

Illinois Purchasing Collaborative

Overview



Background:

The Illinois Purchasing Collaborative (IPC) was established to directly support and strengthen the Illinois Hospital Association's (IHA) mission of advocating for hospitals and health systems as they serve their patients and communities. IPC sets out to do this by reducing health care costs through powerful collaboration among:

- IHA members.
- An industry-leading group purchasing organization.
- Industry suppliers.
- A team of contracting and supply chain experts.

Association Management Resources (AMR), an affiliate corporation of IHA, has developed this program to give Illinois hospitals and health systems the opportunity to further reduce their supply, equipment, food and pharmaceutical costs as well as improve their supply chain management processes.

In this program, AMR is partnering with **Premier, Inc.**, (through Premier Purchasing Partners), a 2006 Malcolm Baldrige National Quality Award recipient in recognition of outstanding achievements in quality and performance. Through Premier Purchasing Partners, IPC members gain access to Premier's extensive national contract portfolio. AMR also is working with the Greater New York Hospital Association (GNYHA), which has achieved significant success with its local and custom contracting model.

One of the goals of the Illinois Purchasing Collaborative is to obtain prices for the members that are fair to suppliers and to the hospital users of those products – and that ultimately are fair to the people who pay for the costs of health care.

Formation of the IPC has received overwhelming support from key IHA hospital members whose combined purchasing volume will make top tier contract pricing levels accessible to Illinois hospitals of all sizes.

IPC Objectives:

- **Drive down the current cost** of supplies, equipment, food and pharmaceuticals available to Illinois hospitals and health systems.
- Integrate IPC's goals with IHA's mission of **advocating for and supporting** hospitals and health systems as they serve their communities.
- Increase market leverage through hospital **collaboration**.

IPC's Plan:

- Maximize savings through **local/regional custom contracting and volume aggregation**.
- Provide members with access to the **best pricing** available.
- Facilitate **performance improvement** using data benchmarks and operational consulting.
- Coordinate regional forums to further hospital **collaboration**.

Facts and Figures:

- The Illinois Hospital Association (IHA) was formed in 1923 to make high-quality, affordable health care available to all Illinoisans. This purchasing collaborative is one more way to do just that.
 - IHA represents approximately 200 hospital and health system members.
 - IHA members each year purchase more than \$2.6 billion in hospital supplies, food, equipment and pharmaceuticals.
 - In 2006, Premier Purchasing Partners reported \$31 billion in purchasing volume.
 - In 2007, IPC members reported savings of \$1.9 million representing an average savings on contracts of 15%.
 - IPC member annual purchasing volume currently exceeds \$500 million.
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IPC Acute Care Membership:

Alexian Brothers Behavioral Health Hospital
Alexian Brothers Medical Center
Alexian Rehabilitation Hospital
Carle Foundation Hospital
Centegra Memorial Medical Center
Centegra Northern Illinois Medical Center
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
Saint Elizabeth Hospital
Saint Francis Hospital
Saint Joseph Hospital
Saint Mary of Nazareth Hospital Center
St. Alexius Medical Center
The Methodist Hospitals – Northlake, IN
The Methodist Hospitals – Southlake, IN
Thorek Memorial Hospital
West Suburban Hospital
Westlake Hospital

A current IPC membership listing is available at: www.ihatoday.org/ipc.html.

Contacts:

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