

## CASE STUDY

# Value Analysis

### Client

A multi-hospital health system with numerous community healthcare centers. The health system also provides services through behavioral health programs, long-term care facilities, and a visiting nurse association and acts as a teaching affiliate. The health system employs over 20,000 clinical personnel and discharges more than 1 million patients annually.

### Challenge

The health system wanted to establish a physician-led, enterprise-wide, value analysis process supported by spend analytics.

### Solution

Based on a detailed assessment, Nexera recommended restructuring the Supply Chain Department to optimize value analysis. Nexera would both establish the client's value analysis teams and educate staff about the objective of increasing physician participation as leaders in the process, adding clinical accountability over the supply chain spend, and promoting a sustainable, multidisciplinary value analysis model.

Nexera hired subject matter experts to govern value analysis for the health system, including a director and manager (both clinical roles), a project manager, and two full-time physician senior advisors. Four separate teams were established to address perioperative services, medical/surgical, interventional (radiology, cardiac, neurosurgery, and vascular), and business services, each reporting to an Executive Value Analysis Committee comprising chairpersons from each of the teams as well as the health-system C-suite.

### Results

Working with Nexera, the health system restructured its Supply Chain Department, creating a sourcing team of agents and specialists to manage all monies disbursed to each value analysis team and a transactional team responsible for executing specific initiatives identified through the value analysis process.

Within 16 months, the value analysis teams combined generated \$9 million in savings. At the close of the engagement, *the total annualized savings was over \$11.5 million.*