



## Advancing Collaboration, Success, and Sustainability for Memorial Healthcare System

### Situation

In 2020, Memorial Healthcare System began a partnership with Accumen, focused on strategic sourcing and supply chain. Memorial has been a leader in providing high-quality healthcare services to south Florida residents for almost 70 years. Memorial's patient, physician, and employee satisfaction rates are some of the most admired in the country, and the system is recognized as a national leader in quality healthcare.

Like many healthcare systems, Memorial was faced with supply disruptions and financial pressures in an ever-changing environment. These challenges became a significant priority as supply chain disruptions created limited product availability and price increases. It was time to implement expert and customized solutions.

Memorial's Group Purchasing Organization (GPO) introduced Accumen to support Memorial's goals with lab strategic sourcing, lab improvement, and driving overall value. Memorial's lab services are guided by Edward J. Peterson, MBA, MT (ASCP), vice president of Laboratory Services. Peterson brings over 30 years of lab and health system experience to this process.

***"I'm passionate about ensuring we are always making the best decisions for the healthcare system to provide the best care and service to our patients. Addressing supply chain directly supports overall patient care and reduces operating costs."***

### Overcoming challenges

Accumen began its strategic sourcing process in February of 2020. The date is important to note as this was the start of the COVID-19 pandemic that swept across the nation. Memorial was also later responsible for two million doses of COVID-19 vaccinations for one million people in the state of Florida. The healthcare system was one of five organizations to receive the Pfizer vaccine at that time. Prior to receiving the vaccine, Memorial had been proactive in caring for its community at the early onset of the pandemic and provided drive-through clinics.

Memorial's leadership team and clinical teams were focused on meeting COVID-19 demands, supporting patient safety, and protecting the community. Over the course of the pandemic, Accumen and Memorial continued strategic sourcing initiatives, being sensitive to Memorial's COVID-19 demands.

### Creating opportunities in an already successful environment

First, Accumen completed a thorough diagnostic process. This included assessing Memorial's current spend, identifying opportunities, creating a long-term strategic sourcing roadmap, and immediately addressing urgent expiring contracts or possible vendor consolidation.



Memorial was aware of pricing and supply issues, but often healthcare systems lack the time or resources to fully address known problems. Therefore, healthcare systems welcome additional resources in the form of consultants to benefit from seeing the ‘big picture,’ presented in a concise manner, including a review of contracts by category and any discrepancies in pricing. Memorial was aware of issues that could be resolved and open to the expert guidance provided by Accumen to continue to create savings and overall performance improvement.

A key component was support from Memorial’s leadership. “Ed was always engaged, willing to listen, and ready to seize opportunities,” states Brent Bolton, VP/GM, Strategic Sourcing and Supply Chain, Accumen.

### **Savings within Memorial’s latest segments**

Memorial has standardization, equivalent pricing across the organization, and was already receiving aggressive pricing. Many of the typical opportunities for improvement that Accumen would recommend were already complete. However, Memorial had unique opportunities to improve within its chemistry and tissue segments.

First, tissue was registering at a high cost for the system. Memorial was able to reap savings on its tissue spend, the third highest cost savings opportunity. Next, Memorial obtained price

decreases on its chemistry spend – seeing significant savings within six months. Hematology pricing improvements were also an opportunity. Lastly, Accumen facilitated sourcing for hard-to-find lab products and mitigated supply chain disruptions. Accumen’s subject matter experts and national leverage enabled a process for Memorial to accelerate desired cost savings results.

### **Financial results**

Within the first year of implementing the partnership, Memorial attained over \$1,000,000 in savings. The primary focus was on three main lab categories, and with Accumen’s support, Memorial was able to drive down chemistry pricing by 11%, tissue diagnostics by 21%, and hematology pricing improvements of 38%.

Over time Memorial’s volume will continue to grow, which provides additional savings opportunities and volume-based discounts, even with inflation.

### **About Accumen’s Services**

Accumen’s supply chain and strategic sourcing teams provide unique solutions for each of our health system partners to reduce supply chain costs while creating a long-term strategy for lab vendor and product optimization. Accumen also helps our partners with sourcing solutions for hard-to-find products, mitigating supply chain disruptions.