The Role of Purchaser in Introducing Innovation in Hospitals

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Perspective – U. S. Healthcare

• U. S. Healthcare is being dramatically reformed primarily as a result of changes in payment streams.

• U. S. Healthcare is primarily private and not government controlled, however, most hospitals receive > 50% of their revenue from government healthcare programs.

• Perception that U. S. Healthcare is overpriced and disconnected.

• U. S. Healthcare is focused on:
  • Enhancing performance, quality and outcomes
  • Creating efficient operations
  • Creating patient-centered care
  • Investing in a healthier populations
Innovation in Hospitals

- Innovation can take the form of a process or a medical device
- Innovation can be a disruptive process to the status quo
- In the past we often chased the shiny new thing that was portrayed as innovation without any validation.
- A challenge for the healthcare provider is that innovation may not have a direct impact on the provider, rather more of a “societal” impact.
  - For example, gall bladder surgery done laparoscopically that will get a patient back to work in a week or two and is a costlier surgery without an increase in payment to the provider.
- The Purchaser must understand the provider business models to identify specific value.
  - That could include experiencing what the patient experiences, i.e. a “secret shopper”
- The Purchaser needs to collaborate with supplier partners to educate them about the healthcare providers' business models and seek input for innovative solutions.
- The Purchaser also needs to clearly understand shift in the business models as care delivery changes or financial incentives or dis-incentives that may be created by payers.