2010 Supply Chain Forum

Supply Chain Evolution - Exploring the Links

November 17, 2010
Welcome!

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- Agenda
- Industry Relations Policy
- Purchasing Policy
- Feedback Form
- List of attendees
Evolution Defined

**ev·o·lu·tion**

A gradual process in which something changes into a different and usually more complex or better form.

SUPPLY CHAIN
Supply Chain Presentation

Presented by:
Peggy Maitland,
Regional Director, Supply Chain, WRHA
Supply Chain Evolution – Exploring the Links

…from my personal experiences
1979

- Multi-part paper purchase orders
- Typewriters
- Telephones or Mail
- Inventory cards
- Calculators
- Contracts?
The 1980’s

- Computers!
- Photocopiers!
- Fax machines!
- Contracts!
- What’s this internet thing?
The 1990’s

- Regionalization
- National Buying Group
- Trade Agreements
- Competitive Bid Law
- Integrated Business System sounds like a good idea!
- Edi!!
- The internet!
The 2000’s

- Regionalization
- Planning and begging for integrated business system
- Pandemics… audits… media
- National Buying Group
- Multi-functional Devices!
The 2010’s

- Regionalization
- Integrated Business System
- National Buying Alliances?
- Policies
- Global identification of products and locations
- Jet packs?
HealthPro Presentation

Presented by:
Krista Squires,
Director Member Support, HealthPRO
Evolution in Supply Chain
WRHA Supply Chain Forum

and

HealthPRO Procurement Services Inc.

November 17th, 2010
HealthPRO:  
Canada’s Largest Group Purchasing Organization

Our philosophy:

Choice. Support. Results.

- The essence of our commitment
- The foundation of our business model
- A winning combination
National Group Purchasing Organization

$1.5 Billion contract volume

251 Shareholders
Co-operative Business Model

Equal Shareholder

100% of profit distributed as Patronage Dividend
Total dividend returned since 1996:

More than $126 million
Six Services

1. Pharmacy Services
2. Clinical Services
3. Clinical Specialties
4. Special Services
5. Nutrition & Food Services
6. Energy Management
Depth of Professional Staff Resources

Dedicated

Experienced

Understand Healthcare

Professional

•RN’s, Pharmacists, Dietitians, Senior Executives, I.T., CMA, CPP
Member
Decision
Making

Board of Directors

HealthPRO Services

Member

Board Committees:
- Executive
- Governance
- Audit
- Finance
- Compensation
- Nominating

Pharmacy Advisory Council

Operations

Strategy

Clinical Advisory Committee

Clinical Subcommittees

Materials Management Advisory Committee

Nutrition Advisory Committee

Engineering Advisory Committee

Quality

Financial
Well defined contract process:

• Commitment
• Participation
• Compliance
- Begins 12 to 18 months prior to contract expiry
- Work with member committees
- Product & supplier research
- New technology & products
- Leading practices & clinical trends
- Legislative changes
- Product issues
HealthPRO Differentiator

• RFQ – Request for Qualification
• Helps gain clinical “buy in”
• Products evaluated by end user committees against criteria
• Clinicians & physicians see all products
• Eliminates “awarded to low bid” argument
• Only prequalified products move to RFP stage

No Prices at Prequalification Stage
Clinical Sub Committees:

- Incontinence
- Ostomy
- Advanced Wound Care
- Sharps and Blood Collection
- Central Lines
- Anesthesia / Respiratory
- Radiology (Contrast Media)

Clinicians with specialized expertise:
- Provide guidance, knowledge, evaluate, trial, recommend
Survey Members for Commitment in Advance:

- Contract name & all products (lines) on the contract
- Clinical criteria
- Prequalified brands
- Authorized distributors
- Results of evaluation

Members choose on a contract by contract basis
Clinical Webinars:

- Expand clinician reach beyond the CAC and sub committees
- Assess products: touch / feel / try
- Fully facilitated by HealthPRO / Led by Clinical Director RN
- Webinars open to all
Request:

• Price
• Rebate: no set rebate %
  no co-marketing fees
• Minimum order details
• Contract implementation assistance
• Education / in-service

Suppliers must sign HealthPRO Terms & Conditions
Recommendation of MMAC
• Analyze:
  ▪ Price net of rebate
  ▪ Total cost over life of contract
  ▪ Supply chain costs (FOB /ecommerce etc.)
  ▪ Supplier ability to support award
  ▪ Cost of change

Contracts are typically single supplier award to drive best value
On-going contract management:

• Regular meetings / Supplier performance
Tapping into HealthPRO Resources:

• Customized contract
• For highly specialized products
• Member sets the specifications & decides contract award
• HealthPRO runs the RFP & manages resulting contract

Eg: IOL Contract for Huron Perth Hospitals - Saved 25%
Member requested support

Members are at the core of our business
2009/2010 Savings

$306 Million to Market

Average Savings: 11%
10 of 12 GPO supported SSO’s have chosen HealthPRO

<table>
<thead>
<tr>
<th>SSO</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAHO</td>
<td>Saskatchewan Association of Hospital Organizations</td>
</tr>
<tr>
<td>BC SSO</td>
<td>BC Shared Services Organization</td>
</tr>
<tr>
<td>3SO</td>
<td>Shared Support Services Southeastern Ontario</td>
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<tr>
<td>Champlain</td>
<td>Champlain</td>
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<tr>
<td>WRHA</td>
<td>Winnipeg Regional Health Authority</td>
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<td>HMMS</td>
<td>HMMS</td>
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<td>Plexxus</td>
<td>Plexxus</td>
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<tr>
<td>COHPA</td>
<td>COHPA</td>
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<tr>
<td>Shared Services West</td>
<td>Shared Services West</td>
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</tbody>
</table>
Working with WRHA to make the transition to HealthPRO simple:

• January 2009 – WRHA signed HealthPRO Membership and Shareholder Agreement

• Worked together to identify contract transition & savings opportunities – approximately 40 contracts in first year

• WRHA are now fully integrated in the HealthPRO process with participation on both standing committees and sub-committees

• Clinical Reviews to help gain clinician buy-in
Thank You

HealthPRO Procurement Services Inc.
www.healthprocanada.com
905-568-3478
Trivia Game

- Table Trivia Game
- One answer per table
- Select either A, B, C or D
- All start standing and sit down when the table gets one wrong
Trivia Questions
What does WRHA stand for?

A. Winnipeg Regional Health Association  
B. Winnipeg Regional Housing Authority  
C. Winnipeg Regional Health Authority  
D. Winnipeg Harley Riders Association
What was Logistics Services previously called?

A. Urban Shared Services Company  
B. United Supply Services Corporation  
C. Universal Supply Services of Canada  
D. Urban Shared Services Corporation
What is Logistics Services new address?

A. 287 Broadway  
B. 333 Maryland Street  
C. 330 Maryland Street  
D. 650 Main Street
Who is the CEO of WRHA?

A. Brian Postl
B. Brock Wright
C. Arlene Wilgosh
D. Paul Kochan
Who was USSC’s predecessor?

A. MHA - Manitoba Health Association
B. MHO – Manitoba Health Org.
C. MPI – Medical Purchasing Incorporation
D. MHS – Medical Health Supplies
Tie Breaker Questions
How Many Forums have there been?

A. 5
B. 6
C. 4
D. 3
Where was the first Forum held?

A. Convention Centre
B. Canad Inn Garden City
C. Holiday Inn Airport West
D. Wildewood Club
What year was the first Forum held?

A. 2000
B. 2001
C. 2002
D. 2003
What is Audrey Mulla’s middle name?

A. Susan
B. Anne
C. Jean
D. Diane
Corporate Update

*Presented by:*
Paul Kochan,
VP Finance and Corporate Services & CFO, WRHA
Approaching the CFO for Resources

I need a $1,600 handheld bar code scanner to finish my lab tests.

Okay. Apply for a capital budget variance, prepare an RFP, get three bids, form a team to evaluate the bids, then prepare a purchase order.

Never mind. I'll just learn how to read bar codes by sight.

Quitter.
New CEO – who is it?

Arlene Wilgosh, President and CEO, WRHA

- Long-time nurse and health care administrator
- Five years as Deputy Minister of Health and Healthy Living for the Province of Manitoba
- Longest serving Provincial Deputy Minister of Health in the country
- Assistant Deputy Minister of Health for Regional Affairs
- Executive Director of the Regional Health Authorities of Manitoba (RHAM)
- CEO of Red River Valley Health District
- Health Sciences Centre as a staff nurse
- Thirteen years in front-line intensive care nursing and nurse management positions at the Victoria General Hospital
WRHA Strategic Direction & Priorities – *what are they?*

1. *Enhance Patient Experience*
   Enhance patient experience and outcomes by listening more carefully to patients and considering their needs when designing and delivering services.

2. *Improve Quality and Integration*
   Improve access to quality and safe care through improved integration of services and then use of evidence informed practice.

3. *Foster Public Engagement*
   Work with the community to improve its health and well-being by forging partnerships and collaborating with those we service.
WRHA Strategic Direction & Priorities – what are they?

Continued...

4. **Support a Positive Work Environment**
   Enhance quality care by fostering a work environment where staff are valued, supported and accountable, and who reflect the diverse nature of our community.

5. **Advance Research and Education**
   Work with stakeholders to enhance academic performance through the development of an academic health sciences network where clinical education and research activities are better aligned and integrated.

6. **Build Sustainability**
   Balance the provision of health-care services within the available resources to ensure a sustainable health-care system.
Integrated Services - Support

- **WRHA – direct ownership**
  
  Health Sciences Centre
  Grace Hospital
  Deer Lodge Centre
  Home Care
  Public Health
  Mental Health
  Pan Am Clinic
Integrated Services – Support
Continued...

• **WRHA indirect control by Operating Agreement**

  Victoria General Hospital
  Concordia Hospital
  Seven Oaks General Hospital
Integrated Services – Support

Continued...

• **WRHA - independent by Operating Agreement**
  St. Boniface
  Riverview Health Centre
  Misericordia Health Centre – in between?
Integrated Services – Support

*Continued...*

- Personal Care Homes (PCH’s), Community Health Agencies (CHA’s) – independent by Service Purchase Agreement
- Finance, Human Resources – WRHA owned except independent sites
- eHealth – Provincial organization
- Supply Chain, Facilities Management, Nutrition & Food Services – mixed bag
Integrated Services – Clinical Programs

• **WRHA controlled at all sites**

• **Centers of excellence concept**
  Hospitals can no longer be all things to all people

• **New Accountability framework**
  Sites responsible for service delivery & financial accountability
  Programs responsible for strategy, standardized setting, deliverable setting
Future model for healthcare?

• Same number of regions? One region? No regions?
Nutrition Break
&
Networking
Concurrent Session #1
10:45 to 12:00

#1 Doing Business with the WRHA
   (Embassy F, adjacent room)

#2 Contract Compliance (Post Award)
   (main room left side)

#3 Pharmacy Supply Chain
   (main room right side)
Lunch
(1 hour)
Concurrent Session #2
1:00 to 2:00

#1 Successful Bidding
(Embassy F, adjacent room)

#2 New Technology
(main room left side)

#3 MeH Request for Resources Process
(main room right side)
Afternoon Break & Networking
GS1 Presentation

Presented by:
Rob Bell
Supply Chain Evolution: Vendor’s Perspective

*Presented by:*
Wayne Gacek,
Bowers Medical Supply
Supply Chain Evolution: Vendor’s Perspective

- Impact of Healthcare reorganization
  - Local
  - National
  - International
- Changing infrastructure
- Competing financial priorities
- Business practice changes
  - Industry Relationships
Supply Chain Relations Committee

Responsibilities:

- Identify issues and propose improvements and efficiencies
- Serve as a pivotal communication link
- Plan and participate in the Forum
- Strengthen supplier relations
- Review draft Supply Chain related WRHA policies
SCRC Accomplishments

- Reviewed feedback from 2008 forum
- Set priorities which resulted in the following:
  - Revised complaint form
  - Website improvements
  - Developed Product Addition/Revision Request Form
  - Provided input on policy development
  - Rules of Engagement

- Planned 2010 Supply Chain Forum
Voting Process

- Only suppliers can vote
- Mini-biography
- Advance voting
- Six member vote
Supply Chain Relations Committee

Membership  2008-10
Gwen Connon, WRHA Contracting Services
Jack Mui, Victoria General Hospital
John Lynch, The Stevens Company Ltd
Joanne Stimpson, Iron Mountain
Scott Wichenko, Grace Hospital
Wayne Gacek, Bowers Medical Supply
Louanne Mythen, Medtronic of Canada

Previous participated
- Denis Mousseau, Alcon Canada
- Kyra Walbourne, Pharmaceutical Partners of Canada
- Lauren Friess, WRHA Contracting Services
- Tom Gavriloff, Baxter Corporation
New Supply Chain Relations Committee Members

Membership 2010-12
Mike Howanyk, Riverview Health Centre
Scott Wichenko, Grace Hospital
Tracy Dunne, WRHA Contracting Services
Jason Tokariwski, WRHA Contracting Services
George DeAngelis, AstraZeneca Canada Inc.
Craig Potvin, SteriMax Inc.
Kevin McKim, Boehringer Ingelheim Canada Ltd.
Greg Lamothe, Meyers Norris Penny LLP
Michelle Welsh, Primed Medical Products Inc.
Karen Kelly, Hospira
Thank You

- Evaluation Forms
  - Hand in today
- www.wrha.mb.ca/about/busopp/index.php
  - Copy of presentations
  - WRHA Contract Listing
  - Contracting Staff contact info & assignments
  - WRHA Vision, Mission & Values
  - Supplier Information Package