



Premier healthcare alliance

Making a quantum leap toward more integrated care and improved provider performance



—Denise Hatzidakis,
Chief Technology
Officer, Premier
healthcare alliance

It's early last fall in Charlotte, North Carolina, and the Premier healthcare alliance is doing what it has done each year for more than a decade. Premier has brought all its employees together in a single place—this year, in the Grand Ballroom of the Westin Charlotte—to reinforce an understanding and appreciation of the company's mission, vision and values at its foundation. At the front of the auditorium, President and CEO Susan DeVore is laying out a new vision of how Premier will assist its alliance of affiliated healthcare providers across the United States to further improve the quality of care they deliver. For the vast majority of employees in the audience—most wearing identical, team-themed T-shirts—it's their first exposure to what is, in effect, Premier's new strategic roadmap.

But that wasn't the case for Denise Hatzidakis. As Premier's Chief Technology Officer (CTO), she was one of the roadmap's principal architects in the months leading up to the Values Conference. By the time Hatzidakis joined the company, Premier had cemented its position as a national leader in providing knowledge-sharing services to healthcare providers. Owned by hospitals and health systems, Premier's initial charter was to save its member providers money through aggregated group purchasing. From there, the company moved into the healthcare informatics space, providing hospital members with access to shared clinical information and analytical insights, which in turn offered them a foundation for delivering better quality care and improving patient safety.

Leadership Spotlight

Shared values is one of the big reasons Denise Hatzidakis joined the Premier healthcare alliance as its Chief Technology Officer. Those same values—centered on constantly improving healthcare performance—led Premier to set forth a more expansive vision of how it would help its member providers deliver more integrated care. Hatzidakis played a central role in developing the roadmap to get there.

How Premier got smarter

No company of its kind had a data repository with the depth and breadth of Premier's, which shares supply chain and clinical data across some 2,500 member hospitals and health systems. Premier enabled its members to do a lot with that knowledge, but knew it could do even more for health systems across the continuum of care, not just within the four walls of a hospital. Premier did so by integrating all its data in a new knowledge-sharing platform whose analytics capability helps its member hospitals optimize their clinical and supply chain practices, and advance their progress toward an integrated-care model.

Let's Build a Smarter Planet

The new math of success

Having such a strong combination—deep repositories of supply chain, operational and clinical data, across 2,500 hospitals—gave Premier a unique advantage in helping providers meet the central requirement of the emerging healthcare environment: accountability for both the quality and cost of patient care. What got it there was a fierce dedication to its members' needs, coupled with a management culture that puts a premium on looking to the future. Those qualities were on full display in the second half of 2009, when Premier's executive team—led by Keith Figlioli, Senior Vice President in charge of Premier's informatics and technology services—began deliberating on the next chapter of the company's strategy, one whose title could well be “Making One Plus One Equal Three.” Their aim was to build clinical integration models that would make it easier for hospitals and physicians to coordinate care delivery, thus improving both quality and efficiency.

The consensus that emerged from these discussions was that by bringing together the supply chain cost and clinical dimensions—from hospitals and non-acute care facilities such as physician practices and long-term care centers—into a single informatics platform, Premier could enable a quantum leap in the depth and actionability of analytical insights for its members. Ultimately, says Hatzidakis, the linkage of supply chain, operational and clinical data across this continuum of care makes it possible to account for the “true” total cost of care. “From a purely purchasing perspective, one knee replacement option may cost double the second option up-front,” Hatzidakis explains. “But when you factor in the clinical side, the higher up-front cost may be justified in the form of better outcomes and lower overall costs. Having that ‘big picture’ brings us closer to the accountable, coordinated care model that we—and the rest of the industry—are moving toward.”



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The benefits of Premier's unified informatics solution

- Saved an estimated 23,000 lives and reduced healthcare spending by \$2.85 billion at 157 participating* hospitals
- Improved outcomes and patient safety through medication monitoring and alerting
- Had a stronger ability to identify the best treatment and most cost-effective options through integrated analytics
- Improved its ability to support its member hospitals and non-acute care sites in delivering more accountable care

* Among members of Premier's QUEST initiative, a collaborative of more than 200 hospitals across 34 states committed to measuring, comparing and scaling innovative solutions for the complex task of caring for patients.

Taking it to the next level

With a coherent vision in hand, Premier's business-level executives approached Hatzidakis, Figlioli and Chief Information Officer Joe Pleasant to better understand what the implementation of this capability would entail, and what the implications would be for the business as a whole. Their main concern was that Premier's existing technical path wouldn't get the company to where it needed to be. Siloed systems—the product of previous acquisitions—were just one dimension of the challenge. The bigger message was that transformation of this scope required more than piecemeal, incremental change. “We were looking at fundamental change across every part of the enterprise,” says Hatzidakis. “This meant adopting a net new approach to integrating and managing data, to our informatics capabilities and, most importantly, to the workflows and processes that relied on them.”

Leadership is:

Dealing from strength

Looking beyond Premier's market success, SVP Keith Figlioli recognized the company's need to position itself not for tomorrow, but for three or five years down the road. “We knew we needed to take a realistic view of how we would stay relevant to our providers and their needs,” Figlioli says. “We concluded that our future viability depended on changing the way we do business.”

—Keith Figlioli,

SVP Healthcare informatics, Premier healthcare alliance

“[The project showed the importance of] both the business side and IT having a roadmap of where we want to go and how we're going to get there—one step at a time,” Hatzidakis explains. “IT-driven initiatives of this nature are not nearly as successful if you're not aligned with the business.”



Reflecting the broad scope of the project, a group of key executives from across the enterprise (including Hatzidakis, Pleasant and Figlioli) presented their case to Premier's board. The fact that Premier is a for-profit company owned by 200 not-for-profit health systems presented an interesting decision dynamic. Ultimately, says Hatzidakis, the board's decision turned not on business case numbers, but on a shared vision of achieving higher-quality healthcare down the road. “Our focus to the board was what we—as a company—could do for our member health systems in the future,” Hatzidakis explains. “We laid out the picture of what we could do with all the data we have, in terms of providing more accountable care. And how in order to get to that point, we'd need to take it to the next level. [The board] agreed that this was the right way to go.”

With assistance from IBM Premier Business Partner Perficient, Inc.®, Premier developed a completely new IT strategy. It would be the responsibility of Hatzidakis and her team to design and implement the solution. Prior to joining Premier, Hatzidakis had spent the bulk of her career as an enterprise architecture strategist in the retail and finance sectors. She was eager to adapt some of the lessons, insights and best practices she had gleaned from these industries to the healthcare domain. But deep down, Hatzidakis says she was drawn to Premier for more visceral reasons. “The cause of improving healthcare delivery is important to me personally,” says Hatzidakis. “I saw the opportunity to channel my energies toward something so important—and with a company that's aimed at the heart of that opportunity—as a once-in-a-lifetime thing.”

Lesson learned:

Keep IT and business aligned from the beginning

CTO Denise Hatzidakis sees the transformational lessons from her retail and finance IT experience borne out during Premier's project. “[The project showed the importance of] both the business side and IT having a roadmap of where we want to go and how we're going to get there—one step at a time,” Hatzidakis explains. “IT-driven initiatives of this nature are not nearly as successful if you're not aligned with the business.”

—Denise Hatzidakis,

Chief Technology Officer, Premier healthcare alliance

As a truly “greenfield” project, Premier’s solution needed to be designed and built from the ground up. Its foundational elements were a new data architecture and an infrastructure that would be shared across the continuum of care to include Premier, its health systems and, ultimately, payers. On top of that would come not only a powerful analytics capability, but also a robust messaging and collaboration infrastructure that would make it possible for clinical and cost-related insights to be shared and jointly explored across the healthcare provider/payer continuum.



Adapting the organization

While technology was a necessary underpinning, it was just that. Premier recognized that the success of its transformation effort would ultimately hinge on top-to-bottom change among people, in processes and within the culture. That meant, for instance, realigning what had been a line-of-business-centered organizational structure with one that could deliver integrated services to customers. Such integration would span from the development of new products and services to the hundreds of Premier employees in the field who work on-site at member hospitals to advise them, capture their needs and help them get the most from Premier’s solutions.

To guide these organizational changes, and to make the many decisions that the initiative would generate along the way, Premier also established a single enterprise-wide portfolio governance process at the outset of the project. In monthly meetings, line-of-business and IT leaders (Hatzidakis among them) have frank discussions about priorities, project timetables and the road ahead. “It helps us define and work through the trade-offs that we as a company are willing to make to continue driving this journey,” says Hatzidakis. “It reflects how only an integrated partnership between IT and the business is going to make the project work.”

What accountable care looks like

Premier’s solution is a work in progress, but its defining characteristics are already evident. At the core is the ability to find and zero in on insights related to cost or trends, treatment efficacy, or myriad other parameters. But from the health system perspective, the solution’s greatest strength is that it’s woven seamlessly into the way providers work. Whether to a supply chain executive, a chief

Premier: The parameters of smarter healthcare

🔧 Instrumented

Clinical, operational and supply chain data from member health systems is updated in real time, enabling analytics and business rules to constantly adapt and stay up to date.

✂️ Interconnected

A single data model joins the entire continuum of care, from patient to provider to payer.

💡 Intelligent

More comprehensive analytics—spanning clinical and supply chain data—provide a deeper and more accurate view of the cost and quality of care measures, and thus a broader informational basis for evidence-based clinical practices.



information officer, or a practicing physician, information is delivered in the right context by virtue of role-based portal access. Once a trend (such as the spiking use of a certain drug) is spotted, it can be analyzed both internally and across other providers.

Actionability also makes it stand out. In a provider's everyday life, acting on insights—whether they be threats or opportunities—often requires a consensus, a second opinion, or some other form of collaboration. So for example, the supply chain executive can seamlessly “hand off” the analytical process to the CMO, who may well find a good reason for a marked increase in a drug's use, such as a physician or practice that has found a more effective treatment regimen with better outcomes and a lower overall cost.

Premier also designed a solution to deliver actionable information to the bedside. In the case of infection prevention for post-op patients, for instance, caregivers are able to determine the optimal mix of medications for each patient, drawn from a repository of evidence-based best practices. Since the administering of medication is recorded in real time at the bedside, the system can automatically alert the clinician if the proper course of medication is not followed, thus lessening the chance of a potentially life-threatening infection. That's just one example of how Premier is embedding intelligence and knowledge into its clinical processes to ensure the best outcome for patients.

So what is success to Premier? Ultimately, according to Hatzidakis, it's about how well the company supports its members in their drive to improve the quality and safety of the care they deliver, while reducing costs. “That commitment is built into every part of our business,” Hatzidakis explains. “As a company, our financial success is a function of how well our members do—whether our health systems are able to perform in the top percentiles among peers—not by what we sell.” When the solution is fully deployed, Premier expects its data sharing and informatics integration to substantially reduce spending across its member health systems, while at the same time improving treatment effectiveness, increasing patient safety and saving lives. Results from Premier's QUEST® initiative show the improvements that could be made in the inpatient setting alone by incorporating this type of data-sharing model. In the first 30 months of the program, 157 participating hospitals saved an estimated 23,000 lives and reduced healthcare spending by \$2.85 billion. Estimates projected an additional 64,000 lives and \$23 billion could have been saved if all hospitals in the country had been able to achieve results similar to those achieved with QUEST.

In talking about Premier's new course at the Values Conference, President and CEO Susan DeVore couldn't help but also reinforce the cultural values the company is built on. On the third day, as if to lock in the message and put it into practice, conference attendees fanned out to a host of local assistance organizations in the Charlotte area to volunteer their time for the day, something employees have done since Premier's very first conference in 1998. Hatzidakis was among them. “The capacity to make a difference is something Premier tries to instill in all its employees,” Hatzidakis explains. “What we're working toward now as a company helps us deliver on that promise.”



Premier's unified informatics solution is...

Framework

IBM® Health Integration Framework (HIF)

Software

IBM WebSphere® Portal, IBM Cognos® Business Intelligence, IBM SPSS®, IBM InfoSphere® DataStage, IBM InfoSphere QualityStage, IBM InfoSphere Information Analyzer, IBM InfoSphere Warehouse, IBM WebSphere Enterprise Service Bus, IBM WebSphere Message Broker, IBM WebSphere Process Server, IBM ILOG®

Servers

IBM Power7®

Business Partner

Perficient, Inc.

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ODC03205-USEN-00

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