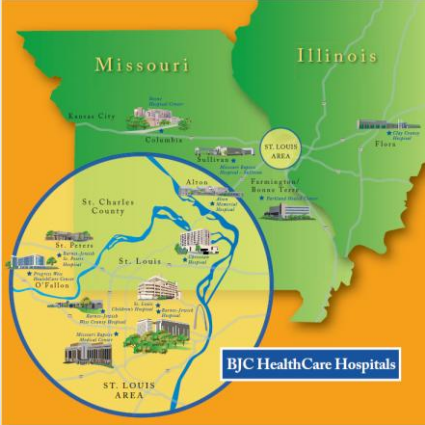


Garrett Jackson, JD, MHA
BJC Healthcare Value Analysis Manager
2011 IMDA Conference &
Manufacturer's Forum

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BJC

BJC (who we are)



The map shows the service area of BJC HealthCare Hospitals, covering parts of Missouri and Illinois. A circular inset provides a detailed view of the St. Louis area, including St. Charles County, St. Louis, and the St. Louis Area. The map labels various hospitals and medical centers, such as St. Peter's, St. Louis, and St. Charles. The BJC logo is prominently displayed at the bottom of the map.

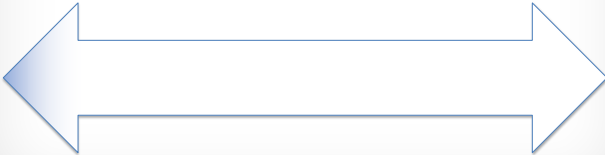
- 13 hospitals
- Over 4,000 physicians
- 3,475 staffed beds
- \$828,000,000 supply spend

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Important Dichotomies

- Academic vs. community facilities
- Commodity vs. preference items
- Clinical vs. financial impact



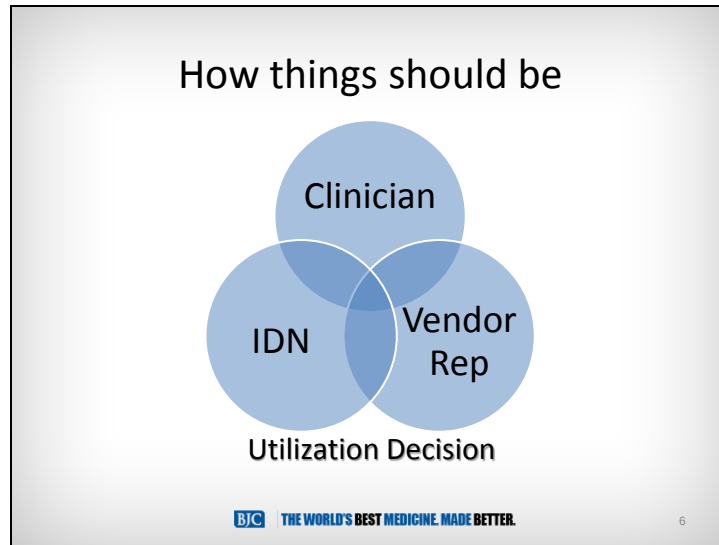
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Value Analysis *(why it matters)*

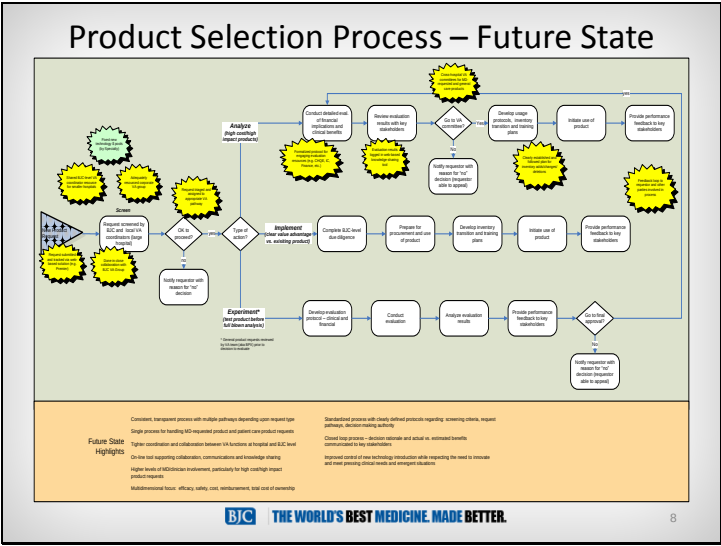
- Supply chain taking a more strategic role
- Value Analysis is not new
- Breaking even with Medicare reimbursement levels is the new goal
- Value analysis as a springboard for multiple strategic priorities
- Accountable care models and pay for performance requirements





Positioning for the Future

- New resources and positions being created under the supply chain umbrella
- New IT capabilities with concentration on connecting data across the patient centric value chain
- Standardized and structured analysis for new product introductions



Challenges

- Need for extensive culture change
- Varying levels of incentives for clinicians
- Fragmented and varying data capabilities
- Ability to police product introduction
- Clinician conflicts of interest
- Conflicting incentives for product reps (from their employers and from the IDN)
- Need for widespread education and new communication models
- Regulatory influence on availability of clinical studies



- Standardized Product Request Form
 - Filled out first by Local Manager with clinician input
 - Supplemented by Product Rep
- Used as a “trigger” for the process
- Local manager involved to verify clinician interest and help establish comparable products

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[illegible]



- Analysis Hierarchy
 - Patient Safety
 - Clinical Efficacy
 - Product Uniqueness
 - Cost Impact
 - Impact on cost per case and aggregated cost to the department
 - Total cost of ownership is intrinsic to analysis

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Determining “Value”

- The value equation
 - Cost effectiveness
 - Comparative Effectiveness
- Soft metrics
 - Case time
 - Convenience
- Technology is not always the answer
 - LEAN principles
 - Correcting practice variations
 - Establishing best practices

[illegible]



- Structured evaluation plan:
 - Clinical leaders and experts
 - Past high users of comparable items
- Trial process driven by:
 - Commodity vs. Physician preference
 - Wide interest and wide applicability
 - Limited trial items available
 - Necessity of local decision

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- Clearly established end to evaluation period
- Decision making structure
 - Physician preference
 - Decentralized model
 - Executive involvement/ multidisciplinary team
 - Commodity
 - Best Practice Exchange Teams
 - Organized functionally by service lines
- Process facilitates a “look back” at true utilization profile for a new item

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Common Mistakes

- Attempting to “sneak” in a product
- Presenting case studies or company funded tests as convincing clinical evidence
- Hiding or being ignorant of the true competitors to the product being introduced
- Presenting reimbursement profiles that are really “best case scenarios” under the guise of a “standard”
- Facilitating request for a product for a trial the next day (with little to no notice to facility or supply chain)

Thank You

- Contact Information
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