

GPO Analysis & Optimization Proposal

Statement of Work:

A complete analysis of all supply vendors will be completed.

- VIE Healthcare will specifically examine the discounts provided by the vendors and compare line item pricing against the portfolio of current GPO contracts.
- In conjunction with Purchasing, product pricing will be aligned with GPO contracts that have the greatest value.
- One of VIE Healthcare's core competencies is to obtain refunds and credits where there is negligence on behalf of the vendor.
- Immediate savings will be achieved by aligning prices with the highest level of current GPO discount available. Our established tracking mechanism will track and quantify savings.

Key Points:

- Objective review of pricing opportunity without GPO bias.
- Immediate Cost Savings
- No interruptions to hospital staff or business processes.
- VIE Healthcare is the only company that incorporates a cogent strategy based upon the vendors' legal obligations to extend pricing discounts to their GPO contracted members. Our competency is to obtain credits and refund for which the Hospital is legally entitled by leveraging your purchasing power.

V. Key Considerations:

- VIE Healthcare will provide unbiased contract review with no allegiance to specific vendors, and obtain the greatest cost savings possible.
- VIE Healthcare will work in conjunction within the context of current strategic procurement initiatives and Group Purchasing affiliations, while carefully presenting various GPO contracting options.

Example of Work:

1. VIE Healthcare was able to reduce a hospital's wireless cost by 12% annually, while obtaining over \$7,000 in refunds as the wireless vendor was non-compliant with its GPO contractual obligations.

- There was no change in vendor
- No interruptions to daily business activities - all the work was done off-site and with VIE Healthcare and the vendor
- Immediate savings were achieved
- Credits were applied to offset current bills

2. VIE Healthcare was able to identify an additional 40 plus vendors that were not providing their GPO discounts to the hospital.

3. In reviewing the vendors for a NJ Hospital for GPO compliancy, one particular vendor had in their records the Hospital was in fact listed as a certain GPO affiliate and we were told that they were receiving a discount. While further examination of the pricing uncovered that the hospital was not receiving any discount and in fact paying list price. The refund due was \$32,000 and annual savings going forward was \$32,000.

Conclusion

VIE Healthcare will identify vendors that are not adhering to their GPO or IDN contract, correct the pricing, pursue refunds and report findings weekly to the organization.