



## UPMC Enterprises

### Webinar Questions & Answers: Measuring Success & Ensuring Vendor Compliance Within Your P2P Strategy – A UPMC Story

UPMC and Prodigo Solutions hosted a webinar on how UPMC tracks and enforces vendor compliance through valuable KPI scorecards and meaningful metrics. Kelly Coxon, Senior Director, Procure to Pay at UPMC and Michael DeLuca, EVP, Operations at Prodigo Solutions discussed how integrated health systems have implemented a P2P strategy and automated processes in their supply chain workflows.

The webinar was followed by a Q&A session where industry experts, hospital C-suites, and consultants submitted their questions and perspectives for an engaging and informational session. This Webinar Q&A addresses unanswered session questions and offers additional insights into UPMC P2P processes.

#### ON DEMAND

Watch the webinar recording to hear the full discussion and key takeaways from Kelly Coxon and Michael DeLuca.

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## What types of purchase orders are used?

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UPMC has a variety of purchase order types:

- General POs (single order/single service)
  - General POs consist mostly of Marketplace orders or special request orders
- Rush POs (single order that needs expedited delivery)
- Blanket POs (amount-based purchase orders)
- Service maintenance POs
- Standing orders (single order placement with planned delivery schedules)
- Inventory POs
- CART POs
- Bill Only POs (these are used to support bill/replace and consignment item management)

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## Name specific examples/use cases of UPMC's use of RPA.

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UPMC has an extensive road map for RPA deployment. The list below includes a few examples where RPA helps to support our Procure to Pay Operations team:

- Managing purchase order invoices without a PO # or where the PO # is invalid
- Managing invoice/PO matching discrepancies
- Pay cycle generation
- Automated PO placement
- EDI order confirmations
- EDI exceptions

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How are service orders managed, especially for IT, facilities, marketing, etc., that have all types of vendors and where the cost and scope of service may not be predetermined to create a PO?

If the items/services, quantities, and unit prices are not predetermined, we will use an amount-based purchase order (blanket PO). We conduct periodic audits of blanket POs to ensure contract compliance and accurate invoicing.

4

Do you use EDI for rush/overnight orders, and for other, nonstandard orders? If yes, how is that communicated via EDI?

Yes. If the standard delivery terms with the vendor are next day, we use 'lights out' EDI. This is communicated in the same fashion as all other EDI orders. We applied configuration within our ERP to handle rush/overnight orders in the same fashion as all purchase orders for these suppliers.

5

Is EDI used for service vendors too?

We utilize email as our method of communicating orders to service vendors. For many service vendors, the email is 'lights out/automated' and does not require buyer intervention. Any attachments, quotes, etc. are included in the automated email.

6

Does UPMC's assessment include pharmacy orders and invoices, and do those 12 AP processors support pharmacy orders?

Pharmacy Procure to Pay is a different division of UPMC supply chain management with one AP resource.

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## What is UPMC's strategy when managing smaller vendors and the use of Excel or CSV files rather than EDI?

UPMC leverages Prodigo's Xchange platform which allows for vendor connectivity through any of these formats:

- EDI x12 4010
- OAG XML
- PeopleSoft Flat File
- PeopleSoft XML
- cXML

Prodigo also offers a Supplier Portal which provides an online interface enabling non-EDI suppliers to participate in their customers' EDI initiatives. The Purchase Order Flip feature provides suppliers with a web-based interface to issue Acknowledgements (855) and Invoices (810) in response to purchase orders received on the Xchange network. As well, the Supplier Portal provides direct connect suppliers with administrative visibility into the data exchanged in each of their EDI documents.

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## Does sourcing or purchasing set up new vendors?

Procure to Pay is responsible for our vendor master management. This is a sub-team within Procure to Pay and their primary job responsibilities are vendor additions and maintenance. Sourcing is required to approve all vendors that are added for the procurement of goods or services.

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## Do you get shipping/tracking information in your 856?

UPMC is utilizing the ASN for our major distributor. Shipping and tracking information is not provided – all orders from the prior day arrive via a distributor delivery truck each morning – not via FedEx, etc.

10

For suppliers that send an 810 regardless of how the order was received, how do you ensure that the PO lines match up with the supplier invoice (for POs with multiple lines)?

We have developed 'smoothing rules' within our AP Automation solution. This tool matches the invoice to the PO using a sequence of rules (item number match, etc.). Having the invoice information in data segments (EDI810) is a key enabler.

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Since Accounts Payable does not work match exceptions, does purchasing or does UPMC have a separate team that just works match exceptions?

Accounts Payable is responsible for 'invoice' exceptions and the resolution efforts (invalid PO #, missing PO, etc.). Procurement is responsible for 'PO matching' exceptions and the resolution efforts (price variances, missing receipt, etc.).

## ADDITIONAL RESOURCES

Contact Prodigo Solutions to learn more about how integrated health systems are implementing P2P strategy and automated processes in their supply chain workflows.

Visit Prodigo's [Webinar Series](#) page to access additional webinars and discussions with other Prodigo clients.

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