Bombs away, p. 6
New York City’s department of health awarded a contract to EAI Corporation in Abingdon, MD, to supply about 30 private hospitals with radiological detection equipment as a precaution against a dirty bomb attack.

Decision support, p. 7
The University of Pittsburgh Medical Center, 1,227 beds, and CombineNet, a technology company specializing in decision-making software, have formed a joint venture to commercialize a system that connects pharmaceutical and medical device suppliers with hospitals.

Going wireless, p. 9
Daughters of Charity Health System in Los Altos, CA, selected Symbol Technologies in Holtsville, NY, to provide a wireless network and mobile computers for its five California hospitals.

New regional group, p. 10
A new regional group purchasing organization formed in February to concentrate the purchasing power of Ohio hospitals and integrated delivery networks using national contracts to which they already have access.

Changing of the guard won’t change the course of group purchasing

by Paula DeJohn

Retiring group purchasing veteran Robert “Bud” Bowen says he is optimistic the industry will convince critics in government that it is capable of regulating itself and thus avoid passage of limiting legislation.

Bowen, who retired March 31 as CEO of Amerinet in St. Louis, says there are laws in place to provide the oversight of contracting methods and vendor relationships that critics have demanded.

However, that doesn’t mean that group purchasing organizations (GPO) will have an easy road ahead. For example, the emergence of integrated delivery networks (IDN) means that hospitals are no longer the basic unit of group purchasing, and larger members have demanded customized services.

PRICE SURVEY

Suture prices stay the course in 2005

Overall prices for sutures held steady in 2005, according to materials managers, but individual product prices varied widely and increased on average. Where contracts have locked in price protection, they will stay level, but the newest contracts feature increases.

This trend is a departure from the past few years, when a combination of new technology (e.g., staples and bonding substances) and more market competition drove prices down gradually.

Among the selected products listed in this month’s survey table, the average change during the year was an increase of 7.6%.

Materials managers polled in this month’s HMM price survey rely mostly on group contracts for suture and other wound closure products, but some have left group purchasing organizations (GPO) behind in negotiating local deals with deep discounts.

Replies to this month’s survey reflect the experience of about 3,700 hospitals, totaling 738,000 beds. Average annual spending on sutures among those who responded was $1,278 per bed, an increase of 86.6% from the $685 per bed reported last year.

One possible explanation for this huge increase is that in 2006, more small to midsize hospitals responded.

(See Retirement, continued on p. 2)

(See Price survey, continued on p. 3)
“There is no doubt today that GPOs have to be a lot more broad-based,” Bowen says.

Fellow CEO Mark McKenna of Novation, who will soon join Bowen in retirement, is more optimistic. “Over the past 10 years, many said group purchasing would soon be gone—but instead, [the industry] has grown significantly. The reason is that providers are being squeezed [financially],” he says.

He predicts even more growth in the coming decade. “But [group purchasing] will look different,” he says, echoing Bowen’s view of the group purchasing industry. “Not one size fits all.”

Long careers

Both Bowen and McKenna leave their GPOs prosperous and growing after 20-year careers. Both say their only motivation for leaving is personal—they want to spend overdue time with their families.

In 1977, Bowen joined an Amerinet predecessor company, Haricomp, Inc., later renamed Vector. In 1986, he joined the newly formed Amerinet as senior vice president of contracting.

He became the GPO’s president in 1998 and CEO in 2004.

His successor at the helm is President Todd Ebert.

McKenna’s supply chain experience includes a stint with the former American Hospital Supply Corporation in Deerfield, IL, whose medical-surgical distribution division is now part of Cardinal Health in Dublin, OH.

He joined VHA in Irving, TX, in 1987. He later served on the management team that worked with University Healthcare Consortium (UHC) in Oak Brook, IL, to combine its contracting functions in a new company, Novation. McKenna became the second Novation president in April 1999.

Jumping off the e-commerce cliff

Bowen says there were perilous periods while he was at Amerinet’s helm, but he is proud of guiding the group on the path of cost reduction.

“We changed a lot, but still maintained our core competencies,” he says.

One event that led Bowen and the Amerinet board through moments of self-doubt was the healthcare dot-com craze of 2000. As commercial electronic commerce companies rose and fell, many GPOs tried to start their own and end up outsourcing to companies with more technological know-how until those companies also went under.

“Most GPOs were jumping headlong off the cliff,” Bowen says. His organization considered sponsoring an e-commerce site, but “we just couldn’t see the value.”

McKenna, meanwhile, served on the board of San Jose, CA–based Neoforma, Novation’s e-commerce partner and, until this year, one of the last two e-commerce providers left standing.

But during those heady days, who knew how fortunes would change? Bowen recalls Amerinet’s “courage in not jumping into e-commerce; when you’re out there all alone, that’s a high-risk decision.”

Both leaders leave their groups with rising revenue and membership: Novation with $27 billion in annual purchasing value and Amerinet with $6.5 billion in 2005.
Both predict that to maintain growth, their groups will have to adapt to changing member characteristics, most importantly IDNs with large purchasing volumes of their own. “Make sure you’re where your customer is relative to expectations,” McKenna advises.

McKenna has agreed to stay on at Novation until a successor is found. Novation has hired the recruiting firm Korn Ferry to conduct a national search that could take up to five months.

Other voices

Although few materials managers believe that either McKenna’s or Bowen’s retirement will change the course of group purchasing to any extent, the fact that Novation’s next president is still a question mark has left some curious.

“I believe that Novation is deep with talent, and while Mark will be missed, it will be business as usual,” says Victor Rodriguez, director of materials management at Lakeland (FL) Regional Medical Center, 851 beds. Lakeland is a member of Novation.

John Vivenzio calls the retirements “a changing of the guard with two organizations that will continue down the same paths.”

Vivenzio is vice president of regional supply chain management at the Greater New York Hospital Association, which purchases supplies through Premier in Charlotte, NC.

A member of the regional group AllHealth in Harrisburg, PA, offers a different perspective. Richard Benjamin, materials management executive at Diacon Lutheran Social Ministries in Topton, PA, which operates long-term care facilities, has access to Novation contracts through AllHealth.

“My comment on the concurrent retirement of these industry leaders is tempered with the fact that they were a bit removed from their healthcare membership,” Benjamin says. “I have never met nor talked with either of them.”

He says the national groups offer “limited input and involvement from the membership. Deep down, I believe there is a value in the role of some regional autonomy of groups.”

Change in leadership is part of an even bigger picture, according to Terry Cox. “I believe great organizations have some type of succession plan. In the military, the lowest person is trained to step up if and when duty calls. I’m positive that these GPOs will continue to support their customers and get the job done.”

Cox, a former army logistics officer, is now assistant vice president of supply chain pharmacy operations at HCA Healthcare in Nashville, TN. HCA purchases through HealthTrust Purchasing Group in Brentwood, TN.

Cox adds that he does not expect any hospitals to change GPOs based on Bowen’s or McKenna’s departure.

“There will always be some personality-based decisions, but the successful long-term organizations look for value in a GPO. The GPO we belong to has the proven value and the proven leader,” he says. “My bet is that leader has a succession plan formulated if and when one might be required.”

PRICE SURVEY (continued from p. 1)

to the survey, and smaller hospitals tended to spend proportionately more on sutures.

Additional data were provided by ECRI, a not-for-profit health services research agency in Plymouth Meeting, PA. ECRI’s ongoing surveys of 400 hospitals cover a wide range of products.

Ethicon holds lead

By far the most popular vendor is Ethicon, a subsidiary of Johnson & Johnson in New Brunswick, NJ. Where respondents had sole-source suture contracts, that source was invariably Ethicon.

Other vendors that were mentioned included the Kendall Healthcare division of Tyco Healthcare in Mansfield, MA; U.S. Surgical in Norwalk, CT, also a Tyco subsidiary; and the medical division of W.L. Gore in Newark, DE.

Most industry estimates place Ethicon at the top of the market with a share of about 75%, with U.S. Surgical in a distant second place.

Ethicon’s two strongest competitors, U.S. Surgical and Sherwood Davis & Geck in St. Louis, were acquired in 1998 by Tyco Healthcare. Sherwood had previously merged its suture business with Kendall, although the brand name lives on, as the table shows.

(See Price survey, continued on p. 4)
In October 2003, Tyco renamed the suture division Syneture and combined suture with tissue sealant products under the same management.

**From gut to polymer**

Suture materials vary according to their intended use. Traditional gut and silk help close skin lacerations or incisions. Nylon and polyester also appear in skin sutures.

For internal organs (e.g., the heart), sutures are made from polymers that remain permanently. They are coated to make them slide more easily through tissue without injuring it.

As engineered products made from other than natural substances, polymers are generally more expensive. Steel is used to suture bones together, such as when the sternum is closed following heart surgery.

Sutures also are distinguished by their construction. Monofilament is a single strand, similar to fishing wire. Multifilament consists of several strands braided together, similar to sewing thread. It is more flexible than monofilament and easier to knot.

Suture size indicates the diameter of the filament. Up to a certain level, the higher the number is, the smaller the size is, so that 8-0 is thinnest and 0 is widest.

However, another scale beginning with 0 and numbered with single digits (0, 1, 2, 3, and so on) indicates progressively wider diameters; on this scale, 3 is larger than 2.

**Gluing: An alternative to sewing**

Tissue sealant is the latest development in wound closure, and its use is increasing gradually, but it has not yet made a significant impact in the industry. Based on responses to this survey, advanced products have replaced only about 6% of annual spending on wound closure.

Leading products are the surgical glue Dermabond, and its next generation, Liquiderm. Closure Medical Corporation in Raleigh, NC, make both. Ethicon also makes a tissue sealant, Ethibond. Several Ethibond prices appear in the survey and the table below.

Respondents said it is difficult to measure the true effect of sealants and other suture alternatives in terms of total spending. As one noted, sealants are being used more in emergency rooms, where they replace low-end sutures made of gut or silk.

One integrated delivery network reported five years of using Dermabond “with minor impact to high-end suture expense.” The purchasing director added, “Endomechanical stapling continues to grow with new technology.”

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### Sutures

Average suture prices are listed below, reduced to the price per unit unless otherwise noted. Prices reported by ECRI are listed in a separate column at the right.

<table>
<thead>
<tr>
<th>Product no.</th>
<th>Description</th>
<th>2006 price</th>
<th>2005 price</th>
<th>% change</th>
<th>ECRI 2006</th>
<th>ECRI 2005</th>
<th>% change</th>
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<tr>
<td>PTACK30</td>
<td>Endo universal 4.8 mm</td>
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<td>—</td>
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<td>TA30V3S</td>
<td>Dist stapler</td>
<td>33.81</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
<td>—</td>
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<td><strong>Ethicon</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>1636G</td>
<td>Gut</td>
<td>4.08</td>
<td>4.22</td>
<td>-3.4%</td>
<td>3.69</td>
<td>3.53</td>
<td>+4.6%</td>
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<td>Chronic gut 4-0</td>
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<td>3.86</td>
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<td>—</td>
<td>3.69</td>
<td>—</td>
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<td>1658G</td>
<td>Chromic</td>
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<td>4.40</td>
<td>-6.3%</td>
<td>3.12</td>
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<td>1663G</td>
<td>Nylon black mono 3-0</td>
<td>3.92</td>
<td>3.37</td>
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<td>3.32</td>
<td>3.00</td>
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<td>—</td>
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<td>3.74</td>
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<td>3.75</td>
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<td>3.89</td>
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<td>Silk, black braided 2-0</td>
<td>1.72</td>
<td>1.54</td>
<td>+11.5%</td>
<td>1.27</td>
<td>1.14</td>
<td>+11.5%</td>
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<td>1696G</td>
<td>Ethilon nonabsorbable nylon</td>
<td>4.35</td>
<td>4.18</td>
<td>+4.1%</td>
<td>6.36</td>
<td>3.19</td>
<td>+99.4%</td>
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<td>1915G</td>
<td>Gut 5-0</td>
<td>4.23</td>
<td>4.50</td>
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<td>4.60</td>
<td>—</td>
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<td>3274-61</td>
<td>Ticron 0</td>
<td>6.88</td>
<td>4.48</td>
<td>+53.6%</td>
<td>—</td>
<td>—</td>
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</tbody>
</table>
## Sutures

<table>
<thead>
<tr>
<th>Product no.</th>
<th>Description</th>
<th>2006 price</th>
<th>2005 price</th>
<th>% change</th>
<th>ECRI 2006</th>
<th>ECRI 2005</th>
<th>% change</th>
</tr>
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<tbody>
<tr>
<td>3555H</td>
<td>Pronova monofil poly</td>
<td>5.07</td>
<td>4.96</td>
<td>+ 2.3%</td>
<td>—</td>
<td>—</td>
<td>—</td>
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<tr>
<td>540G</td>
<td>Steel monofil</td>
<td>11.17</td>
<td>9.31</td>
<td>+ 20.0%</td>
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<td>9.41</td>
<td>—</td>
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<td>5589T</td>
<td>Chromic 1-0</td>
<td>5.41</td>
<td>5.73</td>
<td>- 5.6%</td>
<td>—</td>
<td>—</td>
<td>—</td>
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<tr>
<td>5641G</td>
<td>Nylon black braided 4-0</td>
<td>4.89</td>
<td>4.06</td>
<td>+ 20.4%</td>
<td>3.86</td>
<td>—</td>
<td>—</td>
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<td>622H</td>
<td>Silk</td>
<td>1.47</td>
<td>1.40</td>
<td>+ 5.0%</td>
<td>1.25</td>
<td>1.24</td>
<td>+ 0.9%</td>
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<td>627H</td>
<td>Ethilon Monofil</td>
<td>1.48</td>
<td>1.48</td>
<td>0</td>
<td>1.57</td>
<td>1.48</td>
<td>+ 5.8%</td>
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<tr>
<td>641G</td>
<td>Silk 4-0</td>
<td>4.08</td>
<td>3.40</td>
<td>+ 20.0%</td>
<td>3.10</td>
<td>—</td>
<td>—</td>
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<tr>
<td>740G</td>
<td>Mersilene 5-0</td>
<td>3.39</td>
<td>10.16</td>
<td>- 66.6%</td>
<td>2.97</td>
<td>3.90</td>
<td>- 24.0%</td>
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<td>8424H</td>
<td>Prolene 0</td>
<td>2.28</td>
<td>2.27</td>
<td>+ 0.2%</td>
<td>1.39</td>
<td>1.96</td>
<td>- 29.2%</td>
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<td>8603G</td>
<td>Prolene 4-0</td>
<td>4.38</td>
<td>4.37</td>
<td>+ 0.2%</td>
<td>4.01</td>
<td>4.14</td>
<td>- 3.0%</td>
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<tr>
<td>8682G</td>
<td>Prolene 4-0</td>
<td>4.10</td>
<td>3.49</td>
<td>+ 17.3%</td>
<td>3.48</td>
<td>3.64</td>
<td>+ 20.2%</td>
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<td>8697G</td>
<td>Prolene 6-0</td>
<td>4.31</td>
<td>4.31</td>
<td>0</td>
<td>3.76</td>
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<td>8825G</td>
<td>Prolene</td>
<td>4.41</td>
<td>4.39</td>
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<td>+ 38.1%</td>
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<td>885H</td>
<td>Chromic</td>
<td>1.74</td>
<td>1.48</td>
<td>+ 17.2%</td>
<td>1.92</td>
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<td>8926H</td>
<td>Polypropylene</td>
<td>5.86</td>
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<td>—</td>
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<td>8978H</td>
<td>Prolene blue monofil</td>
<td>6.08</td>
<td>6.08</td>
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<td>A303H</td>
<td>Black braided silk 4-0</td>
<td>2.34</td>
<td>—</td>
<td>—</td>
<td>2.01</td>
<td>2.27</td>
<td>- 11.3%</td>
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<td>A305H</td>
<td>Silk 2-0</td>
<td>2.25</td>
<td>2.25</td>
<td>0</td>
<td>3.00</td>
<td>2.17</td>
<td>+ 38.4%</td>
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<tr>
<td>A306H</td>
<td>Silk 0</td>
<td>1.09</td>
<td>0.98</td>
<td>+ 11.2%</td>
<td>1.02</td>
<td>—</td>
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<td>B409T</td>
<td>Polyester</td>
<td>1.91</td>
<td>—</td>
<td>—</td>
<td>2.79</td>
<td>2.59</td>
<td>+ 7.8%</td>
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<tr>
<td>C013D</td>
<td>Black silk 000</td>
<td>8.62</td>
<td>—</td>
<td>—</td>
<td>8.71</td>
<td>8.22</td>
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<td>C021D</td>
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<td>3.80</td>
<td>+ 123.8%</td>
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<td>DC376</td>
<td>Vicryl custom</td>
<td>9.71</td>
<td>12.08</td>
<td>- 19.6%</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>J104T</td>
<td>Violet braided vicryl 3-0</td>
<td>8.18</td>
<td>—</td>
<td>—</td>
<td>7.96</td>
<td>4.89</td>
<td>+ 62.7%</td>
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<tr>
<td>J109T</td>
<td>Absorbable braided 4-0</td>
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<td>—</td>
<td>—</td>
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<tr>
<td>J207G</td>
<td>Coated vicryl</td>
<td>2.04</td>
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<td>J376H</td>
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<td>J405G</td>
<td>Vicryl 8-0</td>
<td>12.89</td>
<td>12.90</td>
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<td>10.36</td>
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<td>J496H</td>
<td>Steel 4-0</td>
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<td>J711T</td>
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<td>7.19</td>
<td>6.44</td>
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<td>J911T</td>
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<td>4.64</td>
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<td>K572H</td>
<td>Silk nonabsorbable 3-0</td>
<td>3.21</td>
<td>3.21</td>
<td>- 0.1%</td>
<td>1.37</td>
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<tr>
<td>K833</td>
<td>Silk 2-0</td>
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<td>—</td>
<td>—</td>
<td>1.01</td>
<td>1.32</td>
<td>- 23.7%</td>
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<tr>
<td>L103G</td>
<td>Ligapak ligating reel</td>
<td>1.80</td>
<td>—</td>
<td>—</td>
<td>4.48</td>
<td>—</td>
<td>—</td>
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<tr>
<td>M655G</td>
<td>Steel 7-0</td>
<td>15.96</td>
<td>14.04</td>
<td>+ 13.7%</td>
<td>15.97</td>
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<td>M8805</td>
<td>Polypropylene tape-point 6-0</td>
<td>36.35</td>
<td>—</td>
<td>—</td>
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<td>PX22</td>
<td>Ethibond</td>
<td>71.20</td>
<td>65.80</td>
<td>+ 8.2%</td>
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<td>65.92</td>
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<td>RS21</td>
<td>Mersilene</td>
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<td>—</td>
<td>23.78</td>
<td>27.15</td>
<td>- 12.4%</td>
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<td>Y936H</td>
<td>Monocryl 3-0</td>
<td>4.22</td>
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### Kendall

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**HOSPITAL PURCHASING**

### New York hospitals receive devices to counter dirty bomb attack

New York City’s department of health awarded a contract to EAI Corporation in Abingdon, MD, to supply about 30 private hospitals with radiological detection equipment as a precaution against a dirty bomb attack. The Department of Homeland Security gave the city a $1 million grant for the project.

Hospitals that will receive the detection equipment include Lenox Hill Hospital, 952 beds, and Beth Israel Health Care System, 5,655 beds.

EAI, a worldwide security firm that has staff in Baghdad, Iraq, will also provide training for hospital staff in types of radiation and radiation incidents, exposure management, self-protection measures, decontamination techniques, and radiation-injury recognition and treatment.

A dirty bomb is a conventional bomb packed with radiological material that could spread through the city, injure people, and make buildings or land unusable.

### Georgia leads nation in purchasing hospital disaster response program

Georgia hospitals are working with their state government to improve disaster planning and response by installing a new communications system. In collaboration with the Georgia Department of Public Health (DPH), the Georgia Hospital Association (GHA) awarded a $3.4 million contract to LiveProcess in Madison, NJ, for an emergency preparedness platform that the company has developed.

DPH funded the purchase with a grant. It makes Georgia the first state in the country to have standardized emergency software for all of its acute-care hospitals.

Installation began in January at Georgia’s 150 hospitals. “Georgia residents can take pride in the fact that their local, community hospital is equipped with cutting-edge technology that will help maximize every resource available in a public emergency,” said GHA President Joseph Parker in a news release.

The software enables emergency managers at hospitals and state agencies to securely share their plans in a standardized format.

### You can find anything on eBay, including med-surg supplies, but some question safety

Hospitals have been looking for bargains on eBay, according to the *Washington Post*, which on December 22, 2005, reported that an unidentified seller sold a refurbished percutaneous lead introducer to an unknown buyer.

Another buyer purchased a pacemaker, the *Post* reported.

Such sales indicate that “buyers and sellers of reprocessed single-use medical devices on eBay operate largely under the radar. In many cases, there is no certain way of knowing where sellers obtained such used medical devices and no sure way of knowing who bought them,” the article said.

One seller the *Post* found was ClearMedical, Inc., in Bellevue, WA, which sold reprocessed single-use medical devices such as pulse oximeter sensors and compression sleeves in 2004.

EBay requires sellers of regulated medical devices to include a statement saying that buyers should not bid on the device unless they are authorized purchasers.

One of the more well-known online sellers is Intellamed in Bryan, TX, which runs auction sites for used equipment and parts, and has a store on eBay—but Intellamed is not part of the problem, according to a company official.

International accounts vice president Bernie Bartoszek said the company does not deal in used single-use medical devices.

“We are not ones to fly under the radar,” he told HMM. “We auction single-use items only in their original packaging as we receive them from our [Original Equipment Manufacturers] partners. We also utilize a bill of sale as a safeguard for our users. This is standard on all of our auction sites: Auctionmart, Medsonline, Medisurplus, and the Intellamed Store.”

### New hospital building will contain clinical software from Eclipsys Corp.

The University of California, Irvine (UCI) Medical Center in Orange awarded in September 2005 a contract to Eclipsys Corporation in Boca Raton, FL, for the company’s Sunrise clinical software. Implementation will begin in 2007 during construction of a new hospital.

UCI Medical Center will install the latest versions of Sunrise Clinical Manager, ED Manager, Medication Manager, Knowledge-Based Charting, and Ambulatory Care Manager.
Missouri hospital saves on furnishings for cancer center under Steelcase pact

Hannibal (MO) Regional Hospital, 105 beds, saved $265,000, or 60%, on furnishings for its new cancer center using a contract from Amerinet in St. Louis with Steelcase, Inc., in Grand Rapids, MI.

Hannibal Regional used the contract to purchase furnishings for the $7.5 million, 17,800-sq.-ft. James E. Cary Cancer Center.

Tina Harding, director of materials management at Hannibal Regional, said Steelcase proved willing to accommodate all of the hospital's needs. “The Amerinet contract gave us the quality and variety we required in a specially structured contract that covered every product we selected.”

Respiratory therapy market growing, with nation home to most asthma sufferers

The global respiratory equipment market will reach $21 billion by 2010, according to a study released in January.

Kalorama Information in New York produced the study, The World Market for Respiratory Equipment. The U.S. market, with approximately 20 million asthma sufferers who account for 60% of the world market, will account for $10 billion in spending this year.

This new report predicts that along with the worldwide population shift, regulatory changes will drive growth in this market, which has seen little innovation in recent years.

The U.S. government ban on chlorofluorocarbons starting in January 2008 will change the components of 95% of inhalers available on the market to treat asthma and emphysema. Inhalers dominate the respiratory equipment market with 70% of sales in this category.

Cornerstone calls on Amerinet deal to furnish new building in 10 weeks

Using an Amerinet contract with OfficeMax, Cornerstone Healthcare in Huntington, WV, furnished a new facility in just 10 weeks.

The new facility required furniture and accessories for nine offices and a staff lounge, staff education area, nurses’ station, and business office.

OM Workspace, OfficeMax’s specialized contract furniture unit, agreed to pricing that kept the hospital within budget, according to Cheryl Petok, Cornerstone’s corporate director of ancillary services.

“OM Workspace gave us pricing that was within the budget we had designed a year earlier, and, most importantly, their service was turnkey. This was critical for the short window we had,” Petok said in a news release.

“Amerinet’s contract with OfficeMax offers more than office supplies,” said Damita Morris, senior contract manager at Amerinet. “Members are able to save time and money on construction and renovation projects with OM Workspace’s full-service approach.”

The deal includes free consulting services and coordination with other contractors.

Army hospital earns citation for high compliance with prime vendor contracts

Madigan Army Medical Center in Fort Lewis, WA, 385 beds, received a Business Alliance Award January 20 from the Defense Logistics Agency (DLA) in Fort Belvoir, VA.

Madigan was named customer of the year for its high compliance with prime vendor contracts.

The DLA, which maintains supply purchasing contracts for military departments, including hospitals, gives the awards to those it considers its best trading partners.

Madigan is one of seven Army medical centers supported by DLA’s medical and surgical prime vendor program.

In 2005, Madigan’s compliance rate was 83%, up from 74% in fiscal year 2004 and well ahead of the army’s goal of 60%.

Hospitals implement new buy decision software marketed under joint venture

The University of Pittsburgh Medical Center (UPMC), 1,227 beds, and Pittsburgh-based CombineNet, a technology company that specializes in decision-making software, have formed a joint venture to commercialize a system that connects pharmaceutical and medical device suppliers with hospitals.

UPMC will invest $2 million in the 50-50 joint venture, according to published reports.

The computerized sourcing model, called Expressive Commerce, was implemented in January at UPMC Charleston (WV) Area Medical Center, 460 beds, and Northwest Hospital and Medical Center in Seattle, 345 beds. Together, the hospitals spend $1 billion annually on medical supplies.

(See Hospital purchasing, continued on p. 8)
Florida VA medical center orders OR equipment from Getinge Castle

The Veterans Affairs Medical Center in Tampa, FL, 581 beds, awarded a contract to Getinge Castle in Charleston, SC, for operating room equipment. The sole-source deal took effect in December 2005 and covers eight mobile surgical tables and eight surgical light kits. Price and savings estimates were not disclosed.

Spending on safety injection devices will only grow in coming years, report says

Hospitals worldwide will spend $2.49 billion on safety syringes by 2009, according to a new study from market research firm Kalorama Information, a division of MarketResearch.com in New York City. The study predicts that the market will grow by 11% annually during the next four years.

Despite widespread concerns and legislation covering needlestick prevention and improvements in capacity of safety syringe manufacturers in recent years, Kalorama reported that annual needlestick injuries in the United States average 600,000 to 1 million.

The researchers estimated that up to 80% of those injuries could have been prevented with the use of needle-free devices and safety syringes.

Each needlestick costs the hospital $3,000, even when no infection occurs, according to the report, Needle-free Injection Systems and Safety Syringes: The Market for Alternatives to Needle-based Delivery.

Whether the devices are insulin pens for diabetics or monodose vaccine injectors, developing newer and safer ways of administering a wide variety of drug therapies is here to stay—even if such devices come with a higher price tag, according to the report’s author, Joseph Constance.

“Certainly the development, testing, regulatory approval, and eventual mass manufacturing of such devices are not cheap, yet the costs need to be continually weighed against the greater benefit to global health,” Constance said in a news release.

Wider benchmarking perspective nets major supply savings for California hospital

Tahoe Forest Hospital in Truckee, CA, 72 beds, trimmed $1 million annually from its supply costs beginning in 2004 by instituting a hospitalwide project called “nonlabor expense management.”

Hospital management created nine departmental teams to look at spending on everything from pencils and coffee creamer to medical devices. The teams subsequently brought in a consultant to provide a global view.

Contract Support Services in La Crescenta, CA, provided guidance and showed the teams where other, much larger hospitals cut supply costs.

Methods ranged from changing vendors to updating current contracts to consolidating distributors.

Run by the Tahoe Forest Hospital District, the hospital saved taxpayer funds through its efforts and earned a write-up in the local newspaper, the Sierra Sun. Tahoe Forest will use the supply savings project in its application for the Malcolm Baldrige National Quality Award.

Physician organization calls for checks on influence of device vendors over physicians

With their reputation, quest for innovation, and excellence of care, academic medical centers are especially attractive to vendors seeking to win physician backing for their products.
The extent of vendor influence over doctors prompted a call for tighter controls from the nation’s most influential medical organization.

In the January 25 Journal of the American Medical Association, a group of physician and academic leaders urged academic hospitals to exert stronger oversight on relations between physicians and drug and device makers.

Coauthor Jordan Cohen, MD, president of the Association of American Medical Colleges, said the following in a news release:

“The current guidelines for minimizing the influence that drug and device makers have on physician decision-making have proven woefully inadequate. “Gifts and other financial inducements from the industry can and frequently do bias the decisions that doctors make, with the result that patients fail to receive the most objective, evidence-based, and cost-effective advice. The medical profession must establish and implement much more effective policies and procedures to protect the public and individual patients.”

Iowa VA hospital taps Philips Medical to provide diagnostic imaging apparatus

The Veterans Affairs Medical Center in Iowa City, IA, 105 beds, in December 2005 awarded a sole-source agreement to Philips Medical Systems in Bothell, WA.

The deal covers a 15-in. image intensifier and 2-in. camera tube. The supplier will provide labor for installation. Financial details were not disclosed.

Bon Secours names Cerner to provide point-of-care system using bar codes

Bon Secours Health System in Marriottsville, MD, selected Cerner Bridge Medical to provide a bar code–enabled point-of-care system.

Under terms of the agreement, which took effect in December 2005, Bon Secours will purchase the Bridge Medication Administration and Bridge Specimen Collections systems for 15 of its hospitals.

Spending and savings information was not disclosed.

Hospitals begin converting to wireless communication systems for medical staff

Daughters of Charity Health System in Los Altos, CA, selected Symbol Technologies in Holtsville, NY, to provide a wireless network and mobile computers for its five California hospitals.

The deal took effect in December 2005 and covers the Symbol WS5100 wireless switches and AP300 access ports and related equipment and software.

At one of the Daughters of Charity hospitals, Seton Medical Center in Daly City, 357 beds, phlebotomists currently collect patient blood samples and data in real time and immediately print tube labels at the bedside using Symbol’s PPT8800 mobile computer installed with the Misys Collection Manager application. The system is designed to reduce identification errors.

Daughters of Charity is evaluating other handheld devices for bedside use, including bedside medication administration and verification.

It plans to use Symbol mobile computers in areas where patient rooms have limited space for equipment. The hospital said in a statement that it selected Symbol for the

- security
- performance
- scalability
- manageability
- pricing of its products

Columbus (OH) Children’s Hospital, 313 beds, also installed mobile computers in December, but its vendor is MData Enterprise in Research Triangle Park, NC.

Columbus Children’s will install the MData Enterprise package of mobile and desktop equipment for its 850 medical personnel.

The hospital will also purchase the company’s CareFocus system for tracking vital signs of high-risk patients.

Questions? Comments? Ideas?

Contact Managing Editor Paula DeJohn

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E-mail: pdejohn@hcpro.com
Ohio hospitals aim to leverage buying volume by consolidating in regional GPO

A new regional group purchasing organization (GPO) formed in February to concentrate the purchasing power of Ohio hospitals and integrated delivery networks using national contracts to which they already have access.

The new GPO, the Ohio Purchasing Alliance, LLC, is based in Independence, OH.

The initial members are Catholic Healthcare Partners in Cincinnati, Cleveland Clinic Health System-Eastern Region in Mayfield Heights, Cleveland Clinic in Cleveland, EMH Regional Healthcare System in Elyria, Kettering Medical Center Network in Dayton, Metro Health System in Cleveland, Parma Community General Hospital in Parma, Summa Health System in Akron, and TriHealth in Cincinnati.

They also are members of the national group Premier in Charlotte, NC. Thomas Strauss, CEO of Summa Health System, was appointed as the first president of the Ohio Purchasing Alliance.

The new GPO will also incorporate the 10-year-old Cleveland Health Network Integrated Services Organization, which includes 29 hospitals in northeast Ohio and western Pennsylvania and reported saving members a total of $83 million on supplies during its existence.

GPOs work to cultivate better image as senators continue scrutiny of ethics

Three months after the Health Industry Group Purchasing Association (HIGPA) introduced its new structure and lobbying arm, industry members were back in front of a Senate subcommittee.

On March 15, the Senate Judiciary antitrust subcommittee met to review the voluntary ethics initiative, also introduced early this year, by nine group purchasing organizations (GPO), all but two of which are HIGPA members.

Called the Healthcare Group Purchasing Industry Initiative (HGPIII), members formed the group to demonstrate the transparency of group purchasing activities.

The group created a public Web site, www.healthcaregpoii.com, on which groups report their efforts to comply with the code of ethics established by the industry in response to earlier Senate inquiries.

In a statement issued before the hearing, Subcommittee Chair Mike DeWine (R-OH) and ranking minority member Herb Kohl (D-WI) said, “The hearing will consider the extent to which the reforms embodied in the industry’s new voluntary guidelines ensure those goals and will revisit the current rules to determine whether any legislation is needed.”

Richard Bednar, newly appointed coordinator of HGPIII, was to testify. The hearing took place after HMM’s press deadline.

Meanwhile, HIGPA took steps to implement the reorganization that its board endorsed in October 2005.

On January 10, Chair Al LoBiondo hosted a Web cast for members and introduced the new leadership from association management firm SmithBucklin Corporation in Chicago.

LoBiondo also announced a contract award to Capitol Health Group, a Washington, DC–based lobbying firm that specializes in healthcare.

Because the restructuring included barring suppliers from regular membership, the HIGPA board voted to raise dues for the GPO members that remain, LoBiondo told members.

Novation selects Dade Behring as source of microbiology instruments in new pact

Novation in Irving, TX, selected Dade Behring in Deerfield, IL, to provide microbiology instruments and related products.

The sole-source contract took effect in December 2005 and runs for three years, with options for two one-year extensions.

It covers the company’s MicroScan® microbiology instruments, test panels, and services.

Novation also has contracts with Dade Behring for automation work cells, the Stratus CS acute-care diagnostic system, and plasma protein and hemostasis product lines.

New Amerinet pact with Medegen covers plastic products used in patient care

Amerinet in St. Louis selected Medegen for patient care plastic products.

The deal took effect November 1, 2005, after an RFP. It covers disposable and reusable patient utensils, bed pans, emesis basins, lab containers, medicine cups, dispensers, beakers, soap dishes, urinals, and eye shields.

Medegen products carry two-year guarantees.
Laparotomy sponges, OR towels covered in Amerinet contract with AMD-Ritmed

Amerinet in St. Louis has a new contract for sponges and towels.

The vendor is AMD-Ritmed, Inc., formerly known as American Medical Disposables, in Tonawanda, NY.

The contract took effect November 1, 2005, and is part of the Amerinet Choice program.

It includes undisclosed savings on laparotomy sponges and operating room towels.

Staff recruiting services featured in Amerinet-IDG Management pact

Members of Amerinet in St. Louis will save 20% on staff recruiting services under a new agreement with IDG Management Services in Louisville, KY.

The deal took effect November 1, 2005, and is open-ended. It covers international staffing and recruiting services for member hospitals.

GP0s contract for new technology to detect early-stage lung cancer

The beginning of 2006 saw a flurry of group contracts take effect for new technology that promises to increase early detection of lung cancer.

On January 1, the following groups began implementing deals with Riverain Medical in Dayton, OH, for chest radiograph computer-aided detection (CAD) systems: Novation in Irving, TX; MedAssets in Alpharetta, GA; and Consorta in Schaumburg, IL.

Amerinet in St. Louis inked an agreement that took effect in November 2005.

The Novation deal runs for two years, the Amerinet and Consorta contracts run for three years, and the term of the MedAssets deal was not available.

The agreements include the following products: RapidScreen® RS-2000 (analog), RapidScreen RS-2000 A-D, RapidScreen RS-2000D (digital), options and accessories, and service agreements.

RapidScreen® is the only chest radiography CAD system approved by the Food and Drug Administration (FDA). It assists radiologists in detecting suspicious pulmonary nodules that could indicate early-stage lung cancer.

The FDA approved RapidScreen in July 2001 for marketing as a device that assists radiologists in the detection of solitary pulmonary nodules between 9 mm. and 30 mm. and other suspicious nodules on the original standard AP/PA chest x-ray.

The manufacturer offers film and filmless versions as well as an upgrade path for those seeking to eventually convert from film to filmless operations.

The American Medical Association assigned a Category III current procedural terminology code (0152T) on July 1, 2005, to chest x-ray CAD for lesion detection, including lung cancer. This code may now be submitted to third-party payers for reimbursement when using CAD to review chest radiographs.

Consota adds to Kodak portfolio with new mammography agreement

Consorta in Schaumburg, IL, selected Eastman Kodak in Rochester, NY, to provide mammography computer-aided detection (CAD) systems.

The deal took effect October 1, 2005, and runs for three years.

Savings and spending estimates were not disclosed.

Consorta has two other contracts with Kodak, for computed radiography and digital radiography image capture systems, radiology and mammography medical films, and laser imaging systems.

Kodak’s CAD system uses sophisticated algorithms to identify suspicious areas on patients’ digitized mammograms.

MHA inks deal with Kindred division to provide group purchasing contracts

Managed Health Care Associates (MHA) in Florham Park, NJ, a group purchasing organization (GPO) specializing in alternate site and long-term care facilities, in December 2005 signed a three-year contract with the long-term care division of Kindred Pharmacy Services for group contracting.

Kindred’s long-term care division represents 83,850 beds.

MHA also owns MedEcon Services, a medical-surgical acute-care GPO.

New Premier member tops savings goal by switching from other groups

Greater Baltimore Medical Center (GBMC) in Towson, MD, 300 beds, saved $500,000 in one month after joining Premier in Charlotte, NC.

(See Group purchasing, continued on p. 12)
“Since we went live July 1, we have already documented $500,000 in savings from existing vendors,” said Jim Duerr, director of materials management at GBMC, in a news release.

“We have definitely validated our decision to partner with Premier. They are delivering the goods.”

The goal was to document savings of at least $1 million during the fiscal year, which began July 1, 2005, Duerr said.

GBMC estimates that it will purchase $40 million annually in supplies and services through Premier contracts.

The hospital previously purchased supplies through Amerinet in St. Louis and MedAssets in Alpharetta, GA.

“It was an easy decision to make once we reviewed the data requested in our RFP,” said CFO Eric Melchior. In the RFP, the hospital asked candidates to price market basket of 50% of its most used supplies and top 100 pharmacy line items.

Premier’s projected savings were $200,000 more than its closest competitor, Melchior said. Conversion will be relatively easy because Premier already contracts with 59% of the vendors GBMC currently uses, he added.

Premier picks up academic hospital from Novation with promise of supply savings

Premier in Charlotte, NC, acquired an academic hospital member in January when the University of Texas (UT) Southwestern Medical Center at Dallas decided to switch from Novation in Irving, TX.

UT Southwestern plans to standardize its Premier contract to achieve savings.

“We look forward to working with Premier to drive cost reductions through implementing not only its contracts but also its tools for standardization in our supply chain systems, and we hope to bring new cost efficiencies in our facilities,” said Jim Wentz, associate vice president and CFO.

Premier hospitals mull pharmacy regs during meeting tied to ASHP conference

As of January 1, hospital pharmacists must have taken a lead role in documenting all medications taken by patients, not just those prescribed during the hospital stay, an expert from the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) told pharmacists from Premier members in Charlotte, NC.

By January 1, hospitals had to fully implement the new JCAHO medication reconciliation standards, said Darryl Rich, PharmD, JCAHO field representative. Rich spoke to about 180 Premier member pharmacists during a meeting held in conjunction with the American Society of Health-System Pharmacists’ Midyear Clinical Meeting in Las Vegas in December 2005.

Two speakers highlighted the importance of pharmaceutical supply chain integrity in light of planned spring launches of new pharmacy distribution agreements.

Marv Shepherd, PhD, director of the Center for Pharmacoeconomic Studies, College of Pharmacy, University of Texas, provided the pharmacist's perspective on current changes in the distribution market, including the dangers of reimportation.

Katherine Eban, an investigative reporter and author of Dangerous Doses: How Counterfeiters are Contaminating America’s Drug Supply, talked about the poorly regulated prescription drug distribution system.

Novation members flock to contract with U.S. Surgical for wound closure

Ten months into a series of new contracts for wound care products, 900 Novation (Irving, TX) members are participating in the contracts, and 1,000 others plan to sign up.

The vendor is U.S. Surgical (U.S.S.) in Norwalk, CT, and the eight agreements cover wound closure, surgical stapling, and endomechanical products.

“This new agreement structure has given our surgeons full access to the products they trust, coupled with the assurance of being able to try new technologies as they become available in the future,” said Roy Smythe, MD, surgery department chair at Scott & White Clinic and Hospital in Temple, TX, 825 beds.

Training was a large factor in the decision to use U.S.S. products, Smythe said in a news release.

The deals reflect Novation’s decision to unbundle surgical products in its contracts, so hospitals may choose from several different vendors.

U.S.S. is a division of Tyco Healthcare in Mansfield, MA.
Broadlane wins renewal from UHS, adds on-site team for purchasing

Broadlane in Dallas will continue to be the group purchasing organization for Universal Health Services (UHS) in King of Prussia, PA, under a renewal agreement that took effect January 1.

UHS was one of the first independent hospital networks to join Broadlane after Broadlane became independent of its founder, Tenet Healthcare, in 2000. Similar to Tenet, UHS is a for-profit system.

Broadlane provides contracting and clinical services, temporary labor, and various information services, including item file cleansing and maintenance.

Pricing was a major component of the decision to stay on with Broadlane, according to UHS CFO Steve Filton.

“Broadlane delivers very competitive pricing across a broad array of products and services, combined with industry expertise and the dedicated customer support that we feel is necessary to achieve deeper supply chain savings and improved operational performance,” Filton said in a news release.

George Malik, UHS director of logistics and material management, said savings came not only from commodity contracts but from high physician preference devices in cardiology and orthopedics as well.

The renewal agreement includes an expanded field resource team from Broadlane working directly with UHS personnel.

UHS is one of the nation’s largest hospital companies, operating acute-care and behavioral health hospitals and ambulatory surgery and radiation centers nationwide.

Integration was the key when Caritas Christi implemented group deals

Consorta in Schaumburg, IL, helped Caritas Christi Health Care System in Boston integrate its six hospitals to take advantage of its annual purchasing volume and save $5 million annually.

“We set an overall goal for our system to become more of an integrated delivery network,” said Joe Ciccolo, senior vice president of support services for Caritas Christi, in a news release.

The program began in 2003, and Caritas Christi is on track to exceed that goal by the end of the 2006 fiscal year.

“Instead of making decisions for six separate hospitals that happen to add up to 1,600 beds, we act as if we are one big, 1,600-bed hospital. That promotes standardization of processes and elimination of variation, which is a perfect approach for supply chain,” Ciccolo said.

Caritas Christi formed enterprise groups in each area of operations (e.g., radiology, laboratory, and telecommunications).

Each group meets monthly to review and update a 12-month plan for process improvement, including expectations and measurement of progress, and the plans include supply chain initiatives.

Each enterprise group includes a director of materials management from one of the hospitals.

The groups report to a systemwide steering committee. Ciccolo said Consorta has been helpful by posting account director Claudette Valeo on-site to help research supply chain initiatives.

Caritas is also able to network with other Consorta hospitals to find ideas on how to remove cost from the supply chain.

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Med-surg indices begin 2006 showing upward trend

The producer price index began 2006 by being up by 0.8% and was up 5.7% for 2005. In the medical-surgical categories surveyed, most indices rose or fell by a fraction of a percent, except for catheters, for which the index rose a full percentage point. The average change for the month was +0.5%.

Compared with the previous year, electromedical equipment decreased the most, at 2.0%. The average annual change was -0.2%.

Medical CPI was up across the board

On the consumer side, the January 2006 unadjusted medical-care commodities component of the consumer price index was 282.0, up 0.4% from December 2005 and up 3.8% for the year.

All other categories rose a fraction of a percentage point.

Over the year, all categories increased. Prescription drugs and medical supplies were up by 4.4% compared with January 2005, and internal and respiratory over-the-counter medications rose 2.9%, whereas nonprescription drugs and medical supplies rose by 2.3%.

Nonprescription medical equipment and supplies rose by 1.2% for the year.

Recent price surveys

- March 2006: Needles and syringes. The modest price increases that marked 2004 have ended, but the decreases predicted for 2005 did not materialize.
- February 2006: Gloves. Materials managers reported an average price decline of 18% for selected products.
- January 2006: Paper. As long as energy prices continue to rise, so will the price of paper, materials managers say.
- December 2005: Foley catheters. Even with several new contracts on the books, Foley catheter prices have remained stable during the past year and are expected to stay that way.
- November 2005: IV solutions. Prices of IV fluids and related supplies rose in 2004, but not as much as predicted. They will continue to increase next year, except when they are protected by contracts.
- October 2005: Cardiac catheters. Prices of cardiac catheters will decline next year, except when they are frozen under current contracts.
- September 2005: Wound care. Prices of wound care supplies are increasing this year, but don’t blame the advanced products making news lately.

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Positions available

**MedAssets in Alpharetta, GA**, is seeking a director of implementation to work with a large hospital in the Raleigh, NC, area that is converting to MedAssets contracts. Contact Tim Murray, vice president of sales and purchasing, Shared Services Healthcare, a MedAssets affiliate, at timm@sharedservices.org.

**Banner Health in Phoenix** is seeking a registered nurse clinical supply manager. The position will be located at Banner Support Services in Chandler, AZ. Contact Evelyn Kras at 602/495-4755 or e-mail Evelyn.Kras@Bannerhealth.com.

**Trinity Health in Farmington Hills, MI**, is seeking a director of procurement operations. To apply, visit www.trinity-health.org.

**Scott and White Memorial Hospital in Temple, TX**, 625 beds, is seeking a procurement professional to monitor contract implementation and utilization. To apply, e-mail your résumé to gbollie@sumail.sw.org or contact the human resources department, 2401 S. 31st St., Temple, TX 76508.

**ECRI in Plymouth Meeting, PA**, has several positions open. ECRI is seeking a medical equipment specialist to maintain technical specifications on medical equipment and a medical equipment associate to provide consulting services in healthcare technology. ECRI is also seeking a medical equipment senior associate. To apply, visit www.ECRI.org.

**Gunnison (CO) Valley Hospital**, 24 beds, is seeking a buyer for hospital supplies. Contact Markus G. Carter, director of human resources, Gunnison Valley Hospital, 711 N. Taylor, Gunnison, CO 81230. Telephone: 970/641-7251 or e-mail mcarter@gvb-colorado.org.

**Catholic Healthcare Partners in Cincinnati** is seeking a medical-surgical category manager. To apply, submit your résumé to cturright@health-partners.org.

**PeaceHealth/Sacred Heart Medical Center in Eugene, OR**, 432 beds, is seeking a director of materials management/supply chain. Contact Nancy Dunlap, recruitment coordinator, PeaceHealth/Sacred Heart Medical Center, 770 E. 11th Ave., Eugene, OR 97401. Telephone 800/365-8990, Ext. 6859, or e-mail ndunlap@peacehealth.org.

**BJC HealthCare in St. Louis** is seeking a director of supply chain logistics. Contact Steve Winter, director of human resources, BJC HealthCare, 4353 Clayton Road, Mail Stop 90-68-131, St. Louis, MO 63110. Telephone 314/362-1570 or e-mail usw5514@bjc.org.

**Scottsdale (AZ) Healthcare** is seeking a clinical supply chain analyst. To apply, visit www.sbc.org/employment.

**Bon Secours Maryview Medical Center in Portsmouth, VA**, 346 beds, is seeking a material manager. Contact Melissa Singleton, Bon Secours Maryview Medical Center, 3636 High St., Portsmouth, VA 23707. Telephone 757/398-2242.

**Concord (NH) Hospital**, 295 beds, is seeking a purchasing manager. To apply, visit www.concordhospital.org.

**Premier in Charlotte, NC**, is seeking a director of strategic sourcing. To apply, e-mail your résumé to alicia_brooks@premierinc.com.

**Reid Hospital and Health Care System in Richmond, IN**, 233 beds, is seeking a materials management director. Contact Scott Rauch, vice president, Reid Hospital and Health Care Services, 1401 Chester Blvd., Richmond, IN 47374 or e-mail rauchs@reidhosp.com.

**The University HealthSystem Consortium (UHC) in Oak Brook, IL**, is seeking a project director of supply chain optimization. To apply, visit www.ubc.edu.

**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 through its membership in Maxis Health System. Contact Marian Community Hospital, 100 Lincoln Ave., Carbondale, PA 18407, or call 570/281-1000.

Moving on? Need help?

To place an announcement in “Job Mart/People,” call Managing Editor Paula DeJohn at 303/693-6608 or e-mail pdejohn@hcpro.com.
Medical emergency response suffered after shift in responsibility to DHS, report says

While the Federal Emergency Management Agency (FEMA) was in the spotlight during the aftermath of Hurricane Katrina and related disasters, the medical community focused on another target: the National Disaster Medical System (NDMS).

The system also came up short in providing help to sick and injured victims.

An investigation by the U.S. House of Representatives Committee on Government Reform produced a report that blamed “a combination of poor management, bureaucratic reshuffling, and inadequate funding” on difficulties the NDMS clinicians had in providing emergency medical care after Katrina and other hurricanes.

Entitled The Decline of the National Disaster Medical System, the report harshly criticized the 2002 transfer of NDMS from the Department of Health and Human Services (HHS) to the Department of Homeland Security (DHS).

The report was released in December 2005.

The Homeland Security Act of 2002 removed NDMS from HHS and made it a division of FEMA, which is part of the Emergency Preparedness and Response Directorate of DHS.

The report is based in part on follow-up reports by the Disaster Medical Assistance Teams (DMAT), which is composed of medical volunteers who are deployed to provide emergency medical care.

“Although individual doctors and emergency response personnel serving on DMATs often work heroically under adverse conditions, their individual efforts cannot overcome the systemic problems undermining NDMS effectiveness,” the report concluded.

The report quoted a DHS source as saying, “Here, in DHS, almost everyone is in law enforcement, and as a result, the right thing to do for medical support and operations is not understood. It is just lost.”

It cited a 2005 HHS report that found “NDMS suffered from poor coordination with other federal agencies and a lack of adequate tracking and communication systems.”

One major problem the teams reported was lack of adequate supplies. Teams from North Carolina and Ohio complained that FEMA had ignored their previous requests for restocking of supplies, and nine other teams said their medical caches, or stockpiles, lacked certain items or were unavailable.