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Great expectations

Contracting executives may expect distributors to provide the same level of service – at the same price – for their acute and non-acute facilities. Can distributors deliver?

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Success in the Nuance

Front-line care

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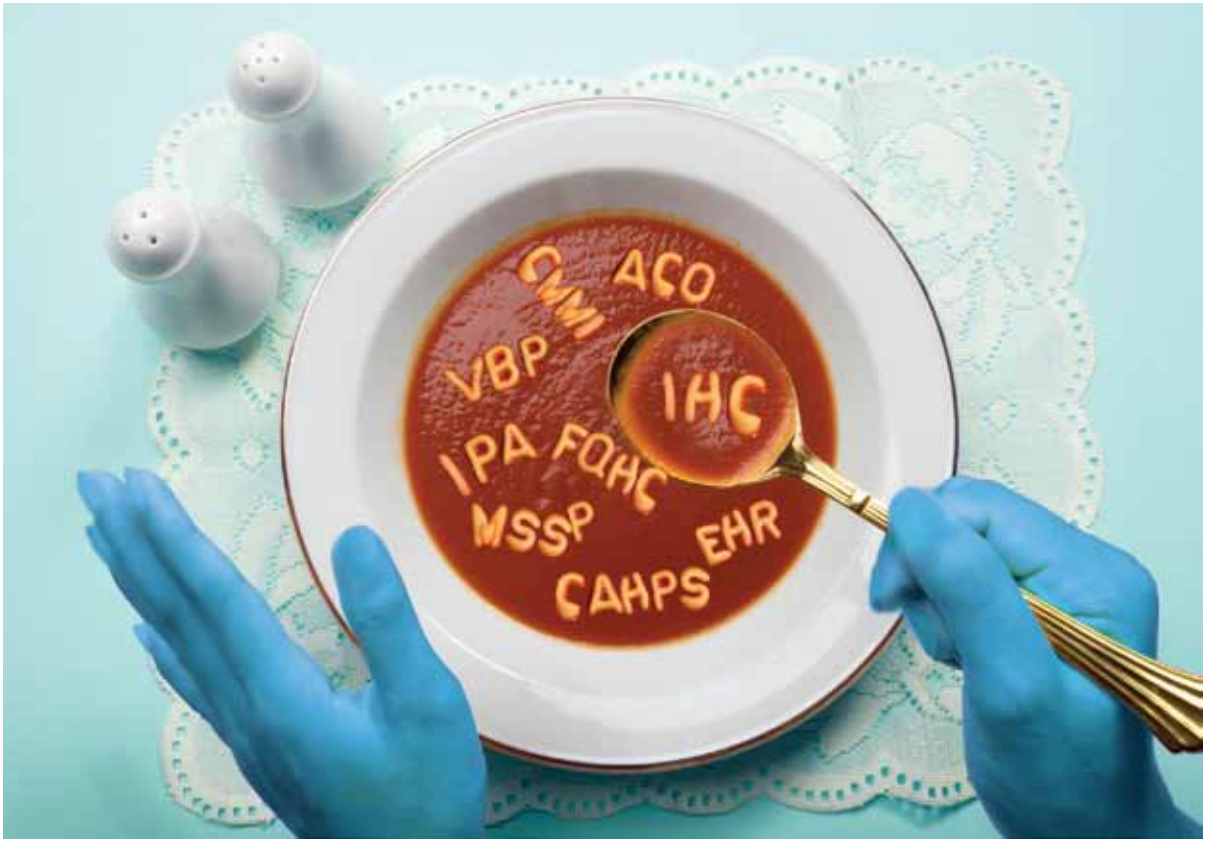

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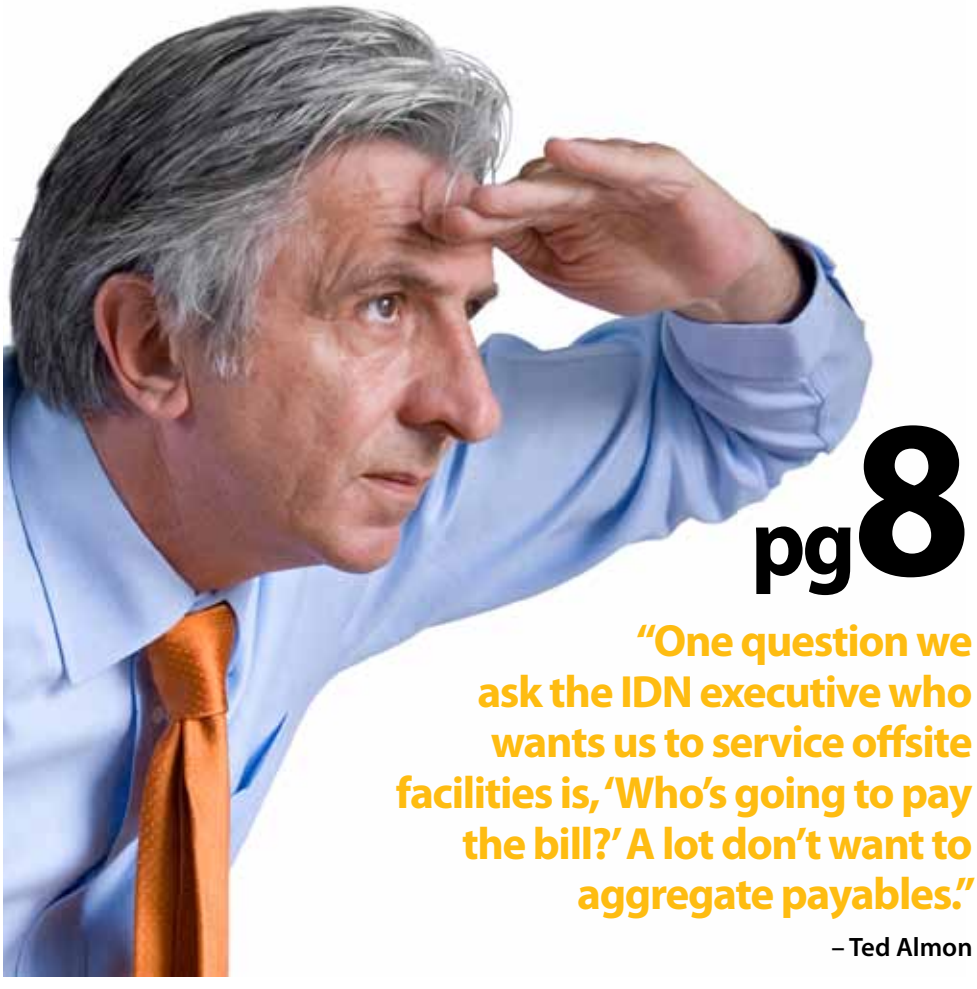

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"One question we ask the IDN executive who wants us to service offsite facilities is, 'Who's going to pay the bill?' A lot don't want to aggregate payables."

– Ted Almon

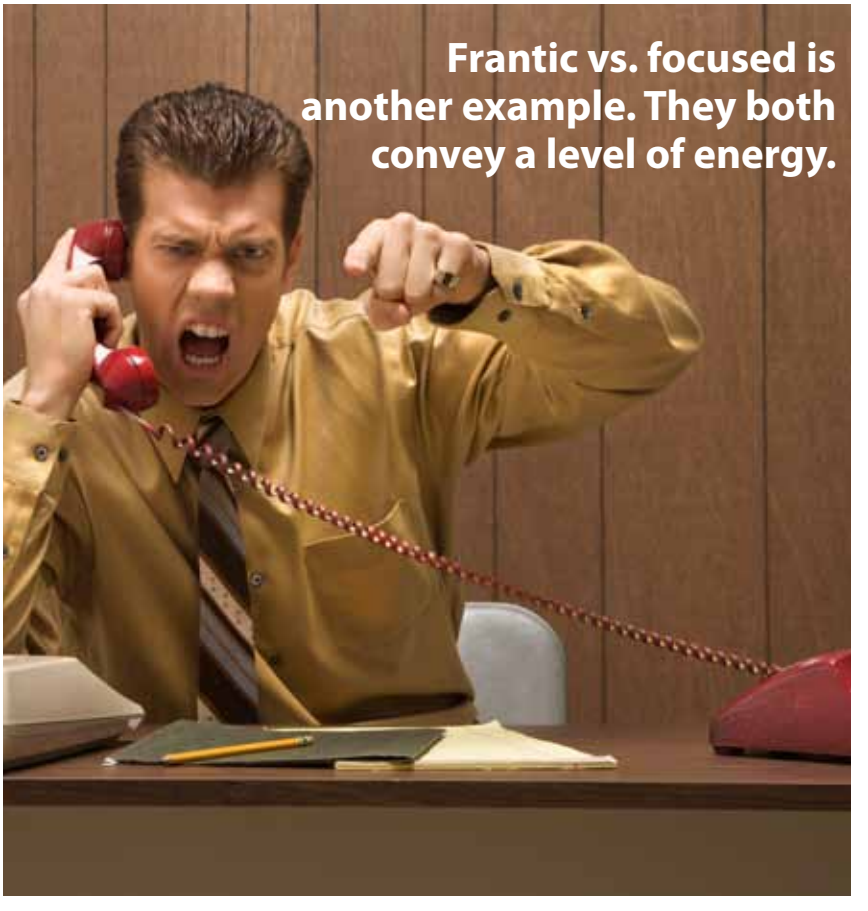
By Lisa Earle McLeod

Success in the Nuance

Why the distinction between assertive and aggressive is so important

Being aggressive turns people off. But being assertive is a critical skill for anyone who wants to have fulfilling relationships, personal or professional. You'll never get anything done if you don't know how to be assertive.

Words are tricky. When you understand the nuanced difference between words, it helps you be more successful in your interactions with others. For example, thinking of yourself as assertive will make you more effective (and well-liked) than if you try to behave aggressively.



Frantic vs. focused is another example. They both convey a level of energy.

Being assertive means standing up for yourself or an idea that you believe in. Martin Luther King Jr. and Gandhi were assertive. They were bold and confident because they cared.

The subtle shift in aggressiveness

Aggression is another matter. Aggressive people aren't standing up for their own principles; they're going into combat against someone else's. There's a different underlying emotion. Assertiveness comes from a place of confidence; aggression is usually rooted in fear.

Think about it, would you rather have your employee or spouse attend Assertiveness Training or Aggressiveness Training?

Like I said, words are tricky. The subtle differences matter a lot. We run into problems when we group seemingly similar behavioral words together and assume they all mean the same thing.

People who are uncomfortable asserting themselves often fall back on the excuse, "I don't want to be pushy or aggressive."

When we're afraid of being perceived as the extreme negative of a certain behavioral

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category, we avoid it all together. But that's really a cop out. Success lies in the nuance. Take careful vs. cautious. Being careful is a good thing, but being too cautious holds you back. Like aggressive vs. assertive, the difference between careful and cautious is the underlying emotion behind the behavior.

Being careful comes from a place of caring. Being cautious is rooted in fear.

If you think of yourself as a careful person, you'll likely have more confidence. You'll perceive yourself as someone who is good at thinking things through. But if you think of yourself as cautious, you won't have as much confidence in your decisions.

Labels matter because the way we think and feel about ourselves affects the way we show up for the world, and in turn the way other people respond to us.

Frantic vs. focused is another example. They both convey a level of energy. But while a frantic person's energy is spinning out of control, a focused person is directing their energy in a very intentional way.

When you're frantic, people are always telling you to calm down. That's because frantic energy is uncomfortable to be around. But if you have a lot of energy, you really don't want to stifle it. You want to harness it.

I spent much of my life with people telling me to chill out. It wasn't until someone said, "Don't deny your energy, channel it," that I finally realized: I'm never going to be a low-key person. Nor do I even want to be. But I can be a focused person.

You don't have to abandon the whole range of behaviors. When you have clarity on the nuance, you can step into the version that works for you.

You don't have to abandon the whole range of behaviors. When you have clarity on the nuance, you can step into the version that works for you.

Shy people can learn to be assertive. Cautious people can be confidently careful, and even the most frantic can learn to be focused.

Life is not an all or nothing game, success sits in the nuance. **JHC**

Lisa Earle McLeod is a leadership consultant. Companies like Apple, Kimberly-Clark and Pfizer hire her to help them create passionate, purpose-driven team. She the author of *The Triangle of Truth*, which the *Washington Post* named as a "Top Five Book for Leaders." She has appeared on *The Today Show*, and has been featured in *Forbes*, *Fortune* and *The Wall Street Journal*. She provides executive coaching sessions, strategy workshops, and keynote speeches. For more information, visit www.LisaEarleMcLeod.com

Dr. Gregory Hickman's goal is to avoid narcotic-based pain control and its potential consequences whenever possible. He succeeds by practicing Regional Anesthesia, "which also gets patients quickly and more comfortably out of the surgery center, opens up beds and makes nurses available to take care of more patients."

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Great expectations

Contracting executives may expect distributors to provide the same level of service – at the same price – for their acute and non-acute facilities. Can distributors deliver?

PONTE VEDRA BEACH, FLA. –As an industry, we could be – as Cardinal Health's Scott Jackson says – in the eye of the hurricane. The first portion of the storm – during which hospitals focused on acquiring other hospitals as well as physician practices – is winding down. Now there's a calm, as we wait for the other side of the storm to hit. And when it does, what will it look like?

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The remains to be seen, of course. Still, supply chain executives who attended the recent Distributor Insights conference, sponsored by MDSI, publisher of the *Journal of Healthcare Contracting*, agreed on a couple of things:

- First, unlike the mating ritual between hospitals and doctors of 15 or 20 years ago, this time, it'll stick.
- Second, hospitals and doctors – whether they are in IDNs, accountable care organizations or something else – will become more tightly integrated than they are today.

Data indicates that as many as 50 percent of physician practices today are owned, leased or managed by an IDN or hospital group.

Together, these two things spell changes – and challenges – for IDN contracting professionals, distributors and manufacturers.

"Consolidation is here to stay; I don't think it's a fad; I don't think it is going to stop," said Bill Barr, vice president, healthcare systems, Henry Schein. "Hospitals have too vested an interest in trying to gain market share among the patient population in their marketplace, so they'll develop a continuum of care that will include nursing homes, surgery centers, home health, retail health, [and more]." Data indicates that as many as 50 percent of physician practices today are owned, leased or managed by an IDN or hospital group. "That's a big number. It means our customers are getting bigger, [and] we have to compete for that volume." To succeed, distributors and manufacturers will have to work more closely than ever. "It means we have to mesh together."

"This doesn't have the same feel as the 1990s [when hospitals went on a binge acquiring physician practices]," added Ted Thornton, vice president, national accounts, McKesson Medical-Surgical. "It will stay."

"I've talked to more vice presidents of supply chain in the last two years than in my previous 10 years," he added.

"Things are changing, and changing fast," said Eddie Dienes, president of PSS. "Whether that change will accelerate or not, I have no idea. But we're directing our time, talent and resources in this IDN space. We used to say, 'We serve the physicians in the frontline of healthcare.' Now we say, 'We serve the frontline of healthcare, including physicians.'"

All sides facing challenges

Of all the players on the supplier side, physician suppliers perhaps face the biggest challenges of all. Most IDN contracting executives are either unfamiliar with them, or regard them with skepticism. To succeed, these suppliers will have to: a) make supply chain professionals aware of who they are, and b) demonstrate that the services they provide to physician practices have value and are virtually impossible to duplicate, according to those at the conference. They also must demonstrate that servicing many clinics is

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But hospital suppliers face some challenges too. It's true that they have a track record with IDN materials managers. But IDNs may ask those suppliers to provide services that are new to them, such as servicing the IDN's newly acquired physician offices.

One of the key challenges for the hospital supplier servicing IDNs is determining who the customer is, said Claflin Co. President and CEO Ted Almon.

There are other challenges as well, pointed out Almon. "One question we ask the IDN executive who wants us to service offsite facilities is, 'Who's going to pay the bill?' A lot don't want to aggregate payables." That can get very complicated very quickly, he said.

Meanwhile, IDN materials executives face challenges of their own in this new environment, according to speakers. Just as suppliers are struggling to figure out these new integrated networks, materials executives – most of whom have been brought up in the acute-care environment – are doing the same. Their vice presidents are directing them to incorporate newly acquired physician practices into the organization, and to cut costs at the same time. And the materials managers are demanding their suppliers lend a hand.

"One question we ask the IDN executive who wants us to service offsite facilities is, 'Who's going to pay the bill?' A lot don't want to aggregate payables."

– Ted Almon

The Warwick, R.I.-based hospital supplier recently started a sales division focused on accountable care organizations.

Typically, it is the corporate materials manager who calls Claflin when the IDN has acquired physician practices or other offsite facilities, requesting that Claflin get the new offices set up, he said. That material manager may expect Claflin to provide large quantities of product, in low units of measure, to the outlying offices. But the newly acquired physician practices have a very different set of expectations. They are, after all, used to having a sales rep visit them every week, counting their inventory, taking care of their needs. Together, these two sets of expectations put the hospital supplier in a tough spot.

Establishing a niche

Physician supplier PSS is aggressively establishing a niche with IDNs, said Greg Silvey, executive director, strategic accounts for the Jacksonville, Fla.-based company. Doing so presents its challenges, though. One large East Coast healthcare system, with whom the company is working, "didn't know PSS when we went into it," he said. The IDN was looking to achieve standardization

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of products and pricing across the care continuum. And a broad continuum it is. "When we started working with them two years ago, they had 1,200 physicians. Today, they have over 1,600."

But PSS was able to offer its expertise, including information technology. The result: 98 percent fill rates, extensive product standardization, guaranteed next-day delivery and extended ordering hours. "And [the IDN's] non-acute-care medical supply distribution is under control," said Silvey.

Another IDN, located in the Southeast, asked PSS to forecast supply-related costs by patient visit and establish a formulary for the system's non-acute-care sites. PSS was able to help the IDN do so, showing a per-patient savings in the process, said Silvey.

Although PSS has much to bring to IDNs, it needs its manufacturer partners to help, he added. "We're trying to build out a shift to prevention, patient satisfaction and outcomes," he said. "If [manufacturers] can help us do that, we can differentiate ourselves."

Integration is inevitable

With a presence in both the acute-care and non-acute-care markets, Cardinal Health enjoys some advantages over other suppliers. "We feel we're in a good spot," said Patti Baran, vice president, health systems, ambulatory care, Cardinal Health. Still, the company's challenge – like that of all suppliers – is helping IDNs control their expenditures.

To be profitable in a capitated reimbursement environment, IDNs will have to do a better job of managing chronic disease and keeping patients out of the hospital, she said. "Integration and having supply data across the care continuum are key to making this happen."

With that in mind, it's no surprise that healthcare systems are spending more time, attention and money focusing on non-acute-care options, including physician practices and home care.

To be profitable in a capitated reimbursement environment, IDNs will have to do a better job of managing chronic disease and keeping patients out of the hospital.

Cardinal is responding appropriately, investing in IT systems, a new web portal and other resources to help ambulatory care customers find cost-effective products, said Baran. The company is piloting a direct-to-patient home delivery program with a Midwestern IDN.

Products and services that can help ease the transition of patients from the hospital to the home, and that can be used in the home without mishap, will be in demand, she added.

Plenty of new stakeholders

Physician supplier Henry Schein is attempting to build dynamic relationships with a variety of new stakeholders, said Barr. "Three years ago, 15 percent

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of our business was tied to GPO contracts," he said. "Today, it's 35 percent. That's pretty rapid growth."

In addition to GPOs and IDN customers, Henry Schein is working to build relationships with operators of retail clinics, insurance companies, occupational health providers, larger ambulatory surgery center companies, community health centers and others.

Like all physician suppliers, the company has to face the fact that many IDN supply chain executives simply aren't familiar with them, said Barr. As a result, those executives may harbor some misconceptions. For example, some assume that their acute-care distributor can easily manage distribution to non-hospital sites.

facing reimbursement cuts, and they expect their suppliers to understand their needs and provide solutions to meet them. Materials managers also want transparency; that is to say, they want to know how and why their suppliers price their products they way they do. And they want regular business reviews with their significant vendors. Perhaps most of all, they want to be able to trust their supplier partners, he said.

Thornton said McKesson Medical-Surgical is up for the challenge. For example, its technological expertise (e.g., electronic data interchange, contract management, etc.), contract management and alternate site expertise – some of which the company acquired in its past experience in acute-care sales – are proving to be of value to today's materials executives. "We offer a closed-loop process for inventory management, requisitioning, approval, receipt and invoicing," he said.

"You really have to have a tight team when selling to an IDN, because you often only get one chance to sell it right."

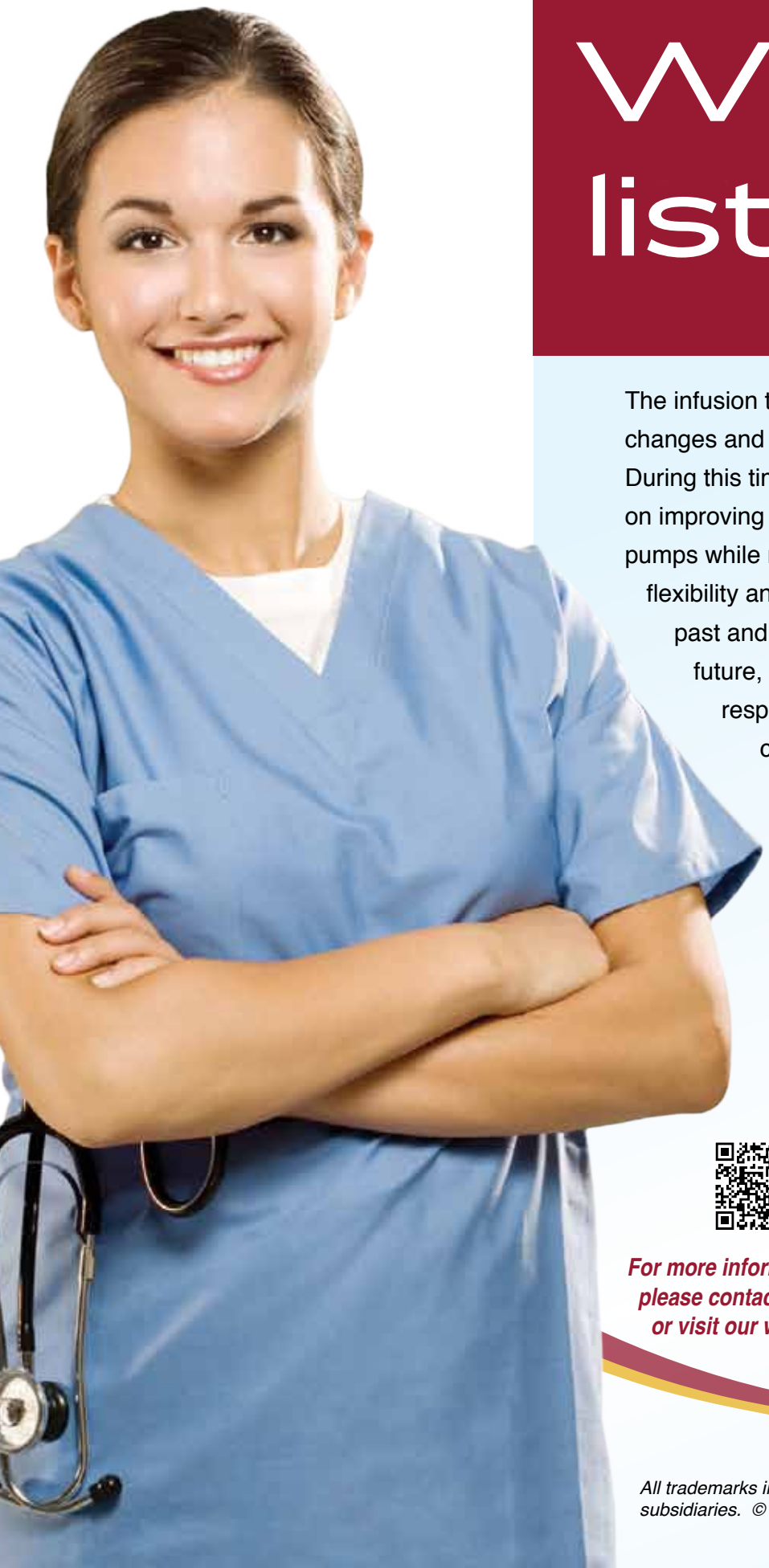
– Ted Thornton

Henry Schein's new tagline, "Rely On Us," signals its commitment to help physician practices be more profitable and practice good clinical medicine, and to supply its customers with a broad range of capital, med/surg and pharmaceutical products, he said. The company also intends to be a provider of meaningful data to its customers, so they can monitor their costs and outcomes.

Providers want transparency

Non-physician suppliers have to quickly familiarize themselves with hospital-based materials management professionals, said Thornton. When they do, they'll find that those professionals are

The company has years of experience in corporate-accounts selling, added Thornton. "You really have to have a tight team when selling to an IDN, because you often only get one chance to sell it right." Still, the company's managers and field sales force are working hard to understand how IDNs are incorporating physician offices, surgery centers, home care, long term care, patient outcomes, disease state management, revenue cycle management and other concepts into their



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operations. "We want to position ourselves as the best value for the alternate site."

Who is this new customer?

The speakers were unanimous that each IDN, ACO, integrated healthcare system and independent physician association must be treated on its own terms. That's because they span a broad continuum, ranging from the very integrated to the barely integrated.

Some health system CEOs, for example, have decided that the physician practices they acquired should be left alone, to operate much as they did when they were independent, said Thornton. "A huge chunk of the market is still like this." In contrast, other systems have centralized purchasing and product selection under a vice president of materials management or supply chain.

"There are different methodologies," said Barr. "Some IDNs are buying physician practices, and allowing them to continue to buy the way they always have. Others believe, 'I'm buying these practices; now we will mandate their purchasing activity and behavior.'"

"There are different methodologies. Some IDNs are buying physician practices, and allowing them to continue to buy the way they always have."

– Bill Barr

Though we may be experiencing some calm now, it's temporary, said Jackson. "Over the past couple of years, we've seen all this activity, with physician practices being acquired [by IDNs]. As these hospital systems have done so, they have focused on things like integrating these practices from a clinical standpoint, then getting them all onto an EMR system. But at some point, they'll start asking, 'What are we doing with these practices from a supply chain standpoint?'"

IDNs will want to implement med/surg formularies, he predicted. "Intuition would tell you that at some point in time, [IDNs] will say, 'The dust has settled on these clinics we've purchased; now we need to pick one distributor.' And then the next step is, 'What strep kit will we use?' 'What glove do I want in each of these facilities?'

"That's where the rubber will meet the road in the not-too-distant future, when we get to the other side of the storm."

Self-distribution

Some IDNs may choose the path of self-distribution, though the term has many meanings, according to the speakers. For

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example, some IDNs are exploring the possibility of sourcing products from countries such as China, then bringing them in to their warehouse and distributing from there. Others take a different view, continuing to rely on distributors to get products to a central warehouse, then redistributing them to their acute-care and non-acute-care sites.

Distributors may view self-distribution as a threat, according to speakers. But they can look at it another way – as opportunity.

"You have to get creative," said Cardinal Health's Baran. Her company has relationships with several customers with consolidated service centers. "There are new models, and we're working with IDNs to figure out the right solution sets."

What about pricing?

Although IDNs appear to be deeply concerned about efficiencies, value and total cost, they remain concerned about price, according to speakers. Specifically, IDN supply chain executives are likely to make these demands on their suppliers:

- Lower prices.
- One price for their acute- and non-acute-care facilities.
- Transparency, that is, an explanation of how suppliers (both manufacturers and distributors) arrive at the pricing they do.

"The transparency request is like nothing we've seen before," said Barr. IDN customers are more insistent on understanding all the components of price, including the distributor's cost from the manufacturer, freight costs, etc. That can present a dilemma for distributors. "Contractually, we're bound with many of our manufacturer partners not to share our cost," he said.

"The IDN's primary mission is patient care; now, population management and wellness are their core strength. A distributor's mission is focused around supply chain optimization across the entire continuum, both upstream to the supplier market and downstream all the way to the patient's home."

– Patti Baran

As health systems acquire more hospitals and non-hospital sites that spread out across a wide geography with many delivery points, they will face greater hurdles trying to cost-effectively supply products to all of the various sites in the correct unit of measure, she said. "The IDN's primary mission is patient care; now, population management and wellness are their core strength. A distributor's mission is focused around supply chain optimization across the entire continuum, both upstream to the supplier market and downstream all the way to the patient's home."

Some of the more integrated IDNs are demanding that suppliers extend acute-care pricing to their non-acute-care members, such as physicians offices. That demand is causing suppliers' class-of-trade distinctions to crumble, said Barr. JHC

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Front-line care

Retail clinics settle in for the long run

The outlook for retail clinics? Steady growth. Their numbers haven't soared, as some of the players predicted they would several years ago. But these walk-in clinics, located mostly in drug stores, remain part of the healthcare scene, and their numbers continue to steadily climb. Meanwhile, hospitals continue to search for their niche in this new market.

And if the pundits are correct in saying that, regardless of what happens in Congress or the Supreme Court, healthcare will continue to move away from fee-for-service and more toward accountable care, then long-term growth among retail clinics is all but assured. What's more, there are signs that physicians are accepting retail clinics as useful adjuncts to primary care.

Consistent growth ahead

"When you put all the pieces together, I think [retail clinics are] poised for growth," says Tom Charland, CEO of Merchant Medicine, Shoreview, Minn., and former senior vice president of strategy and business development for MinuteClinic. "I don't think it will be the wild growth of 2006 and 2007, but it will be very consistent growth." Economics and growing consumer acceptance are two reasons.

It is estimated that approximately 1,350 retail clinics operate in the United States today, says Charland. The market leaders are MinuteClinic, the retail healthcare division of CVS Caremark, which reports more than 600 locations; and Take Care Health Systems, a subsidiary of Walgreens, which reports 360 locations. The Little Clinic, meanwhile, reports 82 clinics in Kroger, Fry's, and King Soopers stores in Ohio, Kentucky, Tennessee, Arizona, Georgia and Colorado. Walmart, meanwhile, operates about 150 "Clinic at Walmart" locations in its stores.

The growth leader in 2011 was MinuteClinic, says Charland. "My observation of CVS is that, in general, they've always been aggressive in terms of strategy development. They seem to be willing to take chances on what I would call creative strategy approaches."

MinuteClinic has announced that it intends to open approximately 100 clinics a year for the next five years, says Charland. "But if you look at all the pieces of healthcare and how it's all going to come down, I think it's a very solid risk.

"Two or three years from now, we'll be in a completely different economic environment when it comes to healthcare, regardless of politics or legislation," he says. Population management, as embodied in accountable care organizations, will

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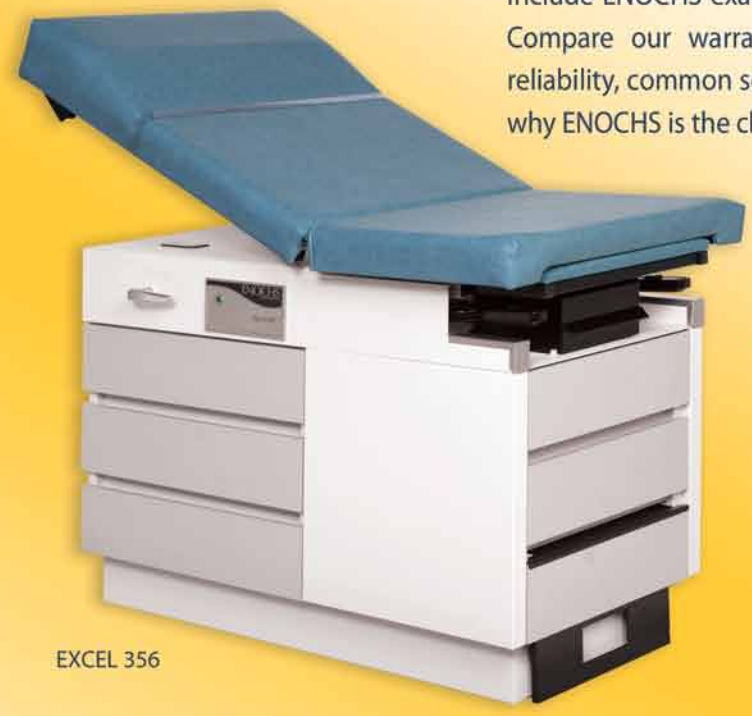

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continue to grow. "The purpose of that is to find the most appropriate venue of care given the acuity level of [the patient]. And cost is part of that formula."

Retail clinics can be part of that accountable care movement, provided they can form relationships with hospitals, physician groups and ultimately, the patient's medical home, that is, the primary care physician, he says. "The implication is, there is coordination [among various caregivers]. Retail clinics think they can provide services at a higher quality and lower cost than any other place, and that's what will determine where [various procedures] are done."

Whereas physician practices and retail clinics might have seen themselves as competitors four or five years ago, "both sides are moving closer together," says Charland. "Both realize they have an opportunity to work together in this new world."

Hospitals team up

Such thinking appears to be on the minds of executives at Take Care. "In the coming year, as the Take Care clinics form more and more relationships with the traditional healthcare environment – for example, health systems – we'll see how we can use our front-line clinicians to work together in teams to make sure patients have access to the chronic care services they need," says Gabe Weissman, spokesman.

"Now that reimbursement might get tied to outcomes, people are asking, 'How can I figure out the best way to provide the best quality care at a low cost?'" With today's emphases on prevention and monitoring of chronic disease, the healthcare system – and consumers – want care that is convenient and affordable, he says. "That's something that the retail clinics are built around."

Forming relationships with local hospital systems has become an important strategy for Take Care and other retail clinic chains. In July 2011, for example, Take Care announced an agreement with Louisiana State University Health Sciences Center and LSU Healthcare Network in New Orleans that includes the following components:

- Development of an interface between each organization's electronic health record system to facilitate scheduling and information-sharing.
- Opportunities for students in the LSUHSC Nurse Practitioner Training Program to precept at Take Care Clinics in the New Orleans area.
- Take Care Clinic participation in LSUHN's development of a regional medical plan for non-insured working persons.
- Establishment of a new Take Care Clinic in close proximity to the LSU Health Sciences Center.
- Participation of LSUHSC and LSUHN physicians as collaborating physicians for Take Care clinics in the region.

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In addition, LSUHN health professionals will share information on Take Care clinics and other healthcare options when their locations are closed or they are unable to schedule an appointment within a patient's desired timeframe. Professionals at LSUHN-affiliated practices will have access to information on Take Care clinic locations, evening and weekend hours and services available to patients and their families.

The agreement with LSU is one of several that Take Care has announced, says Weissman The others are Ochsner Health System in New Orleans, and Memorial Health in Jacksonville, Fla.

Not to be overlooked in the discussion about retail clinics is Walmart. With 150 clinics in operation today, the Bentonville, Ark.-based retailer hasn't come close to the 400 clinics it said it would open by 2007.

MinuteClinic is pursuing a similar strategy. In December 2011, for example, the company formed a relationship with UMass Memorial Health Care in Worcester, Mass. Under the agreement, UMass Memorial Health Care physicians will serve as medical directors for MinuteClinic locations in central Massachusetts. In addition, MinuteClinic and UMass Memorial Health Care will collaborate on patient education and disease management initiatives and will inform patients of the services each offer. Signage at MinuteClinic locations will inform patients that each site has a clinical affiliation with UMass Memorial Health Care. In addition, the two organizations will work toward fully integrating their electronic medical record systems. (MinuteClinic declined to participate in this article.)

Walmart

Not to be overlooked in the discussion about retail clinics is Walmart. With 150 clinics in operation today, the Bentonville, Ark.-based retailer hasn't come close to the 400 clinics it said it would open by 2007. But the company remains a defining force in the market today.

The company's strategy has been to enlist local hospital systems to outfit and staff the Clinics at Walmart, which are located inside Walmart stores. In the model, the hospital system is the one at financial risk, not Walmart. *The Journal of Healthcare Contracting* spoke with several distributor reps who were personally involved in setting up various Clinics at Walmart over the past several years, most of which subsequently closed, as local hospital systems found they couldn't run the clinics profitably.

It's no surprise that Walmart experienced some bumps in the road, says Charland. "Walmart does things on a large scale," he says. But setting up retail clinics in conjunction with hospital systems cannot be done on a large scale. "They're dealing with individual hospital systems. That's small scale."

Walmart also likes doing things its own way. But that's difficult to do when one is working with hospitals, notes Charland. "Hospitals are so regulated, [Walmart] can't do things on their own terms."

But despite the speed bumps, Walmart is tenacious. "When everybody else kind of stalled – except in the past year, 2011, when MinuteClinic got into a growth mode – Walmart continued

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to open two, three, four, sometimes five clinics a month with hospital systems," notes Charland. "They have continued to grow."

In October 2011, the company sent shivers down the spine of some providers when an RFI was leaked in which the retailer said it was seeking partners to help it become "the largest provider of primary healthcare services in the nation." In the RFI, the company said it wanted to build a nationally integrated, low-cost primary care platform, and was seeking partners to help it provide patient care services, such as monitoring patients with diabetes, obesity, etc.

Walmart isn't the only one exploring its options. Retail clinics are doing the same. Take Care now allows consumers to schedule appointments online and to view estimated wait times at each clinic.

On Nov. 9, John Agwunobi, M.D., Walmart senior vice president and president of Walmart U.S. Health & Wellness, issued this terse statement: "The RFI statement of intent is overwritten and incorrect. We are not building a national, integrated, low-cost primary care health care platform." (Walmart would not respond to questions for this article.)

Charland doesn't believe the industry has heard the last from Walmart concerning its ambitions in primary care. "Where they go from here is the point of the RFI," he says. "They don't know exactly what they want to do, but they want to understand better what their options are, to do things that fit more in the way Walmart does things. In some ways, because of their size and scale, that's the way they have to do things."

What's next?

Walmart isn't the only one exploring its options. Retail clinics are doing the same. Take Care now allows consumers to schedule appointments online and to view estimated wait times at each clinic. In addition, the company's website offers access to a cost menu of services, as well as local and up-to-date information on patient satisfaction scores and market-specific quality of care scores based on National Center for Quality Assurance Health Effectiveness Data and Information Set (HEDIS) guidelines.

It's likely that retail clinics will continue to attempt to play a role in chronic disease management. In November 2011, for example, MinuteClinic signed an agreement with AxisShield (recently acquired by Alere) to outfit each of MinuteClinic's locations with an Afinion analyzer, so diabetes patients can obtain access to hemoglobin A1c test results within three minutes. MinuteClinic's health condition monitoring services include monitoring of asthma ($79 to $89), diabetes ($79), high blood pressure ($79) and high cholesterol ($79).

But the retail clinic industry can't take its obligations in chronic disease management lightly.

"The value of biometric screening is repetitiveness," says Jim Poggi, director, laboratory category management, product and supplier management, McKesson Medical-Surgical. The goal is to establish a baseline, then the change from baseline, he points out. "Bringing people into your medical family means there's an obligation to stay in the game and do what needs to be done to keep clients returning, and to transmit information to their primary care provider." **JHC**

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 *Calculations based on these sources; sample calculations available upon request. 1. Computers, Informatics, Nursing: September/October 2009, Volume 27, Issue 5, pages 318-323, Connected Care: Reducing Errors Through Automated Vital Signs Data Upload, Smith, Laura B. MSN, RN; et al. 2. Automated Vital Sign Documentation for Medical Surgical Units: Saving Time and Increasing Accuracy: Fact or Fairytale?, Meg Meccariello, RN MS; Jennifer Johnstone, RN MS, Presented at The Nursing Management Congress 2008 Las Vegas, NV. 3. Vital signs measurement frequency estimates from "Lippincott's Textbook for Nursing Assistants: A Humanistic Approach to Caregiving," Pamela J. Carter, 2007, page 292. 4. Hospital beds (most recent) by country estimates from NationMaster.com, www.nationmaster.com/graph/hea_hos_bed-health-hospital-beds. 5. Population, Source: U.S. Census Bureau, Population Division.

Retail clinics face competition of their own

As the potential market for walk-in care grows, traditional retail clinics are feeling the heat of competition from a variety of sources, including physician practices, pharmacists, and even unmanned kiosks in grocery pharmacies.

Physicians office

It may be true that physicians and retail clinics are forming an alliance of sorts. Still, physicians don't have to cede the entire market of walk-in traffic to retail clinics, says Tom Charland, CEO of Merchant Medicine, Shoreview, Minn.

Merchant Medicine's Green Card™ Care program helps physicians organize their workflow and marketing to recapture lost patients or neutralize competitors for these episodes of care.

Studies show that more than 70 percent of acute care visits to retail clinics consist of sinusitis, pharyngitis, otitis media, otitis externa, conjunctivitis and urinary tract infection, he points out. There's no reason physicians can't capture some of that business.

Merchant Medicine's Green Card™ Care program helps physicians organize their workflow and marketing to recapture lost patients or neutralize competitors for these episodes of care. The result: Patients can be in and out of the doctor's office within 45 minutes.

Pharmacists can play a role

Pharmacists believe they can play a role in chronic disease management as well. "We believe that when retail pharmacies get involved in helping patients manage chronic diseases, all players in the health care system can benefit," says Scott Summers, a director of marketing in Cardinal Health's pharmaceutical segment. For a number of years, Cardinal Health has been helping retail pharmacies offer comprehensive services that help patients manage diabetes, he says. And the company recently introduced a similar program for pharmacies that want to help patients better manage their heart health.

"Chain pharmacies and independently owned pharmacies alike can benefit because these types of services help them diversify their overall revenue beyond just filling prescriptions," he says. "They also benefit because patients who are managing chronic disease states tend to need many medications and related products – and offering these types of services can help retail pharmacies build stronger, more loyal relationships with those patients.

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"We've also seen cases where local family physicians benefit, too," continues Summers. "For example, when our pharmacy customers specialize in helping patients manage a chronic disease state, like diabetes, they can form relationships with the patient's primary care physician. The pharmacist and physician can work together to ensure the patient is adhering to medications and taking other necessary precautions to improve overall health."

Ultimately, it is the patient who benefits, says Summers. "Local retail pharmacies are one of the most accessible points of care for many patients. They're often more cost effective for screenings and related services. And, pharmacies are also obviously very well positioned to help patients better understand and adhere to their medication therapy."

"Local retail pharmacies are one of the most accessible points of care for many patients. They're often more cost effective for screenings and related services."

– Scott Summers

The doctor is on

Meanwhile, a Dublin, Ohio-based company intends to use telemedicine to allow consumers to step into a kiosk, have their blood pressure and other vitals taken, and chat with a physician about what's ailing them. The company, HealthSpot, is testing the concept with the Central Ohio Primary Care physician group, but it intends to install its Care4 Stations in grocery pharmacies and other locations around the country.

Each Care4 Station is equipped with standard diagnostic tools, including thermometer, scale, sphygmomanometer, otoscope, stethoscope, dermascope and spirometer, points out Brian Slusser, chief strategy officer. The physician, via telemedicine, interacts with the patient on screen, and controls the diagnostic devices from his or her end. A HealthSpot attendant is on hand at the Care4 Station to lend consumers a hand, should they need assistance. (The attendant also disinfectants surfaces after the consumer leaves.)

HealthSpot intends to initially target grocery pharmacies, allowing the consumer to either get an e-prescription filled on the spot, or to buy foods that the doctor has suggested. **JHC**

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References: 1. Data on file. Pfizer Inc, New York, NY. **2.** Heparin Sodium Injection, USP [prescribing information]. New York, NY: Pfizer Inc; 2011.

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Quick Bytes

Editor's Note: *Technology is playing an increasing role in day-to-day business. The following profiles the latest developments in software and gadgets that supply chain execs can use for work and play.*

Nice-looking pad

Impress your colleagues with an iPad holder with style and precision engineering. The Rokstand aluminum stand from Rokform "incorporates 10 individually machined parts and intricate assembly components, including high-speed bearings, non-slip contact surface rings and an ingenious interlocking cam system for instant view-angle adjustment." Rokform was founded by the owners of Two Brothers Racing Inc., an aftermarket manufacturer for the powersports industry.

Easy file transfers between iPhone and laptop

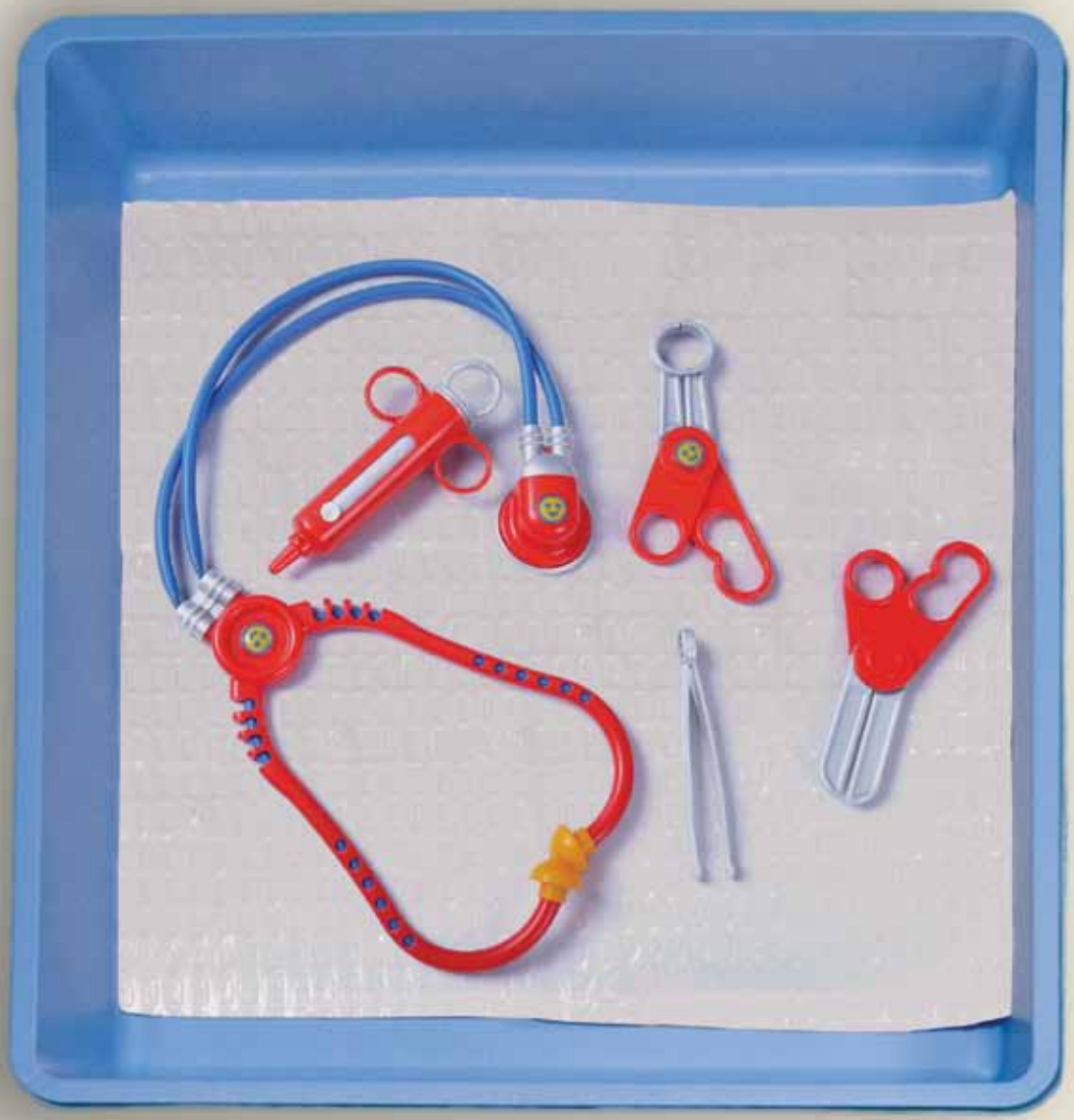
AnyMP4 iPhone Transfer helps users transfer files, including DVDs and videos, between their iPhone and computer, according to software producer AnyMP4. The software allows users to export iPhone movies, music, TV shows, podcasts, iTunes, e-pub, PDFs, audio books, pictures, voice memos and camera shots to a computer; and to import video, audio, e-pub and images from a computer's local disc to iPhone. In addition, users can backup iPhone SMS to computer, and delete the unwanted messages from the database.

Slam dunk

Neither snow, nor rain, nor heat will prevent determined sales reps from returning customers' calls on their Samsung Rugby® Smart smartphone. The phone, sold by AT&T, is said to be dustproof and capable of withstanding extreme temperatures and submersion in up to 1 meter of water for 30 minutes. The phone – which costs $100 with a two-year commitment and monthly minimum data plan – runs on Android 2.3 with 4G capabilities, has a virtual QWERTY keyboard, a 3.7-inch screen, a 5MP camera and an integrated flashlight. Talk time is said to be up to eight hours.

iInsurance

For $60, users of iPhones, iPads or iPod Touches can get two years unlimited repairs on their devices with the iSmart Protection Plan, available from iQue Repair LLC., "Many warranties are front loaded with fees because we have been lead to believe our devices need to be replaced and not repaired," says iQue Repair owner KC Kelly. "The truth is, the vast majority of insured consumers don't cash in on new devices when they break and only a small percentage actually needs them replaced."



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Disinfectable phone cover

SEAL SHIELDS™ from Seal Shield LLC are form-fitting, polyurethane covers that are said to make iPhones and iPads 100 percent waterproof, washable and disinfectable. According to a Stanford University study, a cell phone is covered with 18 times more bacteria than a toilet handle, says the company. The shields are invisible, and they contain an antimicrobial fungistatic agent. They cost about $20.

Are app developers taking your address book?

The address book in smartphones is free for app developers to take at will, often without the phone owner's knowledge, according to a report in the *New York Times*. While Apple says it prohibits and rejects any app that collects or transmits users' personal data without their permission, that has not stopped some of the most popular applications for the iPhone, iPad and iPod – like Yelp, Gowalla, Hipster and Foodspotting – from taking users' contacts and transmitting it without their knowledge, said the report. Congress is investigating the practice.

Dell hopes to one-up MacBook Air

Dell hopes its ultraslim XPS 13 will help the company steal away would-be buyers of Apple's super-slim MacBook Air. The XPS 13 has some nice features, says *Wall Street Journal* Technology Editor Walt Mossberg. Its 13-inch screen is no wider than other models with 11- and 12-inch screens. Dell uses edge-to-edge glass for its screen and leaves much less of a bezel, or border, around the screen, than the Apple does, says Mossberg. It's thicker and a tad heavier than the comparable MacBook Air, and, like the Apple, it's significantly heavier than Toshiba's ultrabook. If there's a downside, it's the battery life, which is four hours under heavy load. The 13-inch XPS 13 costs $1,000.

Rose-colored glasses

Will you still call me Superman? They might, if you're wearing Google's smart eyeglasses. Google won't comment, but the company reportedly is developing eyeglasses that will stream information to the wearer's eyeballs in real time, according to a report in the *New York Times*. The glasses may be available by the end of the year. People familiar with the Google glasses told the newspaper that the glasses will be Android-based, and will include a small screen that will sit a few inches from the wearer's eye. They will also have a 3G or 4G data connection and a number of sensors, including motion and GPS. The glasses will have a low-resolution built-in camera that monitors the world in real time and overlays information about locations, surrounding buildings and friends who might be nearby, according to the Google employees.

Laptop, tablet or both?

Lenovo's IdeaPad Yoga is said to be both laptop and tablet. The device achieves its duality from a patented hinge that lets the keyboard flip flush to the back of its 13-inch screen, according to a review in the *New York Times*. With the keyboard folded back, the screen is controlled through touch as with any tablet. The hinge design allows the user to hold the gadget partway open, so it can be set on a table as a display for watching videos. The IdeaPad Yoga runs on the Windows 8 operating system; it has an Intel Chief River processor, 8GB RAM and 256GB solid-state drive, with a claimed battery life of eight hours. It is expected to be available in the second half of 2012 for $1,200.

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Johns Hopkins Hospital will open $1.1B new facility

Johns Hopkins Hospital (Baltimore, MD) will open the Sheikh Zayed Cardiovascular and Critical Care Tower and the Charlotte R. Bloomberg Children's Center. The $1.1 billion, 1.6 million-sq-ft facility includes 560 private patient rooms, 33 operating rooms and new adult and pediatric emergency departments. Patients will begin moving into the new building April 29, 2012, and the facility will open to the public on May 1, 2012.

Beaumont Hospitals names Sripada as chief administrative & information officer

Beaumont Hospitals (Royal Oak, MI) named Subra Sripada as EVP and chief administrative and information officer. His areas of responsibility include information technology; strategic planning and business development; marketing and public affairs; corporate planning and the Project Management Office. He joined Beaumont in 2008 from PricewaterhouseCoopers.

Physician specialty societies identify 45 unnecessary procedures & tests

Nine physician specialty societies recently identified 45 tests or procedures that, based on evidence, may be overused or unnecessary for certain patients. Each of the societies released a list of "Five Things Physicians and Patients Should Question" at The Choosing Wisely campaign's website at choosingwisely.org. The campaign is an initiative of the ABIM Foundation, an affiliate of the American Board of Internal Medicine (Philadelphia, PA). Current participants in the campaign include the American Academy of Allergy, Asthma & Immunology (Milwaukee, WI); American Academy of Family Physicians (Leawood, KS); American College of Cardiology (Washington, DC); American College of Physicians (Philadelphia, PA); American College of Radiology (Reston, VA); American Gastroenterological Association (Bethesda, MD); American Society of Clinical Oncology (Alexandria, VA); American Society of Nephrology (Washington, DC); and American Society of Nuclear Cardiology (Bethesda, MD). Another eight physician specialty societies are expected to issue similar lists in fall 2012.

Joint Commission launches HAI electronic portal

The Joint Commission (Oakbrook Terrace, IL) launched a healthcare-associated infections (HAI) electronic portal at jointcommission.org/hai.aspx. The HAI Portal is a joint effort of The Joint Commission enterprise, which includes the Joint Commission Center for Transforming Healthcare, Joint Commission Resources, and Joint Commission International. The Joint Commission wants to provide a wealth of HAI resources in one area that is accessible through any of the Joint Commission-related websites. Some resources will be free and some are for purchase.

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By Robert T. Yokl

The Four T Approach

Unlocking your value analysis savings potential

I'm often asked what is the secret to unlocking a healthcare organization's value analysis savings potential? My simple answer always is to embrace the four" Ts" (time, training, teams and technology) to supercharge your value analysis program. It has been my experience that if the four "Ts" are applied in unison they will be a money-saving excelorator for your value analysis teams. It's all about synergism and connectivity!

First, you will need to allocate and dedicate the TIME to ferret out your value analysis savings. If your VA team(s) is just meeting once-a-month (we recommend twice a month meetings) or not at all, your savings will be drip, drip drip, not cascading like a water fall. And your senior management will need to allot the necessary time for your team members to participate in your value analysis program. If your team members don't see this happening, they will eventually start to skip your VA meetings or not show up at all.

Second, if you haven't formed TEAM(s) yet to do this hard work or you are still working with a product evaluation committee model, you are stunting your savings potential. The difference is that teams own and work their projects to completion, where committees just talk about making savings happen. Third, your VA team(s) need advanced TRAINING, so they aren't "winging it," but actually know what they are doing to save money. Larry Miles, the Father of Value Analysis, recommended 40 hours of training for value analysis practitioners in functional analysis. Is this the amount of training that your team members are receiving? If not, why not?

If you want to quickly and consistently generate superior value analysis savings results then you will need to employ technology to do the heavy lifting for you!

Lastly, you need to harness the power of TECHNOLOGY to proactively manage, monitor and control your value analysis program. Employing spreadsheets, list serves and multiple databases to manage your value analysis team's activities and tasks is actually holding back dramatic advances in any and all value analysis team's productivity and performance. If you want to quickly and consistently generate superior value analysis savings results, then you will need to employ technology to do the heavy lifting for you!

Remember, there are no substitutes for the four "Ts" if you want to unlock your value analysis savings potential. Missing even one of these successful elements (time, training, team and technology) will hold you back from peak performance and never-ending savings for your healthcare organization. **JHC**

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