



CASE STUDY

**Froedtert**

**100%** Increase in the number of trading partners in six months

## IMPROVING EDI UTILIZATION WITH PARTNERS

### Froedtert Health Improves EDI Utilization to Sustain Continued Growth

For Froedtert Health, one of the largest health systems in eastern Wisconsin, the opening of a new distribution center allowed the organization to directly manage its own deliveries and staff. The initiative revealed that EDI utilization was lower than expected and highlighted the need to improve utilization across Froedtert Health's trading partner community.

As is common in the healthcare industry currently, Froedtert Health had been through a period of rapid growth due to mergers and acquisitions that resulted in disparate technology and associated data issues. With the goal to increase EDI utilization and reduce maintenance activity, Froedtert Health engaged GHX to consolidate six legacy GHX connections into a single connection between its Lawson system and the GHX Exchange. In just six months, the organization increased EDI utilization by 10 percent and doubled the number of trading partners using EDI to conduct transactions.

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# RESULTS



**Doubled the number** of trading partners in six months



EDI utilization has **increased by 10%** in six months



Prepared company for **future growth**



**Streamlined** connection set up and maintenance processes

## SITUATION

In 2016, Froedtert Health opened its Integrated Service Center to handle the distribution of supplies for its three hospitals and more than 40 health centers in Wisconsin. Prior to the opening of the distribution center, Froedtert Health's data indicated that 85 percent of purchase order (PO) lines were transacted via EDI. The move to the distribution center, however, illustrated a much different picture.

Centralizing and owning distribution allowed Froedtert Health to consolidate PO lines, which resulted in a dramatic change in PO line volume. By moving away from high volume, low unit of measure orders, Froedtert Health reduced PO lines by 75 percent. Unfortunately, the new numbers showed that the organization had less than 40 percent EDI utilization for the new PO volume.

"When we moved to our new distribution center, the data changed, and we could quickly see that we were well below our goals for EDI utilization," said Jack Koczela, Director of Supply Chain Systems & Analytics, Froedtert Health. "We were using EDI with only a fraction of our trading partners. Our goal was to increase our utilization rate by onboarding as many trading partners as possible. Doing so meant that we would need to reboot our GHX connection set up."

Those data issues were a result of Froedtert Health's rapid growth through mergers & acquisitions. The organization had GHX connections for each legacy organization, which made the integration of systems and data time-consuming, cumbersome and prone to manual errors. Every time a new supplier was brought on board, the entity was added multiple times to multiple systems — GHX Exchange, CCXpert, and Lawson, among others.

Froedtert Health decided that a new, single parent GHX connection structure would be essential to not only improve EDI utilization rates in the near term, but also prepare the company for continued growth.



“GHX provided the support and expertise we needed to make the consolidation project a success,” said Jack Koczela. “Now our data makes sense. We can present the company more clearly to the vendor community and internal audiences. And, having a single connection structure reduces the number of records we have to maintain in Lawson, which has lowered our overall maintenance.”

## SOLUTION

- 1 Using Registration Center**, a portal that connects providers and suppliers directly to boost utilization with new and under-performing trading partners, Froedtert Health is now able to onboard trading partners with greater ease and efficiency. The results were evident immediately. Within six months, Froedtert Health boarded more than 71 active trading partners using EDI to conduct transactions. Froedtert will continue to onboard more trading partners during 2019.
- 2 CCXpert, an electronic price management tool from GHX that provides real-time price validation**, detailed purchasing reports and contract updates to help with more accurate contract pricing. Consolidation has helped Froedtert Health move to enterprise-level contracts rather than maintain a copy for each legacy organization. The new consolidation allows for cleaner data to run through CCXpert and helps Koczela’s team more easily identify and mitigate contract and pricing discrepancies.
- 3 Another big benefit of the consolidation and data migration work** is that it has prepared Froedtert for the future. Koczela adds, “We are a growing organization. We can add new facilities and partners to our existing infrastructure easily and without having to exponentially increase maintenance work. As our department moves toward using its data for enterprise-wide organizational improvements, GHX will continue to be a valued partner.”

