

Success Story

Sustaining rural healthcare through an integrated supply chain approach

BACKGROUND

HENRY COUNTY MEDICAL CENTER

PARIS, TN

Henry County Medical Center (HCMC) is a 142-bed rural community hospital. Historically, HCMC had limited opportunities to save money in resource and supply management due to the volume based, tiered structure of most supplier contracts.

To combat the downward pressure on hospital margins, HCMC engaged The Resource Group in May 2014. The Resource Group was selected as a partner for sharing the same values, purpose, and commitment to community.

The Resource Group set out to support HCMC's end-to-end supply chain for its main hospital campus, long-term care center, and off-site physician offices. The goal was to increase access to improved supply and service pricing, enhance operational and logistical processes, and create long-term fiscal independence.

OPPORTUNITY

As a progressive, integrated health care organization committed to serving the needs of its community, HCMC's objective was to implement sustainable savings and efficiencies without compromising quality of care. Success would allow them to compete with much larger hospitals and health systems in markets like Memphis and Nashville so they could continue to serve their local community.

SOLUTION

Through The Resource Group's Change Management Solution, HCMC and The Resource Group worked side by side with the local executive sponsor and physicians to build trust and integrity throughout the engagement processes.

Once a relationship was developed The Resource Group utilized its Strategic Sourcing Solution, which provides a best-in-industry contract portfolio, to identify and implement savings. Additionally, The Resource Group worked with HCMC to integrate The Resource Group's Operations and Logistics Optimization Solution to enhance processes around inventory management, receiving, and purchasing. The results supported HCMC's ability to invest in areas that enhance its competitive ability in the market.

In just one year, HCMC **decreased non-payroll expenses by 9.7%**, including a **savings of 18% in annual supply spend.**



Listen. Innovate. Implement.®

"The Resource Group brought solutions that delivered service to our physicians, products they can rely on, as well as value from a cost perspective. This approach resulted in annual savings of almost 10% in our supply and service expenses."

"If you're looking for a strategic partner that aligns with your values, your mission, your commitment, and your cost issues, work with The Resource Group."

Lisa Casteel,
CFO, Henry County Medical Center

"The Resource Group has given us access to state-of-the art suppliers and instrumentation. That is a game changer for an organization like ours."

Tom Gee
Administrator, CEO, Henry County Medical Center

IMPACT



9.7%

Reduction in non-payroll spend



18%

Annual savings in supply spend

Included 31% annual savings in implantable products



32%

Bottom-line improvement



\$1.19M

In annual savings

98.5% better than the original goal of \$600K

Along with achieving sustainable savings, The Resource Group built trust and relationships with clinicians, elevating supply chain to function strategically rather than reactively in the organization.

Savings achieved through
The Resource Group
**delivered bottom-line
improvement of 32%.**



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