



ENTERPRISE-WIDE COST REDUCTION STRATEGIES BEYOND PRODUCT PRICING

WORK GROUP CHARTER

WORK GROUP FOCUS:

AHRMM is pleased to announce the formation of the AHRMM Health Care Learning Community (HCLC). The HCLC, modeled after the successful Learning UDI Community (LUC), will continue AHRMM's tradition as an unbiased convener with a coalition-approach program whose purpose is to develop solutions through the formation of cross-functional work groups made up of subject matter experts and stakeholders from across the health care ecosystem.

As hospitals move through the "3 Rs" of relief, recovery and rebuilding/reimagining, the concept of spend under management (SUM) begins to encompass much more than supplies. From a supply chain perspective, it includes all non-labor-related spend. This work group will explore ideas that help establish enterprise-wide expense management strategies in an effort to deliver savings and efficiencies to offset expected increases in supply costs.

WORK GROUP CO-LEADERS:

The HCLC model employs a co-leader strategy which ensures meeting and content continuity should one of the leaders be unable to attend the meeting.

Co-Leader TBD

Co-Leader TBD

REQUIRED STAKEHOLDERS:

The work group will be diligent in gathering validated perspectives from different stakeholders involved in the product recall processes for their organizations. As such, the work group will seek input and participation from across the health care field, including:

- Providers
- Clinicians
- Finance



BACKGROUND:

Moving away from a singular focus on product pricing to an evidence-based approach that improves patient quality and outcomes while lowering the total cost of care are principles tied to AHRMM's Cost, Quality and Outcomes (CQO) Movement.

With post-COVID-19 supply chain topics centered on diversifying vendor portfolios, moving to more multi-source contracts, domestic procurement strategies and increasing on-hand inventory levels, the reality is that the supply cost budget for many health care organizations will most likely increase. During the AHRMM20+ CQO Summit Workshop, attendees discussed potential ways to reduce expenses elsewhere in the supply chain, exploring other areas of spend for non-labor savings that include reducing freight, transportation and logistics costs, and purchased service contracts.

To successfully alleviate these pending financial pressures, a culture of collaboration needs to be fostered and developed with departmental leaders from across the health care organization, and supply chain needs to be an active participant in these conversations, lending their expertise to these and other cost savings initiatives.

PROCESS & DELIVERABLES:

Monthly, one-hour conference calls will be held for the work group, with an expected project duration of three to four months. The first call will be more introductory, where the group will refine the project scope and timeline. Meetings two and three will be more work/content discussion and development focused. The last meeting, participants will review and approve the recommended model and/or solutions.

Deliverables will vary by work group, but will fall into one or more of the following modalities: webinar, web/podcast, white paper, infographic, eLearning course and learning lab session at AHRMM's annual conference.

COMMUNICATION PLAN:

AHRMM Marketing will be responsible for the promotion of the work group deliverables. AHRMM Education will be involved in any educational content that will be derived from the work groups efforts.

Work group deliverables will be shared across appropriate American Hospital Association (AHA) Professional Membership Groups (PMG), collaborative associations, AHRMM social media and communication channels as well as postings to the AHRMM HCLC webpage.