



A CASE FOR VALUE ANALYSIS: Evidence-based decision-making is changing the business of healthcare

Healthcare has been rapidly changing.

Most professionals in the healthcare field feel the tension of the industry with growing expectations. Value Analysis teams all over the country are working together with their organizations to decrease spending and increase the impact of evidence-based decision-making, leading to monumental savings and patient outcomes.

According to the Center for Disease Control and USA Today, "The United States spends a whopping sum on health care. The total U.S. healthcare expenditure in 2015 was \$3.2 trillion, per the Centers for Medicare and Medicaid Services. At that level, it accounted for 17.8% of our gross domestic product (GDP)." [The Centers for Medicare and Medicaid Services](#) (CMS) also explained: "the average American spent \$9,596 on healthcare" in 2012, which was "up significantly from \$7,700 in 2007."

Unfortunately, as most healthcare leaders know, more money doesn't always equal better patient outcomes. While the United States spends top-dollar on healthcare, it ranks 27th of all countries in life expectancy and has the fourth highest infant mortality rate. Committed to changing the face of healthcare product-by-product, value analysis professionals are re-shaping outcomes, one stethoscope, needle, gauze roll and bandage at a time.

Hear it from a Member:

"Accomplishing speed to value is critical in today's rapid-paced and financially-challenging environment. I believe all organizations should consider how to leverage their resources with 24/7 connectivity to drive faster decision making with less waste."

Dee Donatelli, RN, BSN, MBA, President & CEO, Mid-America Service Solutions, LLC

"Value analysis offers a single point of contact to bring new products into an institution, assuring all conflicts are assessed prior to promoting new products to clinicians and physicians when they may not be able to trial a product which competes with a current contract agreement. This reduces vendors using valuable patient care time selling their products on company time."

*Laura Polson, BSN, RN-BC, CVAHP,
Clinical Quality Value Analysis
Facilitator, Baptist Health Floyd*



Understanding the Role of Value Analysis Professionals

Individuals who work within value analysis take charge of the following:

- Evaluate new products and technologies
- Solve problems like recalls, product failures and infection issues while improving overall quality
- Reduce costs via classic functional analysis, eliminating waste and utilization management
- Review and implement new contracts
- Standardize product offerings

Laura Polson, a Clinical Quality Value Analysis Facilitator at Baptist Health Floyd, recently explained the many diverse roles of Value Analysis professionals.

- Collaborate with all the areas which will be affected: infection prevention, employee health, risk management, pharmacy, support services, nursing, surgical services, ancillary departments, outlying areas (urgent care, surgery center), marketing, revenue integrity, physician groups, and clinical educators.
- Seek to customize each project to fit the needs of the individual facilities to maximize the value of the decision, since all institutions do not require the same level of function in their devices, equipment, or services.
- Develop project charters, follow Lean Six Sigma Principles and evaluate clinical and financial outcomes post conversion/implementation. Stagger improvement efforts to assess the success of a product or process change in providing savings or improved outcomes to reduce waste and duplication of efforts.
- Carefully plan clear communications to everyone from vendors to staff to administration and physician/clinicians in order to assure transparency and successful implementations. The newsletters, emails, intranet web pages, social media, and face-to-face communications help improve safety and reduce lost wages and waste during changes. The development of shared knowledge sites improve the collective expertise of the organization and assure decisions are made based on evidence to improve interdepartmental collaboration.
- Ensure that recall notices for products are carried out properly and assess any potential product substitutions that may be needed at a moment's notice without necessitating procedure cancellations and lost revenues.
- Identify non-catalog purchases and trunk stock provided during last minute surgeries that need to be added to contracts, negotiated or denied further

access based on clinical need, function, contract and expense.

- Research needs, look for and compare benchmark data, provide clinical guidelines and protocol research, establish price parity and market region benchmarks to establish acceptable cost parameters.
- Work with peers to continue to share ideas and bring ways to improve their own organization through their profession.
- Unify to identify obstacles and political issues that must be addressed prior to signing a contract-commitment which cannot be delivered.

The Case for Value Analysis and Best Practices

One question that value analysis professionals face inside and outside of their respective healthcare organizations is: "What exactly do you do?" This is a challenging question for most value analysis professionals due to the broad scope of their role in their healthcare organization's supply/value chain.

The average healthcare organization utilizes anywhere from 5,000 to 17,000 products, services and technologies in any given year. As primary investigators and facilitators of major product and practice changes, value analysis professionals are involved in key product, service and technology decisions within their healthcare organizations. Given their potential to influence major product and practice decisions, how does a value analysis professional explain their role and responsibilities to their administrators, clinicians and peers?

Sometimes referred to as "supply chain management," value analysis elevates important dialogue in healthcare organizations around patient outcomes and new technologies, helping executives to take notice, cutting through the industry noise to find products and outcomes that do the most good.

Hear it from a Member:

"At my organization, our value analysis teams are based on an interdisciplinary composition. Some of the team members include: bedside clinicians, nurses, physicians, respiratory therapy, infection control, risk management, clinical engineering, supply chain, including value analysis and purchasing. The teams make recommendations for their respective areas and expertise and function as the governing body for approval of new products and identification of opportunities to reduce variation and cost. They review team decisions to ensure application of the guiding principles for the value analysis process are utilized in the selection for all products. The teams help to communicate, promote, and support group activities

and decisions to respective faculty and department staff. In order for teams to be successful, members must trust the process and be willing to support the decisions made through the value analysis process in light of their own individual or group preferences."

Gloria Graham, DNP, RN, CVAHP, Clinical Materials Specialist, Cincinnati Children's Hospital Medical Center

Liz Eisenberg, Clinical Resource Specialist at Scripps Health, a member of the Association of Healthcare Value Analysis Professionals (AHVAP), states the primary goal of Value Analysis in her workplace is to utilize the available clinical expertise to help evaluate clinical effectiveness, clinical outcomes and bringing the greatest value to patients. Organizations like the ones Eisenberg is a part of aim to develop a more clinically-orientated, uniform and transparent process when evaluating new product and technology requests, increasing patient health and saving each hospital and clinic time and money.

Hear it from a Member:

"We use two objective, evidence-based platforms to assist in analyzing each new technology request: Hayes and Procured Health. These have been invaluable in helping us determine if a product will bring great value and outcomes to our patients. Our primary responsibility is to gather all the evidence, review the contracting terms with the contract analysis, review the finance implications and work with the Care Line for endorsement. We pull all these data points together in an executive summary document, and if the new technology brings excellent outcomes at a lower cost than the current item then it is brought in right away. If the new technology item adds value and is more expensive than the current technology, then the executive summary goes up to our CMO and CFO for final approval."

Liz Eisenberg, Clinical Resource Specialist at Scripps Health

Certification: A large step forward

To eliminate confusion and address best practices, AHVAP developed an exclusive certification program – CVAHP.

CVAHP is the industry's first and only healthcare value analysis credential – Certified Value Analysis Healthcare Professional. CVAHP was created to meet a growing need in the healthcare industry – skilled value analysis professionals who positively impact organizational sustainability and clinical excellence through patient-centered, evidence-based, outcome-driven decision-making.

Value analysis professionals touch almost every facet of healthcare today. From product selection to product negotiation and beyond, these professionals are contributing to better patient outcomes and less costly

procedures, products, and services.

Hear it from a Member:

"The AHVAP certification reflects basic competency in this role. If an organization is large enough, employing value analysis RNs with experience and knowledge in a variety of specific clinical areas and departments/service lines adds to their credibility and efficiency in support of supply chain responsibilities. I would not recommend setting up separate value analysis teams. Rather, beyond specific supply chain initiatives that they should lead, such as a "reduction in clinical variation through a standardization and utilization project" with appropriate stakeholder participation, I think VA professionals are most effective in supporting various clinical committees (quality, clinical effectiveness, new technology assessment/evaluation, clinical service line committees, etc.) These teams would have a clinical leader as chair. The value analysis professional would provide the kind of research, data support and product insights that they are uniquely equipped to handle. Their efforts also need to address health technology-related initiatives in the outpatient and community settings."

Wini Hayes, MS, RN, Hayes, Inc.

A Note on Best Practices within Value Analysis

In her experience with intersectional teams, Gloria Graham explains, "The most reliable results are when the voice of clinicians are utilized along with the expertise of supply chain management and value analysis staff. The true essence of value analysis is the marriage of clinical and financial outcomes in achieving the desired goal."

How can a value analysis team ensure success? Wini Hayes believes these 10 key points are relevant:

1. Select projects that will have a significant impact on clinical and/or financial outcomes.
2. Consistently look for clinical, scientific evidence as a foundation for decision making. Share findings.
3. Clearly articulate the problem to solve and related questions.
4. Consider the problem and potential solutions within the context of care and care delivery system.
5. Effectively make use of clinical, administrative and spend data and clinical evidence. Assemble and analyze data/evidence in ways that communicate methodology and the data to all stakeholders while being transparent. Avoid reliance on opinion as opinions are sources of disagreement.
6. Engage stakeholders in the project, continually reinforcing the goals of the project.
7. Facilitate discussion of findings and recommendations, record outcomes of the project, communicate to all stakeholders. Support with educational programming

- and develop and enact a plan for implementation.
8. Identify objective metrics that are indicators of both process and outcome success. Attempt to have metrics that include clinical outcomes, patient experience, and financial ROI.
 9. Evaluate outcomes metrics; modify plan as needed.
 10. Communicate successes and what has been learned – especially to the C-Suite, trustees and those involved in key decision-making.

Understanding the Impact of Value Analysis in an Organization

Value Analysis teams have a tremendous impact within hospitals, clinics and the healthcare setting. Take for instance how Scripps Healthcare recently saved time, money and grew efficiency through the use of sharing in the OR.

VALUE ANALYSIS CASE STUDY: Scripps System Wide Surgery Pack Standardization

Opportunity: Save money and create stronger processes for Scripps Healthcare

Background: The Scripps Health Value Analysis Team consists of the four RNs in corporate supply chain, the Director of Finance, the Medical Director of Value Analysis, Contract Analyst/Contract Specialist and a Care Line representative. The team knew that multiple SKUs and different product offerings can create waste and duplication. Scripps aimed to increase sharing of supplies between sites, reduce SKUs, and create familiarity among OR staff for shared staffing.

Solution: Create a system-wide OR float pool to decrease waste and have consistent, common supplies that drive safety on-hand.

Example of process in-action: If a site runs out of any items or packs, they will be able to borrow the same supplies from another site, ensuring supplies are readily available. Usage of the same supplies and packs are more efficiently tracked and managed.

Hear it from a Member:

“Together with my organization, we accomplished the goal of reducing the overall cost of care to our patients through the collective voice of our bedside staff to the tune of \$50,000. As a result of the staff’s willingness to convert to a different

vendor, the incumbent vendor was willing to reduce their price resulting in gaining more cost savings without having to complete any conversion. The key was the collective voice of staff willing to convert- giving us the leverage needed to contribute to our organization achieving the goal of reduced overall cost of care to our patients and families. \$50,000 in savings showed that by involving as many individuals in the process as you can, builds trust and eliminates fear around change.”

Gloria Graham, DNP, RN, CVAHP, Clinical Materials Specialist, and Cincinnati Children’s Hospital Medical Center

AHVAP Members share the importance of Value Analysis: What they want the C-Suite to know...

“Value analysis professionals must start with executive leadership support. They must take ownership and champion the idea of value analysis as a culture, and way of business which is inherent to every aspect of the organization.”

Laura Polson, Clinical Quality Value Analysis Facilitator, Baptist Health Floyd

WINI HAYES

The role of value analysis professionals is often misunderstood, but it brings a clinical and analytical rigor to new technologies, providing the most effective clinical outcomes/products for best value in cost. Differentiating between nice to have and need to have, boiling it down to what is essential. It’s critical for leaders to understand it is crucial for the outcomes of value analysis to impact the organization. Value analysis professionals should have a seat at the table when an organization is defining best practices policies or guidelines, as they will help bring an analysis perspective to the discussion. Value analysis professionals should have a role in strategic planning and have a role at the time of new product intro and new tech being introduced. Paradigm shift – moving from buy-in, to value. Using an evidence based approach to product standardization is more effective that what you get from just contracting alone. You can drive down cost AND improve clinical outcomes simultaneously. We are a linchpin in this movement. What role do we play in population health social indicators for disease, etc. currently? How often is VA part of a clinical conversation where they sit on clinical teams and listen and advise? It works both ways! Don’t use suppliers on the front end; rather obtain help for implementation once awarded and make this part of their contract.

GLORIA GRAHAM

When recruiting new physicians into the organization, it is essential for value analysis professionals to be a part of the conversation. They are promised a blank check to get what they want, which causes problems when they want

something different than what is currently in place and on contract. Costs increase, as well as variation in clinical practice when nursing staff must learn new techniques. If you can reduce variation in products, you can reduce variation in practice, which will ultimately reduce variation in outcomes.

BARBARA STRAIN

Do not assume the C-Suite isn't educated and that value analysis organizations aren't currently valued. VA needs to be integrated in clinical teams from the beginning to avoid silo'd thinking. Weave in the Triple Aim goal without calling it out, since that is of paramount focus today. Bring up CAUTI/CLABSI to help with the revenue side, if you have trained individuals sitting on your teams you can show improvement over a short amount of time and see cause and effect. Value analysis helps inform the contracting process.

DEE DONATELLI

The significant role that value analysis is playing to the C-Suite is a more clinically integrated approach. Supply Chain is viewed as the second highest cost to a facility. With ever-surmounting obstacles to getting physicians on board, value analysis is the perfect conduit to get the C-Suite to integrate with and provide physician engagement.

LAURA POLSON

Supporting the C-Suite with a value analysis program can be critical to accomplishing an organization's goals. The level of support functions depends on the size and scope of the organization.

AHVAP: Moving the Industry Forward

In an effort to clarify and assist our healthcare industry to define a value analysis professional's purpose in their respective healthcare organizations, the Association of Healthcare Value Analysis Professionals believes the following:

Healthcare value analysis contributes to optimal patient outcomes through an evidenced-based systematic approach to review healthcare products, equipment, technology and services. Using recognized practices, organizational resources collaborate to evaluate clinical efficacy, appropriate use and safety for the greatest financial value.

AHVAP calls on all value analysis professionals, AHVAP Members and supply chain professionals involved in value analysis to encourage and promote their value within their organization and network. To learn more about AHVAP, visit www.ahvap.org.

