

# Success Story

## Refining practices and leveraging national contracts to sustain a nationally ranked orthopedic practice

### BACKGROUND

## ORTHOINDY

INDIANAPOLIS, IN

OrthoIndy is an accredited and highly-awarded physician-owned orthopedic practice in Indianapolis. With three acute care facilities and 20 non-acute locations, OrthoIndy is one of the largest orthopedic providers in the Midwest. With a mission to provide the highest quality, comprehensive bone, joint, spine, and muscle care to patients, OrthoIndy saw an opportunity to identify savings on orthopedic implants and streamline supply chain processes.

OrthoIndy engaged The Resource Group in August of 2018 to begin implementation of The Resource Group's national contracts and User-Directed Integrated Solutions.

### OPPORTUNITY

Historically, OrthoIndy utilized a Group Purchasing Organization (GPO) for medical-surgical supplies and self-contracted locally for high-cost implants, often leaving gaps in contract coverage.

As OrthoIndy joined The Resource Group, two major implant contracts covering over 50% of OrthoIndy's implant volume were due to expire. OrthoIndy looked to The Resource Group to identify a solution and ensure seamless coverage for key supplies through the transition.

### SOLUTION

Through its established supplier relationships, The Resource Group expedited the renewal of the expiring agreements to ensure coverage during the GPO transition resulting in:

- Seamless contract coverage resulting in no disruption to patient care
- \$2.4M in savings within the first 15 days

After 45 days on-site, The Resource Group converted 42 contracts representing 22 vendors resulting in an additional \$4.4M in contracted savings.

**\$4.4M**  
in total  
annual implant  
savings within  
**45 days**  
of engagement.



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# PROCESS

1

## END-USER ENGAGEMENT

- Engage:
  - Physicians
  - Clinicians
  - Senior leadership

2

## CONTRACT DESIGN

- Analyze current contract portfolio
- Aggregate business and reduce vendor variation
- Prioritize opportunities based on impact and savings

3

## NEGOTIATION

- Request immediate price reductions
- Conduct competitive RFP and negotiations
- Utilize The Resource Group's national contracts

4

## IMPLEMENTATION

- Provide project management services
- Track implementation through work plans and reports
- Establish protocols for signature authority
- Audit pricing and utilization

5

## MEASUREMENT

- Track savings impact
- Conduct year-over-year spend analysis

# IMPACT

DAYS	NUMBER OF CONVERTED CONTRACTS	ANNUAL CONTRACTED SPEND	ANNUAL SAVINGS	SAVINGS PERCENT
15	9	\$12.5M	\$2.4M	19%
30	19	\$8.6M	\$1.4M	17%
45	14	\$1.9M	\$544K	29%
<b>Total</b>	<b>42</b>	<b>\$23.1M</b>	<b>\$4.4M</b>	<b>19%</b>

"Our relationship with The Resource Group has been nothing but positive. Historically, OrthoIndy independently contracted for supplies and services as we were receiving comparable pricing to other industry GPOs. However, with The Resource Group, our discounts, and in turn savings have increased significantly. With opportunities for active participation from our physicians, we are also more easily able to maintain a focus on quality in tandem with cost containment. We look forward to a growing relationship with The Resource Group as we work to further improve value provided to our patients."

OrthoIndy and OrthoIndy Hospital



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