

AHRMM Board Meeting Overview February 8-9, 2018

- Teresa Dail, AHRMM Chair, welcomed the AHRMM Board and staff before giving a brief overview of the Board Meeting and what to look forward to over the next few days.
- Natalie Maher, American Hospital Association (AHA) Human Resources, facilitated the DiSC Assessment with the Board. This included education around the various attributes in DiSC and guiding the Board through activities to better understand their preferences and learn how to work best as a team with the other preferences represented.
- Darcy Aafedt, AHRMM Board Member, read the American Hospital Association's (AHA) anti-trust statement.
- Ms. Dail opened the first board meeting of 2018 with a quote "The best way to predict the future is to create it". She spent time reviewing a number of changes either directly impacting, or having the capability of impacting in the future, the traditional healthcare model. Ms. Dail questioned how key stakeholders, such as health systems, group purchasing organizations, suppliers, physicians, and even the patient/consumer, were going to respond to some of the suggested models coming forward and if in fact, should we not look at being a disruptor ourselves versus having others impose their positions. She reviewed the brand for this year's conference: Innovate, Engage, and Connect and asked that each board member commit to living those words within their own organizations, in interactions with members, and during their time of service on the board. Ms. Dail shared that what set AHRMM and its members apart from some of the groups trying to "solve" healthcare is that our focus is always on the needs of the patient and that we were not starting the process from scratch. Ms. Dail stressed that there is a need to be very focused and intentional on clinically integrating the supply chain to allow AHRMM members, and the organizations they support, to evolve to point that cost, quality, and outcomes will be impacted in whatever setting the patient requires.
- Karen Conway, Past Chair, presented AHRMM's Envisioned Future and Strategic Principles. She emphasized the importance of the "what" being defined prior to addressing the "how". Ms. Conway gave an overview of the activities from 2017, which led to the creation of the envisioned future. There was an open discussion, with new and existing Board members, as to AHRMM's Envisioned Future. Ms. Conway also reviewed the Strategic Principles which were developed during 2017 that will guide the work of the board.
- Jimmy Chung, MD, AHRMM Board Member, presented on the CQO Clinical Integration Task Force. The CQO Clinical Integration Task Force will study and recommend ways to build and maintain strategic partnerships with clinical organizations and educational institutions (including but not limited to physicians, nurses, and other caregivers) to:
 - Raise their awareness and understanding of AHRMM, CQO, and healthcare supply chain management in general
 - Serve as a reliable resource for education about healthcare supply chain and resource management
 - Collaborate on clinical integration and other projects aimed at elevating the awareness and knowledge base of clinicians on healthcare supply chain and resource management via CQO, as well as preparing for and optimizing value-based care models.
- Bob Taylor, Chair Elect, discussed the need to review topics evolving in the marketplace. He shared a proposed model for monitoring market disruptors. This model included a four-step level of escalation: Awareness, Interest, Concern, and Action. He shared how this model would utilize the Issues & Legislative Committee members who would monitor the market disruptors until they reach the Concern stage. Going forward, the Board will be notified by the Issues & Legislative Committee staff and board liaison to discuss necessary action.

Mr. Taylor asked the Board to share feedback and discussed several examples to gain a feel for the effectiveness of this new process. The Board reviewed four market disruptors using this model to determine next steps. These market disruptors included: Amazon's move into healthcare including med/surg distribution, pharmacy benefits, and its announced partnership with Berkshire Hathaway and JP Morgan Chase, CVS acquisition of Aetna, leading health systems announcement to develop a not-for-profit generic drug company, and e-commerce impact on priority shipments over the holiday season. It was determined that all but the e-commerce topic would be monitored by the Issues & Legislative Committee.

- Ms. Dail led the board in a discussion regarding the evolution of the Cost, Quality, and Outcomes (CQO) Movement. She shared the quote "Attempt the impossible in order to improve your work" by Bette Davis to share how AHRMM can continue to create the path for CQO. A discussion ensued as to strategy to impact the overall journey of the movement. Reflecting on the desire of the board to continue to evolve the cost, quality and outcome movement, the acknowledgment that the healthcare environment has changed significantly since the initiative first started (both in who and where care and/or health needs are addressed) and the desire of the AHRMM board to work toward the envisioned future. Ms. Dail asked the board to review the definitions of cost, quality, and outcomes to ensure the definitions were representative of the goals of both today and the future. After a discussion, it was determined that a task force be created to further refine and updated the definitions used in the CQO Movement. The task force volunteers include Darcy Aafedt (chair). Karen Conway, Andria Davis, Ed Hardin, Lora Johnson, Dennis Mullins, and Bob Taylor.

Mr. Schiller provided an overview of the CQO Summit, led by the Chair-Elect, and the CQO Summit Report, led by the Immediate Past Chair. He shared how the CQO Strategy Group has begun looking at the content for both the CQO Summit and CQO Report and where the two projects align. This year, the learning that comes out of the CQO Report will be issued prior to the Summit with the content being complimentary to the Summit agenda.

- Mr. Schiller provided an overview on the Certificate Program on Value-based Product Evaluation and Implementation efforts AHRMM has been engaging in with the Association for the Healthcare Environment (AHE). Previously, AHRMM had worked to develop a value-based certificate program for supply chain professionals; however, after initial review it was tabled due to high development costs. He reviewed a comprehensive 2-day certificate program AHE has developed and shared how AHRMM is exploring possibilities of including supply chain content and restructuring the program so that it would be meaningful to both AHE and AHRMM members. Because there is revenue tied to this certificate program, AHRMM is proceeding with caution and currently working to assess any disruption to AHE before moving forward in confirming next steps.
- Dale Woodin, Vice President, Professional Membership Groups, provided an AHA/PMG update beginning with an overview of the aggregate hospital payment-to-cost ratio over the last 10 years. He continued by sharing updates regarding Amazon, JPMorgan, and Berkshire Hathaway's efforts in creating a new healthcare company, along with additional emerging issues in the healthcare field, which included: artificial intelligence investment, Optumcare's entry into ambulatory care, and the continued increase in the cost of prescription drugs. Mr. Woodin spoke to the updated value-based strategy and the AHA's continued efforts to address affordability through the "lens of value" and innovation. Mr. Woodin completed his presentation by sharing the concept of the PMG Leadership Advisory Council with an initial proposal that the council composition would be from the provider sector. When appropriate, Mr. Woodin will reach out to regarding next steps.
- Ms. Conway, provided an overview of the Institute for Supply Management (ISM) and shared how the ISM Report on Business has a significant real time impact on the market. She continued by reviewing the diffusion index, which measure the dispersion of change within 5 sub-indexes (new orders, production, employment, supplier deliveries, and inventories). Mr. Schiller advised the Board how AHRMM has been working with ISM on an upcoming Healthcare Report on Business and is currently in the recruitment phase looking to have 115 survey participants over the course of this year. The Strategic Marketplace Initiative is also working to recruit survey participants. Once this is completed, AHRMM and ISM will be able to soft launch the report and move forward with the public launch later this year or early 2019.

- Mr. Schiller provided an update on the Learning UDI Community (LUC) and shared how two additional workgroups have completed their work and have formally disbanded.
- Mr. Schiller shared how AHRMM is working with the Supply Chain Advancement Network for Healthcare (SCANH), a global learning environment comprised of supply chain professionals. The initial work includes the review of the maturity model that the SCANH team has developed. AHRMM has reached out to supply chain leaders to review the model and provide their feedback. Mr. Schiller shared how the long-term plan is to bring education around the model and include the content at the AHRMM18 conference. This model is currently set to be released at the upcoming HIMSS Conference.
- Debbie Sprindzunas, AHRMM Executive Director, presented an update on the AHRMM membership, highlighting the addition of a rolling 12-month membership report, which includes details on membership type and region.
- Ms. Conway presented on the 2018 Nominating Committee, which includes the Immediate Past Chair, Chair, Chair-Elect, 2 previous chairs, and 2 at-large members. A welcome letter was sent out to the Nominating Committee and the first committee call is currently being coordinated. She shared how this year there are 3 provider seats open and board packets are due back to AHRMM by May 15th, 2017. She encouraged all board members to get involved with recruiting candidates.
- Ms. Sprindzunas reviewed the Executive Director's Report and the 2017 year-end financials. She shared how AHRMM had a solid financial year. The board shared their appreciation for all the staff's efforts in 2017.
- Jo Santos, AHA Certification Center Program Manager, presented updates to the CMRP Certification program. He shared how they have finalized the job analysis and the final exam specifications were approved. Mr. Santos stated that the Exam Development Committee has been formalized. The next steps in the test development process include item writing, item/form reviews, and test publications.
- Ms. Dail closed out the meeting with a quote from Simon Sinek "What good is an idea if it remains an idea? Try. Experiment. Iterate. Fail. Try again. Change the world." She asked for the Board to leverage their collective resources and use each unique style that is represented to increase value for AHRMM members.