

AHRMM Board Meeting Overview February 28 – March 1, 2014

- AHRMM Board Chair Christopher O'Connor greeted the Board of Directors, staff, and guests to the meeting, welcoming the new Board Members. He commented that with the progress in recent years, the Board is uniquely positioned to become a leading voice in the healthcare industry.
- Rick Pollack, AHA EVP Advocacy & Public Policy, presented the American Hospital Association (AHA) Strategy Map, beginning with his perspective on the integral role of Supply Chain within healthcare and the strategic alignment between the AHA, AHRMM, and the Triple Aim of Advocacy, Performance Improvement for the field, and the redesign of the healthcare delivery system. Mr. Pollack described the current state of the healthcare industry as it undergoes changes and the shifting landscape of fee for service structures and revenue generation for hospitals, vendors, and care providers. He congratulated AHRMM on the work being done around Cost, Quality, and Outcomes and stated that healthcare must move from the first to second curve.

To demonstrate one way to bend the cost curve, AHA and AHRMM will work with an academician to produce a study to examine what is working and what the impediments are to achieving savings in the healthcare supply chain by culling previously conducted research as well as conducting original research through a survey of hospital supply chain professionals. The study will examine private sector supply chain best practices as one reference point in identifying opportunities for improvement. A group of Board members volunteered to help with the survey creation, with a goal of having the final study released this summer. The Board was appreciative of AHA collaborating with AHRMM on this initiative, agreed that this study will act as an educational tool that can help in advocacy, and that this study will be a foundation for future research.

- AHA Senior Executive Director, PMG Division, Dale Woodin provided an update on the activities of the AHA and PMG division and specifically highlighted the 2013 accomplishments of the PMG Division. The 2014 strategic goals of the PMG Division are centered around financial and membership metrics, member engagement and satisfaction, and staff development and growth. He reiterated that the AHA recently completed its annual strategic plan based on an environmental scan. From a performance improvement standpoint, one of AHA's major initiatives of 2014 is around obtaining good data to drive better decision making. Another focus is working with the AHA to help PMGs move their business forward by engaging issues and initiatives at the forefront in terms of advocacy.
- Ryan Graver, Sr. Director for Healthcare Economics, St. Jude Medical presented on the organization's view of CQO and how they are threading it into what they do. Mr. Graver identified a challenge of supply chain management as a volume-based model to a value-based model that is changing because of the shifting definition of 'cost', which is where CQO fills a need. St. Jude Medical has begun using CQO in discussions at all levels in the organization, from the C-Suite, to its training materials for its new associates, and in evaluating performance.
- AHRMM Chair-Elect Brent Petty presented the details of the January meeting between the leadership of AHRMM and several of the AHA DC staff, to present on the strategic importance of the supply chain and Cost, Quality, and Outcomes (CQO) Movement. The meeting focused on the synergy between CQO and AHA's strategy, Hospitals in Pursuit of Excellence (HPOE), and the Triple Aim and how AHRMM needs to be at the table as AHA continues its work and considers new HPOE initiatives. The group reiterated AHRMM's desire to advocate for its membership on issues that impact supply chain. The meeting continued to build, strengthen, and fortify AHRMM's relationship and communications with AHA policy and media.
- Karen Conway provided the board with a summary of the Cost, Quality, and Outcomes (CQO) Movement's overall success in 2013 and the goals for 2014. Since the last board meeting, activities around CQO have included launching a CQO metrics guidance document, presentations by board members at industry and affiliated

chapters, several CQO articles, case studies, presentations and collaborations, call for leading practices, and promoting the existing education. Ms. Conway reported on the success of the first two of the three part HIMSS-AHRMM webinar series and the outcomes from the HIMSS14 pre-conference symposium. The board discussed how to increase value and education on CQO for members. The CQO Strategy Committee has identified this year's main focus on Industry Engagement and will host a Thought Leader Summit at the AHRMM Annual Conference this summer. The industry continues to be receptive to CQO and what it is trying to accomplish.

- Ms. Conway linked CQO to the board's efforts around the Unique Device Identification (UDI), as AHRMM's goal is to promote and advocate for hospital implementation. There are significant obstacles that remain for UDI, despite the FDA's requirement to manufacturers. The FDA hosted a meeting with members of AHRMM leadership and staff to talk about ways to get the provider community invested in implementing the UDI from a patient safety and efficiency standpoint. AHRMM is also in discussions with the Brookings Institute based on a FDA recommendation. The board discussed the necessity of finding ways to demonstrate the value of UDI across the spectrum of the healthcare industry. The board discussed hosting a focus group during the Annual Conference around UDI and implementation.
- Mr. O'Connor led a discussion on 2014 goals and priorities based on lessons learned from 2013. Many successes were listed however the launch of the Cost, Quality, and Outcomes Movement and the success of the Annual Conference were stand-outs. The board feels that Industry engagement and providing tools for the future supply chain executive for the CQO Movement is a top priority. Other main focus areas are: for board members to foster relationships with peers, counterparts, and other organizations across the healthcare industry, continue to reposition AHRMM within the industry, and to grow and retain membership through Board members engagement and visibility in the industry and at chapters.
- The AHRMM Board reviewed the Strategy Map and corresponding measurements assessing the Strategy Map in relation to the current healthcare environment and the Cost, Quality, and Outcomes Movement. Other than changing the vision, the changes to the Strategy Map were minimal. The vision statement is: Advancing healthcare through supply chain excellence.
- Executive Director Debbie Sprindzunas presented the redesigned Executive Summary, which had previously been titled the Dashboard.
- Mr. O'Connor presented on the Affordable Care Act (ACA) and highlighted the status of the legislation's implementation across the United States and the differences and similarities between the federal and state insurance marketplaces and exchanges.
- Brent Johnson led a lively brainstorming session with Board Members on industry trends, the changing landscape of healthcare, and the impact those changes will have on supply chain management. It will be imperative for the Board to continue to have these focused discussions.
- Mr. O'Connor closed the board meeting urging the board to focus on AHRMM's overall goals, to maintain a sense of vision for the future, and to step back from tactical concerns to address strategic-level priorities.