

**IMPACT OF A SINGLE VENDOR STRATEGIC  
ALLIANCE: AN UPDATE OF OUR INITIAL DATA  
ANALYSIS**

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# Authors & Disclosures

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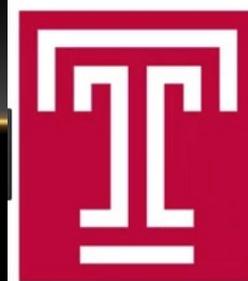
Disclosures: Allen Alcox is a representative of GE Healthcare, a partner in the single vendor alliance.

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**Temple University  
Hospital**

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Temple University Health System

# PURPOSE

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- Our enterprise consists of a \$1.6 billion academic health care network and is on the cutting edge of single vendor strategic alliances across the country.

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- In 2014 we entered a shared risk, single vendor strategic alliance which at the time is relatively unique across the US.

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- The single vendor alliance allows for preferred pricing on a scheduled time frame, rewarding both parties as they work to lower costs together.

# PURPOSE



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- Commencing August of 2015 and continuing today, the data on cost savings and acquisition of capital equipment has greatly benefitted our health system.



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- The agreement links institutional cost savings to generation of capital for the purchase of new equipment and works concomitantly to enhance revenue through improvement of work flow efficiencies while delivering high quality care for our patient population.

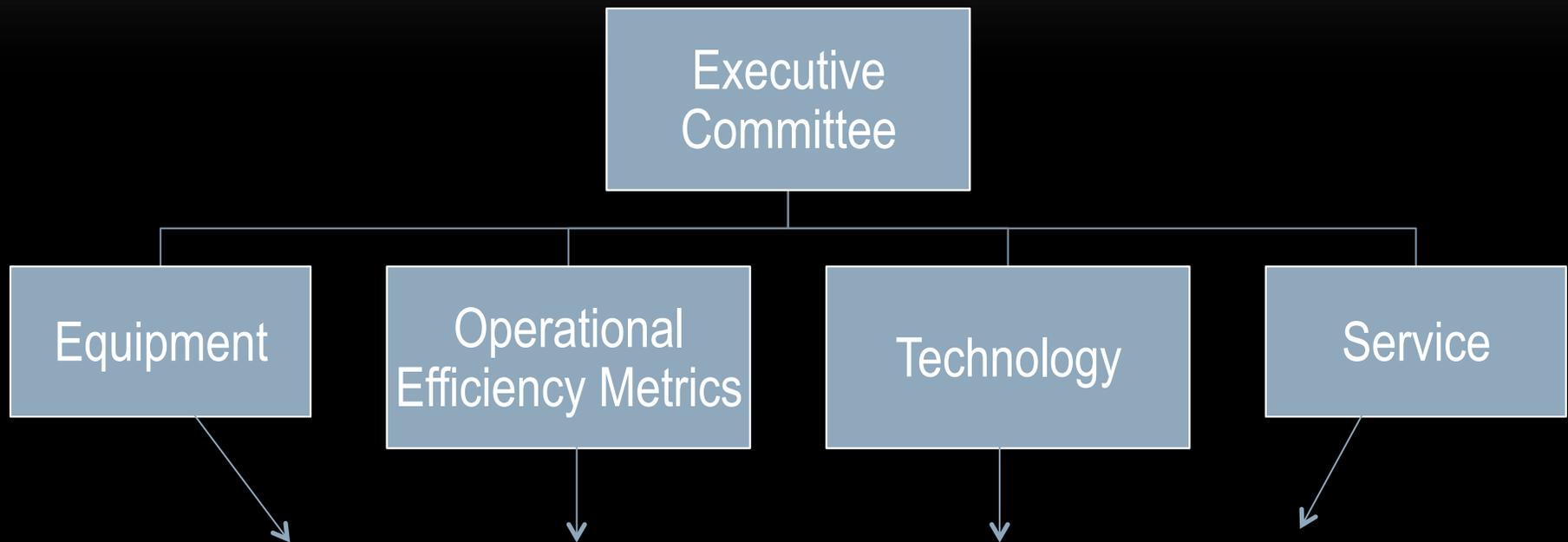


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- The purpose of this exhibit is to update our data, share our experience with a single vendor alliance and display the impact of a single vendor strategy over a 29-month period.

# MATERIALS AND METHODS

Program encompasses 3 major elements of work, each which is governed by a subcommittee.



Each committee uses an objective weight scoring model to rank importance of individual projects and services so finances are delegated on a ranking list for fund distribution.

# MATERIALS AND METHODS

The partner vendor is also integrated into all aspects of the program, which allows for:

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graph LR; A[Institutional expertise in process efficiency improvement] --> B[Technology planning and service]; B --> C[Data analytics and financial metrics are tracked on monthly dashboards];
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Institutional expertise in process efficiency improvement

Technology planning and service

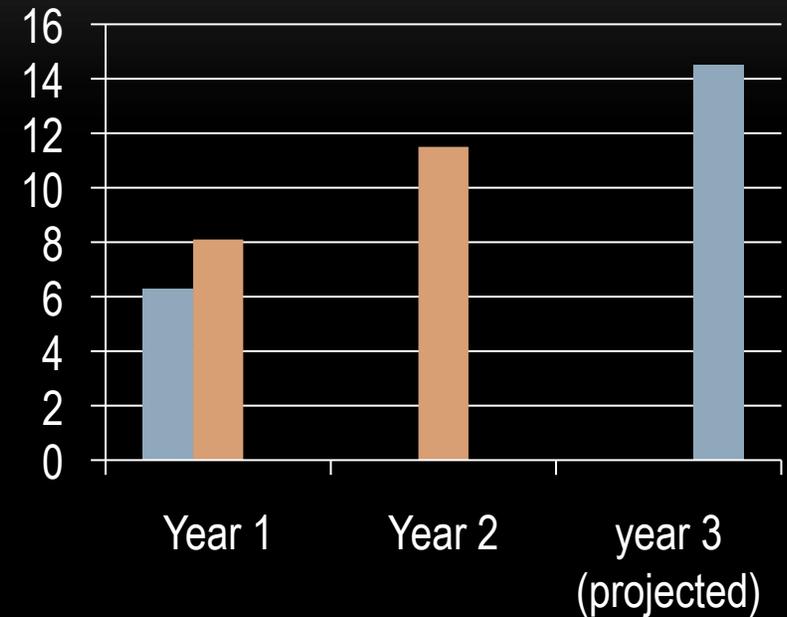
Data analytics and financial metrics are tracked on monthly dashboards

# RESULTS

- The alliance has delivered and exceeded on all major financial targets to date.
- Our data displays a progressive improvement and growth upon each year since program initiation. Data is measured against a baseline established in fiscal year 2014, by calculating wage neutral expenses.

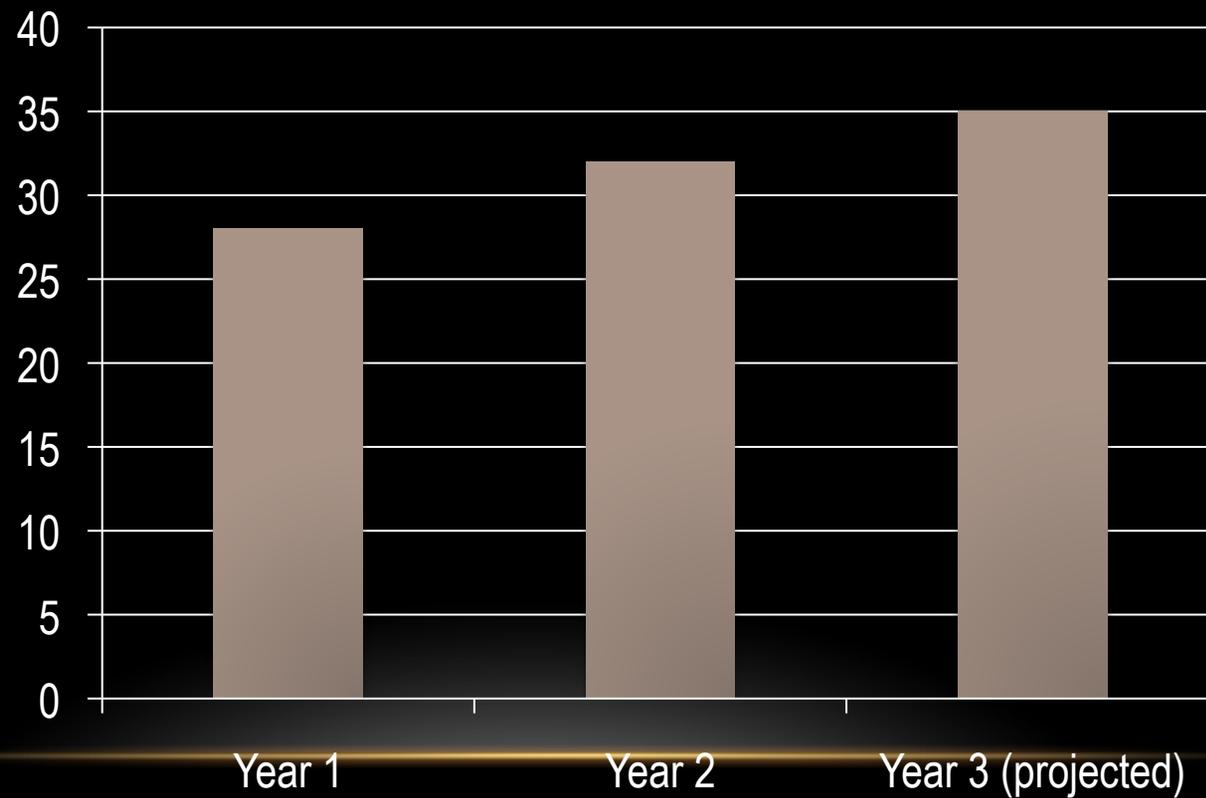
# RESULTS

- During year 1 of the program, total expenses in labor and service dropped 8.1% (orange), exceeding program expectation of 6.3% (blue). Year 2 expenses dropped 11.5%.
- Current fiscal year projections demonstrate a 14.5% reduction in service and labor expense compared to baseline at the end of year 3 of the program (blue).



# RESULTS

- In year two, thirty-two individual process improvement projects, up from twenty-eight projects in year one, have been scoped and are in various stages of completion.



# CONCLUSIONS

- As our vendor alliance continues to grow, learning and adaptation has been at the forefront of developing and improving operational performance and ultimately reduce cost across the institution.
- Having established a cost/exam model our savings and efficiencies continue to improve as we work side by side with our strategic vendor.
- Through data analysis, strategic capital acquisition based on service costs, and efficiency savings this alliance has proven to enhance cost effective care delivered to a urban patient population.



## CONCLUSIONS

- Challenges have been identified with our collaboration, that range from unexpected construction costs, and limited capital.
- Despite these hurdles our alliance remains vibrant, and strong, enhancing our Radiology Department and patient care.

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