

In late 2016, Sequent Health executed an agreement allowing members access to the Medline and Blackmaple Group (BMG)'s purchasing program, allowing members to save significant money on medical-surgical equipment and a wide range of other products and services.

The program builds on GMC's long relationship with Medline and a Sequent's partnership with BMG who aggregates purchasing from providers all of the country to obtain volume pricing with a national GPO, Intelere. Independent, private practices participating in Sequent are able to benefit from significant discounts by leveraging these partnerships.

Value Proposition

1. Saves money immediately out of the gate (20-30%)
2. Is set up to save money over time (the more people buy, the lower the unit costs)
3. Provides data and insights, helping streamline the process
4. Reduces not only med/surg spend, but other costs as well

The program relies on three critical partners, working together to ensure the lowest pricing possible. Their respective roles are summarized below...

Sequent Members See Immediate Value

In the initial pilot, six Sequent members went through the quoting process, comparing their previous spend data. Here's an example of what they've found:

- Internal Medicine practice: medical-surgical analysis shows immediate savings of 30% estimated to be \$30k / yr.
- Specialty practice: analysis showed 29% initial savings estimated to be \$20k / yr.
- Internal Medicine practice: initial savings identified: 27% estimated to save \$6k / yr.

Beyond the initial savings, the program will bring members savings over time through aggregation (see bottom-left) and through product selection; because Medline manufactures many products, choosing these over national brands also saves money. It's a process the Medline team can guide once a practice signs up.



- One of the largest medical manufacturers in the world, Medline serves as the distribution arm of the program, with reps serving every client member. Reps serve as the "quarterback" of the model (call them first!), and deliver savings through manufacturer-direct savings on Medline products. Medline also works as the primary contact point for the other partners, bringing them in as needed to add value. **Contact Jonathan Brockmann at jbrockmann@medline.com to sign up.**





- BMG administers the program, making sure the program continues to deliver value. They aggregate purchasing volume, helping drive everyone's prices down as the program grows. And, they continue to add new contracts and value. Nationally, BMG's purchasing program is active in over 40 states, and continues to grow quickly.



- A top national Group Purchasing Organization (GPO), Intelere is 100% provider owned and brings 2,000 contracts to the program. Their job is to visit with members and add savings on virtually all purchases, as well as offer employee savings. Intelere aggregates volume under BMG, and owns the re-tiering process that drives prices down.

Savings over time: Re-tiering

The goal of the program has been to save money for members not just once, but also as the program grows. So the partners – Medline and Intelere – look at the entire program regularly and lower prices through a re-tiering process. Below are some examples of price changes from Q3 2016:

KC Sterilization Kit	-41%	 Purchases by BMG clients drive prices down over time. The more people buy, the bigger the tier changes. 
Medline petroleum jelly	-57%	
Medline latex glove	-54%	
Medline underpad	-49%	
Hydrogen Peroxide	-41%	
Georgia Pacific toilet paper	-51%	
Energizer batteries	-30%	
Medline table paper	-15%	
Medline paper towels	-37%	

Taking the Next Step

Initially, a handful of few Sequent practices were invited to participate in the pilot study to assess the financial opportunity and work through the set-up process. We are pleased with the initial results and are encouraging all Sequent practices to participate in the group purchasing program.

To kick off the process or ask any questions you may have, please contact **Jonathan Brockmann at 706.338.9707**. He will request your current spending patterns (including pricing) in an excel file.

Jonathan will work with BMG and Intelere to generate a cost study and take you through the process. Once you sign up the first step is getting Medical/Surgical ordering implemented and streamlined. Later, we also recommend that you invite Intelere in to do a contract review and audit. Don Bolin and Marc Cooper from BMG will also be sharing national best practices with Sequent physicians at Sequent's Biannual Membership event this fall.