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# Innovative Strategies in Healthcare:

Amplifying the Business Case for Supplier Diversity



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# Innovative Strategies in Healthcare: Amplifying the Business Case for Supplier Diversity

A century ago, the world witnessed firsthand with the 1918 Spanish Influenza pandemic the wave of destruction and change that a global health crisis can quite unexpectedly cause. Today, we face a similar but altogether new health crisis – the COVID-19 pandemic – which has brought the world’s diverse populations together in a singular fight to combat this disease and save lives through research and collaboration.

The 2019 novel coronavirus (a virus now known as SARS-CoV-2 which causes the disease COVID-19) has challenged the world’s public health and healthcare communities to respond quickly and effectively to a myriad of obstacles, including:

- + Healthcare supply chain shortages;
- + Shipping and manufacturing obstacles;
- + Overwhelming, fast-changing and sometimes conflicting public health news and announcements, breeding fear and mistrust;
- + Devastating economic drain on businesses, especially small and diverse companies;
- + Strains on state funded programs following a national economic shutdown and lost tax revenue;
- + The highest national unemployment since the Depression Era;
- + A worldwide shift to more virtual work and remote learning opportunities;
- + Overwhelmed, understaffed and overworked healthcare workforce;
- + Disproportionate infection and death rates among minorities and underserved communities; and
- + Dramatic strains on education modalities which could impact long-term today’s youth and our future generation of leaders.

As of July 2020, COVID-19 had infected more than 14 million people globally and caused 600,000 deaths.<sup>i</sup> In the United States, there are 3.5 million cases of the disease and over 130,000 deaths.<sup>ii</sup> Governments, healthcare thought leaders, scientists and clinicians around the world are working tirelessly to stem the tide of this disease and bring forward “a new normal.” At the same time, people around the world are pausing to rethink and build improved plans for health prevention, crisis preparedness and more sustainable economic continuity and independence.

There is an old African proverb that says, “If you want to go quickly, go alone. If you want to go far, go together.” In uncertain times like these, people from all walks of life are called to come together to achieve a common goal. Necessity is the mother of invention, leading many leaders to recognize this as an opportunity to put new and improved policies and business practices in place to safeguard the health and security of their organizations and the diverse communities they serve over the long term.

One opportunity that arose early in the COVID-19 pandemic was the need for a greater supply of personal protective equipment (PPE) and other medical products used to treat infected patients, with much of the existing supply sourced from Asia.

COVID-19 and other health crises provide a laboratory for enhancing engagement with diverse suppliers, diverse consumers, diverse employees and diverse communities. What we learn in this laboratory will help determine the future of our healthcare system.

**This paper goes beyond just the business case for why supplier diversity is a fundamental component of how to improve inclusiveness and equality in healthcare. This collaborative effort led by Premier highlights the clinical case for supplier diversity as well. It shows how some of today’s leading healthcare organizations are partnering with diverse suppliers and implementing new strategies to embrace diversity and inclusion, build trust between patients and providers, and improve health outcomes in the face of some of the greatest challenges we have ever faced before.**

## Supplier Diversity: A Brief Summary

Supplier diversity has become an important part of the procurement lexicon and process. Although the inclusion of diverse suppliers in contracting activity has been recognized as important in most Fortune 500 companies, success in achieving inclusion and equity, especially in healthcare, remains elusive.

While supplier diversity once meant including minority- and women-owned business, today it includes:

- + Minority-owned (MBEs)
- + Women-owned (WBEs)
- + Lesbian, gay, bisexual and transgender-owned (LGBT)
- + Veteran-owned (VBE)
- + Service disabled veteran-owned (SDVO)
- + Small business owner (SBE) as defined by the Small Business Administration

Traditional supplier diversity programs are giving way to more strategic, collaborative approaches. Underserved and minority patient populations continue to be hardest hit by the leading health issues affecting the world today. What better time than now to re-examine the supportive role that supplier diversity plays in combating some of the world's leading health issues? The sheer size and complexity of the American healthcare industry requires multiple strategies and solutions. U.S. healthcare spending in 2018 was \$3.65 trillion and is expected to reach \$6.0 trillion by 2027.<sup>iii</sup> In addition to the size of the industry, the players include healthcare professionals, device manufacturers, pharmaceutical companies, public health agencies and healthcare facilities and systems. Each sector has different business goals and financial objectives. However, one goal can unite us: striving for health equity for all. The holistic approach to diversity and inclusion involves identifying new ways to meet the challenges of providing healthcare in this country.

Diversity is a consistent theme in healthcare and Premier members are identifying ways to improve healthcare outcomes, reduce costs and improve the patient experience which directly impacts sustainable health outcomes. Members have invested in programs that reduce health disparities in underserved communities and developed supplier ecosystems that leverage diverse suppliers, as well as built deep relationships with community-based organizations dedicated to improving health. These initiatives speak to the broader issue of how healthcare organizations can leverage diversity with suppliers, consumers, employees and their communities to drive an improved, more sustainable American healthcare industry.

## Convening the Conversation

Premier, a leading healthcare improvement company, unites an alliance of more than 4,100 U.S. hospitals and health systems and approximately 200,000 other providers and organizations to transform the delivery of healthcare. With integrated data and analytics, collaboratives, supply chain solutions, and consulting and other services, Premier enables better care and outcomes at a lower cost. Premier plays a critical role in the rapidly evolving healthcare industry. By collaborating with members, the company is reinventing and improving the way care is delivered to patients nationwide. The company has been active in resolving numerous pressing healthcare issues that include reducing drug shortages, improving maternal-fetal health outcomes and managing the complex supply chain issues caused by the COVID-19 pandemic.

With respect to the current crisis, Premier has collected purchasing data from across its network of members and is using this information to help address PPE shortages. This data shows demand in PPE masks at a minimum consumption rate of 56 million masks in 2020, nearly a three-fold increase compared to 2019.<sup>iv</sup> According to a Premier survey of distributors, most healthcare facilities currently receive just 44 percent of the N95s and 82 percent of the surgical masks they order.<sup>v</sup> As a result, domestic and near-shore suppliers of PPE have increased production and are on track to produce an estimated 60 million masks this year.

***“Sitting at the center of healthcare, helping manage more than \$67 billion in healthcare spend, Premier serves as an early warning system for the supply chain,” said Premier’s President, Michael J. Alkire. “We have provided these survey results to the U.S. Food and Drug Administration and the Centers for Disease Control and Prevention to help them better understand the current situation and prepare our nation’s response to the coronavirus.”***



# Diversity Initiatives Making an Impact on Leading Healthcare Issues

Diverse suppliers are addressing some of the most significant issues in healthcare. This paper presents suppliers who are on the front line of providing creative, high-quality solutions to address the following healthcare challenges:

- + The COVID-19 pandemic
- + Increasing demand for telehealth services
- + The opioid crisis
- + The increased prevalence of chronic diseases like diabetes, obesity and hypertension
- + Improving patient health education and community health awareness
- + Innovative strategies to combat rising healthcare costs

In addition, healthcare providers are leveraging diverse suppliers and their unique programs to impact health outcomes across the population as well as for diverse communities. The multiplier effect of these programs can drive better healthcare outcomes, strengthen local economies and develop a more robust supplier diversity ecosystem for the healthcare industry.

Diverse suppliers fill an important gap in the supply chain. Their size and agility often make them better suited for projects that are of an emergent nature. While the ability to “turn on a dime” is most important during a crisis, many diverse suppliers demonstrate the ability to provide value-added services and products on a regular basis.



## The COVID-19 Pandemic

COVID-19 is a contagious respiratory illness causing mild flu-like symptoms in many patients and more severe pneumonia-like symptoms in some patients, particularly the elderly population and those with chronic or comorbid health conditions, such as cardiovascular disease, severe obesity, diabetes, autoimmune disorders, cancer, asthma, chronic kidney and lung disease, and liver disease.<sup>vi</sup> In the first six months since the first U.S. case of COVID-19 was reported on Jan. 21, 2020, Americans have watched as the number of confirmed cases of COVID-19 across the country have risen to more than 3.5 million and the number of deaths has climbed to more than 130,000.<sup>vii</sup>

As this virus continues to spread, front-line caregivers along with local, state and federal governments have worked tirelessly to share public health warnings, put new preventive measures in place to slow the spread of the disease, and focus resources and attention on getting the necessary medical supplies and testing equipment into hospitals as quickly as possible. COVID-19 came without warning, catching us all by surprise and finding us unprepared to meet the needs of medical communities around the world. Schools ended their academic year two months early and non-essential businesses were temporarily shut down. More than 20 million employees were furloughed or have lost their jobs and filed for unemployment in the wake of government-mandated shutdowns.<sup>viii</sup> Scarcity of critically needed medical supplies like masks and gloves and COVID-19 test kits have been encountered, and shortages of commonplace everyday grocery items like meat, toilet paper and disinfectant cleaning products have created panic among U.S. families and led to hoarding. And all of this just within the first few months of the outbreak.

The lack of PPE for healthcare providers and first responders and the short supply of disinfectant cleaning products and effective COVID-19 test kits remains a serious concern. Many of the high demand supplies - or the raw materials needed for manufacturing PPE products - are sourced in Asia or overseas. As these critical needs became more apparent, some innovative small businesses and diverse suppliers quickly transformed their business models and scaled up their capabilities to bring forth a solution. The following diverse suppliers have helped bridge the gap.



## DIVERSE SUPPLIER SUCCESS STORIES



### Tronex® International

[www.tronexcompany.com](http://www.tronexcompany.com)

Tronex International, a minority-owned business, is a global brand and long-term supplier to Premier and each of the major healthcare Group Purchasing Organizations (GPOs), in serving thousands of hospitals and healthcare facilities nationally. For the past 31 years, Tronex has been entrusted to protect millions of front-line healthcare providers and service industry professionals, through a comprehensive range of disposable Personal Protective Equipment (PPE).

The company's PPE offerings include disposable examination and general-purpose gloves, protective apparel, face masks and N95 respirators. According to infection control experts, "fitted N95 respirators are the preferred type of medical mask for healthcare workers." Medical masks are also recommended for symptomatic individuals to prevent them from transmitting the virus.<sup>ix</sup> Tronex has been able to leverage its global supply chain to deliver products and to healthcare facilities across the country. With ISO certified manufacturing protocols and FDA registration, Tronex offers security during troubling times and in lifesaving environments.

The COVID-19 pandemic and resulting crisis, brought not only dramatic health, societal and economic impacts, but also massive effects on the global supply chain for PPE. Given the critical role of Tronex products, all program customers were assured supply, with standout performance even for many months into the pandemic. Additionally, for health systems on the front lines in COVID-19 hotspots, Tronex was able to assist with critical PPE products during times of dire need.

Tronex did not lay off or furlough any staff through the COVID-19 pandemic. Rather, full policies were developed and instituted in early March, with all necessary equipment and infrastructure investments for full remote work productivity. Proper PPE, masks and education were provided to all staff from the start and warehouse shifts were reconfigured and staggered for safety, while maintaining the critical productivity to deliver its essential products to front-line workers across the nation.



### Alta Distribution

[www.altadistribution.com](http://www.altadistribution.com)

Like most hospitals at the outset of the global COVID-19 health crisis, Henry Ford Health System needed PPE. The solution was Alta Distribution, a minority-owned business with a national footprint. Alta focuses on customers in the hotel and medical sectors and supplies PPE products including masks, surgical gowns, shoe covers, mortuary bags and non-PPE products like hospital pillows.

Alta Distribution delivered a total of one million masks within 12 days of the order, and it quickly provided another 34,000 masks shortly thereafter. The ability to respond quickly to the emergency was the result of strong connections and relationships in China. These connections allowed Alta to get freight from China to the U.S. via air very quickly while other suppliers were anticipating a month or more to get critical PPE supplies to the U.S.

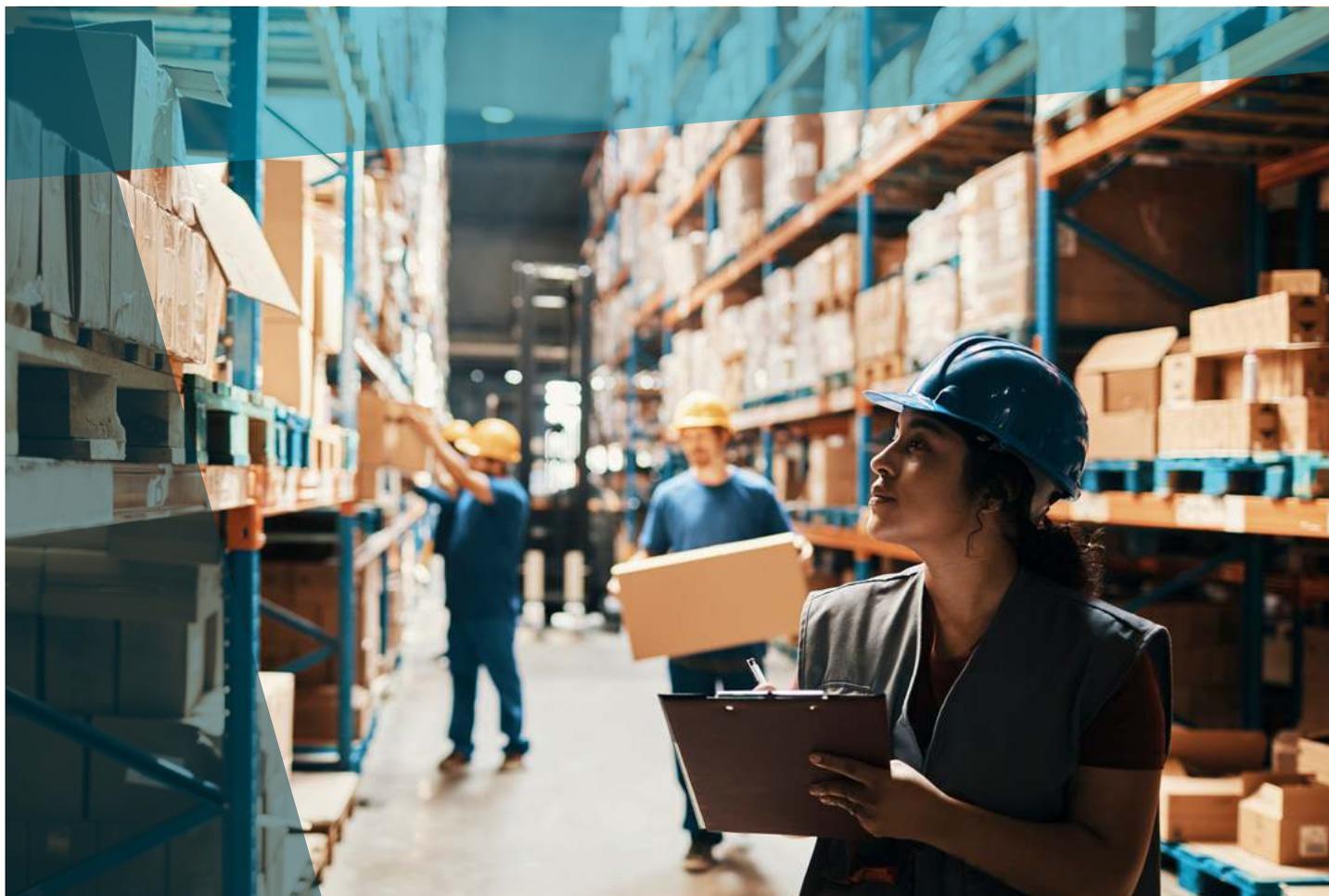


### Bee Line Support

[www.beelinesupport.com](http://www.beelinesupport.com)

Clean facilities are mission critical for the healthcare environment. The COVID-19 crisis underscores the need for suppliers that can meet demanding cleaning protocols. Bee Line is a certified, woman-owned company that specializes in medical-grade cleaning services.

The company is a trusted supplier of AdvocateAurora Health and prides itself on its well-trained team, cutting edge technology and commitment to customer service. Bee Line uses only specially trained teams and surgical-grade misting technology to disinfect every square inch of the area to be cleaned. Bee Line is committed to providing environmentally safe products, which it does through an EPA registered, hypo-allergenic, PH balanced and bleach-free cleaner that kills 99.9 percent of fungus, mold and mildew at the source. It is also odor-free, and is the lowest toxicity category –meaning it’s gentle enough for daily disinfecting and sanitizing in all settings. As companies anticipate reopening, Bee Line is prepared to provide regular facility cleaning services to ensure the safety of employees in the workplace.



## COVID-19 and Increased Demand for Telehealth Services

COVID-19 will drive changes in the healthcare industry for the foreseeable future. Scientists and clinicians will develop vaccines and treatments for the disease. Healthcare providers will be on the front line managing an influx of patients with cases or suspected cases of COVID-19. Getting immediate medical attention is critical for individuals who have contracted the virus, especially those with other health conditions and comorbidities, to prevent the continued spread and rising death rates from this virus. Patients with chronic health conditions are avoiding hospitals and urgent care facilities and in too many cases, suffering harm and death.

Healthcare delivery methods have changed dramatically in the last 20 years. The traditional model of scheduling and attending an appointment has changed to include a variety of ways to access medical care. Originally intended to provide services in underserved and rural communities, telehealth is being used across the industry and has become an important tool in the delivery of healthcare. The Health Resources Services Administration defines telehealth as “the use of electronic information and telecommunications technologies to support long-distance clinical healthcare, patient and professional health-related education, public health and health administration.”

Telehealth offers significant benefits for patients and providers. The telehealth model gives providers access to patients without the cost associated with brick and mortar infrastructure which, in turn, reduces the cost of care. Providers have the flexibility to schedule virtual visits based on the needs of consumers.

A critical issue facing providers is monitoring patients, especially those with chronic conditions. For consumers with limited access to transportation or childcare, it can be especially difficult to schedule follow-up visits. Telehealth allows provider and consumer to visit without the costs of childcare and transportation. Treating patients proactively requires clinicians to teach patients how to care for themselves between clinical visits. With an increase in chronic health conditions, using telehealth for remote monitoring is just one way that medical providers can improve outcomes while still cutting costs. Today, telehealth is being used to report patient metrics from the comfort of the patient’s own home, while remote teams act as coach and counselor as they engage patients in their own journey toward health.<sup>x</sup>

In addition to increasing access to care while reducing patient and provider costs, there is evidence that telehealth improves healthcare quality, particularly in rural settings. Digital technology can improve service delivery and treatment of acute conditions in real time. Telehealth is also being used to prevent unnecessary ER visits.<sup>xi</sup>

By the end of 2018, seven million Americans were expected to use telehealth technology. Just five years ago, that number stood at 350,000. The number of companies offering telehealth solutions is growing rapidly and innovation in this space is expected to grow as clinicians and consumers become more comfortable with this delivery method. Although providers and consumers are increasingly embracing telehealth, reimbursement for costs has been a problem. COVID-19 has forced the resolution of many reimbursement issues. Until late March 2020, the single largest obstacle to widespread adoption of telehealth for office services was the geographic limitations imposed by Medicare’s originating site geographic limitation—that the originating site be outside of a major metropolitan area. Generally, as Medicare goes, so follows the private insurance sector.

## DIVERSE SUPPLIER SUCCESS STORIES



**GlobalMed™**

[www.globalmed.com](http://www.globalmed.com)

As healthcare providers treated the victims of the coronavirus, elected officials implemented curfews, shelter-in-place protocols and quarantines. People were told not to visit a hospital for fear of spreading the infection. In rural areas where people may experience limited healthcare options, patients went without healthcare. Across the country, hospitals were overwhelmed and routine healthcare, including check-ups and doctor visits, were postponed. Telemedicine or telehealth provided a way to fill the gap. GlobalMed, a veteran-owned small business, offers telehealth services, that help prevent human-to-human contact. GlobalMed is also addressing the need for quick access to service for the nation's veterans. According to the Department of Veterans Affairs, the VA system treats approximately nine million veterans annually.



**Telehealth Associates**

[www.telehealthassociates.com](http://www.telehealthassociates.com)

Adoption of telehealth tools has increased among providers over the past several years, but many clinicians and health systems still face the challenge of integrating these solutions into their practices. Telehealth Associates helps providers:

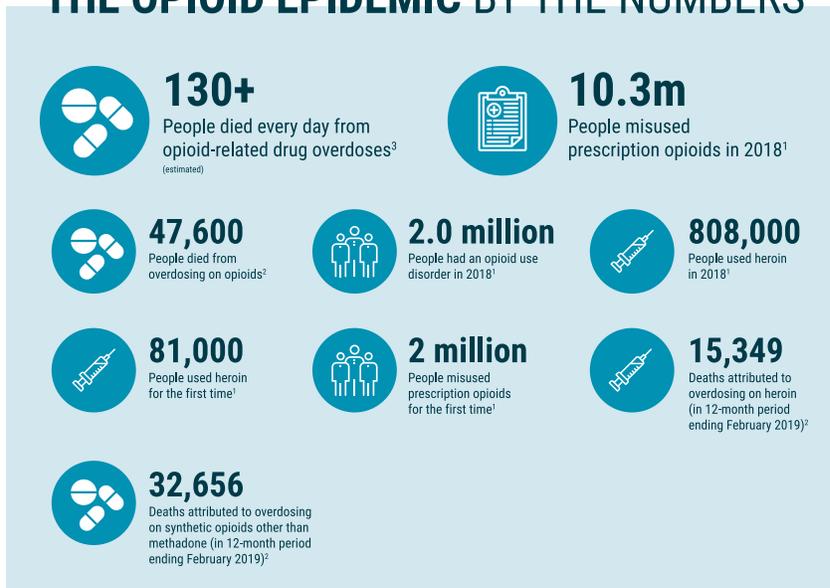
- + Develop telemedicine strategies using best practices from similar practices;
- + Select telehealth technology based on cost/benefit analysis to evaluate clinical and economic outcomes;
- + Prepare grants to obtain financial resources for telemedicine services and technology; and
- + Perform marketing and enrollment activities to grow their telemedicine practice.

The company designs and builds virtual care solutions using telemedicine, telehealth and connected health tools and software. COVID-19 has already accelerated the use of and dependence on telemedicine, and Telehealth Associates has become a trusted advisor to medical practitioners as this trend toward more virtual healthcare delivery is expected to continue.

## The Opioid Crisis

The healthcare industry has been on the front line of another epidemic in the U.S., the opioid crisis. More than 750,000 people have died since 1999 from a drug overdose. Two out of three drug overdose deaths in 2018 involved an opioid. Opioids are substances that work in the nervous system of the body or in specific receptors in the brain to reduce the intensity of pain. Overdose deaths involving opioids, including prescription opioids, heroin and synthetic opioids, killed nearly 47,000 people in 2018, and 32 percent of those deaths involved prescription opioids. The use of opioids like fentanyl has increased almost six times since 1999.<sup>xii</sup>

### THE OPIOID EPIDEMIC BY THE NUMBERS



### DIVERSE SUPPLIER SUCCESS STORIES



**SPR™ Therapeutics**  
[www.sprtherapeutics.com](http://www.sprtherapeutics.com)

SPR Therapeutics has developed a breakthrough technology to treat chronic pain, the primary reason that opioids are initially prescribed. The technology, called the SPRINT System, sends mild electrical pulses directly to the nerves, which can reduce pain signals. The level of stimulation is easily controlled with a hand-held remote to comfortably provide pain relief. The company is committed to improving the lives of millions of pain sufferers with its peripheral nerve stimulation (PNS) platform technology poised to be the standard of care and ultimately, the treatment of choice for pain management. Founded by a woman, SPR’s PNS therapy for acute and chronic pain management provides a non-narcotic, reversible, safe, effective and more affordable alternative to addictive opioid medications and invasive surgeries.

In a December 2019 interview, Ms. Bennett observed, “Amidst the opioid crisis, SPRINT offers a solution for such a time as this offering hope and health for the millions who suffer acute and chronic pain.”<sup>xiii</sup>

## Addressing the Prevalence of Chronic Diseases: Diabetes, Heart Disease, Mental Health, Hypertension and Obesity

Sixty percent of adults in the U.S. today suffer from a chronic disease, and 40 percent suffer from two or more.<sup>xiv</sup> The statistics are staggering, and they only appear to be trending upward. The Centers for Disease Control and Prevention (CDC) defines chronic disease as “conditions that last one year or more and require ongoing medical attention or limit activities of daily living or both”.<sup>xv</sup> The leading chronic diseases throughout the world today are heart disease and stroke, cancer, diabetes and chronic respiratory diseases. Other chronic diseases plaguing the nation include:

- + Obesity
- + Arthritis
- + Lupus
- + Sickle cell disease
- + Neuropathy
- + Alzheimer’s and dementia
- + Asthma
- + Crohn’s disease
- + Cystic fibrosis
- + Epilepsy
- + HIV/AIDS
- + Mental or mood disorders (such as bipolar and clinical depression)
- + Multiple sclerosis (MS)
- + Parkinson’s disease
- + Food and respiratory allergies
- + Attention-Deficit Disorder (ADHD)
- + Developmental disabilities like autism
- + Lung diseases (Chronic Obstructive Pulmonary Disease or COPD)

The ongoing care and daily management of these chronic conditions make them very costly. And despite the alarming number of dollars we spend as a nation to treat and manage chronic diseases, they still remain the leading causes of death and disability in the U.S.

Many chronic diseases are caused by or exacerbated by unhealthy lifestyle behaviors and environmental and social factors, such as smoking and exposure to second-hand smoke; poor eating habits that include high levels of sodium and saturated fats and low levels of fruits and vegetables; lack of consistent exercise and an increase of more sedentary lifestyles; illegal and prescription drug abuse; and, alcohol abuse. Thus, onset of the disease and/or death from some of the leading chronic conditions are, in many cases, preventable. And the rising prevalence of chronic diseases is not only found within our adult population; it’s happening to our nation’s kids as well. According to Focus for Health, the number of children in the U.S. suffering from chronic health conditions doubled from 1994 to 2006 and continues to rise today.<sup>xvi</sup>

With so many societal factors at play, coupled with a growing dependence on technology and the increasing diversity of the U.S. population, there is no one-size-fits-all approach for preventative health. Some leading healthcare institutions have recognized the need for a more customized approach to dealing with lifestyle behaviors. And one diverse supplier began tackling this problem with its own form of a solution back in the mid-1990's, through culturally sensitive patient education.

## DIVERSE SUPPLIER SUCCESS STORIES



**HPC International, Inc. / Hilton Publishing Company**  
[www.hpcinternationalinc.com](http://www.hpcinternationalinc.com)

Twenty-five years ago, HPC International, Inc. (formerly Hilton Publishing Company) was founded as the first and only minority-owned national publishing house dedicated to minority health and wellness. Its focus was on serving populations within the U.S. that had historically been overlooked and left without meaningful health

information about the specific medical issues most prevalent in their communities so they could make lifestyle and behavioral changes and live healthier lives.

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***“Too often, many in these communities have a fear and mistrust of the healthcare system. I wanted to create resources for families that would alleviate their fears and empower them to be proactive and take better care of themselves. It is also very important to me that our materials are written with honesty, empathy, and plain language to foster trust and encourage readers to work in partnership with their healthcare providers.”***

***Hilton Hudson, MD, President & CEO, HPC International, Inc.***

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The company's very first published book, "The Heart of the Matter", was eventually paired and distributed along with heart medication to instill heart-healthy habits in patients using the medication. Following the success of its first book, HPC went on to publish many other best-selling titles for the healthcare industry, including an entire series on sickle cell disease called "Hope & Destiny" and other books and patient brochures on diabetes, lupus, small fiber neuropathy, HIV/AIDS, obesity, autism and hypertension.

HPC continues its involvement in evidence-based research and innovative resources that empower patients to make informed decisions about their health and to help build trust with their medical providers. In 2015, it began EMIC Health, a new division of the company dedicated to bringing together evidence-based health and wellness products and distributing them directly to healthcare providers and patients. Most recently, HPC has been working in partnership with a woman-owned business (WBE) on a research grant funded by the National Institute on Minority Health and Health Disparities (NIMHD) to create a new mobile app, Pinpoint, for adolescents with sickle cell disease. The app will help teen sickle cell patients learn to be better communicators with their parents and medical providers, provide education on sickle cell disease and preventive tips and strategies for staying healthy, and help young adults learn to manage the pain often caused by sickle cell as they transition toward adulthood.



## Innovative Healthcare Cost Controls: Evidence-Based Research, Education and Value Analysis Models

The cost of healthcare in the U.S. has been on the rise for decades, ever since the government began officially tracking healthcare spending in 1960. The Centers for Medicare & Medicaid Services (CMS) reported that healthcare spending rose another 4.6 percent in 2018, reaching \$3.65 trillion USD, an overall average of \$11,172 per person.<sup>xvii</sup>

The increasing cost of healthcare continues to be a leading concern, especially for middle-class and lower-income families. The median U.S. income was reported by the 2018 American Community Survey (ACS) to be \$61,900 per household.<sup>xviii</sup> With the average American household from 2014 - 2018 consisting of 2.63 people<sup>xix</sup>, this equates to average household spending of around \$29,000 per year or 47 percent of average household income. What's more, current forecast models predict that healthcare spending is trending to almost double over the next decade, reaching nearly \$6.2 trillion by 2028, approximately \$18,000 per person.<sup>xx</sup>

When the Affordable Care Act (ACA), a comprehensive healthcare reform law, was established in 2010, it focused on three central goals:<sup>xxi</sup>

- 1. To make quality, affordable health insurance available to more Americans, especially low-income families and individuals with preexisting conditions who were previously being denied health insurance from private carriers.**
- 2. To expand Medicaid to cover all low-income adults.**
- 3. To support innovative healthcare delivery approaches, centered around preventive care practices, to reduce the costs of healthcare over all for everyone.**

The ACA has been met with serious contention and continues to be the focus of many heated debates. The costs of health coverage have skyrocketed for many Americans as an adverse effect of lowering the cost for lower-income families and the severely sick. Insurance policy options in several states have been significantly reduced leaving fewer choices for many families and individuals to choose from. In addition, hospitals and other medical providers continue to struggle with new guidelines that place more responsibility on providers to reduce recurrence and readmission rates.

Ten years after the ACA was enacted, a March 2020 article in The New York Times highlights, "As the coronavirus pandemic tests the American health system in ways few could have imagined, an increasingly conservative Supreme Court is preparing to hear another case, backed by the Trump administration, challenging the law's constitutionality. At the same time, the left wing of the Democratic Party, a major force behind the law's passage, has grown impatient with it and is demanding more radical change, to a single-payer, government-run health insurance system."<sup>xxii</sup>

Despite all that divides us on this recent comprehensive healthcare reform, most Americans would agree on a few things:

- + Healthcare costs too much and costs are only growing higher.
- + A large portion of our nation's leading healthcare costs are driven by preventable factors and unhealthy lifestyle behaviors.
- + Preventive medicine is one key way to lower healthcare costs for American families.
- + Access to trusted, evidence-based health education and building trust between patients and their medical providers are both key to effective preventive healthcare practices.
- + Innovative evidence-based value analysis strategies are key to lowering healthcare delivery costs for medical providers without sacrificing quality.
- + Collaboration between clinical caregivers, patients, supply chain leaders and suppliers is essential for achieving the most optimal health outcomes.

Value analysis strategies are not a new concept, but many health systems and hospitals today have not yet employed these innovative models to capture sustainability with clinical expertise. Hospitals are challenged to deliver high-quality care at the lowest cost possible. Pressures of the Value Based Purchasing (VBP) program, Hospital Readmissions Reduction program and the Hospital Acquired Conditions (HAC) program make it even more prudent to realize a value analysis process for healthcare organizations.

The following is an example of how Mercy Health™ used value-based purchasing strategies (based on Premier's Value Analysis model), that led to cost savings, standardization, collaboration across multi-disciplinary teams, and ultimately, improved patient care practices.

## Mercyhealth's Success with Value-Based Purchasing Strategies



In early 2015, it was discovered that Mercyhealth's hospital and surgery center were purchasing three different configurations of IV kits. The discovery process occurred through new technology of IV securement coming to the market that was showing an opportunity for cost improvement, standardization of practice for nursing care and a review of clinical practice guidelines.

Using the Premier Value Analysis model, Mercyhealth followed a step-by-step process involving:

1. **IDENTIFY:** Identification of current needs and opportunities, and setting goals and target outcomes.
2. **GATHER INFORMATION:** Gathering spend and usage data, all key clinical areas impacted, supplier capacities, benchmarking data and current related policies, procedures and guidelines.
3. **ANALYZE:** Evaluating the variable being measured to achieve the desired goals and target outcomes, completing a cost analysis, creating education for clinicians, and revising internal policies, procedures and guidelines.
4. **IMPLEMENT:** Managing inventory, vendor support and continued communication, training and education.
5. **MONITOR:** Tracking of quality, safety and patient satisfaction as well as continued follow-up with caregivers.

The simple yet comprehensive five-step value analysis methodology created by Premier – including the engagement of nursing leaders and front-line nursing staff, understanding clinical preference, capturing best practice and engaging the supplier to understand the market and help with the clinical conversion – led to a successful IV securement conversion for Mercyhealth. It was also more successful due to the early engagement of and buy-in from Mercy's clinicians, a thorough recognition of the savings opportunity that was shared outside of supply chain with clinicians, and the acknowledgment of the complexity of the project. This same methodology and process could be employed by other health systems for any number of other complex surgical tools and medical supply conversions.

What is important to remember is to keep an open dialogue between supply chain and clinical caregivers, and to set clear goals and objectives that are shared amongst the entire team of decision-makers. Ultimately, this type of collaboration can lead to improved patient experiences and health outcomes, which, in the end, truly is the most important end goal.

## DIVERSE SUPPLIER SUCCESS STORIES



### HPC International, Inc. Research Partnership with Premier Value Analysis and Clinical Council Team [www.hpcinternationalinc.com](http://www.hpcinternationalinc.com)

In 2020, MBE diverse supplier HPC International, Inc. began a new partnership with Premier's Value Analysis and Clinical Council teams to provide evidence-based research and clinical outcome data on a variety of surgical devices and medical equipment that Premier member healthcare organizations and their providers use every day. This category of supply chain spending is called Medical and Surgical Supplies, often referred to as 'Med-Surg spending', and it typically makes up a very significant portion of a hospital's annual spending.

Technological advancements and new research are bringing about rapid innovation in modern medicine. Meanwhile, the ACA healthcare reform guidelines continue to put increasing pressure on healthcare providers, linking reimbursement for services to patient outcomes and low readmission and recurrence rates. In this climate of fast changes and more stringent reimbursement protocols, controlling costs and choosing the right medical and surgical supplies for providers and patients could not be more essential.

Suppliers are fiercely competing head-to-head for millions of dollars' worth of potential business. Yet, healthcare administrators are too often left with little more than vendor marketing flyers and the relationships they have built in hospital hallways with their vendor reps to guide them to making the best choice. For some products, called physician preference items (PPIs), physicians and nurses have historically controlled which options were carried in their departments. Some physicians may prefer certain brands or types of products because they trust the vendor or because of long-term use and the familiarity they have developed over time.<sup>xxiii</sup>

We are left with a challenging tug of war: Physicians and caregivers are facing stricter accountability measures and are the ones on the front lines caring for the sick and saving lives, with strong opinions about what products and tools they need to do their jobs. Supply chain leaders are under significant pressure to find cost savings and often find themselves at odds with clinicians as they remain focused on the business and financial side of healthcare delivery. Both perspectives are essential for the health of the hospital and the sustainable future of healthcare in this country. So, the question of how to bring supply chain and clinicians together in decision-making and meet these seemingly competing demands is a challenge many healthcare organizations face.

Decades ago, Premier pioneered a robust, proven value analysis methodology for its member hospitals and health systems to use for evaluating the efficacy of complex medical tools, equipment and surgical devices. Working together with clinical and supply chain decision-makers at hospitals across the country, Premier helps bridge the gap between these different perspectives, marrying product performance and cost to determine value.

Partnering with Premier, HPC used its team of medical librarians and research analysts combined with editors from HPC's publishing division (Hilton Publishing Company) to provide executive summary-style, evidence-based research articles on a multitude of Med-Surg products. The goals of this partnership are simple:

- + To increase awareness and understanding of the sheer volume of product choices on the market today especially in costly product categories.
- + To evaluate without bias or personal preference Med-Surg product categories strictly on the clinical evidence, patient outcome data and manufacturer cost information available.
- + To ensure that both sides of the decision-making table – supply chain and clinicians – have access to the same evidence-based information to make the best decisions for their hospitals, caregivers and patients.
- + To help hospital decision-makers stay current and well-informed about new medical devices and product trends in the marketplace.

HPC's research team has begun evaluating a long list of product categories in 2020 ranging from Intraocular Lenses and Hemodynamic Monitoring products to Anti-Infection Site Dressings and Acute Hemodialysis products and will continue working with Premier and its members to build an online repository of this research for decision-makers to utilize during future value analysis projects.



# Corporate Leadership Engagement in Successful Supplier Diversity and Sustainability Initiatives

## Corporate Leadership and Advocacy in Action

One of the key factors in the success of diversity programs is leadership at the highest levels of the company. Successful programs have strong leaders for whom diversity and inclusion are part of the company's strategy and DNA. We salute the companies highlighted here for their visionary leadership.

The early 2000's witnessed an increase in support from corporate leadership in the diversity space. In the healthcare industry, there was a growing sentiment that spend with diverse suppliers should not be the only measure of success. Visionary leaders began looking for ways to address healthcare issues in a holistic manner. From research and new treatment protocols to supporting the economic health of communities, members of the industry leveraged diversity to identify solutions.

These organizations demonstrate the myriad of ways healthcare providers are addressing current healthcare issues. Most significant is the way that these organizations address diversity across their companies. Diversity is not limited to supply chain or human resource departments; it now also encompasses customer and community-related issues.



### **Boston Scientific™: Addressing Health Disparities and Increasing Trust in Healthcare Providers**

For better or for worse, COVID-19 has elevated public awareness to the state of health inequities that have long existed within the United States.<sup>xxiv</sup> Over the years, clinical studies of various disciplines have proven the disturbing trend that women and people of color are being left out of the treatment funnel and/or are experiencing adverse outcomes at higher rates when compared to white males.<sup>xxv</sup>

According to a report published by the National Institute of Health, health outcomes can be measured by differences in incidence, prevalence, mortality, burden of disease, and other adverse health conditions. Other influencers such as race/ethnicity, socioeconomic status, age, location, gender, disability status and sexual orientation can also shape an individual's ability to experience optimal health. These factors are known as health disparities, and they occur when the instances of unfavorable health outcomes can be attributed to the lack of access to quality care and the differences are apparent when controlling for the social, economic, and/or environmental disadvantages of the groups being affected.

It is increasingly important to address health disparities as the population becomes more diverse. As reported by the Census Bureau, 37.9 percent of the population was identified to be racial or ethnic minorities in 2014.<sup>xxvi</sup> "Minority" populations will become the majority nationwide within 30 years, and by the year 2044, they will account for more than half of the total U.S. population. By 2060, nearly one-in-five of the nation's total population will be foreign-born.

It is critical to note that while health disparities are commonly related to race and ethnicity, they also occur across a spectrum that includes geographic location, job types (hourly verses salaried), transportation challenges, language and immigration status. There are also studies that show barriers happen at the treatment level because of implicit bias on behalf of healthcare providers.

Addressing disparities in healthcare at the societal level is critical for ensuring overall quality of care and optimal population health. From an economic perspective, health disparities are also too expensive to ignore. As reported by the Kaiser Family Foundation, on an annual basis, it is estimated that disparities amount to approximately \$93 billion in excess medical care costs and \$42 billion in lost productivity. There are also economic losses due to premature deaths.<sup>xxvii</sup>

In working closely with clinicians and providers, medical directors at Boston Scientific – a global developer and manufacturer of innovative medical solutions – became aware of the treatment gaps experienced by these populations, particularly within cardiology. As a result, the company established a health equity initiative called “Close the Gap”, a non-commercial outreach program focused on educating women and people of color about their disease risk factors, noting that diseases can manifest differently than what has long been accepted as standard based off experiences from white males. Close the Gap has been a part of the company’s mission for the past 15 years and has expanded to support awareness for disease states within gastroenterology, urology and cancer.

Due to the treatment gaps, it is also well known that women and minorities have been historically underrepresented in large-scale clinical trials, including those studying treatments for heart disease, the leading cause of death for Americans. Because of Boston Scientific’s commitment to advancing science for life by promoting health equity, in 2015, the company initiated the first-of-its-kind PLATINUM Diversity study to examine the clinical effect of its drug-eluting stent among both women and minority populations.

What made this study unique was that it wasn’t developed to support market approval for a coronary stent; it was designed to provide real-world data to help understand some of the clinical challenges physicians and patients face in addressing coronary artery disease. In 2016, when results were presented, the data demonstrated that women and minorities did experience more adverse effects following percutaneous coronary intervention compared to white males. Since then, more sub-analysis data points have been shared from PLATINUM Diversity, supporting the original primary endpoint and cementing the fact that women and people of color are not experiencing the same optimal outcomes.

In addition to the Close the Gap program, Boston Scientific has woven diversity and inclusion into its cultural fabric. The company is consistently recognized for its work in developing diverse talent and elevating women leaders throughout the organization. It also has dedicated resources supporting Supplier Diversity.<sup>xxvii</sup>

## DIVERSE SUPPLIER SUCCESS STORIES



### AMERIKLEAN MAINTENANCE LLC

#### Ameriklean Maintenance, LLC

[www.amerikleanmaintenance.com](http://www.amerikleanmaintenance.com)

In 2018, the janitorial contracts for two Minnesota-based Boston Scientific campuses were up for review. The facilities teams were looking for a vendor that had strong leadership, demonstrated similar company values and held the same level of commitment to quality.

The solution was Ameriklean Maintenance. The woman-owned firm was established in 2018 and has 18 employees. Ameriklean was founded by Edith Buchholz, a single mother of two, who drew upon her previous experience in the cleaning industry to start her own venture.

Buchholz was born in Cuernavaca Morelos, Mexico, one of three children in a low-income family. At ten years old, Buchholz lost her mother, at the age of 39, to a heart attack. Shortly thereafter, her father remarried and moved the family to the United States. In addition to the stresses of adjusting to a new country and learning a new language, home life was troubling for Buchholz. At just 14, she left her family and moved to Minneapolis where she was taken in by an adoptive family. There, she graduated from high school and went to work for a medical supply company before becoming and serving as a missionary.

Following three years of missionary outreach, Buchholz started her family and soon found herself back in Minneapolis. She started working as a cleaner at one of the larger janitorial businesses in the area. Over the next several years, Buchholz took on more and more responsibilities and started holding leadership roles within the organization.

In 2018, Buchholz decided to go into business for herself and with the assistance of a friend, set up the foundation for Ameriklean Maintenance. It was a daunting endeavor as the fear of failure was never far from her mind; being a newly divorced single parent, she knew that a lot was at stake. But she trusted her faith and took the leap in starting her own company.

Throughout her cleaning career, Buchholz spent a lot of her time at the Boston Scientific sites. She was familiar with the business and appreciated what the company was doing for people around the world. It was through the connections she made with the Boston Scientific facility teams that she was able to have Ameriklean included in the RFP process. As a result, Ameriklean was rewarded the RFP to service two Minnesota-based campuses of Boston Scientific.

“Ameriklean is a small company with big dreams. I enjoy working with my employees. Not a lot of people know that I own the company because they see me in uniform and cleaning with my employees. I do believe to be a successful person in any business, you have to know how to do the job and my employees like that. It has not been easy, but it has been worth it,” said Buchholz. “We just have to believe that we can do it. I’m not saying that is easy. All I’m saying is that it is possible if we don’t lose hope.”

“I was impressed with their interviews and their plan to ensure our site would always be a priority. Ameriklean has grown since being awarded the contract with Boston Scientific. At the Arden Hills campus they are providing sustainment services to several buildings. They continue to provide above and beyond service that is often lost with larger companies. We have received many compliments from leadership, our employees, and visitors about how clean our facility is. It has been a pleasure to work with Ameriklean and I look forward to our continued partnership” says Katrin Haakenson, Facilities Management, Boston Scientific.



## MD Anderson Leveraging HUB and Federal Small Business Suppliers

Among the world's most respected cancer centers, The University of Texas MD Anderson Cancer Center (MD Anderson) has for nearly 80 years devoted its resources exclusively

to cancer patient care, research, education and prevention.

MD Anderson has had a robust Historically Underutilized Business (HUB) and Federal Small Business Program for three decades. The award-winning program demonstrates its strengths by placing emphasis on goals, subcontract compliance, mentoring and reporting to both the federal government and the state of Texas. The merit of such programs shows through their support of the community and, in some instances, compliance with higher initiatives. Supplier expectations are equal across the board for performance and best value. Regulatory compliance, however, is passed on to larger vendors to support initiatives.

MD Anderson continually looks for opportunities outside of traditional parameters. MD Anderson was one of the hospitals driving the impetus for supplier diversity within Premier nearly 25 years ago. Recently, we have collaborated with Premier and UT System forming a taskforce to further develop Texas Historically Underutilized Businesses to become Premier diverse suppliers.

Moving to the new normal as we support one of the largest populations of immunocompromised patients, supply chain is more visible and important than ever. We have partnered with the Texas Medical Center, aligning with other hospitals developing enhanced collaborative solutions. The key supplier for PPE masks and N95 masks is a Texas HUB and Premier diverse contracted supplier, Prestige Ameritech. We have developed solutions to maximize protection of patients and staff. Supply chain has been instrumental in working with laboratory to develop solutions.

Supplier communications are evolving to virtual trainings and virtual trade show events with breakout rooms for smaller gatherings of information sharing. The strength of improved collaborations and communications will ensure the future value of supply chain.



## Premier Addresses Disparities in Maternal-Neonatal Health

Premier is working with 10 leading hospitals on a perinatal collaborative designed to reach zero preventable maternal and neonatal harm and deaths. Over the next two years, hospitals in Premier's Perinatal Collaborative will design, test, and adopt evidenced-based improvement strategies that can be replicated, standardized, and scaled nationally. The collaborative, which launched in June 2019, is part of Premier's Bundle of Joy™ Campaign to transform the quality, safety and cost of maternal and infant health.<sup>xxix</sup> The campaign builds on Premier's long-standing commitment to safe and healthy mothers and babies across its network of more than 4,100 hospitals, provider collaboratives and partnerships with employers and other organizations. In introducing the program, Susan DeVore, Premier's CEO, stated, "Our work with providers to improve care for women and infants remains a key area of focus as we aim to create a healthier delivery system. We know firsthand what can be accomplished by acting as a convener to facilitate collaboration, data sharing and the development of scalable solutions."



## Healthcare and Environmental Sustainability

The healthcare system is guided by the ageless precept of “first, do no harm,” yet some estimate that healthcare is responsible for roughly 10 percent of greenhouse gas emissions in the country.<sup>xxx</sup> While it is unrealistic to expect to eliminate these impacts overnight, there are several concrete steps that healthcare systems can, and are, taking to lessen their environmental footprint,

Perhaps most impactful is a consideration of how facilities are powered. Hospitals, as 24/7-always open facilities, consume huge quantities of power in the form of electricity, gas and steam. Depending upon the facility’s location, much, if not all, of this power may be derived from fossil fuels such as coal and natural gas. The combustion of these fuels contributes directly and substantially to healthcare’s environmental impacts. Thankfully, this can be addressed in two different ways.

Perhaps most obviously a facility can look to improve the energy efficiency of its operations. Activities such as replacing old lighting with LED’s can meaningfully impact energy consumption and provide a quick return on investment. Ensuring that purchased equipment is as efficient as possible (e.g., by mandating EnergyStar where appropriate) has also been shown to have a relatively quick and meaningful impact. Getting deeper into the systems that are at the heart of a facility, regular maintenance of heating and cooling systems can also identify expensive and energy hungry problems. Committing to an ongoing program of energy commissioning can improve the comfort of building occupants, right-size systems and save money.

On the other side of the equation, healthcare systems can look to support renewable and low carbon energy. This can take many forms, including on-site generation (although this can be tricky in site-constrained healthcare settings); Power Purchase Agreements (or Virtual Power Purchase Agreements) where a contract is signed for power produced off-site; and procurement of renewable biogas (generated by waste). These and other strategies encourage the development of renewable energy and reduce both ground-level pollution and greenhouse gases. There is also an opportunity for healthcare systems to use their trusted and powerful voices to encourage politicians at the state and federal level to support renewable energy. Doing so greens both healthcare operations and the operations of anyone who draws power from the grid.

Many healthcare systems are also moving to address the impacts of the materials they purchase. Given their huge spending power this can send a powerful signal to suppliers. Several large systems have lists of chemicals of concern that they are attempting to remove from their supply chains. These include phthalates, parabens, heavy metals, and certain flame retardants. Such actions protect not only their patients, but those supplying the product, as well as those who might be exposed after the product is disposed of.

Actions to support recycling are also possible through supply chains. Systems can insist on both materials that are simpler to recycle (paper and plastics rather than laminates, easily recycled PET rather than difficult-to-recycle PVC, etc.) and products that contain recycled content. The latter supports recycling by creating a demand pull. Safety may require that many medical materials contain only “virgin” unrecycled materials, but pushing for recycled content where possible, like paper towels or trash cans, presents a huge opportunity.

The construction or renovation of facilities also represents an area ripe for environmental intervention. The design of a building determines its impact for decades to come. By committing early to a robust environmental construction standard such as Leadership in Energy and Environmental Design (LEED) or Green Globes certification, the environmental impact of new construction can be mitigated. Considering a wide variety of factors, from project siting to the materials used in furnishings, certification can influence almost every aspect of a project. Use of such certifications has historically been hampered by increased costs, but recent research suggests that any increase in initial budget is counterbalanced by reduced operating costs and, most importantly, improvements in patient and employee safety and well-being.

Finally, it is worth mentioning the multiple health systems that have committed to spending a greater portion of their budgets in the local community. While primarily aimed at supporting the local economies of the places they call home, such moves reduce pollution from long-distance transportation. This is especially true when discussing the sourcing of food. Buying local not only supports the community but reduces road miles and protects local farms and open spaces from the development pressures exerted by nearby urban and suburban communications. Local purchasing often supports small and minority businesses and is therefore highly complementary to a policy of supporting diverse suppliers.

The environmental impact of healthcare is undeniable, and the threats posed to health by pollution are clear. Hospitals are unwittingly contributing both to short-term crises such as poor air quality, and the impending health disaster of global warming. The immediate strain of providing healthcare in these difficult times has perhaps left the sector trailing its peers in other industries. However, pioneering health systems, in collaboration with their commercial partners and NGOs, have created the roadmap for change. The time has come for all involved in healthcare to make environmental sustainability a central part of their commitment to public health.

## Strengthening Local Economies by Doing Business with Diverse Suppliers

Healthcare providers are impacting outcomes through a variety of unique programs that leverage diverse suppliers and diverse communities. The multiplier effect of engaging diverse suppliers and their communities is driving better healthcare outcomes, strengthening local economies and developing a more robust supplier diversity ecosystem for the healthcare industry.



### The Healthcare Anchor Network

The Healthcare Anchor Network (HAN) is a health system-led collaboration to help build more inclusive and sustainable local economies. The network helps participants that use their collective resources, including hiring, purchasing and investing to address economic and racial disparities. This unique collaboration began its journey by recognizing that “hospitals and health systems are critical local economic engines and mission-driven organizations inextricably linked to the long-term well-being of those we serve.”

By improving residents’ financial security and strengthening the local economic ecosystem, the group is reducing health disparities, achieving health equity and improving overall community health. The founding members of the HAN include Advocate Aurora Health, CommonSpirit Health, Henry Ford Health System, Kaiser Permanente, ProMedica, Providence Saint Joseph Health, Rush University Medical Center, RWJ Barnabas Health, Trinity Health and UMass Memorial Health Care.

Current Network Members (50)



One of the key focus areas of the HAN is implementing strategies that increase inclusive, local hiring and internal workforce development; place-based investing and inclusive, local purchasing. By leveraging their resources, the HAN invests in the health of the communities in which they serve. By improving the social and economic determinants of health, communities are healthier and are better partners in maintaining the health of the community. The HAN’s unique approach addresses the holistic aspect of healthcare delivery.

With 50 hospitals and health systems, the HAN employs more than 1.5 million people, purchases over \$50 billion annually and has over \$100 billion in investment activities.

## DIVERSE SUPPLIER SUCCESS STORIES



### Jenkins Construction, Inc.

[www.jenkinsconstruction.com](http://www.jenkinsconstruction.com)

Henry Ford Health System was able to identify and use a minority-owned firm for a construction project with specific challenges: The project involved removing a series of escalators from the middle of One Ford Place, Henry Ford's headquarters, to create open workspace. Jenkins Construction, a full-service construction management and general contracting firm was retained. The service elevators at One Ford Place were not working during the phase when concrete for the floors needed to be poured. The concrete company was concerned that the concrete would harden in the wait for operable elevators.

Jenkins Construction developed and executed a plan to get the concrete to the upper floors. By using the stairs, they successfully delivered the concrete.



### AdvocateAurora Health® Utilizing a Multi-Prong Diversity Approach

Using a unique multi-prong approach to diversity is helping Advocate Aurora provide innovative solutions to the business and its consumers.

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***"Advocate Aurora Health examines diversity and inclusion through the unique lens of a health system caring for a vast array of people, team members and communities. We identify 'holistic solutions that address each unique individual's care needs' and help transform the community from 'the inside out.'"***

***Christy Garcia-Thomas, Chief External Affairs Officer***

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Advocate Aurora Health leverages its supplier diversity program to achieve business goals. But the firm's supplier diversity journey did not start in a traditional way. In 2016, Wisconsin-based Aurora Healthcare began a supplier diversity program as part of the organization's overarching diversity and inclusion strategy, that included a focus on team members, communities, patients, and the business community. Meanwhile, Illinois-based Advocate Health Care already had a supplier diversity program in place and was achieving some success. However, Advocate did not have a focused and cohesive diversity and inclusion program.

In December 2017, both institutions announced they would merge, creating one of America's largest health systems. As management was working on merger details, they were also working on the appropriate metrics to measure success. Leadership decided to include diversity and inclusion as part of Advocate Aurora Health's report card beginning in 2019 for the combined organization.

***“What gets measured gets done. I know that is an old business saying...but it remains true. Under the Diversity & Inclusion areas Advocate Aurora Health would measure four areas: diverse hiring slates, diverse team member retention, diverse patient experience and supplier diversity. The purpose of our company is to help people live well. The supplier diversity piece, when done right, helps to lift the economic power of diverse communities, helping to make for economically healthier communities. That’s our business case.”***

***Daryl Hodnett, Director-Supplier Diversity & Inclusion, Advocate Aurora Health***

To underscore the importance of supplier diversity in the new organization, the supplier diversity leader has a dotted line reporting relationship to both the Senior Vice President of Support Services and the System Vice Presidents of both Supply Chain and Construction. The Chief External Affairs Officer serves as the Executive Sponsor and leads the Supplier Diversity Leadership Team. Three-year goals were developed and approved through the health system’s board of directors. A second-tier program was developed and implemented, encouraging major suppliers to use diverse vendors as well. A focus was made to increase diverse spending goals on its construction projects.<sup>xxxii</sup>

Advocate Aurora Health uses a variety of ways to find new suppliers. It uses its Group Purchasing Organization (GPO), Premier, for support. It is a member of several diverse supplier councils and attends numerous supplier diversity-related events in Illinois and Wisconsin. There is a fundamental belief that every size of supplier is important.

“I have always believed in doing this work, you have to have a balance in your diverse supplier portfolio...a few large vendors, and many smaller businesses. This allows more inclusivity and helps us meet our purpose of helping people live well,” says Hodnett.

Advocate Aurora is helping diverse businesses grow and thrive. Here is a brief description of three of Advocate Aurora Health’s diverse suppliers:

#### **Zones™, Inc**

[www.zones.com](http://www.zones.com)



Zones was referred to Aurora Health in 2016 by its GPO, Premier, and became a contracted supplier with the health system. Spending with Zones peaked by mid-2018 at \$350,000 of sales of various peripherals. In 2017, Zones

was invited to compete for Aurora’s laptop business. Zones won the business and since has become the sole laptop provider for the Advocate Aurora Health system. Sales with Advocate Aurora Health exceed \$10 million annually.



#### **BSD Industries**

Advocate Aurora Health met BSD Industries in the fall of 2018. BSD (Building Self Determination) does light manufacturing, producing plasticware for institutions. BSD is a part of the JP Morgan Chase Smart Cities program. Their mission is to provide employment opportunities for residents of Chicago’s South Side. After months of review, BSD provided its first order to Advocate Aurora and its distributor, U.S. Foods, in October of 2019.



### Ujamaa Construction

[www.ujamaaconstruction.com](http://www.ujamaaconstruction.com)

Ujamaa, a construction company, has been working on Advocate projects for many years in the Chicago area. They have remodeled every kind of area within Advocate Aurora's Chicago facilities. Ujamaa was also selected as one of the construction managers of the Obama Presidential Library. Annual billings to Advocate Aurora Health exceed \$5 million.

The proof of Advocate Aurora's supplier diversity success is in its continually increased spending with diverse vendors. In 2017, the system spent \$119 million dollars. Closing 2019, Advocate Aurora Health spending with diverse vendors exceeded \$200 million, almost 7 percent of total business spending.

"The last three years with starting a new program, the merger and having the program have so much visibility has been a blur," says Hodnett, who spent 15 years building Procter & Gamble's Supplier Diversity program. "Building businesses and brands has been what I've done most of my career. We have lots of room to grow at Advocate Aurora with growing and developing diverse suppliers. I am confident we will get there."

## OTHER SUPPLIER DIVERSITY SUCCESS STORIES

As diverse businesses grow, their impact on the community increases. In addition to contributing tax revenue to federal, state and local coffers, diverse suppliers create jobs. They often invest their time, talent, and financial resources to organizations in their community. Their investment helps improve the community's economic health which in turn plays a role in improving the physical health of its residents.



### Foresight™ Construction Group

[www.foresightcqi.com](http://www.foresightcqi.com)

Foresight Construction Group, Inc., based in Gainesville, Florida was founded in 2008 by Juan Segarra, President/CEO, to provide construction services to government, institutional and commercial clients within Florida, Georgia and the Caribbean. Foresight operates from three offices in Florida – Gainesville, Jacksonville and Tampa. Driving everything they do is their passion to build a great company marked by "A Culture of Service" that improves the lives of others.



### Moffitt Cancer Center

Moffitt recognizes the importance of supplier diversity in all aspects of its procurement and business practices and is committed to the development, growth, and utilization of diverse businesses. Using and strengthening diverse businesses contributes to the economic growth and expansion of the communities it serves.

There are many factors that determine whether a small, diverse business is successful. The opportunity to do business with a large customer is just the beginning of the journey. Many small companies need additional supportive services from the client to ensure success. Moffitt's multifaceted approach to "Identify, Engage, Educate, and Support" diverse businesses via coaching and mentoring speaks to the overall success of its Supplier Diversity Program.

Foresight Construction Group, a local minority-owned business, served as the primary contractor for the Center's state-of-the-art Child Development Center that provides childcare services for Moffitt team members.

### Moffitt Child Development Center



Juan Segarra, President/CEO, Foresight Construction Group, expressed the following as it relates to opportunity to build Moffitt's Child Development Center, along with the assistance and mentoring provided by the Supplier Diversity Program at Moffitt:

"We are thrilled to partner with Moffitt Cancer Center to construct their new Child Development Center," said Juan Segarra.

"We recognize the importance of this project for the staff and families at Moffitt, and are committed to providing the same precision, excellence and care as your employees bring to their respective professions every day. We have long been performing construction management services for similar healthcare clients and have the experience and expertise to deliver a high-profile, critical response project with a fast-tracked schedule. Our niche is to simplify the building experience for institutional and healthcare clients, like Moffitt Cancer Center. We look forward to working with Moffitt on their present and future project needs and are committed to putting our culture of service to work to create a wonderful and inspiring place for Moffitt's little ones to thrive."

"The Supplier Diversity Program at Moffitt Cancer Center is a very successful program and has been instrumental in helping Foresight procure project opportunities with Moffitt," says Desiree Hanson, Manager of the Supplier Diversity Program, who educates, encourages, mentors, and helps develop business opportunities for MBE/DBE and WMBE firms from across the state. Throughout the year, the program hosts several expo events that provide MBE/WMBE/DBE firms the opportunity to do business with the hospital; directly meet with procurement and facilities personnel; receive guidance from large prime contractors regarding prequalification to work at the hospital; offer specific training for healthcare certifications, such as ICRA; and provide insight from successful companies who have worked at Moffitt Cancer Center for several years.

It is evident that the diversity and inclusion program at Moffitt Cancer Center is a core value at Moffitt, starting from the top down.



**Kerma Medical**  
[www.kermamedical.com](http://www.kermamedical.com)

Kerma Medical Products, Inc. is a Veteran-Minority Owned Company (VOSB) located in Suffolk, Virginia with a direct sales division in Miramar, Florida. Founded by Joyce Kershaw-Reubel and Earl G. Reubel, Kerma began as a manufacturer in 1991 as a government supplier, and in 1994, Kerma expanded into the healthcare industry.

Kerma manages its operations with the highest integrity in a responsible manner and provides an enriching, fulfilling, and rewarding environment for its customers, vendors, and employees. Kerma provides quality products, priced competitively and delivered on time, while providing excellent customer service.

Kerma employs 79 employees in Suffolk and at another facility in Miramar, Florida. Joe attributes his success to his employees. They are hardworking and take great pride in their work. For many of his employees, Kerma Medical offered an opportunity to get off welfare and stabilize their economic situation. Joe is proud that they have learned valuable skills and are able to provide for their families and give back to their communities. Joe runs the business with two principles: own your mistakes and be truthful. His motto is "treat your employees well and they will treat you well."

Originally based in Seattle, when the company relocated to Suffolk, Virginia, the Reubels' became highly active in their new community. Mrs. Reubel has volunteered at Edmarc Hospice for Children since the company relocated. Over the years, the couple counseled bereaved family members and contributed to the support of the hospital. They also participate in the Make-A-Wish Foundation.



## Premier's Supplier Diversity Strategy

At Premier, our focus is to transform the health of communities, and that includes financial health as well. Having a diversified contract portfolio is important to Premier as it enables us to maintain a competitive edge in today's marketplace. Premier has created a robust and broad contract portfolio, partly by ensuring diverse and small business suppliers are proactively considered for contracting opportunities. For 20 years, we have demonstrated our commitment to helping minority, woman, veteran and small business enterprises compete and develop through our Supplier Diversity Program. The program includes SEEDS, a contracting platform for small and diverse enterprises to grow incrementally by leveraging opportunities with Premier members. One of the first suppliers to be awarded by the Premier Supplier Diversity Committee for a contract in the SEEDS program was SourceMark, USA. They have done a good job of increasing their scale across the Premier membership alliance in four different contract categories.



### SourceMark™

[www.sourcemarkusa.com](http://www.sourcemarkusa.com)

Headquartered in Nashville, TN, SourceMark™ is a product innovation, manufacturing and distribution company providing affordable solutions for hospitals, health systems, pharmacies, ambulatory surgery centers, clinical laboratories and physician offices. The company's proven, clinically reviewed medical and surgical products are designed to improve patient care and clinician engagement through their ease-of-use, utilization efficiencies and affordable cost.

Founded by Richard Manson in 2002, SourceMark is proud to offer American-made and locally sourced, patient-centric products that provide meaningful clinical differentiation without compromising quality or complicating clinical workflows or the clinical experience. SourceMark teams with leading Group Purchasing Organizations (GPO's) and are a certified minority-owned business.

From anesthesia and airway management products to its surgical solutions, or products for infection prevention, SourceMark has built its reputation on delivering innovative products with superior customer service. A new SourceMark Alliance program seeks to partner with, manufacture or distribute product and technical solutions that are innovating clinical procedures where legacy solutions are underperforming or contributing to rising clinical infections and complicating workflows. Caring for people is at the core of who SourceMark is as a company.

Giving back to the community is important to the founder. The company supports veterans by offering employment and training opportunities. The company also encourages employees to volunteer their time to community activities including veteran-related programs.

On a personal level, Mr. Manson is incredibly involved in increasing opportunities for people of color in his community. He sponsors students for internships in his business and provides scholarships for needy students in the area. He has served on numerous boards including the Mid-South Minority Supplier Development Corporation, Citizens Savings Bank & Trust Company, and the Health Care Supplier Diversity Alliance. He is particularly proud of his service on the board of the Nashville's General Hospital. Mr. Manson believes that his work with healthcare companies gives him a unique perspective on the industry. Focusing much of his time on supply chain issues, he acknowledges that progress is slow and uses his experience to reduce barriers for suppliers while upholding the standards required to serve patients.

# The Way Forward

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***“We understand diverse, veteran and small businesses face a unique set of obstacles when competing in a crowded market and, by connecting local enterprises with health systems, we have been able to fuel growth for communities and small businesses alike.”***

***Susan DeVore, CEO, Premier***

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***“Looking at the emerging trends in healthcare supply chain, I see great opportunities for diverse suppliers to be part of the transformation, and to do so in partnership with Premier. There is no sector better equipped to fuel the industry forward and rebalance manufacturing than small and diverse suppliers for they embody the resiliency and ingenuity required to recalibrate.”***

***Mike Alkire, President, Premier***

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The COVID-19 pandemic exposed the frailty of the global healthcare supply chain, but it also paved the way for supply chain professionals to discover the vast capabilities of diverse suppliers to respond to their urgent demands and meet ongoing needs. For Premier, this healthcare crisis propelled the launch of a new program for investing in domestic and geographically-diverse suppliers to improve the resiliency of the healthcare supply chain. Working with 16-member health systems, Premier acquired a minority stake in Prestige Ameritech, a minority-owned business that is also the largest domestic manufacturer of face masks, including N95 respirators and surgical masks. Under the agreement, Premier members commit to purchase a portion of all face masks they use annually from Prestige Ameritech for up to six years, inclusive of a three-year renewal option. Premier plans to continue exploring partnerships with diverse suppliers that will help them scale their business while also expanding domestic capabilities for products critical for the daily operations of health systems.

Integrating diversity and inclusion into the fabric of corporate life is essential for long term sustainable growth. The contributors to this paper understand the importance of diversity across the corporation. Many have leveraged diversity strategies to build relationships with suppliers, communities, and consumers. These relationships have resulted in better patient outcomes, reduced costs, and a better experience of care. It is well-established that diversity is an asset and that diverse groups deliver better solutions to problems. Different perspectives lead to different kinds of solutions. Because of how our brains are wired, a solution that is obvious to one person may seem abstract or irrelevant to someone else. Thus, the more diversity in perspective that is available when analyzing a problem, the more likely you are to consider a broader range of possible solutions.

This is a huge asset when a team is tasked with analyzing and solving difficult problems. Considering a broad range of solutions is more likely to reveal a better, more innovative idea.<sup>xxxii</sup>

The current challenges facing the healthcare industry have given rise to opportunities for diverse suppliers. Crises often require new approaches that diverse suppliers can offer. This paper offers suggestions on how the industry can leverage diversity and inclusion. As we move forward, we must maintain both enthusiasm and action so we do not lose ground. Premier remains committed to diversity, particularly as the world becomes more complex, and we call on the industry to join us in continuing to make diversity a strategic focus.

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***“With more than 20 years of commitment, our Supplier Diversity Program has always been one of our competitive advantages. Continuing to expand our broad pool of diverse suppliers will be a key component of our evolving supply chain strategy as we work harder than ever before to create a more sustainable and reliable supply chain.”***

***David A. Hargraves, CMRP, MBA, SVP, Supply Chain, Premier***

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***“Looking to future provides the healthcare industry with unique opportunities to create rich environments to foster unique strategies to enhance business relationships with diverse and small businesses. At Premier, our commitment to working with our members and suppliers to create a sustainable ecosystem in supply chain is part of our DNA. For example, over the past 20 years our diverse and small businesses have released annual year-over-year growth exceeding 10 percent annually. All-in-all, diversity empowers our members with a sense of community to do business with the companies that employ the patients to whom they deliver quality care.”***

***Deborah Williams, Sr. Director, Program Management  
Supplier Diversity & Sustainability  
Premier***

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***“As an organization, NMSDC/CVMSDC exists to support equality, fair opportunity, and economic growth. If one of us is OK – has food, shelter, and safety – and others are not, we have not realized the end goal. We must uplift all around us with the same opportunities for safety and success. Minority economics in this country have been challenged for centuries because of institutional racism, disenfranchisement, limited resources, access to capital, and implicit racial bias. For those of us with the power to influence change, we must rise above violence and utilize economics and policy to make a difference.”***

***Dominique Milton, President & CEO,  
Carolinas-Virginia Minority Supplier Development Council***



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This paper discussed the state of diversity and inclusion in the healthcare industry. Diverse suppliers are adding value and offering innovative solutions. As we look toward the future, the contributors to this work see many opportunities for diverse suppliers.

Innovation and flexibility are key to the future growth of diverse suppliers in the industry. There are several areas where there are opportunities for new suppliers including vaccine research and production, addressing antibiotic resistance, and increasing capacity for diverse suppliers in manufacturing. In closing, we thank Premier for its leadership on this project and close with the following remarks:

We hope that engagement with diverse suppliers continues after COVID-19 subsides, after the opioid crisis is resolved and after health disparities are resolved. We hope that hospitals and health systems will continue to implement diversity strategies that leverage the power and impact of diversity. We believe that diversity is the key to healthier health systems, healthier consumers and healthier communities across this nation.

In other words, diversity of experiences helps to drive innovation and better, more creative problem solving. As the government monitors the re-opening of businesses in the United States, it is encouraging to know that plans involve leaders and experts from the healthcare space. A new task force was created by President Trump to advise the White House on reopening sectors of the economy shut down by the COVID-19 pandemic. The task force includes dozens of leaders from more than 15 industries, including Lloyd H. Dean, CEO of CommonSpirit, a Premier member. In addition to making recommendations for how to reopen parts of the economy, the task force will also respond to economic damage caused by the COVID-19 pandemic. With a focus on diversity and inclusion, the task force can ensure that the reopening of business will leverage the abilities of all suppliers and significantly improve the health of underserved communities.

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