

Success Story

Advancing organizations and reducing costs through sustainable solutions

BACKGROUND

PRESENCE HEALTH

ARLINGTON HEIGHTS, IL

Presence Health was founded in 2011 through the merger of two long-established Catholic health systems. In 2018, Presence Health was acquired by AMITA Health. Shortly after acquisition, The Resource Group began business transformation across Presence Health.

Presence Health thought they were receiving the highest level of contracted savings due to their above average compliance with a traditional GPO. However, after The Resource Group completed an initial savings analysis it was determined that there was \$21M in savings opportunities available to Presence Health by transitioning from the nation's largest traditional GPO to The Resource Group.

OPPORTUNITY

The \$21M in additional savings opportunities were attributed to:

- Redundant sourcing and contract management processes
- Varying tiered pricing across the system for the same products
- Duplication of contracts

SOLUTION

The Resource Group collaborated with Presence Health's leadership to develop a unique Success Map which took a three-prong approach for successful deployment and business transformation.

- Implement The Resource Group's current contract portfolio for immediate financial benefit
- Prepare for the implementation of The Resource Group's enterprise resource planning system for clear insight into inventory values and purchasing costs
- Placement of an embedded, on-site, permanent team that focuses on change management, analytics, and caregiver engagement

This multi-faceted approach delivered immediate savings while allowing for customization based on end-user feedback and needs. Cancelled, renegotiated, and streamlined contracts yielded Presence Health a projected \$21.6 million in annual savings, exceeding the initial goal of \$14.8 million.

Collaboration
between
The Resource
Group and
Presence Health
resulted in
**\$21.6
million in
savings.**



Listen. Innovate. Implement.®

PROCESS

1

END-USER ENGAGEMENT

- Senior leadership
- Physicians
- Clinicians
- End-Users

2

CONTRACT DESIGN

- Analyze current contract portfolio
- Aggregate business and reduce vendor variation
- Prioritize opportunities based on impact and savings

3

NEGOTIATION

- Request immediate price reductions
- Conduct competitive RFP and negotiations
- Utilize The Resource Group's national contracts

4

IMPLEMENTATION

- Provide project management services
- Track implementation through work plans and reports
- Establish protocols for signature authority
- Audit pricing and utilization

5

MEASUREMENT

- Establish protocols for signature authority
- Audit pricing and utilization

IMPACT



\$260.2M

Analyzed annual spend



\$8.9M

In savings within the first 45 days



\$21.6M

In annual savings

Along with achieving sustainable savings, The Resource Group standardized purchased service contracts across the system, offered opportunities for active participation from physicians, and added value through cost avoidance.

"The task of integrating multiple healthcare systems into one system that is aligned and efficient takes a great deal of effort and coordination. Having The Resource Group as a partner has made this a simple task. From negotiating contracts to alignment in product and service use, The Resource Group was able to drive efficiency, quality, and substantial cost savings over a short period of time. The Resource Group has always been methodical, professional, and dedicated not only at the executive level but most importantly, at the ministry level in working with our physicians, nurses, and ancillary support to ensure products were available."

AMITA Health



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