



Strategic Partnership Leads to Massive Savings at Princeton Healthcare System

- **Princeton HealthCare System (PHCS)**
- **Optimizing Supply Chain Leadership and Overall Supply Chain Performance**
- **Entered comprehensive partnership with Premier which includes:**
 - **Group Purchasing Organization (GPO)**
 - **Consulting**
 - **PremierConnect® analytics**
 - **Leadership outsourcing**
- **\$15.7M in savings across several target areas**

CHALLENGE

Made up of more than 25 outpatient facilities, New Jersey-based [Princeton HealthCare System](#) (PHCS) offers a full continuum of care, including acute care hospital services, behavioral healthcare, rehabilitation, hospice care and ambulatory surgery. PHCS had experienced poor morale, lackluster performance and excessive turnover in supply chain for a number of reasons. Their legacy GPO partner was underperforming; they offered no analytics or cost benchmarking platforms, there was a lack of visibility around pricing and limited savings were realized.

PHCS ultimately decided to change course and tap Premier as its strategic partner in overhauling their approach to supply chain. PHCS leveraged Premier's services to deliver continuous quality improvement, drive operational efficiencies and reduce healthcare costs.

After conducting a thorough analysis of PHCS's supply chain performance and comparing the system to their peers, the Premier team uncovered a significant potential savings opportunity of more than \$10 million.

SOLUTION

To jumpstart this performance improvement work, Premier worked with PHCS to put technology in place to analyze current spend, benchmark operational data, evaluate contracts and measure performance. In addition to improving cost transparency, the data and analytics served as a means to connect clinical, financial and operational staff. It also encouraged collaboration between departments to adopt a system-wide integrated approach by standardizing utilization based on vendors that deliver the highest-quality, highest-value supplies, devices, services and technologies.

Since partnering with Premier, the PHCS team has implemented 238 unique initiatives across a range of areas to optimize their supply chain operations, achieving significant savings, such as:

- Medical supplies: \$4.2 million
- Surgical supplies: \$4.1 million
- One-time: \$2.8 million
- Purchased services: \$2.4 million
- Pharmacy: \$1.8 million
- Resource utilization: \$367K

RESULTS

This work has generated **\$15.7 million in annualized savings** to date and overall inpatient satisfaction at PHCS currently ranks in the top one percent of hospitals in New Jersey.

**\$15.7
MILLION**

ANNUALIZED SAVINGS

About Premier Inc.

Premier, Inc. (NASDAQ: PINC) is a leading healthcare improvement company, uniting an alliance of more than 4,100 U.S. hospitals and health systems and approximately 200,000 other providers and organizations to transform 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, collaborating with members to co-develop long-term innovations that reinvent and improve the way care is delivered to patients nationwide. Headquartered in Charlotte, N.C., Premier is passionate about transforming American healthcare.