



Supply Chain Savings through Centralized Purchased Services

When it comes to hospital expenses, two obvious areas are staff and supplies. Combined, they account for the majority of an average hospital's spending. Purchased services, another significant area of spending, is not often top of mind. This expense area leverages contracts with third-party service vendors.

While purchased services can be an efficient means to outsource certain aspects of hospital operations, these costs escalate if they aren't properly managed or monitored. From food service to laundry to landscaping, purchased services typically account for about 25 percent of a community hospital's operating expenses.

Managing these contracts is often the responsibility of the department leader who oversees the outsourced service. These staff members may not have expertise in contracting or knowledge about industry-standard best practices and pricing. Without the necessary oversight, purchased services procurement is often fragmented and lacks the centralized checks and balances that keep other expenses in line. An effective strategy to help mitigate these challenges is contracted purchased services.

Purchased Services functional areas:



THE SOLUTION: POWERFUL INFORMATION

For community hospitals, CHC Supply Trust offers Purchased Services management powered by Valify Solutions Group. This cost management solution helps hospitals control purchased services expenses by comparing contracts and costs with similar hospitals and vendors.

Valify Solutions Group, a subsidiary of HealthTrust, is dedicated to reducing the cost of purchased services in healthcare by benchmarking and categorizing over \$460 billion in health system spend on services via their digital platform. CHC Supply Trust is the only organization that tailors these services especially for rural and community hospitals.





BENEFITS OF CHC PURCHASED SERVICES

Visibility: With CHC Supply Trust Purchased Services solution, hospitals gain access to a whole new set of data, a complete audit of all purchased services and a bird's eye view into each spending area. The Spend Analytics function breaks down spend categorization into 1,200+ unique purchased services categories across seven different functional areas, providing hospitals with detailed visibility into spending data down to the line item.

Cost savings: By streamlining and tracking purchased services on one centralized platform, hospitals are able to continually monitor and track their spending, improving their cost-saving efforts on an ongoing basis. With CHC Purchased Services, hospitals can benchmark spending for each category based on metrics from similar organizations to identify potential savings opportunities and adjust as necessary.

Easy contract management: Managing multiple service providers is time-consuming, and keeping track of vendors can be challenging. Centralizing purchased services eases the burden on staff members and improves contractor accountability. Hospitals can select their preferred service providers based on staff input, price, and contract negotiation.

Contract protection: Improved protection of contract terms and conditions through alliance with HealthTrust. When hospitals sign contracts independently for purchased services, they may become vulnerable to risk based on vendor contract templates and clauses that favor only vendors.

Customer support: A dedicated support team is available to help with every aspect of purchased services, whether it is technical support, bandwidth, staff training or project management. The expert team is available to help your facility reach its goals.

Clients like the staff at Geary Community Hospital are already experiencing the many benefits of the solution.

THE CHC CONSULTING DIFFERENCE

When you partner with CHC Supply Trust for Purchased Services, you will find practical solutions that help community hospitals enhance efficiencies, improve quality, and strengthen financial stability. The recommendations we make for your organization are tried and tested in our own hospitals.

Our community hospital experience and expertise paired with our mission-based approach set us apart. Count on CHC Supply Trust to help your organization implement a cost-effective and reliable Purchased Services plan to help improve operational performance for your organization. Contact us today to schedule a free consultation.

About Community Hospital Corporation

Community Hospital Corporation owns, manages and consults with hospitals through CHC Hospitals, CHC Consulting and CHC ContinueCARE, with the common purpose to guide, support and enhance the mission of community hospitals and healthcare providers. Based in Plano, Texas, CHC provides the resources and experience community hospitals need to improve quality outcomes, patient satisfaction and financial performance. For more information about CHC, please visit www.communityhospitalcorp.com.

Valify Solutions has had an essential impact on our organization. We use Valify to compare our purchase spend to other organizations and identify opportunities to improve.

Geary Community Hospital

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