



DaltonBoggs
& ASSOCIATES

**Director of Materials Management/Supply
Chain**



Cabell Huntington Hospital
Huntington, West Virginia

Prepared by: Dalton Boggs & Associates

Overview of the Organization



Cabell Huntington Hospital is a not-for-profit, regional referral center located in Huntington, West Virginia and cares for patients from more than 29 counties throughout West Virginia, eastern Kentucky and southern Ohio. The facility opened in 1956 and is a teaching hospital that is affiliated with Marshall University Schools of Medicine and Nursing. It is licensed for 313-beds and provides all manner of acute care services with the exception of open heart surgeries. Cabell

Huntington is a recent winner of a Solucient 'Top 100 Hospitals for Performance Improvement'. Additional recognitions include a 2007 Leadership Team award, Home Health ranked in among the nations top 10 percent, and Hospital Choice award.

The hospital is known for the high quality of care provided and excellence in customer service in the region. Regional centers of excellence include Oncology Services (including the region's only comprehensive cancer center), Women & Children Services (including a Neonatal ICU and Pediatric ICU), Emergency and Trauma Services, Neurology & Neurosurgery, Burn Care (including a regional Burn Intensive Care Unit), as well as general surgery, diagnostic, and other therapeutic services. These units offer the latest in medical technology and individual treatment for critically ill newborns, children and adults. Specially equipped air and ground transport services are always ready for patients requiring immediate attention.

Cabell Huntington is leading the way in community health care, and with that comes the responsibility of training others to continue the tradition of excellence. The hospital works with the teaching and research programs at Marshall University School of Medicine and other medical and technical schools. Through these partnerships, the hospital staff works with some of the most highly qualified medical specialists in the area, sharing insight into the latest concepts in medical education and patient care.



In June, 1998, the Marshall University Medical Center opened on the hospital campus, bringing physicians, medical students and other staff members from facilities located across the region together under one roof. The Medical Center adjoins Cabell Huntington Hospital through a four story atrium. Patients have access to Marshall University's wealth of qualified medical specialists and students, as well as all the services the organization has to offer, conveniently in one location. Marshall University

School of Medicine includes the Faculty Practice Plan (University Physicians & Surgeons) which is a 200 plus physician multispecialty medical group based at the medical center and practices primarily at Cabell Huntington Hospital.

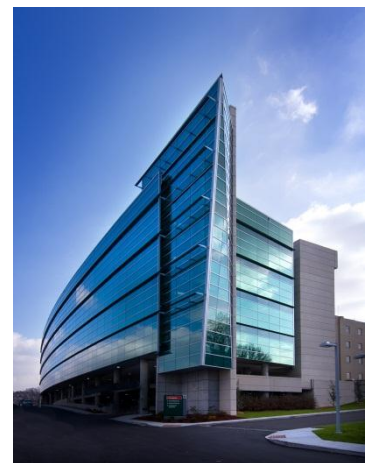
The Edwards Comprehensive Cancer Center on the hospital main campus is a joint project shared by Cabell Huntington Hospital, the Edwards Foundation, Inc. and the Joan C. Edwards School of Medicine at Marshall University. It is a three-story, 80,000 square-foot facility, is the region's only full-service comprehensive cancer center and began seeing patients in January 2007.



Within the Edwards Comprehensive Cancer Center is the James F. Edwards Adult Cancer Clinic, which includes an adult oncology center with infusion stations, exam rooms, consultation rooms, minor procedure rooms, a diagnostic breast center and physician offices, and the Joan C. Edwards Children's Cancer Clinic, which includes the children's oncology/hematology treatment center with infusion stations, pediatric oncology clinics and physician offices. The Children's Clinic is

designed to create a child-friendly environment combining light, color and children's motifs. The Edwards Comprehensive Cancer Center provides integrated cancer care with multiple specialty and sub-specialty oncologists working together under one roof.

In January 2008 the brand-new, five-story, 200,000 square foot North Patient Tower that replaced many of the hospital's acute care beds and doubled the size of the Emergency/Level II Trauma Department opened. The \$84 million project also includes the renovation of 69,000 square feet of space currently occupied by the acute care beds targeted for replacement. The first floor of the North Patient Tower houses an expanded Emergency and Level II Trauma Department. It attaches to the hospital's current Emergency Department, which was completely renovated in 2003, adding 17 new rooms (for a total of 44) and increasing the department's size from 14,500 square feet to 30,900 square feet.



The second floor includes a new 38-bed Post-Surgical Nursing Unit; the third floor includes a 35-room Labor/Delivery/Recovery Unit; the fourth floor includes a 20-bed Unit, a four-bed Cardiac Care Unit and a 24-bed Critical Care Stepdown Unit; and the fifth floor adds a 36-bed Neonatal Intensive Care Unit and a 20-bed Medical Nursing Unit.

With this addition, Cabell Huntington Hospital increased from 47 percent to approximately 90 percent all-private rooms, and the number of staffed beds increases from 270 to 313. The project is also designed to improve traffic flow within the hospital

and to make the entire facility more aesthetically pleasing and accommodating to patients, families and visitors.

Planning is now underway to add a children's hospital within a hospital in the recently vacated space in the hospital. This will be a \$16 million project and will provide the region's first and only pediatric specialty hospital.

Cabell Huntington Physician Practice Operations

Cabell Huntington Hospital Physician Practice Operations currently includes both hospital based specialty physicians, primary care physicians, and several subspecialty physicians located both on campus and in clinics throughout their service area. At this time the hospital based physician specialties are Emergency Room, Anesthesia, and Hospitalists. There are currently five primary care clinics with approximately (12) providers located off campus (located with in Huntington and surrounding communities). Additionally, the hospital has a unique relationship with Marshall University Physicians & Surgeons where they employ and manage the internal medicine subspecialty physicians for their clinical practice and they retain their academic affiliation with the University. There is a similar arrangement with the Oncology Subspecialists that practice at the Edwards Cancer Center. The hospital manages the billing and collection functions for these practices through several systems at this time.

Below are some Web sites that can be accessed for additional information:

Cabell Huntington Hospital	http://www.cabellhuntington.org
City of Huntington	http://www.cityofhuntington.com
Huntington Area Development Council	http://www.hadco.org
Huntington Chamber of Commerce	http://www.huntingtonchamber.org
Cabell-Huntington Visitor Center	http://www.wvvisit.org

OVERVIEW OF THE POSITION

The Director of Materials Management/Supply Chain will be responsible for all aspects of supply chain/materials management processes for Cabell Huntington Hospital. The Director will ensure that CHH has efficient and effective purchasing of high quality supplies and timely deliveries at the lowest possible cost to all user departments. Additionally, this key leader must ensure that supply chain activities (purchasing, distribution, value analysis, etc) are fully integrated between various departments/functions and vendors, where applicable. The Director will be responsible for Purchasing, Storeroom/Distribution, Print Shop, and Supply Processing Department (Central Sterile Supply) for the facility and will coordinate Group Purchasing activity and the Materials Management computer system. He/she will report directly to the Chief Financial Officer.

The Materials Director develops standards, vendor partnerships and contracts for Cabell Huntington Hospital business, institutional, medical, lab & surgical supplies procurement. This position is responsible for managing the overall business processes and day to day operations of purchasing including maximizing savings through effective management of Group Purchasing Organization (Premier) contracts. The Director will meet or exceed customer expectations by continuously improving services, supplier partnerships, resources & communications to ensure the best product, at the right place, at the correct time, with the lowest life cycle cost.

Below is a table with some key information on the Materials Management function.

Departmental Information	Calendar 2010
Supply Costs as a Perct of Net Revenue	16.34%
Supply Cost per CM Adjusted D/C	\$810.83
Supply Costs Annually	\$54,632,464
Supply Costs per Adjusted Discharge	\$1,078.46
Supply Costs per Adjusted Patient Day	\$361.23
Inventory Turns/Year	
- Storeroom	22.55
- Surgery	7.39
- Radiology Interventional	1.45
- Sterile Processing	NA (not perpetual)
Total FTEs	
- Purchasing	3.3 (includes MM secr.*)
- Warehouse/Distribution/Receiving	7.8 (includes mgr. and dir.)
-Supply Processing Dept	14.6 (includes mgr.)
Annual Budget Materials Dept.	\$5,616,784.00

Reports to the Director of Materials Management include:

- Assistant Director (Purchasing, Store Room, Shipping, Receiving, Print Shop)
- Manager Supply Processing Distribution
- Stock/Inventory Lead Buyer
- Purchasing Clerks (1.5 FTEs)
- Administrative Assistant

Below are some of the key duties and responsibilities for the Director of Materials Management:

- Responsible for supply chain management for the hospital including continuous evaluation and implementation of best practice standards.
- Maintains in depth knowledge of GPO purchasing program and solid knowledge of other GPO product category programs.
- Acts as a resource to all clinical and non-clinical staff regarding non-salary expense management by actively communicating contract or purchasing opportunities. Develops and maintains good working relationships with customer departments, the management team, and medical staff. Assists in leading the Value Analysis Teams and processes.
- Responsible for contract management. Develops, maintains, and coordinates a system for regularly scheduling contract reviews. Routinely reviews purchasing practices to assure that Purchasing staff are procuring and utilizing appropriate contracts and tiers.
- Ensures optimal participation in GPO agreements to maximize price savings, rebates, group redistribution and commitments.
- Oversees the purchasing function utilizing acceptable purchasing practices. Works with the hospital management staff to procure the appropriate supplies and equipment within agreed upon time frames.
- Ensures that employee and patient safety is a primary concern in the selection of supplies and equipment.
- Oversees the use of information technology (McKesson Pathways) in the purchasing and distribution process. Coordinates upgrades to the system and use of new software applications.
- Develops most suitable purchasing arrangement for commodities, including blanket contracts, standing orders and vendor stocking arrangements.

- Coordinates the standardization of supplies and equipment within the organization. Acts as Chairperson of the Value Analysis Committee.
- Coordinates the resolution of equipment and supply quality and service problems with vendors.
- Gives consideration to environmental concerns in the selection of supplies and equipment.
- Maintains a professional environment in interactions with vendors.
- Responsible for selection of suppliers giving consideration to quality of service and cost to CHH.
- Coordinates the reconciliation process for invoices with the Accounts Payable department when price and quantities do not agree with the purchase order.
- Orientates new management team members on purchasing policies and practices.
- Assists in the preparation of the annual departmental operating and capital budgets; operates each function within the approved budget.
- Utilize benchmark comparison data to continuously monitor supply expense at the hospital.
- Applies cost-effective measures in department operations and keeps abreast of all product changes, recalls and industry trends.
- Maintains a good working relationship with vendors to utilize them for the best service possible.
- Develops purchasing plans and programs to implement overall objectives.
- Keeps informed of all new developments relative to materials and supplies, and makes recommendations designed to reduce costs and improve methods.

CANDIDATE QUALIFICATIONS

The section below outlines the qualifications and selection criteria for the ideal candidate for the Director of Materials Management position.

Education/Licensure/Certifications

- Bachelor's degree will be required and a Master's Degree preferred. This could include business, healthcare, economics or related degree from an accredited college or university.
- Association for Healthcare Resource and Materials Management or the National Association of Purchasing Managers certification preferred.

Experience

- Minimum of five years' experience with progressive responsibility required
- Experience in successfully gaining buy-in among physicians and clinical staff to standardize products in multiple service lines.
- Someone who has successfully lowered supply and/or other controllable expenses within a hospital or health system setting.
- Candidates with experience in an organization, where patient/customer satisfaction is considered a very high priority and a part of the culture is a must.
- The successful candidate will have experience in the entire supply chain process within the healthcare organization. This must include value/clinical product analysis, contracting, order placement, acquisition, distribution, and disposition of all supplies, equipment, and purchased services.
- Experience with the use of material management related information systems as well as a commitment to the use of technology to increase efficiency. Proficiency in Microsoft Office Applications such as Word and Excel.
- Someone with experience in putting in place systems to better manage utilization of products in the key service lines (such as interventional radiology, cath lab, surgical services, orthopedics, etc.) is a plus.

Personal Characteristics

- Someone with absolutely solid values, who is honest, loyal and sincere. Must be service oriented and embrace the reason for Cabell Huntington Hospital's existence which is to serve patients and their families.
- The successful candidate will have excellent listening skills. He/she will listen well to his or her constituents and provide feedback to them.
- Must have a positive and can-do approach to their role and the role that their department fits into the healthcare system.
- This candidate must be comfortable and be able to work closely with physicians, clinical staff, hospital administration, and other constituents.
- Someone who is excited about the materials management/supply chain function and the key role that it plays in a hospital or health system's future success.
- He/she will be someone who has a high level of 'personal ownership' in the future success of the organization in which they belong.

- Someone who values the mid-level manager and is energized by educating and inspiring their interest in organizational success.
- Someone who is energetic, enjoys working with people at all levels of the organization, and has a good sense of humor.
- An uncompromising commitment to the value of staff involvement in decision making and finding solutions to future challenges.
- Excellent written and verbal communication skills and the confidence to sell his or her ideas in the hospitals and within the system. He/she will also have excellent oral presentation skills.
- The successful candidate will value relationships and be a committed team member with the CHH leadership teams.
- The successful candidate will set the standard for performance for both his/her employees and other hospital associates through a willingness to do themselves what they would ask others to do.

GOALS & OBJECTIVES

During the first 12 to 18 months of his/her tenure, the Director of Materials Management will be expected to achieve the following:

- Establish credibility and solidify working relationships with staff, management, administration and physicians by being visible, aware and proactive.
- Ensure that current statistics relating to the supply chain are at or below the established goal for the organization.
- Gain in depth knowledge of the GPO (Premier) purchasing program and solid knowledge of other GPO product category programs.
- CHH has entered into an agreement with Premier to achieve a \$3 million cost savings in non-salary related expenses over three years. See that this initiative is successful and solutions identified are implemented.
- Keeps abreast of current healthcare trends and practices; maintains and enhances expertise through appropriate education experiences.
- Earn the trust and respect of the departmental employees, the senior leadership team, the managers/directors, and physicians within CHH. Develop a strong working relationship with all department heads, nursing staff, and physicians.
- Serving as a consultant, the director will assist the department heads in reducing their supply costs.

- Become an integral part of the CHH management/leadership team; develop a sense of personal ownership for the future success of the organization while demonstrating Service Excellence.
- Achieve cost savings through effective contract negotiations on contract renewals and new contracts.
- Evaluate the value analysis process and make improvements to ensure that the process is effective and efficient.
- The current version of McKesson's Pathways Materials system will be upgraded. See that the system is being fully utilized for efficiency and cost savings potential.
- Serve as the hospital champion for the Premier GPO.

For consideration please contact or submit resumes to:

David W. Boggs
Dalton Boggs & Associates
4500 Bowling Blvd., Suite 100
Louisville, Kentucky 40207
Toll Free 877-228-4030
Fax 502-894-6001
Email davidb@daltonboggsassociates.com