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**Illinois Purchasing Collaborative achieves more than \$10 million in supply chain savings in four years with the Premier healthcare alliance**  
*Twenty-nine IPC hospitals working to reduce healthcare supply chain costs to channel additional resources to improving patient care*

CHARLOTTE, N.C. (June 30, 2010) – In nearly four years, 29 hospitals in the [Illinois Purchasing Collaborative](#) (IPC), a program of the Illinois Hospital Association, have achieved more than \$10 million in supply chain savings with the Premier healthcare alliance.

The IPC achieved these savings by pairing the benefits of national pricing from Premier’s leading purchasing network with the advantages and flexibility of regional contracting. The savings represent IPC affiliate hospital savings through the Premier portfolio, as well as owner/affiliate savings through IPC direct and Premier enhanced agreements. The average contract savings are 13.7 percent within 110 regional contracts to date.

IPC was established in 2006 to help IHA members reduce healthcare supply chain expenses by way of a creative collaboration among IHA, hospitals and healthcare systems, and Premier. Overall, since 2006, Premier member hospitals based in Illinois and who are participating in the IPC have saved approximately \$130 million through clinical, operational and supply chain improvements.

“Given the focus of health reform to reduce costs, the success of IHA’s purchasing collaborative is especially commendable,” said Maryjane Wurth, president of IHA. “The hospitals are not only achieving significant cost savings, but also are sharing best practices and information to improve the delivery of quality patient care.”

According to Steve Patton, assistant vice president of Purchasing Services at Alexian Brothers Hospital Network (ABHN) in Arlington Heights, Ill., “IPC provides three major benefits to us: savings, aggregation opportunity, and group collaboration. In the past three years, we’ve achieved an average savings of \$230,000 per year, and with a hospital goal to save \$5 million per year, the savings through IPC contracts makes a big impact on that initiative. Another huge piece of this is the networking. The experience pool [of the membership] is invaluable.” ABHN was already a Premier member when the IPC was established.

Mike McManus, chief operating officer of Touchette Regional Hospital in Centreville, Ill., and the newest IPC member, stated that “We’ve already experienced an average savings of 22 percent in the med/surg area on exact match items and continue to explore additional cost savings opportunities. We have also seen savings within our food and pharmacy. Premier has been very useful in providing us with supply chain metrics to help measure our efficiencies and the customized staffing support from the IPC has been outstanding.”

IPC members have access to Premier's [SupplyFocus](#)<sup>®</sup> supply cost benchmarking and comparative analysis solution. SupplyFocus<sup>®</sup> is the industry's largest comparative database of operational and supply chain cost information for acute care hospitals. With 40 indicators measuring and trending cost and operations performance, it's an invaluable tool that enables hospitals to track their supply expense performance relative to that of similar facilities.

Carl Gustafson, director of Supply Chain and Materials Management at Centegra Health System in Crystal Lake, Ill. added, "IPC has been very productive in bringing savings. We are now about 66 percent compliant with Premier contracts and that makes a huge difference in savings. Premier's SupplyFocus is a very powerful benchmarking tool."

According to Premier Purchasing Partners President Mike Alkire, "Members of the IPC are no different from their counterparts in other parts of the country. They face a growing imperative, which has been made even more mandatory by recently passed health reform legislation, to reduce health care expenses and channel savings toward improving and expanding care."

IPC's strategic direction is member-driven. Savings are the result of volume aggregation, group buys, and manufacturer rebates. IPC provides customized, dedicated staffing support, access to Premier's electronic sourcing, ongoing opportunity monitoring, and transparency. There is no membership fee. Members exchange information in face-to-face meetings, conference calls and networking opportunities.

Three hospitals joined IPC in 2007, four in 2008 and two to date in 2010. Twenty hospitals were already members of Premier when IPC was launched. IPC members include:

- Alexian Brothers Medical Center
- Alexian Brothers Behavioral Health Hospital
- Alexian Rehabilitation Hospital
- Carle Foundation Hospital
- Centegra Hospital – McHenry
- Centegra Hospital – Woodstock
- Central DuPage Hospital
- Children's Memorial Hospital
- Gottlieb Memorial Hospital
- Ingalls Memorial Hospital
- Katherine Shaw Bethea Hospital
- Mercy Hospital & Medical Center
- Methodist Medical Center of Illinois
- Mount Sinai Hospital Medical Center
- Our Lady of the Resurrection Medical Center
- Resurrection Medical Center
- Riverside Medical Center
- Roseland Community Hospital
- Saint Francis Hospital
- Saint Joseph Hospital
- Saint Mary & Elizabeth Medical Center/Saint Elizabeth Campus
- Saint Mary & Elizabeth Medical Center/Saint Mary Campus

St. Alexius Medical Center  
The Methodist Hospitals, Inc. – Northlake  
The Methodist Hospitals, Inc. – Southlake  
Thorek Memorial Hospital  
Touchette Regional Hospital  
West Suburban Hospital  
Westlake Hospital

**About the Premier healthcare alliance, 2006 Malcolm Baldrige National Quality Award recipient**

Premier is a performance improvement alliance of more than 2,300 U.S. hospitals and 67,000-plus other healthcare sites working together to achieve high quality, cost-effective care. Owned by not-for-profit hospitals, Premier maintains the nation's most comprehensive repository of clinical, financial and outcomes information and operates a leading healthcare purchasing network. A world leader in helping deliver measurable improvements in care, Premier works with the Centers for Medicare & Medicaid Services and the United Kingdom's National Health Service North West to improve hospital performance. Headquartered in Charlotte, N.C., Premier also has offices in San Diego, Philadelphia and Washington. [www.premierinc.com](http://www.premierinc.com)

**About Illinois Purchasing Collaborative**

The Illinois Purchasing Collaborative (IPC) is comprised of hospitals and health systems with a shared vision and purpose – to take costs out of the health care supply chain thus channeling greater resources into their core missions of patient care. Formed in 2006, the IPC is a service of Association Management Resources, an affiliate of the Illinois Hospital Association (IHA). Drawing on the fundamentals that has perched IHA at the top echelon of health care associations, the IPC uses hospital collaboration and volume aggregation to negotiate improved supply chain pricing for its members. Within this collaborative environment, members share best practices and identify cost-saving opportunities. [www.illinoispurchasingcollaborative.com](http://www.illinoispurchasingcollaborative.com)

***About the Illinois Hospital Association***

The Illinois Hospital Association, with offices in Naperville and Springfield, is an advocate for 200 hospitals and health systems and the patients and communities they serve. Members range from the teaching hospitals that train tomorrow's doctors and nurses, to community hospitals that transform advances in medicine and technology into better lives for patients, to rural facilities that bring high-quality patient care to the less populated regions of the state, to specialty institutions that care for patients in need of behavioral health, long-term care, or rehabilitation services.

Since IHA was formed in 1923, its mission has been to strengthen and unite hospitals and make high-quality, affordable health care available to all Illinoisans. To make this possible, IHA works to ensure adequate resources are available for the state's health care delivery system. With health care delivery going through radical changes, that mission is more important than ever.

[www.ihatoday.org](http://www.ihatoday.org).