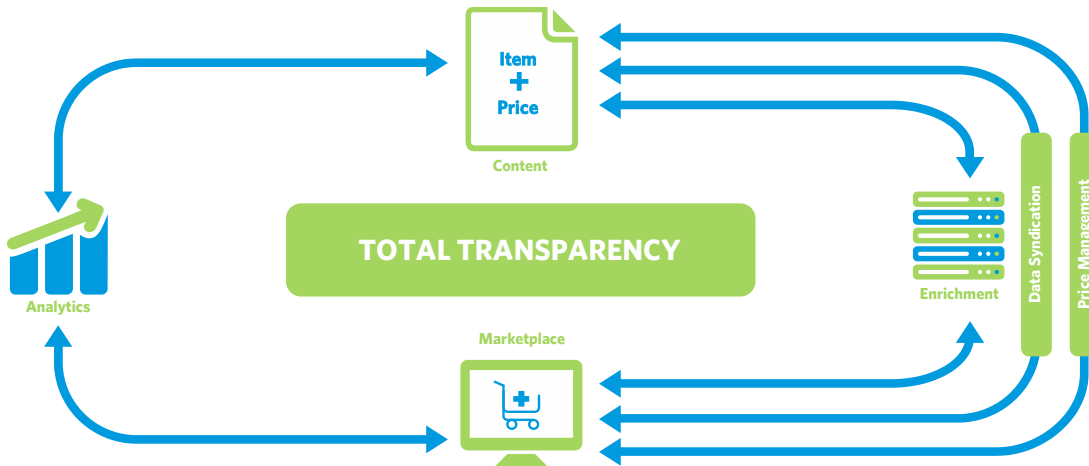


PRESS RELEASE

Prodigo Users Conference Focuses on Driving Digital Transformation in Supply Chain



October 16, 2019 — Pittsburgh, PA – Prodigo's Insights 2020 conference was held on October 7-9, 2019 in Indianapolis and was attended by leaders from healthcare systems across the US. The themes for this year's conference focused on healthcare's digital transformation; highlighting the value of quality data, the demand for delivering actionable insights, and the need for deeper integration across the supply chain ecosystem.

Within healthcare the over-arching goal is to eliminate variance. Supply chain plays a critical role in creating a default state of compliance by enforcing full control at the clinical point of service [POS] so that purchasing activity is directed to the right item from the right source at the right price. Thought leaders at the conference identified the Bill Only process [72%] and Purchased Service [54%] spend categories as top priority areas in need of greater control and transparency. By delivering compliance from the front-end of the procure-to-pay [P2P] cycle Prodigo reduces the cost of care by driving purchasing activity to the preferred contract source, positively impacts the quality of care by ensuring only approved items are used in the patient care episode and improves patient outcomes by reducing the risk of clinical variation.



72%

Bill Only Process



54%

Purchase Service

determined by an internal survey completed at the conference

THE VALUE OF QUALITY DATA



The conference included a panel of industry experts discussing strategies to future proof their supply chains and how they are embracing technology and data within their supply chain practice.

Taking cost out of the “system” continues to be the narrative for supply chain with an increasing focus to bring data into every decision. Jim Francis, Chair, Supply Chain Management, Mayo Clinic laid out a vision where “future-ready supply chains will be built on an integrated data platform not in an ERP system; reducing the cost of care is the responsibility of all partners in the supply chain ecosystem.” The demand for “value” continues to grow in the face of competing – and sometimes opposing – priorities on growth and profitability.

Kevin Connor, Vice President supply Chain Management at TriHealth stated “the important part for supply chain is measuring our impact.” Against the backdrop of both cost reduction and revenue growth, future ready supply chains will need to deliver meaningful impact through greater social conscience, improved demand planning driven by emerging technologies like Machine Learning and AI; as well as, deeper collaboration between internal stakeholders and external trading partners. Dan Hurry, Chief Supply Chain Officer, Bon Secours Mercy Health highlighted “we need to ensure we pursue the right growth strategies based on the data being streamlined and integrated into our decisions.”



DELIVERING ACTIONABLE INSIGHTS

The keynote session, presented by Brian Kathmann and Erik Schousboe, brought a complementary perspective from the grocery vertical on the importance of data standards and

data science on improving the customer/patient experience and outcomes. The data layer needs to collect and structure the data so that it is actionable, and the impact of our decisions can be measured. Brian Kathmann, Director, Commercial Platforms, Healthcare at 84.51° proposed a path forward “by adopting a longitudinal view of our data assets, we can make our customers’ experience easier and patients’ lives healthier. We need to serve up data to continuously inform our decisions and empower the right choices which will improve customer/patient outcomes.” By making data simple to interpret and more accessible we can overcome behavioral challenges that are eroding the value we strive to deliver each day.



James R. Francis
Chair, Supply Chain Management and Assistant Treasurer Mayo Clinic



Kevin Connor
VP, Supply Chain Management TriHealth



Dan Hurry
Chief Supply Chain Officer Bon Secours Mercy Health



Brian Kathmann
Director, Commercial Platforms, Healthcare 84.51°



Erik Schousboe
Director of Data Science 84.51°



INTEGRATION ACROSS THE SUPPLY CHAIN

Throughout the conference, Prodigo highlighted findings from its recently published benchmark study on healthcare spend, supply chain practice and the root causes behind the erosion of negotiated contract savings. The study highlights the reality of managing complex supply chains with multiple technology silos across acute and non-acute points of service [POS]. Although the item master continues to grow, less than 34% of the item master items had purchasing activity while over 25% of transactions were processed as special requests [non-catalog or ad hoc requests]. The bottom line, less than 45% of source-able PO spend is managed through the item master. The resulting inefficiency and fragmentation of the supply chain along with the inability to shape behavior at the POS has led to growing financial pressure to better align costs with stagnant or declining revenues.



◀ **34%**

item master items had purchasing activity



▶ **25%**

transactions were processed as special requests



◀ **45%**

source-able PO spend is managed through item master



EMBRACING DIGITAL TRANSFORMATION

As the future of technology unfolds before us, we become more connected, more informed and more empowered to drive transformational change. Within a supply chain context, this means we need to understand how emerging technologies improve our customers' experiences, streamlines our operations and delivers actionable insights that ultimately improves the lives of the patients we serve. Across the Prodigo community we are proud to work with industry leaders on the transformation to value-based, clinically integrated supply chains.

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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