

# CONTRACT MANAGEMENT SOLUTIONS

Accurately vetting implants in real-time to prevent overpayment and unwarranted price increases

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## THE CHALLENGE: LACK OF EXPERT RESOURCES

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- **ACCURATE CLASSIFICATION:** Staff often default to sales reps for accurate classification/pricing and may not have the expertise and time to question misclassifications or marketing details
- **ACCESS TO EXPERTS:** Staff may not always have access to expert resources and they may also be afraid to ask about new parts and risk appearing incompetent
- **PHYSICIAN BUY-IN:** Building alignment with physicians and other clinicians is critical for mutual benefit, collaboration and success
- **INAPPROPRIATE USE:** May include premium prices that were not understood at time of implant, dosing issues with biologics, wasted implants, among other areas of opportunity
- **INVENTORY CONTROL:** Supply chain executives do not always have time to read, understand and manage contracts while maintaining accurate inventory across a large number of vendors
- **HIGH VOLUME DEMANDS:** IDNs can expect to receive over 50 new catalog numbers daily with 10 of those items requiring research of the implant per the current contract
- **CONTRACT LOOPHOLES:** Supply chain teams often do not have time to manage procurement strategy with adherence to language, continual documentation and change management



**IDNs overpay by 25% of their spend**

*– vendors introduce replacement implants on a cyclical basis at higher pricing*

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## THE PINNACLE SOLUTION: OUTSOURCED CONTRACT MANAGEMENT

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**PINNACLE HEALTHCARE CONSULTING** has the clinical and operational expertise and resources you need to effectively review all products with constantly changing protocols. We have the ability to regulate approved suppliers, set expectations and manage relationships. This results in improved performance data and the ability to anticipate problems and manage, rather than administer, contracts. In the role of contract manager, we are able to ensure contracts and contracting procedures are used to execute the organization's strategic goals.

# CONTRACT MANAGEMENT EXPERTISE, SERVICES AND SUPPORT

- **Broad Experience:** Because we manage contracts for large IDNs, hospitals and ASCs located across the country, PHC often has firsthand knowledge of the implant and price in question, along with endless resources when needed
- **Methodology:** PHC has the clinical understanding, experience and methodology needed to maintain savings long-term through manual and/or IT process improvements that increase both efficiency and effectiveness
- **Clinical Relationships:** Physician engagement is critical especially given their evolving role. PHC can facilitate physician collaboration making sure metrics are data-driven and include care variability

**Supply Chain Management:** Given our depth of contract experience, PHC can negotiate, structure and facilitate highly effective contracts that include revenue cycle management, utilization review, profit per episode of case, benchmarking and more

## Expanded Services:

- **Communications Support:** PHC can facilitate external vendor communications, as well as internal communications between OR managers, buyers, supply chain staff and administration
- **Professional Resources:** The expanded PHC professional team includes clinical, contracting, revenue, legal and IT expertise to provide additional support when addressing implant purchases
- **Staff Training:** PHC can provide experienced resources as trainers and mentors to develop your internal team, while also covering for seasonal fluctuation, staff shortages, unexpected illness and paid leave time



## PINNACLE INTEGRATED SOLUTIONS

1. **Contract Development:** PHC can translate clinical usage data into purchase terms acceptable to administrators, surgeons, buyers and suppliers. In addition, if purchasing terms are lacking, we can provide an addendum to strengthen your ability to manage these contracts
2. **Contract Management:** PHC reporting/purchase history database management identifies changing trends and additional savings opportunities and assists in business analytics and custom reporting. Monitoring of new technology by PHC also assures it's purchased within existing contract terms/pricing and no issues occur
3. **Benchmarking:** PHC provides comparative analytics to measure performance and outcomes, track progress and access improvement. Comparisons are performed internally by physician and externally by regional/industry competitors. Gain insights that identify gaps, uncover opportunities and support recommendations to improve competitiveness. Access your data through convenient dashboards (i.e. physician cost comparisons, utilization reviews and comparison).
4. **PHC PPI Database:** Our proprietary database provides the robust platform needed to support advanced contract management functions. Prospective/retrospective data review and custom reporting maximize trend analysis, savings opportunities and business analytics. Ongoing updates and maintenance of the materials management master can be directly facilitated which further supports accurate charge master linkages and additional pricing oversight
5. **Audits:** Leveraging our database gives us the ability to perform all necessary audits. This includes reviewing purchase history to identify a point in time where there were contract issues and/or vendor concerns. It also includes review of gainsharing to ensure everything is above board from a physician perspective including payment, as well as audits to ensure compliance with government requirements
6. **Gainsharing:** As experts in hospital/physician relationships, PHC can develop and manage effective incentive programs that align health system economics and physician interests. With measurable objectives determined upfront, results are audited over a specific timeframe to ensure transparency and drive improvement. Leveraging physician peer group collaboration, new clinical pathways are identified for improved efficiencies, reduced costs and improved quality.