

CASE STUDY

TAKING OPERATIONAL EXCELLENCE TO THE NEXT LEVEL — ONE BUSINESS AREA AT A TIME



Mark Podgorski
Vice President of
Hospital Operations
~ *Goshen Health*



Jon Yoder
Vice President of
Goshen Physicians
~ *Goshen Health*



Paul Lyons
Director of Materials
Management
~ *CPS*

A FOCUS ON BUILDING A HEALTHIER TOMORROW FOR THEIR COMMUNITIES

Based in Goshen, Indiana — Goshen Health is a 100-bed non-profit community hospital. With an extensive network of healthcare providers across 39 locations in four counties, Goshen offers traditional hospital services and primary care. This is combined with an array of specialty care, including a highly respected cancer center, award-winning heart and vascular care, a growing orthopedics specialty, and more. Goshen has also earned four Magnet® designations, which means their nurses have been recognized for going above and beyond the standard of care. All of this supports their focus on preserving the health and well-being of the communities they serve — and has led to Goshen being consistently ranked among the best hospitals in the state.

As an independent non-profit organization, the hospital has a volunteer board of directors made up of leaders from the community. One of these board members mentioned to Vice President of Hospital Operations, Mark Podgorski, that his daughter was working at a hospital who partnered with CPS Solutions, LLC., one of the country's largest pharmacy and hospital solution providers. Podgorski was immediately interested. "We're successful and run a tight ship," he explains. "But we're no different than any hospital today. It's my job to turn every rock over to find any opportunity to cut costs and gain efficiency." As a member of Goshen's leadership team, that's where he knew CPS could help. "We began with their pharmacy management solution, and once we saw the results we could achieve with their support — we expanded our relationship to include rehabilitation therapy and supply chain management."

ENHANCED SUPPORT FOR COST-SAVING INITIATIVES

Goshen started with CPS' proprietary "Comprehensive Pharmacy Assessment," which evaluates more than 750 standards based on nationwide best practices across the industry. "We scored well, which was no surprise to me," says Podgorski. "We have a knowledgeable team, but we have limited resources." That's why the hospital initially decided to bring CPS on board. They knew there were initiatives the hospital could be exploring that would yield cost savings or increase revenue. "We simply didn't have the bandwidth to do all the research and develop the clinical plan necessary to make a case for modifying existing practices for less expensive methods that would deliver the same, if not better, patient outcomes," he explains.

Working with CPS led to some significant financial and clinical wins for Goshen almost immediately. This is thanks to a combination of highly skilled pharmacists and technicians on-site who are backed by



CASE STUDY

2022 Pharmacy Management Results

FINANCIAL IMPACT

\$924,000+

BIOSIMILAR CONVERSIONS

80% Resulting in \$385,000
Cost Savings

COMPLIANCE SCORE

Increased by 17%

2022 Rehabilitation Therapy Results

FINANCIAL CONTRIBUTION

Increased by 62%

INPATIENT-TO-OUTPATIENT CONVERSION

Increased 7.2%

FINANCIAL IMPACT

\$1.68 Million in the First 2 Years

leading-edge pharmacy management software (CPS Optimizer) and a national network of pharmacy experts. For example, one of CPS' initiatives addressed the hospital's historic use of a long-acting, non-opioid analgesic to help patients manage post-operative pain. While very expensive, they'd continued prescribing it based in part on the manufacturer's claim that the medication could lower the need for opiate use and minimize the risk of dependency. "Through their research, CPS found study after study that refuted this claim," Podgorski says. The company proposed a potential drug substitution that has a similar active agent and would be a therapeutic equivalent. This recommendation was accompanied by a detailed financial analysis mapping out the potential cost savings and a thorough evaluation of the efficacy of the replacement drug. "CPS found that not only could we save thousands of dollars each year — we'd continue to have favorable patient outcomes." That got the attention of Goshen's CEO and ultimately led to the hospital making the transition.

That was early on — and ever since, CPS has been helping the hospital improve its bottom line, increase efficiency, and stay ahead of regulatory requirements. In 2022 alone, Goshen realized a financial impact of more than \$924,000. Close to half of that is realized by their biosimilar program savings, which will continue to provide a financial benefit year-over-year. In addition, although their original compliance score on CPS' Comprehensive Pharmacy Assessment was high, the company's initiatives helped Goshen raise this by 17% in 2022.

Based on the success of the relationship, says Podgorski, when CPS approached Goshen about doing the same for their rehabilitation therapy and materials management — they were eager to see what they could accomplish together.

SOPHISTICATED METRICS FOR ACTIONABLE INSIGHTS

The main objective for Goshen's Rehabilitation Therapy in working with CPS was to identify new efficiencies in managing patient flows — helping increase revenue and efficiency without compromising their commitment to high-quality care. "Our partnership with CPS helps us do this," explains Vice President of Goshen Physicians, Jon Yoder. "We stay focused on our performance indicators, that include insight to staffing levels, staff efficiency, [and] waitlist length to ensure that patients are getting the care they need in the time they need it."

Data is presented in dashboards that give near real-time actionable insights on revenue and expense benchmarking, key performance indicators, efficiency monitoring, and predictive analysis. This eliminates the need to request and wait for traditional hospital reporting — facilitating fast, well-informed decision-making. The dashboard also allows leadership to get an at-a-glance view of the department, including the volume and types of patients they are seeing. "[CPS] serves as a resource for our on-site leadership to work collaboratively when it comes to addressing the day-to-day challenges that come with getting patients timely and complete care," says Yoder.

Because Goshen is always seeking to improve the health of their community, the rehab area of the hospital is also always looking to continue expanding its reach and growing its outpatient services. With this, the CPS team developed patient awareness initiatives and attended community events to help spread the word and maximize referral volume to further add to the bottom line. Since working with CPS, Goshen has improved inpatient-to-outpatient conversion by 7.2%, and launched a new Pelvic Floor Rehab service line to serve a need in the community.

As a result, CPS helped rehabilitation therapy increase their financial contribution to the hospital by 62%. These successes have allowed Goshen to maintain an excellent standard of patient quality and safety, while also achieving increased efficiency and a financial impact of \$1.68 million to date.

CASE STUDY

2022
Materials
Management
Results

INVENTORY REVIEW

9,000 Surgical Services Items

BOTTOM LINE SAVINGS

Nearly **\$400,000**

NEW AVENUES FOR IMPROVING THE BOTTOM LINE

Hospitals everywhere face the same challenge regardless of size or scope: to minimize costs and streamline operations. With today's ongoing supply chain inflation, many are turning to materials management to uncover significant financial savings. That's why Goshen decided to continue its journey with CPS in this area, beginning with a supply benchmarking project.

"Our operational benchmarking score was very good," says Director of Materials Management for Goshen and CPS employee, Paul Lyons. However, the process did reveal an opportunity to conduct a more thorough inventory review of roughly 9,000 items in surgical services. "It took a team to cull through all the data and make recommendations to surgery leadership," explains Lyons. The analysis concluded that initiatives like discarding expired medications and making returns to manufacturers would have a significant impact. "In just that first area of focus, we realized a reduction in surgical services inventory of close to \$400,000 from write-offs and credits from manufacturers." The hospital is also planning to do a similar deep dive into the cath lab inventory.

By collaborating with ECRI, an independent healthcare technology and safety authority, CPS also helps Goshen analyze potential capital acquisitions. For example, if the hospital plans to buy a new CT machine, they can request an ECRI review of the vendors and gather additional insight into what they should consider. "Through CPS, ECRI delivers a detailed plan that maps out which modalities we should include and which we can exclude."

Lyons' access to supply chain peers across the range of healthcare organizations that CPS supports has also been invaluable to Goshen. "A group of us meet every other week to discuss supply chain challenges, whether they are due to product availability or manufacturing issues, and share best practices on what we're doing to overcome them," he says. "As an independent hospital, we haven't necessarily had that in the past."

THE FOUNDATION FOR A LONG-LASTING RELATIONSHIP

Once part of a statewide health system, Goshen decided to leave in 2016 — in part to honor their history of independence but also to serve the community in the way that met their mission and vision. "Being part of a larger organization just wasn't in line with our culture," Podgorski explains. "We don't want to be put into a box. We have our own strategy and mission, and CPS respects that. They don't offer a one-size-fits-all solution — but work closely with our teams to deliver on our specific objectives." Yoder says, "CPS gives us insight into multiple areas of our business that include customer service, financial success, personnel expertise and quality, and patient safety. These areas of focus are consistent with our own organizational pillars of excellence. By comparing ourselves to their standards we can quickly ensure that we are being successful across all pillars and not sacrificing one aspect of our practice for another."

Like Goshen, he adds, CPS' focus is results-driven and patient-centric. "We want to improve bottom line savings, and do that while improving patient outcomes. CPS brings such a breadth and depth of support, it allows us to investigate and execute new initiatives to achieve these goals that we might not have been able to on our own."



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