

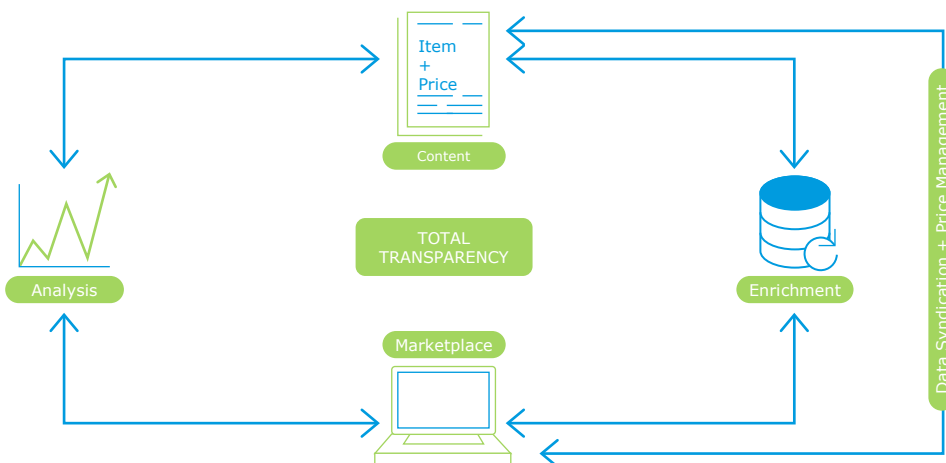
THE LEAN SUPPLY CHAIN POST-COVID-19 – MORE COMPLIANT, MORE TRANSPARENT, AND MORE AUTOMATED

In a [2019 Navigant study](#), an estimated \$25.7 billion is wasted annually in healthcare supply chain spending in the United States. Contributing factors to this overspend include:

1. A lack of standardization
2. A lack of transparency
3. Limited integration among supply chain partners

With the challenges presented by the COVID-19 crisis, healthcare costs have skyrocketed in 2020 while at the same time hospitals have experienced a dramatic decline in revenue. The net impact, according to a [July 2020 Kaufman Hall study](#), is that hospital margins could fall from a median margin of 3.5% pre-COVID to -7% margin post-COVID. Even with the current level of funding through the CARES Act, an immediate response is needed.

In the wake of COVID-19, healthcare organizations must now take a critical look at cost savings in every aspect of their operations. Supply chain optimization was already a big opportunity for savings before the COVID-19 crisis and continues to be an area that can offer significant savings. Through supply chain enhancements, not only are costs lowered, but overall procure to pay [P2P] processes become more efficient while user satisfaction is increased.

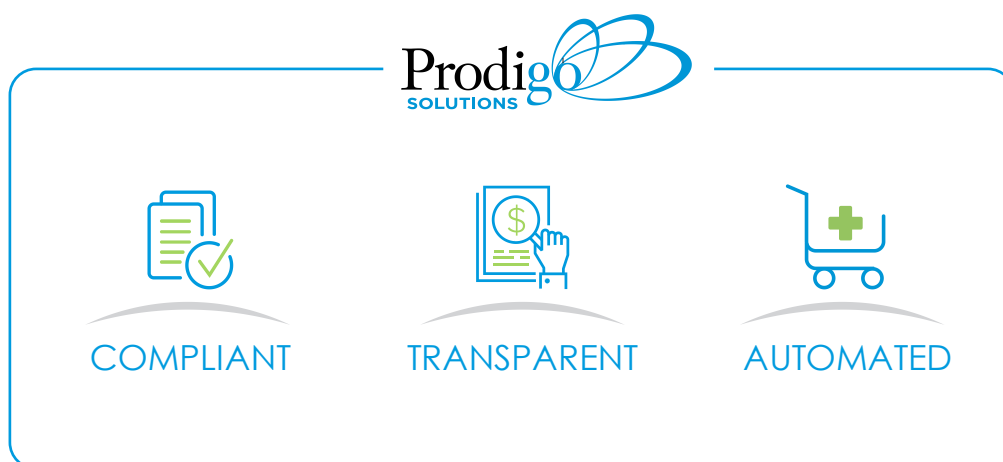




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Three core values of the lean supply chain:

- 1. Compliant.** Standardization of products and services across departments and procedures throughout the hospital reduces the risk of clinical variation while improving the realization of price incentives negotiated into contracts. Physician preference items [PPI] add significant costs to the supply chain budget. Driving compliance to standard item formularies provides more leverage with suppliers and greater control over patient outcomes.
- 2. Transparent.** Visibility between parties across the supply chain provides a more efficient and agile trading network that better handles demand variations and supply shortages. Suppliers providing timely price and inventory status allows healthcare purchasers to react effectively. Timely and accurate visibility into available inventory, along with production data like expiry dates, allow purchasing departments to align demand with supply; avoiding shortages, costly expedited freight charges and expensive product expiration.
- 3. Automated.** Integration between trading partners creates more efficient supply chain transactions. Orders are more accurate with fewer price match exceptions and product returns from mistakenly ordered items. The benefits accrue to both the supplier and the hospital system, ultimately reducing the overall cost of care and improving the quality of care.





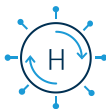
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Prodigio's solutions provide much of the framework and infrastructure to expedite these improvements in health systems.



Contract NAVIGATOR

Prodigio's [Contract Navigator](#) ensures that all department purchases are from standardized item formularies at the proper, negotiated price. Contract Navigator also improves visibility into contracted price incentives, admin fees, and rebates; increasing the savings realized through better utilization of the health system's contracts.



Data HUB

Prodigio's [Data Hub](#) improves data quality, transparency and traceability to remove friction in the supply chain; providing a source of truth for item attributes, images, descriptions, clinical codes, classification and prices. Data Analytics provides insights, performance monitoring and real-time access to key performance indicators for decision makers to drive improvement across the P2P lifecycle.



MARKETPLACE

Prodigio's [Marketplace](#) connects suppliers with their healthcare system customers. As the largest healthcare procurement marketplace platform, Prodigio delivers a familiar e-commerce user experience, powerful master data management tools with total integration into the ERP item master and requisition process. By delivering automated data exchanges between ERP systems, supplier catalogs and negotiated contracts, Marketplace standardizes the procurement workflow and offers a single, compliant purchasing gateway for clinical/non-clinical supplies and purchased services across a health system.



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Prodigo Solutions has developed a [product suite](#) of technology offerings and data services that direct healthcare providers to purchase the right item, from the right vendor, at the right price. Each of Prodigo's applications are purpose-built to address nuances in healthcare supply chain; making it more efficient for trading partners to overcome common supply chain barriers and delivers tangible results across their continuum of care.

ABOUT PRODIGO SOLUTIONS

Counting more than half of the nation's most prestigious health systems as clients, Prodigo has amassed one of the largest repositories of supply and services market data in the U.S. Its solutions resolve long-standing data problems, enforce product and services standards, optimize contract utilization and enhance the requisitioning experience of clinicians. Typically deployed as a performance-extension to ERP, Prodigo is foundational to value-based, clinically integrated supply chains.

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