

GROUP PURCHASING

The Power to Save

Affiliate status in Pennant Health Alliance allows an independent provider immediate access to the extensive supply portfolio of Trinity Health, the country's 10th largest hospital system and largest system headquartered in Michigan. These discounts apply to standard medical products and services, and can be customized to meet the local needs of an independent provider.

Sponsored affiliates receive supply chain cost saving opportunities in exchange for agreeing to comply with HealthTrust contracts and Group Purchasing Organization (GPO) exclusivity. Substantial savings may be realized almost immediately after signing a contract.

For example, one of our members realized \$1.4 million in savings just nine months after program initiation. The hospital had been using many of the same products and vendors, but at higher prices. Operational changes to take advantage of the savings were negligible. Another member expects to realize \$1.0 million in savings on just 60 percent of its spend - all without changing product vendors.

Pennant Health Alliance and HealthTrust work to ensure the GPO transition is easy and straightforward:

- Pennant Health Alliance will facilitate sponsorship approval, a process that typically takes two to four weeks.
- An affiliate member will review the HealthTrust portfolio and develop an implementation plan for transition, with a focus on:
 - Contracts that do not require product conversion (apply new pricing only)
 - Contracts that do require product conversion
- HealthTrust will provide training and education to affiliate staff, and periodically deliver and review affiliate spending reports to ensure contract minimums and requirements are being met.