

SPEND MEND

Physician Preference Items

A Cost Saving Strategy For Your Hospital

Achieving cost savings across your hospital's PPIs goes beyond mere benchmarking. A comprehensive approach requires a thorough examination and deep analysis of your cost structure, as well as an objective evaluation of your historical expenditure. By taking these steps, your hospital can identify the best pricing options and capitalize on cost savings opportunities.

In our nearly three decades of service in the healthcare industry we have developed a three-step approach for driving the most complete and successful savings strategy on PPIs:

1. True Understanding Of Your Physician Preference Items Cost

- Construct Cost
- Cost Comparison across vendors by construct
- Comparison to competitive pricing in the market

2. Collaborative Physician Engagement Strategy

- Providing cost transparency
- Understanding current and future trends
- Strategy that aligns their needs with the organizations

3. Negotiate Savings with Your Vendors

- Organizational aligned behind the negotiation.
- Clear communications and expectations
- Competitive and achievable ask

To support these three pillars and to optimize the cost savings potential of your hospitals PPIs, SpendMend follows as six-step strategic approach for predictable, repeatable and scalable success:

1. Conduct a 12-month historical utilization analysis by physician
2. Benchmark comparable constructs across vendors for true cost and cost savings opportunities
3. Use market intelligence to identify achievable cost savings
4. Create a strategy for discussing findings with physicians
5. Have a collaborative discussion with physicians to gain alignment
6. Align the organization behind the most effective strategy and execute vendor negotiations.

The Value That SpendMend Delivers

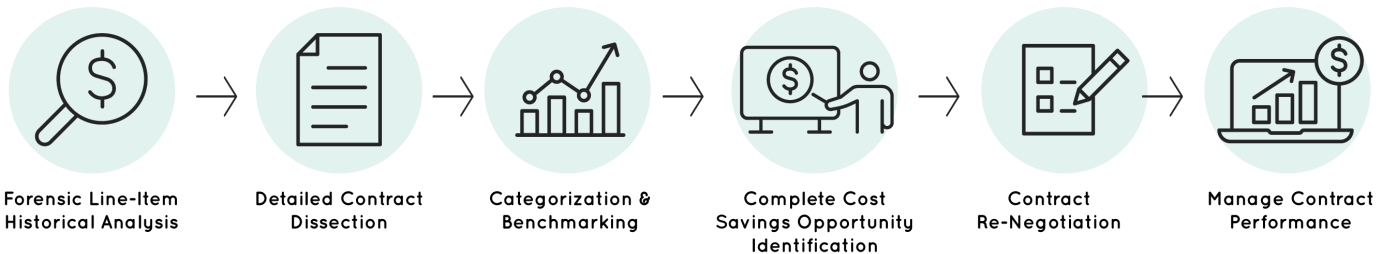
SpendMend's approach to PPI cost savings allows hospitals to achieve cost savings quickly and for the long haul. Hospitals that work with SpendMend will see the following benefits:



- Achieve pricing better than industry norms and your peers
- Empower physicians to drive savings through PPI selection
- Utilize analytics and sourcing resources that generate ROI
- Maximize savings through professional negotiation services
- Balance cost reduction with maintaining or improving healthcare quality

You Need A Non-Biased, Impartial Review

A successful organization-wide cost reduction initiative must include a deep assessment of the current situation. An honest assessment can only come from external resources who has your interests - not their own - in mind. SpendMend can provide that non-biased third-party review of your PPI expenditures.



SPENDMEND PRO TIP: Involve And Educate Your Physicians

Multiple studies across several prestigious medical journals have discovered what SpendMend has known for years - involving your physicians in this project will result in cost savings for the hospital.

- **The Journal of Hospital Medicine** determined that educating physicians about PPI costs and involving them in the selection process could reduce high-cost PPIs and drive cost savings for the hospital.
- **The Journal of Healthcare Engineering** found that involving physicians in a value analysis process for PPIs could reduce the use of high-cost PPIs and lead to savings of up to 30%.
- **The Journal of Medical Device Regulation** found that standardizing PPIs through clinical practice guidelines lead to up to 25% cost savings.

Don't Take Our Word For It...

"We got a significant boost to our bottom line at a time when we really needed it. Even with a GPO in place, SpendMend was able to reduce our supply costs and contracted costs in many areas. They negotiated an exclusive agreement with a top orthopedic knee and hip vendor; it drove huge savings and helped us standardize our program. I just can't say enough good things about them..."

- Barbara Harris Duncan,
Habersham Medical Center, CFO

"SpendMend's impact was both immediate and sustaining. They created substantial savings in several high-cost areas within our organization, including Cardiac Cath Lab, OR, Laboratory, Radiology and more. Their team brought a level professionalism, creativity, and drive that was infectious to our leadership team."

- Kerry Loudermilk, Senior Vice President & CFO