

HEALTHCARE: VHA, INC.



“THE SPEED WITH WHICH OUR MEMBER HOSPITALS ARE ACCESSING THE MOBILE APP, CAPTURING SAVINGS OPPORTUNITIES, AND INTERACTING WITH ALL THE CHARTS AND GRAPHS ON THE IPHONE AND IPAD IS UNBELIEVABLY FAST,” SAID RAMAS. “WE’RE CLEARLY EXCITED ABOUT DELIVERING A MUCH MORE USEFUL AND INTELLIGENT BI EXPERIENCE TO OUR MEMBER HOSPITALS AND SALES REPS IN THE FIELD.”

— GUILLERMO RAMAS, VP OF STRATEGY AND PRODUCT DEVELOPMENT FOR INFORMATION & DATA SERVICES AT NOVATION, A VHA SUBSIDIARY

APPLICATIONS:
MOBILE BUSINESS INTELLIGENCE
APPLICATION

USING MICROSTRATEGY MOBILE TO REDUCE HOSPITAL SUPPLY COSTS

Company Overview

VHA Inc., based in Irving, Texas, is a national network of not-for-profit health care organizations that work together to drive maximum savings in the supply chain arena, set new levels of clinical performance, and identify and implement best practices to improve operational efficiency and clinical outcomes. In 2009, VHA delivered record savings and value of \$1.47 billion to members. Formed in 1977, through its 16 regional offices, VHA serves more than 1,400 hospitals and more than 28,000+ non-acute care providers.

Reducing Hospital Supply Costs with MicroStrategy Mobile

Purchasing teams across U.S. hospitals buy thousands of unique items each day, such as knee implants, drug-coated stents, and latex-free gloves. Health care purchasing is not an easy place to be because of high costs, the pressure to drive costs down, and the lack of pricing structures and tools that help hospitals make smart shopping choices. It can become a tough process altogether to know what’s available in the market, what’s important about the high-tech devices that physicians from various departments demand, what the pricing structures are for the endless products that every hospital needs to purchase, and how to drive down costs at the local hospital level.



Enter VHA PricelYNX™, a powerful supply chain application that has revolutionized the way hospitals perform price benchmarking. VHA PricelYNX, powered by MicroStrategy technology, gives buyers the information they need to compare prices on thousands of items. With the recent adoption and use of iPhones and iPads across hospitals, the idea of bringing VHA PricelYNX to a mobile platform has just recently come to fruition. VHA rolled out a new Mobile app in July 2010 to give its member hospitals a price bench-marking application on their iPhone and iPad, and with it, a clear view of their supply chain on-the-go, as well as graphical snapshots of pricing information hospital buyers need to make smart purchases.

"We consider VHA PriceLYNX Mobile to be the most successful app with regards to price benchmarking in health care and supply chain markets today," said Guillermo Ramas, VP of Strategy and Product Development for Information & Data Services at Novation, a VHA subsidiary. "Hospital personnel using their iPhone or iPad have the opportunity to make fast decisions by switching products or accessing lower pricing on the products they plan to purchase."

Today, an iPhone/iPad user at hospital can see what they are buying through a particular catalogue from a particular manufacturer. For example, a materials manager can focus on an exact stent, and view the entire price curve for this item. The app shows the price of the stent at the 50th percentile, and what the price would be if the price were renegotiated and moved to the 20th percentile.

"Hospitals, under constant pressure to offset declining margins and shrinking reimbursements, now have mobile access to continually retrieve and monitor important information on supply prices, and also compare that price to market trends," added Ramas. "From the perspective of the buyer, more actionable information means speedier analytical decisions to serve patients, improve operational efficiencies, and implement new savings opportunities. The more information a hospital has access to, the more power it has to make decisions that improve the bottom line."

Consider the typical user, a Director of Materials Management (DMM), who has to meet with physicians and service line managers to learn what it is that they want the hospital to purchase on their department's behalf.

"If we put an iPad in a conference room meeting, the DMM can look up the price for an item, like cotton gauze or needles, keep the discussion going, and know the cheaper price to pay for these items," said Ramas. "If they want to buy an item for the first time, they can look it up before contracting for it."



After a year in use, VHA members have realized an average annual savings of more than \$4 million per facility using VHA PriceLYNX, which pulls information from the industry's largest product database. Currently, the VHA database covers 1,100-plus hospitals, which represents \$54 Billion in non-salary operating spend. Across these hospitals, C-level executives, service line managers, physicians, and clinicians use a combination of desktop, iPhone, and iPad. Of this mix, Ramas envisions iPad use will become dominant as it rolls out to more member hospitals.

The Continued Spread of Mobile BI at VHA

Officials at VHA see a growing demand for mobile BI apps across the landscape of hospitals because it clearly appeals to the physician who moves around from unit to unit. In addition to witnessing

a growing demand for mobile apps, VHA believes the variety of mobile apps to naturally proliferate, and it will be easy to do with MicroStrategy Mobile's rapid deployment. According to Ramas, full application build time was two to three weeks, and that included development time as well as time to set up the servers, security, firewall, and prototype work. "What was really a turning point and unbelievably impressive was sitting down with a MicroStrategy beta consultant and two days later, playing with an app on my iPhone that I could show to our executives," said Ramas.

"Our experience selecting MicroStrategy and working with them to build the app has been fantastic," said Ramas. In fact, so much so that VHA has changed its philosophy and BI strategy. From now on, all analytics apps that are member-facing will port to the iPhone and iPad. Mobile BI is now a key part of the development process at VHA.

Endless App Possibilities with MicroStrategy Mobile

Mobile BI has quickly revolutionized health care pricing and negotiation processes for hospitals, and VHA anticipates that integrating mobile BI technology with CRM apps will follow in the near term. Field reps visiting hospitals will have important information available on their iPhones and iPads as they drive up to a hospital, thanks to GPS mapping and geolocation functionality. Without having to look up key contact information or run reports as one would typically do on a desktop, a field rep will be able to access relevant reports for that hospital, recent purchases as well as savings opportunities based on contracts, contact information for key people, recent email exchanges, and such. This information can be generated automatically on an iPhone/iPad before the field rep enters the hospital.