

## Business Unit Project Proposal

All individuals requesting project resources must complete this template and present it to the IT Steering Sub-Committee. Guidelines used to review may also be acquired on the Thompson Health Intranet. Staff from functional areas (Finance, IT, Planning, etc) should be contacted for any help with completing this form – for example: assessing resource needs or analyzing financial projections. See list below for sub-committee members.

**Sub-Committee Core Members:** Donna Rugg, Wendy A. Schultze, Kiera Champlin-Kuhn, Lee Ahrens, Nick D'Angelo, Renee Thomas, Thomas Weibel, Rob Wallace, and Cathy Shannon (Chair)

**Sub-Committee Consultant Members:** Jennifer Devault, Wendy A. Blakemore, Summer Killian, Kathy A. Cooley, Carlos R. Ortiz, Marco Mennucci, Marie A. Rusaw, Melissa A. Stenzel, Dudley Hallstead, Richard L. Ord, Sharon Haeefe, Terry Ovenshire.

**Name of Project Proposal:** eCommerce

### I. Assessing Relevance to Strategic Intent.

1. Briefly describe the objective of this proposal. Include as much quantifiable data as possible and include external benchmark references, were applicable. eCommerce is a platform that electronically connects Thompson Health with its suppliers to enable quick and simple exchange of supply chain related documents: purchase orders (POs), PO acknowledgements, advanced shipment notices, and price discrepancies.
2. How does this request relate to the system's mission? This platform will allow us to capture all discounts offered by vendors to EDI the POs. It also provides almost real time confirmation of contractual costs on the POs. We will not have to pay our current vendor GHX a onetime implementation fee of \$10,400 and annual fee of \$11,450. Current annual cost for eCommerce is \$7,000.
3. What is the relevance to the department/unit/service line's mission? The ability to electronically submit POs reduces time and assures accuracy of the pricing on the POs.
4. Are there any collaborative opportunities, either within the system or with an outside group that may be leveraged? This offer is utilizing Thompson Health & URM's agreement with MedAssets.
5. What is the time urgency of this request? Are there legal/regulatory requirements? If so, when is the deadline for the legal/regulatory requirements? I am requesting the installation of this platform to be as soon as possible as we no longer have access to GHX and are currently manually processing the POs. There are no legal/regulatory requirements.

### II. Assessing Operational Impact.

1. What is the type and magnitude of process redesign this proposal will impact? There is no impact. We are merely replacing an existing system.
2. Who are the stakeholders and how will it impact other departments/units within the organization? Material Management: the only impact will be learn the new reports as this system has robust reporting where the GHX system provided no reporting.
3. How will it impact customer service? No impact
4. What information technology resources will be required? Approximately 30 hours total (6-8 hours network analyst, 10 hours system analyst, 10-12 hours vendor configuration.
5. What are the space, utility, personnel skills/experience requirements for this proposal? What is the education/training plan: number of users needing training, number of training hours required?
6. What is the level of financial and/or regulatory risk of doing or not doing this project? We would lose all discounts vendors offer for electronic ordering. It would take additional time to manually place POs. We will not have the ability to identify wrong prices on POs at the time of ordering.

### **III. Assessing Clinical Effectiveness.**

1. How will this project affect patient quality and clinical outcomes? Will it impact an aspect of the core business, is it a new service, or will it replace existing methods? Is there a known clinical impact or is it a new standard of care? This does not affect clinical outcomes. It is replacing our existing platform GHX.
2. How will it affect utilization of health care? Is the project a high-priority service or is it a system clinical focus? Will it have a broad impact on the population in the service area? N/A
3. What will be the impact on patient satisfaction, service and comfort? N/A
4. What are the effects on mortality, morbidity, and patient safety? What evidence is there of clinical effectiveness? N/A
5. Are there any alternative technologies or therapies that may be used? There are alternative companies to perform EDI but they are more costly.
6. What is the probability full adoption of the process/project?

### **IV. Assessing Financial Impact\*.**

1. Have you met with the Reimbursement Director? No
2. Please attach a standard pro forma, including assumptions made, a risk assessment, a cash flow statement, and an assessment of profitability.
3. What metric and benchmarks will be used to gauge the success of the investment? N/A
4. How will this impact the balance sheet of the entity? N/a

VP Approval: \_\_\_\_\_ Date: \_\_\_\_\_

*Recommended to IT Steering Committee*       *Deferred*       *Not recommended to IT Steering Committee*

*\*Use IT Cost Summary Sheet Form available on the Thompson Intranet under IT Steering Sub-committee.*



## eCommerce Exchange

### Connecting providers to suppliers electronically

Investing in technologies and implementing efficiency strategies are key enablers for a successful health system purchasing operation. Without available resources, purchasing functions can become decentralized with disparate buying practices across facilities. This can lead to poor internal controls that enable rogue purchasing, manual data entry, a backlog of work discrepancies and unnecessary time spent fielding questions. These inefficiencies will continually erode the value of the contract portfolio and coverage.

#### THE SOLUTION

The MedAssets eCommerce Exchange is a proprietary ecommerce platform that automates many of the tedious, time consuming back-office tasks related to purchase order processing. The platform electronically connects users to suppliers to enable quick and simple exchange a variety of supply chain-related documents: purchase orders (POs), PO acknowledgments, advanced shipment notices, invoices and product/price catalogs. MedAssets eCommerce Exchange offers an online transaction portal that is intuitive and easy to use and is offered through a competitive, subscription price

point. It also supports realizing prompt pay discounts and trend reports deliver continual visibility and improvement to purchasing operations. The MedAssets eCommerce Exchange currently supports transactions between more than 800 healthcare facilities and more than 375 suppliers.

#### THE BENEFIT TO UPLIFT FOCUS ON STRATEGIC ACTIVITIES

By placing a significant percentage of purchase orders through the MedAssets eCommerce Exchange, purchasing departments can reallocate focus to more strategic supply chain activities – maximize contract coverage, improve contract compliance and streamline purchasing processes – all important items that can lead to considerable cost savings and efficiencies. The MedAssets eCommerce Exchange is designed to accept invoices, eliminating the accounts payable team need for invoice data entry and scanning. Significant time savings can be achieved while reducing the volume of supplier inquiry calls. This seamless electronic flow of information can expedite the accounts payable processes, which places users in the position to qualify for prompt pay discounts to realize additional savings.

#### PROCURE-TO-PAY SOLUTIONS

Reduce the overall costs of procurement and achieve payment accuracy with improved automation

Automated Payment Exchange

eCommerce Exchange

eProcurement Services Buyer

eProcurement Services Marketplace

Invoice Management Services

Item Master Services

Transaction Management Services

## AUTOMATES SUPPLY CHAIN ACTIVITIES

- Processes electronic orders within 10 minutes of receipt and acknowledges within three business hours
- Minimizes manual processes and errors by automating purchasing, accounts payable, receiving and Item Master functions
- Validates price accuracy through a three-way price match
- Reduces price discrepancies through real-time price verification
- Streamlines communications and exception management
- Provides visibility into purchasing operations through dashboard reports, including spend profiling and conversion opportunities
- Identifies supply chain trends and conversion opportunities

## IMPROVES FINANCIAL AND OPERATIONAL EFFICIENCY

- Improves contract compliance through visibility into off-contract purchases
- Decreases overhead costs by automating manual tasks
- Minimizes integration costs by providing a single point of connectivity
- Reduces the number of paper invoices that require filing and archiving
- Improves accuracy of purchase orders, confirmations and invoices

## TRANSACTION CENTER

MedAssets eCommerce Exchange offers an online transaction portal that is intuitive and easy to use. It provides visibility to all electronic orders, acknowledgements, ship notices and invoices to more effectively manage order issues such as backorders, rejections and price mismatches. Several collaborative and interactive features are seamlessly integrated throughout the platform, which enables the user to complete daily tasks faster and with more accuracy.

**MedAssets Transaction Center** Home | Exceptions | Performance Metrics

**ORDERS** Today: 6/8/2011 View: Today edit

17 Unacknowledged and late	143 Unacknowledged (not late yet)	5 Could Not Reach Vendor	195 All Orders
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Last update 6/8/2011 at 10:33 am (next update at 10:45 am)

**LINE ITEM EXCEPTIONS** Today: 6/8/2011 View: Today edit

31 Backordered	16 Rejected/ Deleted	20 Changes Made/ Substitutions	11 Held
33 Price Mismatch	14 SKU Mismatch	7 Unit of Measure Mismatch	132 All Exceptions

Last update 6/8/2011 at 10:33 am (next update at 10:45 am)

**SEARCH ORDERS**

PO Number: [ ]

From: [ ] To: [ ]

Order Status: [ ] All [ ] Invoice Received [ ] Unacknowledged [ ] Shipping Details (ASK) Received [ ] Acknowledgment Received

Search buyer, vendor and more [ ]

**NEWS**

6/14/2010 8:32 am

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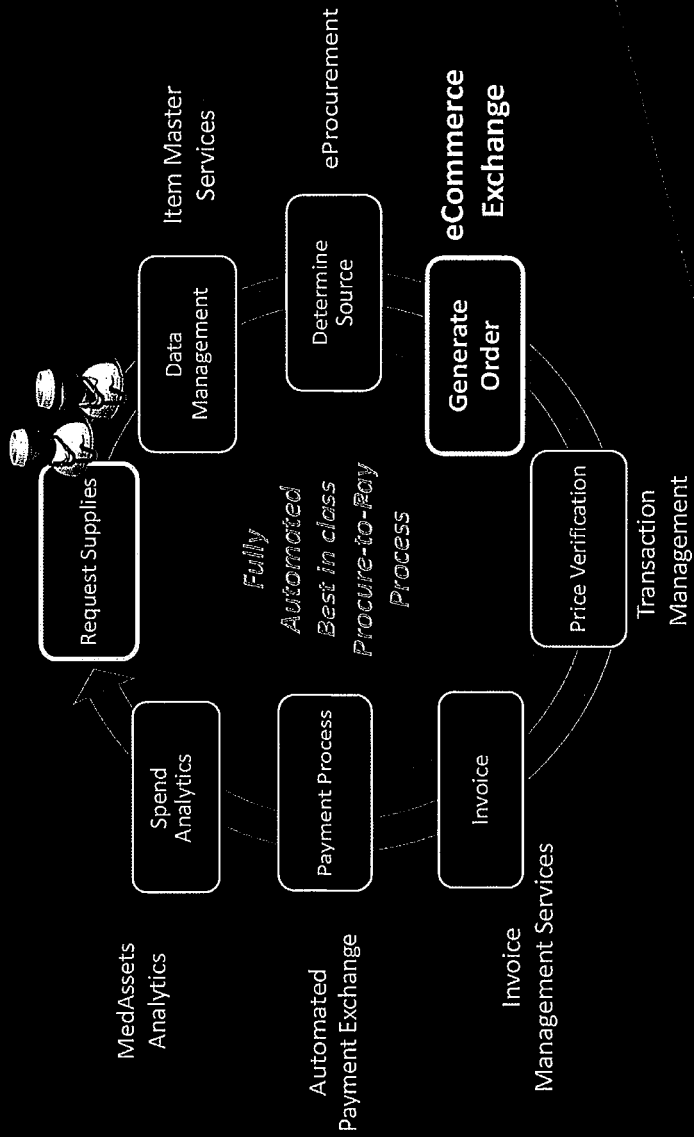
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Reduce total cost of care	Enhance operational efficiency	Align clinical delivery	Improve revenue performance
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### About MedAssets

MedAssets (NASDAQ: MDAS) is a healthcare performance improvement company focused on helping providers realize financial and operational gains so that they can sustainably serve the needs of their community. More than 4,200 hospitals and 122,000 non-acute healthcare providers currently use the company's evidence-based solutions, best practice processes and analytics to help reduce the total cost of care, enhance operational efficiency, align clinical delivery and improve revenue performance across the care continuum. For more information, please visit [www.medassets.com](http://www.medassets.com).

# eCommerce Exchange



# MedAssets eCommerce Exchange is the largest provider driven and value focused B2B solution in healthcare

## Provider Driven

- Integral part of our client's supply chain strategy since 2000
- Customer driven design
- Connected to the most meaningful and capable eCommerce suppliers used by healthcare organizations
- Available to any healthcare provider regardless of GPO affiliation

## Value Focused

- Reduces supply chain expenses
- Helps capture the full value of a provider's contract portfolio and increase price accuracy
- Roughly half the cost of other eCommerce providers
- Improves resource utilization and analytics

Lower Supply Chain Costs

Improve Analytics

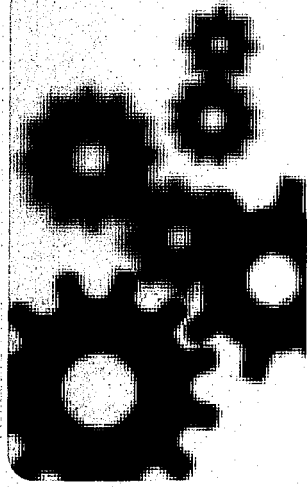
Automate Transactions

Enhance Data Quality

Maximize Contract Portfolio

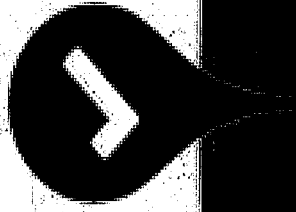
Increase Price Accuracy

# eCommerce Exchange enables a more efficient supply chain through automation, task management tools, and advanced analytics



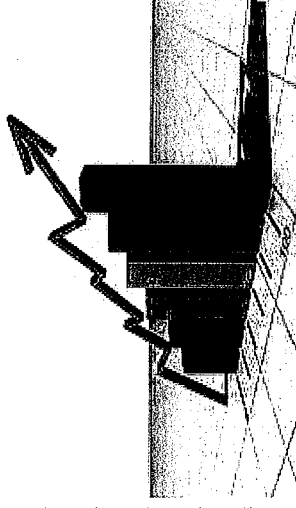
## Automate

- Purchasing
- Receiving
- Invoicing
- Payment Details
- Catalog Mgmt



## Manage

- Tasks
- Exceptions
- Price
- PO status
- Alerts



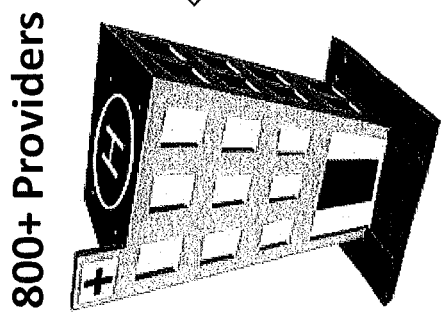
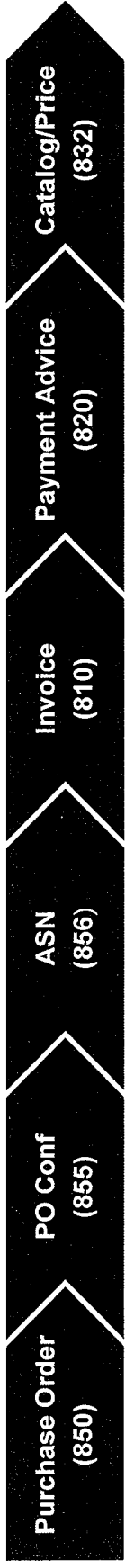
## Analyze

- Spend
- On/off contract
- Price accuracy
- Trending
- Vendor performance

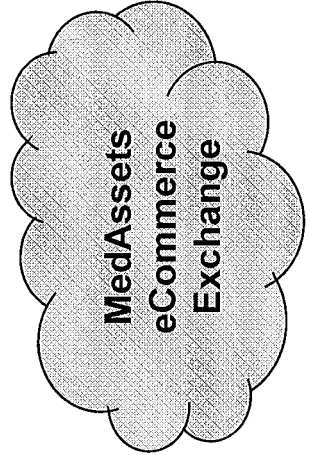
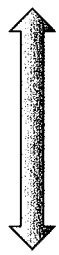


# Automate

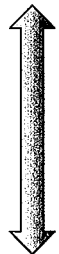
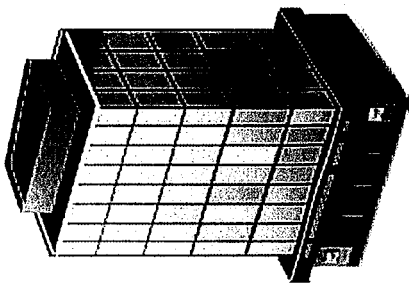
The Exchange automates supply chain processes through a secure eCommerce platform utilizing an expansive network of the most meaningful suppliers used in healthcare



800+ Providers

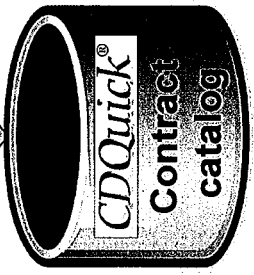


375+ Suppliers



**PO FAST FACTS:**

- 1.75M POs/yr
- \$2B+ in PO Spend/yr
- Connected suppliers represents 50-60% of a customer's PO volume



3300+ Contracts

**INVOICE FAST FACTS:**

- 850k Invoices/yr
- \$1B+ in Invoice Spend/yr
- 100+ suppliers enabled for the EDI 810 invoice



# Manage

Providers can monitor and manage their supply chain transactions via a web-based application called Transaction Center

- Intuitive and user-friendly design
- Personalized experience
- Visibility to order and line item statuses
- Task management
- Real-time price validation against the vendor's price and customer's contract portfolio (pre-wired to CDQ/LCC)
- Robust ALERT capabilities (price changes, backorders, rejections, SKU and UOM mismatches)

Transaction Center Home | Exceptions | Alerts

Home

The screenshot displays the Transaction Center interface. At the top, there are navigation links for Home, Exceptions, and Alerts. Below this is a search bar for PO Number and a date range selector (From: 10/03/2013, To: 10/03/2013). The main content area is divided into two sections: ORDERS and LINE ITEM EXCEPTIONS. The ORDERS section shows a grid of counts: 1 Unconfirmed and Late, 6 Unconfirmed (not late yet), and 83 All Orders. The LINE ITEM EXCEPTIONS section shows a grid of counts: 90 All Exceptions, 0 Hold, 10 Backordered, 1 Rejected/Deleted, 43 Contract Price Mismatch, 25 Vendor Price Mismatch, 5 Changes Made/Substitutions, and 0 High Priority Lines. A 'SEARCH ORDERS' section is located at the bottom right, with filters for Confirmation (All, Received, Not Received), Invoice (All, Received, Not Received), and Shipping Notice (ASN) (All, Received, Not Received). A 'Last updated at 10/03/13 03:55 PM (next update at 10/03/13 04:10 PM)' timestamp is visible at the bottom right of the interface.

## Analyze

Providers have 24/7 access to online reports to help define and manage to their supply chain strategy

### eCommerce Exchange Dashboard

- Trends spend by type (on, off, and non), facility, vendor, contract, product, UNSPSC
- Summary and detail drill-downs

### eCommerce Exchange Order

- Provides transaction detail including PO line, contract, and vendor confirmation (status and pricing) data
- Highlights price discrepancies and SKU mismatches

### Price Verification

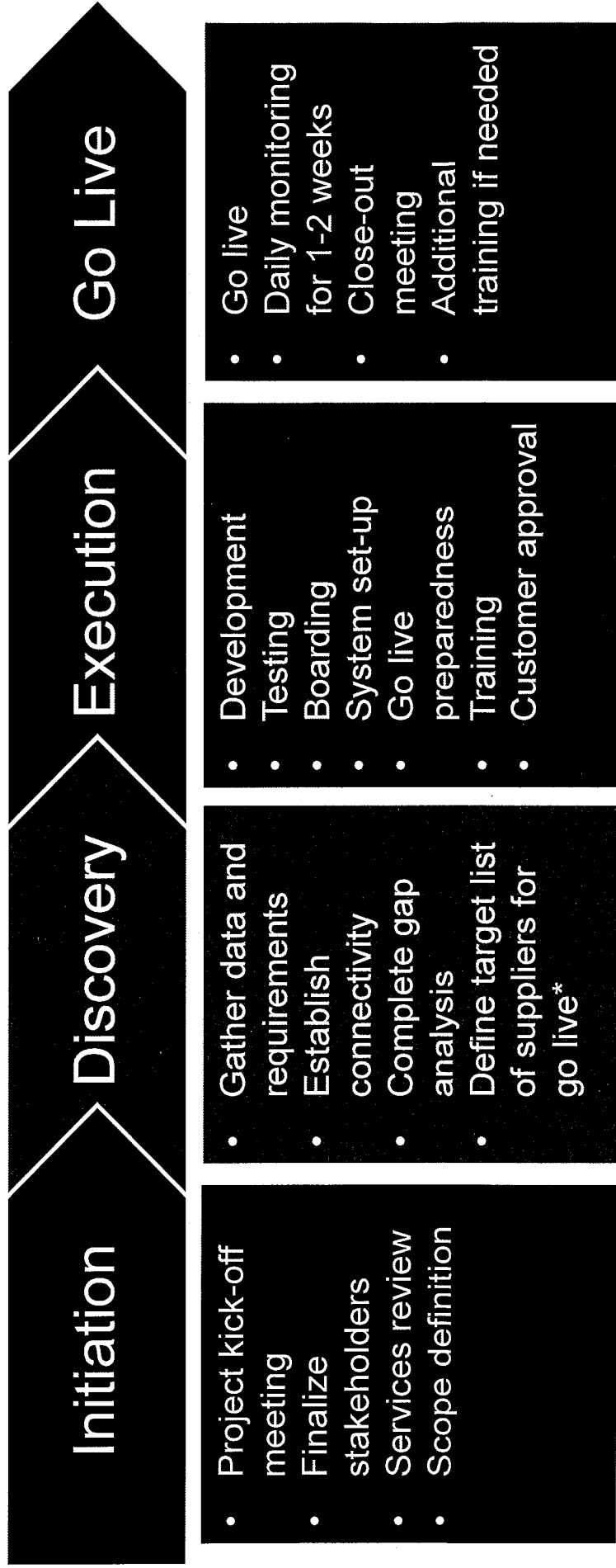
- Compares PO price versus the customer's contract price and highlights overpayments
- Summary and detail drill-downs

### Price Parity

- Compares spend between facilities of the same system and identifies where other facilities are paying a lower price

# Customer integration

Every customer integration is treated as a formal project and typically takes 5-8 weeks to complete



\*MedAssets will analyze your transaction data to identify ALL of the suppliers that are used and connected to the Exchange and work to have those suppliers boarded prior to go live.



eCommerce  
Implementation



eCommerce  
Implementation