

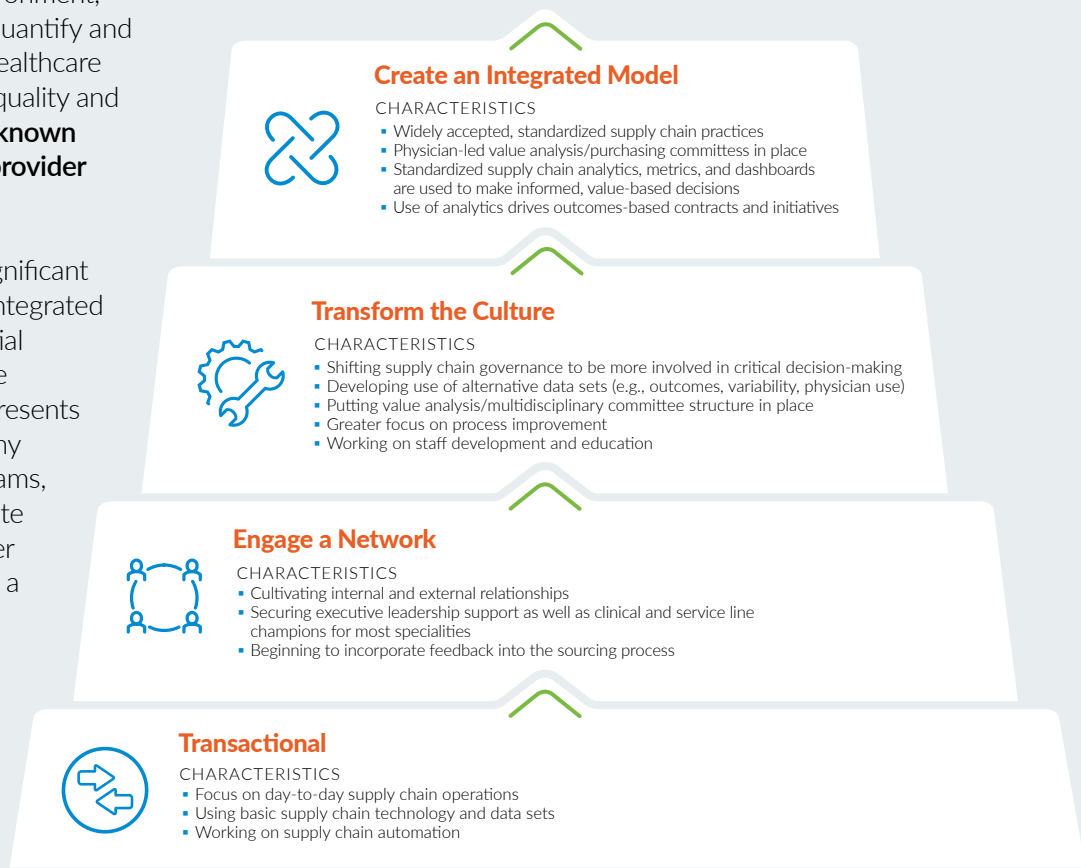
The Clinically Integrated Supply Chain Maturity Model

Readying the healthcare supply chain for value-based care through enhanced operations and culture

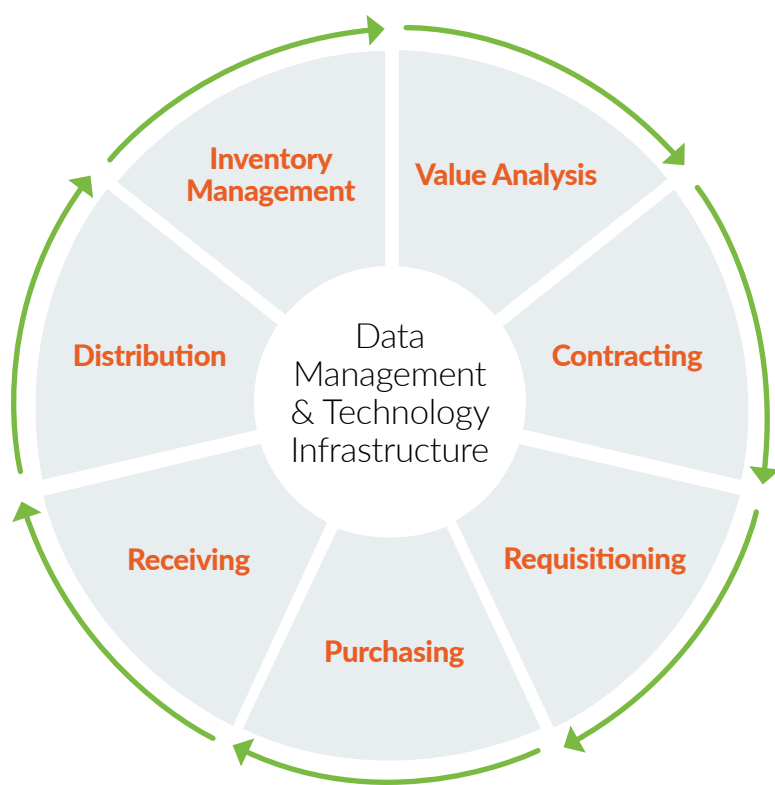
In order to remain financially viable in today's value-based environment, providers must be able to quantify and weigh the impact of total healthcare delivery costs against care quality and financial outcomes. **This is known as CQO—the place every provider should be trying to reach.**

The supply chain plays a significant role in creating a clinically integrated framework, which is essential for an organizational culture grounded in CQO. This represents a significant change for many hospital supply chain programs, as they must learn to operate more strategically. It is easier to manage when viewed as a succession of smaller steps.

Getting Supply Chain to CQO



Supply Chain Operations



This diagram illustrates the different areas of supply chain operations, demonstrating that it is a holistic process and, therefore, performance in one area links directly to performance in the next.

How do the central areas of supply chain operations fit into this model?

Clinical engagement and data are integral to advancing the supply chain. **It is also vital to have a supply chain that is working at optimal performance in all of its functional areas.** Relationships with service line leaders and executive sponsors—essential to the final three steps of the maturity model—will continue to be challenged if supply chain representatives are unable to perform fundamental responsibilities.

Supply chain operations should be viewed **holistically**, with all areas having a direct link to both clinical and financial initiatives and a hospital or health system's ability to operate at the intersection of CQO.

AREA	BEST PRACTICE CHARACTERISTICS
Data Management	Clean, comprehensive, integrated
Requisitioning	Standardized, efficient, widely accepted
Purchasing	Automated, strategic
Receiving	Electronic, synergistic, thorough
Distribution	Lean, customer-facing, coordinated
Inventory Management	Highly reliable, data-driven
Value Analysis	Physician-led, formalized, evidence-based
Contracting	Centralized, validated, outcomes-based