



# LOWERING COSTS AND ALIGNING PHYSICIANS THE POWER OF EVIDENCE-BASED SOURCING

## What

Standardize CRM devices to drive down costs

## How

Leveraged Lumere's evidence-based insights to obtain physician consensus and drive market share to two primary vendors

## Results

\$450,000 savings  
Time Frame: 4 Months

## Challenges

- Inability to track actual savings related to strategic sourcing events
- Lack of productive conversations between supply chain teams and physicians
- Poor project coordination across the entire consortium
- Rising supply costs due to unfavorable contracts

## Results

- Linked spend and utilization analytics using ERP and EHR data to determine actual savings
- Engaged physicians using clinical research and evidence-based value analyses
- Fostered consortium-wide collaboration using a single solution
- Negotiated favorable contracts by leveraging an evidence-based strategy

## Problem

**HealthFuture, LLC**, an Oregon-based healthcare consortium, had negotiated capitated pricing for certain devices but wanted to further reduce costs without impacting patient outcomes. Doing so required consortium-wide consensus among clinical stakeholders and a compelling argument for why vendors should lower prices.



## Solution

HealthFuture engaged [Lumere, a GHX company](#), to help meet savings goals and build trust with clinicians. Health Future's supply chain teams gained access to Lumere's comprehensive evidence reviews and research articles for more than 30,000 devices. For the first time, they could communicate with physicians using evidence-backed insights derived from product reviews, recall information, adverse events, and a wide breadth of clinical literature. Now, team members have a holistic, comprehensive view of efficacy. When a physician requests a particular device, the team easily determines whether clinical literature supports using it or whether there are other functionally similar, lower-cost products to consider instead.

**"Our main goal was to get critical information about devices so we could intelligently engage with our physicians at different facilities," said Libby Brown, regional manager at Health Future. Lumere gives us the ability to approach physicians with credible information. We can build trust early on and set the stage for future discussions."**



## Tracking actual savings

With Lumere's assistance, Health Future calculates actual savings related to strategic sourcing events. Lumere's solution maps hospital EHR data to supplier contracts and price files, and then combines that data with ERP system data in Lumere's proprietary, systematic, and commonsense nomenclature to help identify utilization-based savings.



## Subject matter experts available to assist

In addition to robust clinical data, Health Future also has access to Lumere's trusted clinical advisors who provide valuable insights and help Brown engage physicians consortium-wide.

"If we need an interpretation related to a study or have a question about a particular advantage a supplier is claiming, we can consult with a Lumere professional to really understand whether it's an accurate claim," said Brown.

Interviews and content developed by: **hfma**

Brown and her team can also now analyze physician-level ordering patterns to identify cost savings opportunities. "It gives us the ability to identify and educate physicians who favor a certain device when there is a comparable device available at a much lesser cost," said Brown.

In addition, Health Future saves a significant amount of time on research. With Lumere's help, staff spends hours rather than days researching studies and outcomes data to prepare for meetings.

## Impact

With Lumere's [Category Optimization](#) solution, HealthFuture could measure the impact of their initiatives across these critical areas:

### Negotiating favorable vendor contracts

HealthFuture wanted to review the \$8.7 million category of cardiac rhythm monitoring (CRM) for their consortium. Using Lumere's insights, physicians were furnished with relevant data and attributes for different devices, which helped them to identify which CRM products deserved a premium or standard price. Armed with this information, supply chain leaders were able to build a compelling argument for favorable contract terms and lower costs with their suppliers with a recognized savings of \$450K.

**"Having [Lumere's] device information at our fingertips has been extremely valuable when negotiating with suppliers," said Brown. "We've been very successful in terms of lowering costs as well as disputing certain upcharges and additional costs based on the information we had available to us."**

### Streamlining value analysis workflows

The project management component of Lumere's Category Optimization allows the entire value analysis team, as well as physicians and others across the consortium to log onto the system and view clinical information, project status updates, and more — all in one place. This helps HealthFuture collectively identify cost savings opportunities to quickly and efficiently pursue.

**"Administrative support, CEOs, and CFOs all give their time and attention to these efforts," said Brown. "One of our CFOs even got on a call with suppliers to reinforce our strategy using Lumere data."**

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