

# Supply Chain Management at Texas Health Resources

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*Supply Chain Management*



# Texas Health Resources

- **Mission:** *To improve the health of the people in the communities we serve.*
- **Vision:** *Texas Health Resources, a faith-based organization joining with physicians, will be the health care system of choice.*
- **Values:**
  - **Respect:** *Respecting the dignity of all persons, fostering a corporate culture characterized by teamwork, diversity and empowerment.*
  - **Integrity:** *Conduct our corporate and personal lives with integrity; Relationships based on loyalty, fairness, truthfulness and trustworthiness.*
  - **Compassion:** *Sensitivity to the whole person, reflective of God's compassion and love, with particular concern for the poor.*
  - **Excellence:** *Continuously improving the quality of our service through education, research, competent and innovative personnel, effective leadership and responsible stewardship of resources.*

# Texas Health Resources

- 25 acute-care, transitional, rehabilitation and short-stay hospitals that are owned, operated, joint-ventured or affiliated with Texas Health
- 250+ Physician clinics
- 34 outpatient facilities
- 3,800+ licensed hospital beds
- 5,500+ physicians with staff privileges
- 21,100+ employees
- \$3.7 billion in total operating revenue (FY 2012)
- \$5.3 billion in total assets (FY 2012)

# Supply Chain Management

- Centralized corporate function since 2001
- Contracting, purchasing, info systems, system builds, mail/courier, and cost reduction/standardization centralized in Arlington corporate office
- Three regional directors manage remaining supply chain functions within entities
- Physician office supply chain program centralized

# What are we working on?

- **COST REDUCTION**
- Online Value Analysis toolset
- Virtual Trade Show platform
- Executive dashboards
- Zone alignment
- Non-Acute Integration
- Project management tools
- GS1 Standards

# Current Strategies

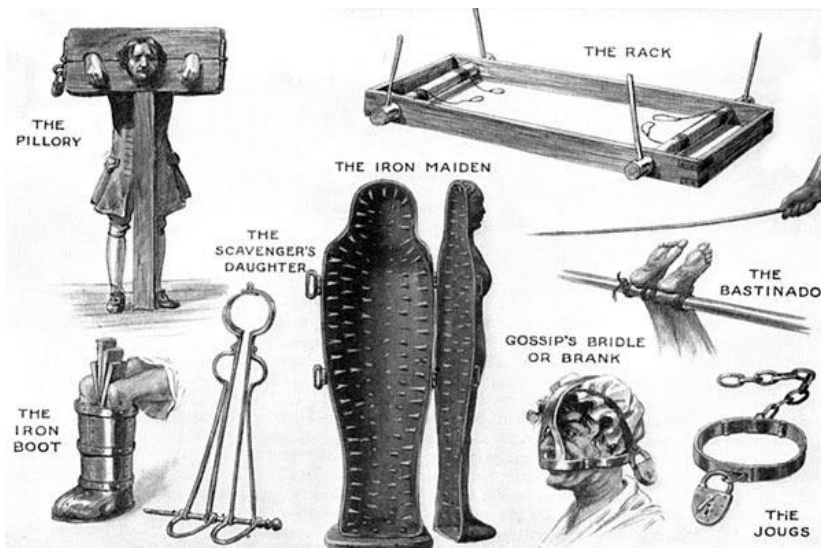
- Contracting
  - GPO used as baseline, participate in affinity groups, extend to all sites of care
- Distribution
  - Utilize partners' core competencies to pull more into channel, reward suppliers who are willing to shift from a direct model

# Current Strategies

- Regional Aggregation
  - Find the things that make sense to aggregate in marketplace and leverage scale.
- Self Contracting
  - Be willing to be creative when product or service is sold on clinical claim that can be measured.

# Some quick pointers...

This is not what your competitor sells...



- Respect our contracting process and the choices of our clinicians
- Understand that our contract calendar drives the majority of activity
- Do not sell against a decision already made
- We own part of our GPO and we like that fact
- When in doubt, ask Corporate SCM



# Some quick pointers...

This is not what you sell...



- Human life span should be over 300 based on claims made in my office.
- Supply Chain has clinicians on staff but we need you to share financial considerations before most other things.
- Help us use less stuff.
- Be prepared to back up any claim in writing.
- When in doubt, ask Corporate SCM

**Thanks!**