors Catholic Health Initiatives and Adventist Health System. The system encompasses 12 hospitals, seven senior living facilities, and Centura Health at Home—home care, hospice, infusion, home medical equipment and oxygen services.

Centura uses Lawson supply chain software to automate its purchases and consolidate supply ordering, and uses GHX to send orders.

As for inventory and distribution, Centura "shares" warehouse space with Cardinal Health, its med-surg distributor.

Provena Health

(C,P)

Location:

Mokena, IL

Overview:

Provena Health is a Catholic health system that includes six hospitals, 16 long-term care and senior residential facilities, 28 clinics, five home health agencies and other health-related activities operating in Illinois and Indiana.

Provena's annual system-wide supply chain spend is \$225 million. The system uses a centralized purchasing function to manage the supply chain. Provena is a member of HealthTrust GPO.

SHANDS (UF)

(C,P,D)

Location:

Gainesville, FL

Overview:

SHANDS supply chain services focuses on developing cost-effective approaches to system-wide purchasing, distribution, materials information/technology management and property management. Supply Chain Services has approximately 200 employees.

The Service Center provides centralized materials management, direct purchasing from the manufacturers, GPO compliance, and distribution services.

University Hospitals Health System (UHHS)

(C,P,D)

Location:

Cleveland, OH

Overview:

University Hospitals is an eleven hospital system based in Northeast Ohio with 3200 beds. Supply spend is over \$300 million (\$190 Med/Surg/Lab and related areas, \$110 Pharmacy).

UHHS has a service center in Glenwillow, Ohio. The service center will store and distribute the supplies to its member facilities. UHHS partnered with Pharmed Group Holdings Inc. Locally, PMG Group of Ohio, a Pharmed subsidiary, will run the service center. The service center lends itself to automation, and to standardization and better inventory management. UHHS employs Oracle's ERP system. The service center uses a paperless order system and tracking technology, including bar code readers and RFID.

Carillion Clinic

(P.C.D)

Location:

Roanoke, VA

Overview:

Carillion Clinic is a healthcare organization with more than 500 physicians in a multi-speciality group practice and eight not-for-profit hospitals. They have a warehouse that is managed by a distribution partner. They centralize all functions.

Baptist Health System

(C,P,D)

Location:

Birmingham, AL

Overview:

Baptist Health System is a non-profit that owns and manages four hospitals in the state of Alabama with a total of 1,080 beds, approximately 600 doctors and 3,500 employees.

Baptist Health reorganized its supply chain in 2005, and centralized many contracting functions. The central supply chain is in charge of supply cost reductions, contracting, operations improvement, logistics and service agreements.

WNC Health Network

(P)

Location:

Asheville, NC

Overview:

WNC Health Network in North Carolina is a purchasing coalition comprised of 47 IDNs (or a total of 53 hospitals). The network, which formed in 1994 and added group purchasing in 2000, has been around longer than most purchasing coalitions. The hospitals were originally a purchasing "cluster group" in SunHealth. WNC's annual supply spend is over \$500 million.

The Network focuses on Premier's portfolio. All members must be Premier owners or affiliates. The Network negotiates its own contracts when they best meet member needs. WNC members have saved more than \$31 million on top of savings from Premier contracts since the WNCHN group purchasing program began in 2001.

Kaiser Permanente

Location:

Los Angeles, CA

Overview:

In 2001, Kaiser Permanente signed a 10-year operating agreement with Broadlane under which Broadlane took direct responsibility for much of the provider's national supply chain sourcing and contracting. Owens & Minor has a distribution contract with Broadlane to service its Kaiser facilities.

Cleveland Clinic

(C,P,D)

Location:

Cleveland, OH

Overview:

Cleveland Clinic Health System is comprised of nine community hospitals and three affiliate hospitals. The Cleveland Clinic's materials management department underwent a significant makeover in 2000. The restructuring started with a consolidation to Lawson's supply chain applications.

Supply chain management for Cleveland Clinic is led by a supply chain executive responsible for enterprise-wide supply chain activities, reporting through the COO. The materials management department is divided into 5 core areas.

Purchasing/Vendor Relations handles the transactional business, including contract management (including GPO and individual pacts), materials handling and purchasing. Finance and Compliance focuses on tracking and analyzing supply expenses for customer departments, including auditing the usage of GPO- and Clinic-negotiated contracts.

The Regional Hospital Logistics section focuses on inventory' management and control, as well as maintaining The Clinic's item master file. A regional distributor, Seneca Medical, handles the majority of The Cleveland Clinic's facilities in Ohio

while a national distributor, Cardinal Health Inc., handles the hospital and non-acute care facilities in Florida.

The Clinic also operates its own regional GPO, the Cleveland Health Network, that specializes in regional and local contracts in such areas as med/surg and pharmacy distribution and dietary. It is also a member of Premier and uses GHX to facilitate order processing. The clinic also uses Owens & Minor QSight, a point-of-use inventory tracking system that uses manufacturers' bar codes to track receipts and usage of items.

SSM Health Care

(C.P.D)

Location:

St. Louis, MO

Overview:

Based in St. Louis, SSM Health Care system is sponsored by the Franciscan Sisters of Mary and operates 20 acute-care hospitals and two nursing homes in four states: Wisconsin, Illinois, Missouri and Oklahoma.

SSM is a member of Premier's Catholic Contracting Group, a group of several large Catholic healthcare systems that are members in the Premier alliance.

The newly formed group includes Bon Secours Health System, Catholic Healthcare West, Catholic Healthcare Partners, PeaceHealth and SSM Health Care. Together, the five founding members of the group have a combined purchasing volume through Premier contracts of \$2.4 billion

SSM has long been recognized as a supply chain leader. Their central supply chain operation manages centralized purchasing and contract operations, hospital-based resource management (including surgical services), central distribution, receiving, mail and linen services. The purchasing and contract management department handles centralized purchasing operations and IDN contracting.

OhioHealth

(C,P)

Location:

Columbus, OH

Overview:

OhioHealth is a family of not-for-profit, faith-based hospitals and healthcare organizations serving patients in central Ohio. OhioHealth has exclusive negotiations with Cardinal Health for the Central Ohio Region. The Cardinal agreement is extended to hospitals outside of Central Ohio, but those facilities could elect to continue working with Seneca Medical.

OhioHealth is a shareholder of VHA Central, and is a member of Novation.

BJC Healthcare

(C,P,D)

Location:

St. Louis, MO

Overview:

BJC is an integrated delivery system with 13 hospitals, five long-term care facilities, \$3.1 billion in revenue and over \$650 million in supply spend.

BJC has a consolidated supply chain management function. It is responsible for product standardization and utilization, sourcing and contract management, purchasing, distribution and logistics services for all members of BJC HealthCare.

Rather than implementing an entirely new ERP system, BJC instead chose to use technology provided by GHX and such others as *Infor* for purchasing, accounts payable and inventory management, to extend the capabilities of their existing mainframe system. BJC conducts a significant portion of its purchasing electronically via GHX. BJC is a member of VHA MidAmerica and Novation.

MedStar Health

(C,P,D)

Location:

Columbia, MD

Overview:

MedStar Health is a \$3.5 billion non-profit, regional healthcare system with a community-based network of eight hospitals and other healthcare services in Maryland and D.C. MedStar health is a member of VHA Central Atlantic and Novation.

MedStar has a centralized purchasing department and regional distribution center, and uses Lawson ERP. MedStar's integrated supply chain management activities include \$415 million in annual supply expenses, as well as a senior level steering committee to set aggressive supply chain goals and manage their implementation. They also include stockless inventory programs, automated supply chain management systems and a comprehensive medication safety program that involves 100 percent bar coding of medications at the bedside.

Western New York Purchasing Alliance

(C,P)

Location:

Williamsville, NY

Overview:

The Western New York Purchasing Alliance is an LLC owned by the hospitals of Western New York. The company was incorporated in November 2004 with the purpose of helping the hospitals reduce expense through contracting efforts for supplies and services. WNYPA uses Premier, Inc. as a National Contracting engine. WNYPA itself is licensed as a GPO. An alliance with Greater New York Hospital Association (GNYHA) further provides value to member hospitals using statewide aggregation and volume consolidation.

Beaumont Hospitals

(C.P.D)

Location:

Royal Oak , MI

Overview:

Beaumont's heavy investment in has been one of the IDN's chief strengths. For almost 20 years, Beaumont had its own distribution center from which products are transported from that facility to the point of use. The system had its own fleet of trucks and a central warehouse, which allowed it to control the amount and timing of deliveries to both the hospitals and the outpatient facilities. Beaumont implemented an internal bar-coding system to be used in conjunction with low-unit-of-measure JIT inventory system.

In 2008, Broadlane assumed day-to-day responsibility for hospital procurement operations and management of its Value Analysis Teams (VAT).

Broadlane will further centralize Beaumont purchasing functions, transaction management and Item Master maintenance. Broadlane's OnRamp and BroadLink will be utilized to streamline the purchasing processes.

Beyond national GPO participation, Beaumont will also utilize Broadlane for sourcing of supplies and purchased services, which are typically contracted locally. In addition, Broadlane will provide comprehensive Capital Equipment Services.

Orlando Health

(C,P,D)

Location:

Orlando, FL

Overview:

Orlando Health is currently implementing the TECSYS warehouse and distribution management system that will be the foundation for the consolidated service center. The goal is to have a 24-7 operation up and running by January 1, 2009. Orlando Health plans to actually begin the distribution process in December 2008, and as the supply chain is able to decrease the number of products distributed by its current outsourced partner, it will increase the volume it purchases and distributes.

ROi (Sisters of Mercy Health System)

(C,P,D)

Location:

Chesterfield, MO

Overview:

ROi began as an internal network at Sisters in 2002, and has since evolved into an organization with internal and external clients and a contracting volume of more than \$360 million as of September 2008. Its business model is built around a centralized storage and distribution center (CSC) that enables its users to take ownership of the supply chain, and decrease reliance on third parties.

What started as a consolidation effort driven by a common materials management information system and common item file has led to one of the most clinically integrated supply chains in the industry. The model has proven that healthcare providers can take control of their supply chain and significantly contribute financially.

Mid-America Service Solutions (VHA)

(C,P,D)

Location:

Kansas, Missouri

Overview:

On January 15th, 2009 VHA Inc. formed Mid-America Service Solutions LLC, a Consolidated Services Center owned by and serving six hospital groups in Kansas and Missouri. The CSC is designed to advance supply chain efficiency, decrease costs, streamline operations and help hospitals elevate supply chain performance to levels enjoyed by other industries.

Member-owners of the Mid-America CSC purchase more than \$520 million in supplies annually.

Mid-America Service Solutions has signed an outsourcing agreement in which VHA will provide contracting, logistics, master file management, customer service, information technology, financial and overall CSC operations management.

Mid-America Service Solutions is comprised of all health care organizations that are part of:

- CoxHealth, Springfield, Mo.
- Freeman Health System, Joplin, Mo.
- Saint Luke's Health System, Kansas City, Mo.
- Hays Medical Center, Hays, Kan.
- Salina Regional Health Center, Salina, Kan.
- Stormont-Vail HealthCare, Topeka, Kan.

As a limited liability company, the CSC will be recognized as a single VHA member entity and as a virtual integrated delivery system in the industry. The CSC connects and centralizes the contracting, procurement, distribution, logistics and other important hospital supply chain activities, utilizing a proprietary information platform. The CSC gives hospitals greater control over their supply chain activities and strengthens their ability to lower their operating expenses. Owens & Minor was selected as the distributor and provider of custom warehouse solutions.

Texas Purchasing Coalition (VHA)

(C, P)

Location:

Texas

Overview:

The Texas Purchasing Coalition (TPC) is an innovative supply chain management partnership that operates through VHA Texas, one of VHA Inc.'s Regional Health Care Systems.

The TPC is comprised of 14 VHA Texas systems that have committed to work together to lower their supply costs. The TPC enables its members to be recognized as one large system, thus aggregating their purchase volume and commitment to maximize tiered pricing options, create unique value, and develop customized programs. Combined, the 14 members represent more than \$500 million in annual supply purchases.

TPC member hospitals:

- Baptist St. Anthony's Health System, Amarillo
- Community Hospital Corporation, Plano
- Hillcrest Health System, Waco
- King's Daughters Hospital, Temple
- Medical Center Hospital, Odessa
- Midland Memorial Hospital, Midland
- Richardson Regional Medical Center, Richardson
- St. Joseph Health System, Bryan
- Scott & White, Temple
- Shannon Health System, San Angelo
- Tomball Regional Medical Center, Tomball
- Trinity Mother Frances Health System, Tyler
- United Regional Health Care System, Wichita Falls
- Wilson N. Jones Medical Center, Sherman

North Mississippi Health Services

(C,P,D)

Location:

Tupelo, MS

Overview:

North Mississippi Health Services (NMHS) is a diversified regional healthcare organization which serves 22 counties in north Mississippi and northwest Alabama. NMHS' service area covers two states; it includes six hospitals, one surgery center, 32-owned clinics, four nursing homes, a home health agency and 23 school health centers. In fiscal year 2008 (October, 2007 through September, 2008), NMHS admitted over 36,000 patients and over 123,000 cases in the ER.

North Mississippi Health Services (NMHS) adopted a self-distribution strategy (buy directly from manufacturers and manage their own inventory) in 2007. NMHS uses TECSYS' EliteSeries warehouse management software for healthcare. North Mississippi Medical Center is the flagship hospital and operates the Logistics Center.

Prior to selecting TECSYS, NMHS had a small inventory control facility with a significant number of manual processes that were not in keeping with the organization's high quality and professional staff. NMHS saw a great potential for eliminating redundant steps and improving inventory management by altering the distribution management process and going directly to manufacturers.

With its self-distribution strategy, NMHS manages all products in their supply chain, from cradle to grave. NMHS has also reduced product, operating and excessive costs associated with the purchasing, warehousing and delivery of supplies. Cost reductions to date are up to \$14.5 million and an additional \$8 million annually, while fill rate increased to 99.98%.

NMHS is building a Central Sterile Processing (CSP) facility for kitting surgical procedure supplies. The stainless steel carts include surgical instruments, gloves and other components, assembled and maintained in a sterile environment. This will be a centralized model.

HCA Supply Chain Services

(C,P,D)

Overview:

Supply Chain Services provide Purchasing, Materials Management, Warehousing and in some locations, Accounts Payable functions for HCA affiliate hospitals.

These consolidated service centers are responsible for purchasing, managing and moving medical supplies, equipment and related information throughout the HCA System. With these consolidations, HCA has achieved supply cost reductions and operational efficiencies through large volume purchasing, enhanced national contracts, and the implementation of best practices and a point of use bar code scanning system.

There are currently 8 centralized Supply Chain operations with additional warehouse locations.

Supply Chain locations include:

- Denver, Colorado
- Miramar, Florida
- Largo, Florida
- Nashville, Tennessee
- Coppel, Texas
- Sugarland, Texas
- Kaysville, Utah
- Richmond, Virginia

MidAmerica Supply Chain (HCA)

(C,P,D)

Location:

Nashville, TN

Overview:

HCA MidAmerica has a CSC based in Nashville, TN that serves sixteen HCA hospitals in Tennessee, Kentucky and Indiana. As one of HCA's centralized supply chain locations, HCA MidAmerica's mission is to provide the most cost-efficient, high quality products and supplies to its facilities. The CSC oversees the Supply Improvement Program, Freight Management, Warehouse Consolidation, Point of Use, Division Based Procurement, National Contracting, and Order Management, as well as developing strategies to reduce expenses and streamline processes to improve operations.

HCA East Florida Supply Chain Services

(C,P,D)

Location:

Miramar, FL

Overview:

**No information available

HCA West Florida Consolidated Service Center

(C,P,D)

Location:

Largo, Florida

Overview:

The departments in the Supply Chain office include Accounts Payable, Internal Control, Customer Service, Optical Scanning, and Warehouse Purchasing.

HCA West Florida serves the following hospitals:

- St Petersburg General
- Brandon Hospital
- Largo Medical
- Community Hospital of New Port Richey
- Blake Medical Hospital
- Northside Hospital
- RMC Bayonet Point Hospital
- Oak Hill Hospital
- Englewood Hospital
- Fawcett Memorial Hospital
- Gulf Coast Hospital
- Southwest Florida Regional Medical Center
- Doctor's Hospital of Sarasota
- Ed White Hospital
- South Bay Hospital

HCA Shared Services Dallas

(C,P,D)

Location:

Dallas, TX

Overview:

HCA Supply Chain Operations – Dallas is serves the members of HCA's North Texas, Central & West Texas and Delta Divisions.

The Coppell, Texas service center provides Purchasing, Customer Service, and Accounts Payable functions for the Dallas/Ft Worth, El Paso, Austin, New Orleans, Lafayette, and Mississippi Markets.

HCA Dallas oversees the Distribution of Med/Surg items from their distribution Centers in Coppell, El Paso, Austin and Covington, TX. These facilities manage more than \$10M in stocked inventory. This includes Pandemic inventory to support HCA's Disaster response plans.

HCA Shared Services Houston

(C,P,D)

Location:

Sugar Land, TX

Overview:

The CSC in Sugarland, TX is in charge of the consolidation of purchasing and distribution of medical supplies.

HCA Shared Services Far West

(C,P,D)

Location:

Kaysville, UT

Overview:

HCA Far west serves communities in Alaska, California, Idaho, Nevada, Utah, Washington. The CSC facility is in charge of consolidating the purchasing and accounts payable functions of HCA's facilities in order to facilitate the flow of medical supplies, equipment and related information through sharing resources and maintaining high quality patient care focus in clinical areas.

The departments in the Supply Chain office include:

- Accounts Payable
- Inventory
- Customer Service
- Optical Scanning
- Distribution
- Purchasing

HCA Richmond Supply Chain Services

(C,P,D)

Location:

Richmond, VA

Overview:

The Central Atlantic Division Supply Chain Services headquarters is in Richmond, Virginia. Supply Chain Services encompasses the following areas:

- Accounts Payable
- Purchasing
- Logistics
- Procurement