Group purchasing organizations (GPO) are on the defensive.
Halfway through a decade that has seen group purchasing move from the background to the limelight in the healthcare system, GPOs face regulation by the federal government and a growing number of states, criticism of their close financial ties to major vendors, public skepticism, and a battery of small vendors demanding more access to national contracts.

Fighting back
But GPOs are fighting back. During its annual expo in October 2005, the Health Industry Group Purchasing Association (HIGPA), to which most major groups belong, said farewell to its longtime president, Robert Betz, and reorganized to make public relations a priority. At press time, HIGPA was putting the final touches on a contract with a new, Washington-savvy executive director.
Prior to the expo, the HIGPA board voted to oust its 115 supplier members from voting membership in a move to reassure the public and Congress that suppliers do not have undue influence over contracting for hospital supplies.

Based on comments by federal and state officials at the conference, HIGPA needs to move quickly to boost its public image or risk seeing

As long as energy prices continue to rise, so will the price of paper.
As with other commodities, paper prices are volatile because they depend on raw material markets. Hospital materials managers, who often not only buy paper but also run hospital printing operations, have always had to deal with fluctuating prices, even with contracts that keep hikes within limits.

Now they see oil and energy market forces as the largest factors in the paper price equation.
Prices went up last year and are likely to keep rising, they told HMM in this month’s price survey.
“I suspect fuel costs will remain high, and some of that increased cost will be passed on to customers,” one materials manager says. “Many vendors are adding fuel surcharges.”

Some wide variations
Survey respondents estimated that their paper prices rose on average about 6% in 2004, and they expect a similar increase in the coming year. However, the table on p. 3, which represents a sampling of paper and office products, shows an average price increase of 25.7%.

One reason for the discrepancy may be that the survey covers various products that are not weighted by
usage. As one survey respondent pointed out, the primary issue is paper used for copying and printing, which is purchased in large amounts by nearly all hospitals and therefore has greater budget impact than items that are pricier but ordered less often.

In other words, the 117.6% increase for recycled #10 envelopes as well as the 156.9% rise for hanging folders have much less effect than the 28.6% hike for 20-lb. copier paper.

Although prices have generally increased, the table also shows that for certain items, there were large decreases. Because survey responses included other office products (e.g., binders), these prices are also listed in the table.

For example, hospitals have grown increasingly fond of using Post-It notes in a wide variety of colors and configurations.

Participants include group purchasing organizations, integrated delivery networks, and hospitals, representing a total of about 3,000 hospitals with about 500,000 beds.

A notorious record

As a commodity, paper has a notorious record of moving wildly in response to raw material price swings and changes in supply and demand. In recent years, however, group and hospital purchasing contracts have helped smooth out some of the variations.

Prices on the survey were quoted for reams of 500 sheets. Paper is often sold by the ream, which traditionally can range from 480 to 516 sheets. Cases of 8.5-in.-by-11-in. paper typically contain 10 reams, or about 5,000 sheets. Cases of 8.5-in.-by-14-in. paper generally contain five reams, or about 2,500 sheets.

A recent report by the American Hospital Association (AHA) concluded that paperwork is a significant part of a hospital’s operating costs. The AHA found that for every hour of patient care in the emergency room, staff spend another hour completing paperwork.

For every hour of surgery and inpatient acute care, staff complete another 36 minutes of paperwork.

The HMM survey indicates that hospitals spend an average of $50 per licensed bed annually on office paper.

Supply and demand

Pulp and basic paper grades are sold as commodities through worldwide exchanges, with national and regional submarkets. Traditionally, in the paper industry, producers announce price changes, but often have to revise prices if demand increases substantially or drops.

In late November 2005, pulp manufacturers serving the U.S. market increased their asking price to $640 per ton and received it.

The price of newsprint, on the other hand, declined slightly to $606.34 per ton. The publication Paper Age News said the demand for newsprint declined by nearly 5% during the first nine months of 2005. Producers held back production and worked to reduce inventory, but they still did not receive the increase for which they had asked.
Changing supplier mix

During this month’s HMM survey, the national suppliers mentioned most often by hospitals for office paper and supplies were OfficeMax, formerly Boise Cascade, and Corporate Express in Broomfield, CO. A third company that was prominent in 2004, Standard Register in Dayton, OH, did not appear in this survey.

In past years, mergers have reduced the number of choices for hospitals, but in 2005, market forces forced contraction in the paper industry. For example, Mead-Westvaco in Stamford, CT, says it plans to close its paperboard mill in Evadale, TX, early in 2006. Domtar, Inc., a major Canadian paper company, is closing plants in North America, including one in Bangor, ME.

Georgia-Pacific Corp. in November 2005 announced that it would cut back production, idling up to four tissue paper machines with a combined capacity of 140,000 tons and

(See Price survey, continued on p. 4)

<table>
<thead>
<tr>
<th>Product</th>
<th>2006 price</th>
<th>2004 price</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Astrobrighs (fluorescent) 8.5 in. x 11 in., 24 lb.</td>
<td>13.60</td>
<td>6.08</td>
<td>123.6%</td>
</tr>
<tr>
<td>3M tape, 3/4 in., pack of 10</td>
<td>9.77</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bic ball pen, round, box of 12</td>
<td>0.71</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Binder, 3 in. capacity</td>
<td>10.75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Binder, three-ring</td>
<td>2.89</td>
<td>3.64</td>
<td>-20.6%</td>
</tr>
<tr>
<td>Binder, three-ring, 1.5 in., white</td>
<td>5.57</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bond paper, 8.5 in. x 11 in., ivory, 20 lb.</td>
<td>3.25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carbonless form, two-part, 8.5 in. x 11 in., box of 2,500</td>
<td>135.00</td>
<td>135.00</td>
<td>0</td>
</tr>
<tr>
<td>Carbonless form, 8.5 in. x 11 in., box of 1,670</td>
<td>163.50</td>
<td>152.50</td>
<td>7.2%</td>
</tr>
<tr>
<td>Colored copier 8.5 in. x 11 in., 20 lb.</td>
<td>17.17</td>
<td>13.50</td>
<td>27.2%</td>
</tr>
<tr>
<td>Colored index, 8.5 in. x 11 in., 100 lb., box of 1,000</td>
<td>11.58</td>
<td>18.60</td>
<td>-37.7%</td>
</tr>
<tr>
<td>Desk calendar refill</td>
<td>7.47</td>
<td></td>
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<tr>
<td>Envelope with seal, 10 in. x 13 in., box of 250</td>
<td>14.05</td>
<td>17.69</td>
<td>-20.6%</td>
</tr>
<tr>
<td>Fax refill thermal transfer ribbon, box of two</td>
<td>36.67</td>
<td>50.97</td>
<td>-28.1%</td>
</tr>
<tr>
<td>File jacket, letter, box of 50</td>
<td>20.02</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Folder, letter, box of 100</td>
<td>4.37</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Glue pen, Avery, refillable</td>
<td>1.85</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Glue stick, Avery, 1.27 oz. each</td>
<td>0.67</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hanging folder, letter, box of 25</td>
<td>9.89</td>
<td>3.85</td>
<td>156.9%</td>
</tr>
<tr>
<td>Highlighter, five-color set</td>
<td>2.02</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kraft envelope, 10 in. x 13 in., box of 100</td>
<td>7.23</td>
<td>7.11</td>
<td>1.7%</td>
</tr>
<tr>
<td>Kraft envelope, 6 in. x 9 in., box of 100</td>
<td>7.49</td>
<td>5.72</td>
<td>30.9%</td>
</tr>
<tr>
<td>Laser address label, box of 1,400</td>
<td>15.29</td>
<td>22.43</td>
<td>-31.8%</td>
</tr>
<tr>
<td>Legal pad, 5 in. x 8 in., canary, box of 12</td>
<td>2.69</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal pad, 5 in. x 8 in., white, box of 12</td>
<td>2.69</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal pad, ruled, 5 in. x 8 in., box of 12</td>
<td>10.24</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal pad, ruled, 8.5 in. x 11 3/4 in., box of 12</td>
<td>5.27</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manila folder, 8.5 in. x 11 in., tab box of 100</td>
<td>4.37</td>
<td>3.54</td>
<td>23.4%</td>
</tr>
<tr>
<td>Masking tape, 3M, 1-in.-by-60-yard roll</td>
<td>3.19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Memo pad, 100 sheets, case of 12</td>
<td>4.58</td>
<td>2.49</td>
<td>83.9%</td>
</tr>
<tr>
<td>Offset paper, 24 lb.</td>
<td>4.85</td>
<td>4.83</td>
<td>0.4%</td>
</tr>
<tr>
<td>Post-it cube, 3 in. x 3 in., pastel, pack of 12</td>
<td>15.04</td>
<td>13.88</td>
<td>8.4%</td>
</tr>
<tr>
<td>Post-it pad, 1.5 in. x 2 in., pack of 12</td>
<td>3.75</td>
<td>1.41</td>
<td>166.0%</td>
</tr>
<tr>
<td>Post-it pad, 3 in. x 3 in., yellow, each</td>
<td>0.74</td>
<td>1.01</td>
<td>-26.4%</td>
</tr>
<tr>
<td>Printer cartridge, black</td>
<td>57.83</td>
<td>30.56</td>
<td>89.2%</td>
</tr>
<tr>
<td>Recycled copier paper, 8.5 in. x 11 in.</td>
<td>2.94</td>
<td>3.17</td>
<td>-7.3%</td>
</tr>
<tr>
<td>Recycled envelope #10, box of 500</td>
<td>20.54</td>
<td>9.44</td>
<td>117.6%</td>
</tr>
<tr>
<td>Swingline staples, box of 2,500</td>
<td>4.85</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tyvec envelope, 1st class, 10 in. x 15 in., box of 100</td>
<td>25.63</td>
<td>33.50</td>
<td>-23.5%</td>
</tr>
<tr>
<td>Weekly calendar refill</td>
<td>6.31</td>
<td></td>
<td></td>
</tr>
<tr>
<td>White copier, 8.5 in. x 14 in., 20 lb.</td>
<td>4.81</td>
<td>3.74</td>
<td>28.6%</td>
</tr>
<tr>
<td>White copier 84 bright, 8.5 in. x 11 in., 20 lb.</td>
<td>2.45</td>
<td>3.00</td>
<td>-18.3%</td>
</tr>
<tr>
<td>White copier 92 bright, 8.5 in. x 11 in., 20 lb.</td>
<td>3.18</td>
<td>3.48</td>
<td>-8.6%</td>
</tr>
<tr>
<td>Zippered three-ring binder</td>
<td>19.64</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PRICE SURVEY

(continued from p. 3)

approximately 70 converting lines, and eliminate 850 positions in North America.

Weyerhaeuser plans to close its pulp and paper plant in Plymouth, NC, and says it will stop manufacturing paper used to make cardboard boxes and lay off about 200 employees in January.

All of the companies cited higher raw materials costs, especially for wood pulp, and higher energy and transportation costs.

The other major coated paper manufacturer is International Paper in Stamford, CT.

In the past, most hospitals reported using regional or local distributors for paper, but as more hospitals signed group contracts with large national companies, firms such as Corporate Express received more frequent mention this year.

Materials managers say using national contracts gives them more price stability because they are not subject to local market fluctuations.

HIGPA

(continued from p. 1)

whatever value group purchasing offers hospitals swept away in the whirlwind of politics.

States wield more power

The political struggles are not limited to Washington. Concerns about the current administration’s policies could change the electoral fate of members, including the chair of the Senate antitrust subcommittee investigating the GPO industry.

“I have never seen, in 25 years in Washington, a Congress as acrimonious as it is right now,” outgoing HIGPA president Robert Betz told expo attendees.

“The most exciting things going on in health policy right now are not going on in Washington,” Betz added. “They are going on in the states. Why? Medicaid. This is partly because we don’t have a long-term care policy in this country, so it is left to Medicaid and thus the states.”

With states examining health policy more closely, GPOs already have appeared on radar screens, as in efforts a few years ago in California to regulate administrative fees.

Nebraska State Auditor Kate Witek agreed that the federal government is shifting healthcare responsibility to states, and with it legislative initiatives. She noted that states can move more quickly than the federal government and that it is easier for them to understand and address local needs.

But that also means future efforts to change aspects of the current healthcare system (e.g., group purchasing) may be aimed at state policy makers.

“Effective self-enforcement is a priority for this group,” she told HIGPA members during one session. She advised GPO executives to “be as visible as possible at the state level.”

HIGPA chair Al LoBiondo later told HMM the current approach to state legislatures is “more like surveillance.” LoBiondo is senior vice president of supply chain services at the Greater New York Hospital Association in New York.

He is asking members to alert HIGPA leadership when they see local efforts to challenge the GPO system. “Then we take a SWAT team approach [to educate local officials.] We learned our lesson in California,” he said, referring to a movement to regulate or eliminate administrative fees there. That effort failed, but “we allowed others to define our value,” LoBiondo said.

New public policy committee

That need to make its own case in public is part of the reason for the upcoming deconstruction of HIGPA. The new structure will feature a public policy committee to be managed by Washington-based leadership.

In its decade of existence under Betz, HIGPA managed to keep federal regulators at bay. But it was ill-prepared to confront a series of general-interest news articles and television programs (including features in The New York Times and on 60 Minutes) in which doctors, joined by vendors upset at not being awarded major contracts, claimed that patient safety was compromised by financial arrangements between GPOs and contracted vendors.

By 2001, the Senate antitrust subcommittee was planning its first investigation (postponed by the Sept. 11, 2001, terrorist attacks) of GPOs. Neither hospital materials managers nor HIGPA officials were invited to testify.

From now on, LoBiondo said, “our public policy will be in public view. We know our value, but we’ve been so low under the radar.”

Closely watched

Meanwhile, privately and publicly, materials managers agreed the groups needed to clean up their acts. Some groups had close financial ties, including investments, with large suppliers. Hospitals did not see direct links between the membership dues they paid and the rebates they were later awarded for contract compliance.

At the Senate’s urging, HIGPA drew up a code of conduct that became a model for individual ethics codes developed by all major groups. The debate since then has centered on the value of those codes, whether they are enforceable and whether they go far enough in putting hospitals’ and patients’ interests before the financial interests of suppliers and groups. There also is the question of permanency, or whether the code will

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give way to business as usual.

“Three years after the HIGPA code of conduct was issued, the industry continues to be closely watched,” Betz warned the GPO executives during an expo session. The Senate had just postponed another hearing, scheduled for October 19, and did not reschedule it before the end of 2005. “The schedule [was] jam-packed,” Betz explained.

When the hearing does take place, he said, it will likely focus on two issues: the so-called Health Care Group Purchasing Initiative (HCGPI), which will require GPOs to report in detail about their compliance with the code of conduct and to post their reports on the web for all to see, and the proposed Medical Device Competition Act.

That act, now Senate Bill 2880, sets a 3% limit on administrative fees. It also creates a federal agency to oversee hospital purchasing and monitor actions of people designated as “purchasing agents.” This could mean “just about anybody” who buys supplies, Betz warned. Another bill is in the works to ban all administrative fees.

A less draconian bill that Betz said may be introduced would cap administrative fees at 3%, but only for GPOs with at least $10 million in annual purchasing value, leaving many small regional groups free to charge vendors to promote their contracts to members.

Research must continue

During his outgoing speech, Betz urged HIGPA to continue his research efforts to document the benefits of group purchasing to the healthcare system.

The latest report, by Washington, DC–based Muse & Associates, concluded that if the savings available from group contracts declined by just 1%, the cost to U.S. hospitals would be $2.5 billion annually. Medicare and Medicaid would be affected as well.

“Research on the benefits of group purchasing must continue because proponents of regulation continue to send their studies to Congress,” Betz said.

The transparent solution

Not exactly behind the scenes, but apart from HIGPA efforts, nine major GPOs have developed HCGPI, which they hope will reassure critics that they meant what they said in their respective codes of conduct.

HCGPI includes two GPOs that are major players in the health care system but have never joined HIGPA. One is Broadlane in Dallas. Broadlane was a spinoff of BuyPower, the original group purchasing division of Tenet Healthcare, now also headquartered in Dallas.

The other HealthTrust Purchasing Group in Brentwood, TN. HealthTrust began as the group purchasing division of HCA Healthcare in Nashville, TN.

Both Broadlane and HealthTrust are now independent companies and include members with no connections to HCA or Tenet.

In March, HCGPI members began meeting to develop a voluntary ethics initiative.

They designed a survey, to be completed by each member, giving details of compliance. Questions range from relations with vendors and contract provisions to hiring policies that stress the importance of professional ethics, according to members of the working group that developed the survey.

The first responses are due to be posted online early this year. The organization is somewhat behind schedule as it has not yet selected a permanent director.

Also in the planning stage is an annual forum for GPO executives to meet with government officials to review their conduct.

At one of the Expo sessions, four prominent HIGPA members were represented by Mark McKenna of Novation in Irving, TX; Susan DeVore of Premier in Charlotte, NC; LoBiondo and Darrel Weatherford of Consorta in Schaumburg, IL.

They agreed their focus will be on transparency of business practices. To that end, they have established a Web site, www.healthcaregopii.org.

Weatherford told the group Consorta has gone one step further and commissioned a third-party audit of its code compliance “to make sure we walk the walk as well as talk the talk.”
Busy day for J&J: Guidant pact resumed as Abbott agrees to market RX devices

Johnson & Johnson (J&J) in New Brunswick, NJ, and Guidant Corp. in Indianapolis agreed on November 15, 2005, to move ahead with their merger, but J&J will pay $4 billion less than the original price, the companies said in a joint news release.

Both boards have agreed to the revised deal, and closing is planned for early 2006. J&J will pay $21.5 billion, of which $19 billion will be in cash, for the cardiac device maker.

The acquisition originally was announced in December 2004, but J&J backed out after recalls of and related investigations into some of Guidant’s implantable defibrillators and stents. In November 2005, Guidant sued J&J in New York District Court to force the deal, but the companies then agreed on the revised settlement.

Meanwhile, J&J was negotiating an agreement with Abbott Laboratories in Abbott Park, IL, under which Abbott will license J&J technology for rapid exchange (RX) delivery systems, related drug-eluting stents, and interventional products. The agreement, which is contingent upon closing of the acquisition, was announced on the same day as the merger.

It will provide Abbott with access to patents that enhance the company’s ability to bring to market an RX catheter delivery system.

That ability, in turn, will increase Abbott’s presence in catheterization laboratories because most interventional procedures in the United States are performed with RX delivery systems.

New consultant reports offer help in quest for elusive supply chain benchmarks

Two new benchmarking reports promise to help materials managers demonstrate just how much their cost-cutting efforts are worth to the bottom line.

Best Practices, Inc., in Chapel Hill, NC, released the two reports and has made summaries available without charge on its Web site, www3.best-in-class.com. The reports, Supply Chain Management Best Practices and Managing the Supply Chain: Communicating Value to Key Constituencies, explain 45 best practices and 118 metrics from supply chain managers at major companies.

Findings in the two reports include the following:

• 26% of surveyed companies report supply chain costs less than or equal to 5% of total revenue
• One-third report needing nine or fewer employees to carry out the organization’s purchasing function
• 92% use face-to-face executive meetings between supply chain managers and internal customers to discuss supply chain initiatives and communicate value
• Half of the order management executives consider quality of service to be the most defining factor in the value of their operations

Organizations are increasingly outsourcing non-core activities and require transparency in measuring and monitoring the value chain performance.

The studies include benchmarks for delivery performance, cycle time, return rate, inventory, and cash management.

Washington hospital awards new contract to Zonare Medical for ultrasound devices

Sacred Heart Medical Center in Spokane, WA, 623 beds, selected Zonare Medical Systems in Mountain View, CA, to provide ultrasound equipment.

The hospital will install two Zone Sonography units in the radiology and interventional radiology departments. The deal took effect in October 2005.

Stephanie Nibler, ultrasound manager at Sacred Heart, said the equipment’s flexibility was the deciding factor in the choice. “Zone Sonography technology allows us the flexibility of using the system as either a fully-featured, cart-based unit or a premium compact system [that] can easily be taken to the patient’s bedside for an ultrasound exam,” she said in a news release. “This is especially advantageous in treating patients who should sustain minimal movement, such as transport to the radiology department.”

Mount Nittany acquires new PACS for radiology department in contract with AMICAS

Mount Nittany Medical Center in State College, PA, 201 beds (formerly Center Community Hospital), selected AMICAS in Boston to provide imaging equipment.

Under an agreement that took effect in September, the hospital will install AMICAS VisionSeries picture archiving and communication systems for radiology services. The deal is part of Mount Nittany’s plan to convert its radiology department to a filmless and paperless environment.

South Carolina hospital to install bar code specimen technology from Care Fusion

Beaufort Memorial Hospital in Beaufort, SC, 169 beds, selected Care Fusion in McLean, VA, to provide mobile bar code technology at the point of care. Under an agreement that took effect in October 2005, Beaufort will install the company’s Wireless CareCollect for specimen collection and Wireless BloodCare to verify blood products prior to transfusion.

Using bar code patient identification technology and label printing on portable printers, this application supports patient confirmation and documentation of specimens.

Three-month standardization effort nets millions in savings for LifeBridge Health

Standardizing on orthopedic implants saved LifeBridge Health in Baltimore $2.8 million in 2005, with more savings to come this year. The two-hospital system contracted with its group purchasing organization, Premier in
Charlotte, NC, to conduct a 90-day overhaul of its contracting strategy. Estimated total savings for the effort are $3.4 million. Part of that amount will include $600,000 in documented savings from contracts already negotiated but not yet executed.

The LifeBridge hospitals are Sinai Hospital in Baltimore, 466 beds, and Northwest Hospital Center in Randallstown, MD (bed count not available).

One key to the project’s success was Premier’s decision to place its own contract expert on site at LifeBridge Health for 90 days to review major contracts.

“We did not have that expertise on staff and could not have developed it in a timely way to benefit the project,” said Bruce Kavanaugh, director of materials management for LifeBridge Health, in a press release.

Virginia IDN opts to outsource business office functions, selects Perot to operate department

Prince William Health System in Manassas, VA, 170 beds, has agreed to outsource its business office functions. The vendor is Perot Systems in Plano, TX. The deal took effect in October 2005 and will run for seven years. Perot Systems will manage the operations and staff of the department for billing, accounts receivable management, and third-party and self-pay collections.

Legislation expected to prompt vendors to design electronic medical records

Vendors will most likely pick up the pace of development of software needed to create a national system of electronic medical records now that Congress is considering legislation to set standards and spell out privacy rules.

The American Health Information Management Association (AHIMA) in Chicago was behind the push for legislation, and in October 2005, Rep. Nancy Johnson (R-CT) introduced a bill that would create a nationwide health information network. “AHIMA has been working for years to see many of the items included in this bill through to adoption,” said AHIMA CEO Linda Kloss. “We intend to advocate with our members and industry partners to ensure that Congress understands, supports, and passes this legislation.” Among the items addressed in HR 4157, the Health Information Technology Promotion Act of 2005 (HITPA), is an upgrade to the 30-year-old diagnostic and procedure classification system. The bill calls for the adoption and implementation of ICD-10-CM and ICD-10-PCS as replacements for the obsolete ICD-9-CM in the United States by October 1, 2009. If passed, the HITPA will enable the use of diagnostic and procedure codes that accurately reflect 21st century medicine for clinical, public health, quality, and reimbursement decisions.

The October 2009 date was chosen because of a need to concurrently update Health Insurance Portability and Accountability Act of 1996 standards. The bill also requires the secretary of the Department of Health and Human Services to publish a “notice of intent” that announces the requirements and compliance dates for transaction and code set standards upgrades.

“This notice will provide the ‘green light’ many industry vendors have indicated they need to begin the process of software development and data base changes to accommodate ICD-10,” AHIMA said in a news release.

Pact solidifies Catholic Health East’s preference for Sodexho for food service

Catholic Health East (CHE), a 31-hospital integrated delivery network based in Newtown Square, PA, selected Sodexho USA in Gaithersburg, MD, as preferred provider of nutrition and environmental services. Under a deal that took effect September 19, participating hospitals will use Sodexho to outsource food services.

Currently, 12 CHE hospitals in New York, Pennsylvania, and Georgia have outsourced with Sodexho. In addition to providing services to CHE’s acute-care hospitals, Sodexho also contracts with several long-term care facilities owned by CHE.

“We are excited to partner with an industry leader like Sodexho and to expand our relationship to enhance the satisfaction of our employees, visitors, and, most importantly, our patients,” Tom Gruber, vice president of materials management for CHE, said in a news release.

Hospitals convince Hill-Rom to drop product bundling provisions in patient bed contracts

A group of hospitals complained that their patient bed vendor forced them to pay too much for certain products by requiring bundling in contracts.

Fearing a court might agree, the vendor, Hillenbrand Industries in Batesville, IN, agreed to settle for $337.5 million. Hillenbrand is the owner of bed manufacturer Hill-Rom. The suit was filed in 2003 by three-hospital Spartanburg (SC) Regional Healthcare System on behalf of Hill-Rom hospital customers since 1990.

Spartanburg said Hill-Rom illegally bundled pricing to use its standard beds to increase sales of higher-priced specialty beds.

Hillenbrand denied wrongdoing in the settlement, but agreed to stop bundling the products in the future.

New York hospital uses electronic system from Mediware to track use of medications

Rochester (NY) General Hospital, 526 beds, selected Mediware Information Systems in Lenexa, KS, to provide software that tracks the administration of medication.

The deal was implemented in October and covers the company’s MediMar system, which compiles information on prescriptions, as well as alerts such as patient allergies, and produces reports used by clinicians.

On admission, every patient receives a bar-coded bracelet. Each time the patient receives medication, the bar code is scanned. Then the nurse’s badge and the medication container are scanned. If the codes do not match prescribed products or doses, the system produces an alert.

Price information was not disclosed. ❖
**GROUP PURCHASING**

**Premier’s Catholic hospital members agree to form supply chain improvement group**

Several large Catholic healthcare systems that are members of Premier in Charlotte, NC, have formed the Catholic Contracting Group to work together on shared supply chain improvement goals.

The newly formed group includes Bon Secours Health System, Catholic Healthcare West, Catholic Healthcare Partners, PeaceHealth, and SSM Health Care.

Together, the five founding members of the group have a combined purchasing volume through Premier contracts of $2.4 billion. That figure is 9.6% of Premier’s total annual purchasing volume of $25 billion.

“The purpose of the Catholic Contracting Group is to work with Premier to drive supply chain improvement not just for Catholic alliance members but for all Premier members,” said Keith Callahan, vice president of supply chain management for Catholic Healthcare West, in a news release.

Members of the Catholic Contracting Group have agreed to

• develop a work plan that will define issues as well as preferred outcomes or desired changes beneficial to the Premier alliance
• work to achieve efficiency in aggregating supply needs in selected product categories
• work with Premier to pilot new models for custom contracting and supply chain improvement

The following supply chain executives will form the initial governing body for the Catholic Contracting Group:

• Ron Brady, vice president of materiel management at Bon Secours Health System
• Keith Callahan, vice president of supply chain management at Catholic Healthcare West
• James Owen, system director of materials management at PeaceHealth
• Darryl Long, vice president of supply chain management at Catholic Healthcare Partners
• Mike Rosenblatt, corporate vice president of supply chain management at SSM Health Care

“Premier is owned by not-for-profit hospitals and health systems and we believe we can play a positive and significant role in making the alliance stronger and better for all its member hospitals,” Brady said. “As Catholic systems, we have common goals and a solid foundation for working together.”

**VHA cosponsors television program about OR safety**

VHA in Irving, TX, in November and December joined with two vendors to sponsor a satellite television broadcast to member hospitals on making surgery safer.

Medline Industries in Mundelein, IL, and DuPont Medical Fabrics in Old Hickory, TN, joined VHA in sponsoring the one-hour broadcast, which was produced by the Surgical Care Improvement Project (SCIP). The program was broadcast to members of VHA and University HealthSystem Consortium in Oak Brook, IL, on November 29 and then again nationally to all viewers on December 7.

SCIP wants to reduce surgical complications by 25% over the next five years (i.e., by 2010).

The steering committee includes representatives from the Centers for Disease Control and Prevention, Centers for Medicare & Medicaid Services, American College of Surgeons, Agency for Healthcare Research and Quality, American Hospital Association, American Society of Anesthesiologists, Association of periOperative Registered Nurses, Veterans Administration, Institute for Healthcare Improvement, and Joint Commission on Accreditation of Healthcare Organizations.

SCIP promotes evidence-based procedure improvements in four target areas:

• Preventing surgical-site infections
• Reducing adverse cardiac events
• Prevention of venous thromboembolism
• Preventing or reducing postoperative pneumonia

The program was intended for physicians, nurses, and performance improvement specialists.

**Premier program promotes best practices**

The group purchasing organization (GPO) Premier in Charlotte, NC, launched a new Web portal that provides access to industry experts and best practices on October 6, 2005.

The site hosts what Premier calls its Rapid Improvement Programs.

“We all know that the best hospitals are those that have figured out how to ‘get it right’ consistently; the challenge is transferring that knowledge and practical know-how to those that aspire to be the best,” said Stephanie Alexander, senior vice president and general manager of Premier Healthcare Informatics, in a statement.

The programs grew out of Premier’s participation in the CMS/Premier Hospital Quality Incentive Demonstration (HQID), a federal quality improvement initiative.

Working with about 300 participating hospitals and documenting the best practices of top performers, Premier developed methods to share information about these practices.

The Rapid Improvement Programs portal contains searchable data about five common conditions that were tracked in the HQID, as well as others for which Premier already has data in its Perspective™ database. Resources available on the portal include proven methodologies, “how-to” change packets, forms, templates, order sets, breaking news alerts, case studies, success stories, and clinical research.

In addition, the portal offers expert collaboration and Rapid Improvement Teams to help users keep hospital quality moving forward once it is launched.

It also has links to 100 “communities of interest.”
including 22 clinical communities. The clinical communities are focused on the operations of specific departments within hospitals (e.g., the cardiac catheterization laboratory and emergency department).

“We have found the Rapid Improvement Portal invaluable,” said Leigh Miller, RN, MS, director of clinical outcomes for AnMed Health in Anderson, SC. “The ability to easily download and edit proven forms, tools, and protocols has saved us from having to recreate the wheel.”

Adena honored during Amerinet conference

Amerinet Central in Warrendale, PA, rewarded high contract compliance by Adena Regional Medical Center in Chillicothe, OH, 238 beds, with the Acute Care Award of Excellence during the group’s 2005 Member Conference in August in Orlando, FL.

The medical center is a sole-source member of Amerinet in St. Louis, Amerinet Central’s parent group, and part of Adena Health System. It ranked in the top 100 for purchases through Amerinet contracts.

Adena also participates in the Amerinet Clinical Advantage® program, which aims to reduce the costs of orthopedic implants. Medical Associates Clinic, a medical group practice and clinic in Dubuque, IA, received the Non-Acute Care Award of Excellence.

Lake Erie Regional Cooperative received the Affiliate of the Year Award for leadership in sales growth, fee growth, new member signings, and same store sales for 2004. The cooperative includes 27 hospitals and 30 non-acute-care organizations in southeast Michigan and northwest Ohio.

The Supplier Award of Excellence was awarded to Cardinal Health in Dublin, OH. Cardinal Health was a 2004 sponsor of the Amerinet Central Member Conference and is the preferred distributor under contracts with Amerinet Choice.

About 400 healthcare professionals and 400 supplier representatives attended the conference.

Amerinet will host two additional conferences in early 2006: one at the Amerinet CEO Forum on February 16–18 at the Ritz-Carlton, Lake Las Vegas in Henderson, NV; and the other at the Amerinet Winter Executive Conference on March 12–13 at the Canyons in Park City, UT.

Novation agrees to renew LMA pact for 14 months

Novation in Irving, TX, will renew its contract with LMA North America in San Diego for laryngeal mask airway products. The new agreement will take effect February 1 and run for 14 months until March 31, 2007.

Novation members will spend about $20 million on the covered products during the term of the sole-source contract. Savings estimates were not disclosed.

Premier inks patient monitor pact with Medrad

Premier in Charlotte, NC, awarded a new contract to Medrad in Indianola, PA, for patient monitors. The three-year deal will take effect January 1.

It covers the company’s Veris MR vital signs monitor, which provides five-lead electrocardiogram waveform monitoring, is compatible with 3T magnetic resonance (MR) imaging environments, and has features designed for pediatric and neonate patients.

Veris is available in six configurations to accommodate anesthesia, sedation, cardiac MR, research, and basic patient monitoring.

Participation in Texas-based Novation pharmacy program produces savings for hospitals

Members of Novation in Irving, TX, who responded to an intensive recruiting effort for the GPO’s pharmacy program are shaving off up to 6% from the cost of pharmacy supplies.

As of November 15, 2005, Novation had added 24 hospitals to the program, bringing the participation level to 82% of hospitals in VHA, Irving, TX, and 77% of members of University HealthSystem Consortium (UHC) in Oak Brook, IL. VHA and UHC formed Novation in 1998 as their joint purchasing arm.

“Hospitals participate in our programs voluntarily,” said Chuck Reinders, a registered pharmacist and director of pharmacy program development at Novation, in a news release.

“We elevated our marketing efforts to educate hospitals about the value that’s available; we know the program can be a significant source of savings for members,” he said.

Participating hospitals agree to purchase more than 90% of their pharmaceutical supplies through Novation contracts and pharmacy distribution agreements. Spending under the program was estimated at $10 billion in 2005. Their savings ranged from 3% to 6%.

Steve Gauthier, regional director of material services and contracting at Central Maine Medical Center in Lewiston, 250 beds, said the online pharmacy management tools provided in the program help the hospital save an additional 1%-2% of its $8 million annual pharmacy budget. The hospital will also receive higher quarterly rebates from using the Novation pharmacy contract portfolio, he said.

Gauthier said the conversion process took less than 60 days.

Correction

Two stories in the November 2005 HMM each contained an error about AllHealth in Harrisburg, PA. In the p. 1 story, “To buy or not to buy: Image devices challenge budgets,” AllHealth’s headquarters was incorrectly stated as Blue Bell, PA. The company’s corporate headquarters are in Harrisburg. In the “Job mart/people section,” AllHealth was listed as seeking directors of several purchasing programs. AllHealth is not seeking directors for any purchasing programs.
Most med-surg indices move up slightly

The producer price index for finished goods dropped by 1.3% between September and October 2005 and was up 5.9% for the year.

In the medical-surgical categories surveyed, most indices rose by a fraction of a percent and the clinical laboratory category was unchanged. The average change for the month was +0.2%.

Compared with the previous year, index trends were mixed. Clinical laboratory led with an increase of 0.9%, while electromedical equipment decreased by 2.5%. There was no average annual change.

CPI continues upward

On the consumer side, the October 2005 unadjusted medical care commodities component of the consumer price index was 278.9, up 0.4% from September and up 2.6% for the year.

All categories rose slightly, between 0.4% and 0.6%, during the month.

Annual changes varied more widely: Nonprescription drugs and medical supplies decreased by 0.2%, and internal and respiratory over-the-counter medications declined by 0.3%, while prescription drugs and medical supplies rose by 3.7%.

2005 price surveys

Below is a list of the items HMM surveyed in 2005, comparing their prices to those of the preceding 12 months. HMM will update these prices in 2006:

December 2005: Foley catheters. Even with several new contracts on the books, Foley catheter prices remained stable in 2005 and are expected to stay that way this year.

November 2005: IV solutions. Prices of IV fluids and related supplies rose from November 2004 to November 2005, but not as much as predicted. They were expected to continue increasing in 2005 except where protected by contracts.

October 2005: Cardiac catheters. Prices of cardiac catheters declined in 2005, except where they were frozen under current contracts.

September 2005: Wound care. Prices of wound care supplies increased since September 2004, but don’t blame the vacuum devices, silver coatings, and protein gels making news lately.

August 2005: Pacemakers. Pacemaker prices are expected to rise in 2006, with the newest technology accounting for double-digit increases.

July 2005: Sutures. As predicted, suture prices remained stable in 2004, the only exceptions being when renegotiated contracts permitted modest increases.

June 2005: Endoscopic instruments. Endoscopic instrument prices continued to rise.

May 2005: Hip implants. Prices of hip implants rose but stayed within inflation levels.

April 2005: Protective apparel. Depending on contracts, prices were expected to stay level or drop as much as 10%.

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May 2005: Hip implants. Prices of hip implants rose but stayed within inflation levels.

April 2005: Protective apparel. Depending on contracts, prices were expected to stay level or drop as much as 10%.
Most drug indices post hikes in third quarter

The overall pharmaceutical index was 104.00 in the third quarter of 2005, showing an increase of 1.47% from the previous quarter, and up 3.81 from one year previously.

Even the “cephalosporins and related” category, which followed a jagged path in 2004, including a drop below 100 in the second quarter, has climbed steadily since then. The category ended the third quarter of 2005 at 107.28. It led the drug indices with a 7.28% increase for the year.

Psychotherapeutics more stable

The most stable category in the third quarter was psychotherapeutics, which has risen sharply in the past few years but showed a decrease of 1.42% in the third quarter and rose 2.76% for the year. Psychotherapeutics posted an index of 102.76 in the third quarter of 2005.

Noncephalosporins, with an index of 103.05, rose 1.63% for the quarter and were up 3.05% for the year.

Cardiovasculars, also known for showing steep increases, showed a modest 1.52% hike in the third quarter and an increase of 4.35% for the year. The third quarter cardiovascular index was 1.52%.

HMM obtains its indices from IMS Health in Plymouth Meeting, PA. The base period for this report is the third quarter of 2004.

The base period is changed each quarter so the index for one year earlier is set at 100.
**People on the move**

Mark McKenna will retire in the spring as president and CEO of Novation in Irving, TX. Novation is the contracting arm of VHA, also in Irving, and the University HealthSystem Consortium (UHC) in Oak Brook, IL.

McKenna was named Novation’s president in February 1999 after serving as senior vice president of operations. He was a member of the management team that designed the joint venture between VHA and UHC, resulting in the creation of Novation in January 1998.

**Positions available**

Evergreen Healthcare in Kirkland, WA, is seeking a materials manager. Contact Evergreen Healthcare, 12040 NE, 128th St., Kirkland, WA 98034 or apply online at www.evergreennhealthcare.org.

Rex Healthcare in Raleigh, NC, 394 beds, is seeking a clinical resource analyst. For more information and to apply online, visit www.rexatwork.com and refer to requisition number 3284.

Roanoke-Chowan Hospital, Ahoskie, NC, 124 beds, is seeking a director of support services who will be responsible for materials management. Contact Roy Lewis at 252/209-3263 or fax 252/209-3252.

Bayhealth Medical Center, Dover, DE, 211 beds, is seeking a surgical material services manager and warehouse distribution services manager. Contact Robin Roberts, human resources department, at 866/305-5627 or fax your resume to 866/866-6442.

The University of Virginia Health System in Charlottesville, 632 beds, is seeking two contract specialists and a supervisor of medical center accounts payable. Apply at www.healthsystem.virginia.edu/internet/humanresources.

Parkland Health and Hospital System in Dallas, 987 beds, is seeking a director of value analysis. Contact Yolanda Roach by fax at 214/590-6918.

Cooperative Services of Florida in Ft. Myers is seeking a contract negotiator for pharmacy and other therapeutic and diagnostic supplies. Call William Tousey at 239/303-3458 or fax your resume to 239/303-0754.

Barlow Respiratory Hospital in Los Angeles, is seeking a purchasing assistant. Contact Judy Meister at Barlow Respiratory Hospital, 2000 Stadium Way, Los Angeles, CA 90026, or e-mail jmeister@barlow2000.org.

Kaiser Permanente in Oakland, CA, is seeking a materials cost specialist for its Redwood City, CA, facility. Fax your resume to 408/342-6690 or e-mail tessa.r.guerrero@kp.org. Reference code RW.0500028.

Childrens Hospital Los Angeles, 330 beds, is seeking a supervisor of supply processing and distribution. Contact Childrens Hospital Los Angeles, 4650 Sunset Blvd., Mail Stop #87, Los Angeles, CA, 90027; call 323/668-2159; or send a fax to 323/663-1645.

Triumph HealthCare in Houston is seeking a manager of materials management for one of its long-term acute-care hospitals. Contact Triumph Hospital Clear Lake, 350 Blossom St., Webster, TX 77598, or call 713/807-8868.

PeaceHealth in Bellevue, WA, is seeking a pharmacy contracts manager in the materials management department. Contact Jessica Deal at PeaceHealth System Office, 14432 SE Eastgate Way, Suite 300, Bellevue, WA 98007-6412; call 425/747-1711; or send a fax to 425/649-3825.

Broadlane, Dallas, is seeking an expediter for an outsourced materials management department in Cincinnati. Fax your resume to 972/813-8439.

Roanoke-Chowan Hospital in Ahoskie, NC, 124 beds, is seeking a director of support services with responsibility for materials management. Contact Roy Lewis at 252/209-3263 or send a fax to 252/209-3252.

Christiana Care Health Services in Newark, DE, 1,000 beds, is seeking a logistics manager. Fax your cover letter and resume to S. Ellsworth at 302/623-0324 or apply online at www.christianacare.org.

Marian Community Hospital in Carbondale, PA, 112 beds, is seeking a director of materials management. In July, Marian became a member of Catholic Health East in Newtown Square, PA, through its membership in Maxis Health System. Contact Marian Community Hospital, 100 Lincoln Ave., Carbondale, PA 18407, or call 570/281-1000.

Los Gatos (CA) Surgical Center is seeking a materials/facility manager responsible for purchasing, inventory, and storage of equipment and supplies. Fax your resume to Kathleen O’Connor at 408/358-3924.

La Rabida Children’s Hospital in Chicago, 77 beds, is seeking a materials manager. Fax your resume to 773/363-7905.

South Texas Health System in McAllen is seeking an assistant director of materials management. Fax your resume to 956/388-2450.

Methodist Hospital of Southern California in San Gabriel, 274 beds, is seeking an operating room materials coordinator. Fax your resume to Christina Trejo at 626/446-1709.

Cirrus Health in Beverly Hills, CA, is seeking a surgical technologist/materials manager. Fax your resume to 817/837-1105.

Regency Hospital Co., Covington, LA, is seeking a materials management assistant. Contact Leigh Venturella at 985/867-3978 or fax 985/867-3976.

**Moving on? Need help?**

To place an announcement in “Job mart/people,” call HMM’s Managing Editor Paula DeJohn at 303/693-6608 or e-mail pdejohn@hcpro.com.
Amerinet
Amerinet inks agreements for wound care supplies with various vendors. April, p. 8.
Amerinet names ConvaTec to provide advanced wound dressings, skin care. March, p. 7.
Amerinet pact with Medline Industries features advanced wound care supplies. Feb., p. 7.
Amerinet renews pact with OfficeMax for variety of office, technology supplies. April, p. 7.
Buy or rent? Amerinet hospitals will have a choice under linen pact with Angelica. Jan., p. 8.
Consorta, Amerinet tap Possis Medical for thrombectomy devices and catheters. April, p. 14.
French firm to provide mail room devices, mail consulting to Amerinet members. March, p. 7.
Intermediate invites physicians to study product quality, passes findings to GPO. Jan., p. 3.
New agreement will provide Amerinet members with scope washer filters. March, p. 6.
Renewed deal with Fisher makes variety of lab supplies available. May, p. 14.
Renewed food distribution deal to benefit Amerinet members in Northeast area. June, p. 8.
Reorganization of Amerinet Central said to reflect changing market in PA region. Feb., p. 7.

Blood, blood testing
Blood testing supply vendors drop out of contracts, vow to hike prices to hospitals. Jan., p. 6.
Montgomery General to install software from Wyndgate to track transfusion blood. Feb., p. 5.
No gap in plasma supplies predicted following shift of production to Baxter. April, p. 4.
Pediatric hospital agrees to install blood pressure monitors in deal with Medwave. Feb., p. 4.
Pulse oximeter suppliers continue their courtroom battles as Masimo scores win. May, p. 3.
VA’s federal supply schedule includes additional items from Sysmex America. March, p. 7.

Bowel management
Bowel management system to prevent infection is featured in new agreements. March, p. 7.

Broadlane
Broadlane chief to hospitals: ‘Make sure clinicians know cost of supplies they use.’ April, p. 4.
Broadlane pledges to seek suppliers that offer environment-friendly products. May, p. 8.

For pregnancy test kits used in hospitals, Broadlane inks contract with Cen-Med. April, p. 8.
Sisters of Charity of Leavenworth taps Broadlane to outsource purchasing. April, p. 3.

Capital equipment
Baptist Health considering buying digital hospital first planned by HealthSouth. Jan., p. 4.
Hospital addition going up in Florida will feature hurricane-proof exterior panels. Feb., p. 5.
Hospitals find going digital is costly, with heavy initial outlays for equipment. April, p. 4.
Texas IDN takes first step in building new hospital with construction pact award. Feb., p. 5.
West Virginia hospital looking for wide range of equipment to stock new addition. Feb., p. 4.

Cardiology
Additional cardiology supplies to be made available after St. Jude-Velocimed merger. April, p. 4.
Cardiovascular giants plan to merge, reducing stent market by one company. Feb., p. 4.
Competing stent makers in court over patent challenges by Medtronic Corp. Feb., p. 3.
Cypher stents recalled based on report that polymer coating not up to specs. Feb., p. 3.
Drug-eluting stent market would shrink under proposed mergers of suppliers. Jan., p. 3.
Hospitals, cardiologists permitted to share supply savings. March, p. 16.
Look for new cardio deals from Premier this year. May, p. 2.
Stent makers maneuver for primacy, promote test results at cardiac meeting. April, p. 3.

Communication
Adventist hospitals to go wireless with telecom system from Daou Systems. June, p. 3.
New York, Florida hospitals go wireless under agreements with Aquis and Meru. Feb., p. 5.

Compression devices

Computer equipment, software
Computer-aided admissions will save more than Baylor U. Medical Center spent. May, p. 4.
Hospitals find going digital is costly, with heavy initial outlays for equipment. April, p. 4.
Hospitals investing in hardware, software in effort to convert to electronic records. March, p. 5.
Hospitals invited to upgrade EDI system with message service for free this month. May, p. 4.

Pomona Valley automating supply chain using products from Lawson Software. Jan., p. 5.
Tufts, Miami hospitals embark on updates of their materials management systems. May, p. 4.
VHA renews agreement with Sentillion covering patient information software. June, p. 8.

Consorta
Cash returns to Consorta members more than double, on $3.7 billion spent in 2004. June, p. 8. (See HMM 2005 index, continued on p. 14)
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Catholic IDN makes switch to Consorta from Premier, citing contract flexibility. Jan., p. 7.

Consorta agreement with FedEx covers digital print services, includes employees. April, p. 7.

Consorta, Amerinet tap Possis Medical for thrombectomy devices and catheters. April, p. 14.

Consorta expands relationship with Neoforma, adding data management. Feb., p. 8.

Consorta gives Sysmex vote of approval with one new contract, another extension. April, p. 7.

Consorta plans to issue sterilizer deal by June 30. May, p. 8.

Consorta renews contract for blood gas instruments with Radiometer America. Jan., p. 15.

Consorta reports savings of $163.8M, dividends and rebates of $94.6M in 2004. March, p. 6.


Medline becomes sole source of supplies to treat wounds under Consorta deal. Jan., p. 8.

Pact with SMGHFE aims to help members of Consorta recover full reimbursement. June, p. 6.

Patient warming systems from Arizant featured in new Consorta agreement. May, p. 7.

RFPs on the way from Consorta for variety of supplies. Jan., p. 16.

Switching to paper from film for X-ray printing will net big savings at Consorta. June, p. 7.

Consulting

Minnesota group awards consulting deal to Strategic Value Analysis in Healthcare. June, p. 7.

Contracting strategies

Hospitals, cardiologists permitted to share supply savings. March, p. 16.

IDN, GPO, vendor execs spar over how to achieve better contract compliance. May, p. 4.

The last frontier: Saving on MD preference items. June, p. 1.

Majority of hospitals try to beat GPO prices by renegotiating with vendors. April, p. 6.

Materials managers sound off on desire to have suppliers take more active role. June, p. 3.

Preference issue has many sides—cardiologist. June, p. 2.

Savings will be greater than expected from Sherman Hospital’s cost cutting. Jan., p. 5.


Database

Consorta expands relationship with Neoforma, adding data management. Feb., p. 8.

Financial consultant aims to help Premier members use data to boost revenues. April, p. 6.


Disaster response

Heroic efforts keep supplies coming in wake of Katrina. Oct., p. 1.

Regional presence aided hurricane response. Dec., p. 2.

Distribution

Prime distributor contract with Medline to produce big savings for LA hospital. Jan., p. 5.

Electronic commerce

E-commerce giant GHX adds product choices by opening catalog to all vendors. March, p. 4.


Groups move on to next generation of online catalogs. April, p. 16.

Hospitals now glad they took the plunge. Jan., p. 9.

Losses down, spending up at Neoforma, but e-commerce company still for sale. April, p. 6.


Site updates let hospitals track tier levels. Jan., p. 10.

VHA, UHC electronic commerce provider Neoforma considering sale or merg-
er. Feb., p. 6.

Gloves, gowns

Declines seen in gown prices. April, p. 1.

Glove prices may rise, but barely. Jan., p. 1.

Two surgical gloves better than one, but nurses at AORN admit to skimping. May, p. 3.

Group purchasing organizations

Are admin fees long for this world? Buyers, sellers argue costs, benefits. May, p. 7.

HHS audit finds hospitals do not always report total of GPO rebates and fees. March, p. 6.


HIGPA, MDMA clash; OIG finds fees useful. July, p. 2.

Hospitals, suppliers agree GPOs continue to play major role in health supply chain. March, p. 7.

NCI panel ponders GPO role, finds tiered pricing, supplier efforts, most effective. May, p. 6.

Voluntary code of ethics is industry’s answer to proposed regulation of GPOs. May, p. 6.

While Senate ponders GPO fate, hospital executives will be looking for good deals. March, p. 6.

Imaging equipment


MedAssets signs deal with California company to provide PACS to members. March, p. 7.

Ohio hospital converts to digital imaging with PACS from Philips Medical Systems. Jan., p. 15.

Ohio hospital plans to install diagnostic imaging equipment from Philips Medical. Jan., p. 4.

Remote microscope brings diagnoses online for Children’s Hospital oncologists. March, p. 5.

Shared Services taps Alliance Imaging for mobile diagnostic imaging services. April, p. 7.


U. Michigan hospitals expand radiology departments with four new MRI scanners. May, p. 5.

U. of Chicago Hospitals to install PACS from Stentor to serve 26 facilities. April, p. 3.

Intravenous therapy

Automated IV therapy system aimed at preventing incorrect doses at Ohio Valley. April, p. 5.

Premier inks deal with Smiths Medical for IV catheters for non-acute facili-
ties. April, p. 7.


Inventory control

Cleveland Clinics to install identification system for users of electronic dispensers. Jan., p. 3.


Less is more when storing inventory. Aug., p. 2.

Radio frequency ID technology moves forward with portable tag-reading device. March, p. 5.

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Consorta gives Sysmex vote of approval with one new contract, another extension. April, p. 7.

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