

Summary of Qualifications



“

We work with you to maximize the value of
your most important vendor relationships.”

Neil Olderman

*President, Innovative Health Strategies™
Partner, Faegre Drinker Biddle and Reath LLP*

About Innovative Health Strategies™

Consulting & Legal Solutions for the Health Care Supply Chain

Innovative Health Strategies™ is a multidisciplinary team of consultants and attorneys with accomplished negotiating skills, deep subject-matter knowledge and a full-service *Assessment-to-Agreement* process that allows hospitals and health systems to drive margin improvements and increased quality by maximizing the value of their supply chain partnerships. We specialize in high-impact areas such as purchased services, health care IT, group purchasing and dialysis to provide comprehensive coverage in critical areas for our clients.

Innovative Health Strategies™ is unique among consulting firms in that our *Assessment-to-Agreement* process includes complete negotiation of the final vendor contract by attorneys with subject matter expertise. As a wholly owned subsidiary of Faegre Drinker Biddle and Reath LLP (Faegre Drinker)*, Innovative Health Strategies™ will use Faegre Drinker attorneys with decades of experience in health care supply chain contracting to ensure your final agreement correctly captures the terms of the deal and avoids vendor loopholes that erode value.

Assessment-to-Agreement Philosophy:

A ten-step sourcing process delivering outsized value

- 1 **Understand** leadership's near-term and long-term goals and unique requirements.
- 2 **Work with stakeholders** to ascertain attributes of a desired future state.
- 3 **Devise a strategy** to deploy in a competitive-bid environment that will achieve sustainable savings, quality improvements and investments from contractors.
- 4 **Market-validate** the opportunity to gain insights and increase negotiating leverage.
- 5 **Prepare an RFP**; compare and evaluate competing proposals; complete due diligence activity and facilitate a vendor award decision.
- 6 **Leverage** Innovative Health Strategies™ and Faegre Drinker contract experts to negotiate preferred terms, protections and commitments.
- 7 **Reach a definitive agreement** with the vendor tailored to the client's needs; work closely with the client's stakeholders to ensure the definitive agreement is reached with the selected vendor.
- 8 **Deliver** an execution-ready agreement along with supporting documentation to leadership.
- 9 **Provide post-execution training** for stakeholders on the contract-specific terms and best-practices for vendor management.
- 10 **Conduct post-execution quarterly business reviews** with the client and vendor to track savings and metrics initiatives, and facilitate resolution of operational issues. (*Optional service*)

* Client will need to execute a separate engagement with Faegre Drinker to establish an attorney-client relationship for legal services.

Core Areas of Experience

The Innovative Health Strategies™ team has decades of experience sourcing and negotiating contracts related to purchased services, health care IT, group purchasing and dialysis. The following is a summary of areas where Innovative Health Strategies™ consultants have extensive knowledge:

Purchased Services

- Ambulance Transport
- Central Sterile Processing
- Coding
- Diagnostic Imaging & Biomed
- Distribution
- Employee Benefits Solutions
- Environmental Services (EVS)
- Facilities Management
- Food & Nutrition
- Laundry & Linen
- Legal Services
- Mail & Courier
- Managed Print & Forms
- Parking/Valet
- Patient Transport
- Staffing
- Security
- Transcription
- Utilities
- Waste Management

Dialysis

- Outsourcing of Inpatient Dialysis Services
- Sale of Outpatient Dialysis Service Assets/
Interests in Vascular Access Centers
- Joint Ventures for Outpatient Dialysis/
Vascular Access Centers

Health Care Information Technology

Structure New Strategic Relationships

- Accounts Receivable
- Billing
- Care Management
- Discharge Planning
- Electronic Health Records (EHR)
- Electronic Medical Records (EMR)
- Enterprise Resource Planning (ERP)
- HR & Talent Management Systems
- Integration Platforms & Engines
- Population Health
- Predictive Analytics
- Purchasing Systems
- Real-Time Data Analytics
- Revenue Cycle Management

Buy, Lease, and Service Capital Equipment

- Catheterization Labs
- Diagnostic Imaging Equipment
- Linear Accelerators and Stereotactic Radiosurgery Equipment
- Medication Dispensing
- Patient Monitoring
- Robotic-Assisted Surgery
- Telemetry
- Treatment Planning Systems

Outsource Non-Clinical IT Services

- Back-Office
- Collection
- Equipment Services
- Help Desk
- Information Systems (IS)
- Information Technology (IT)
- Infrastructure Services
- Legacy System Support

Group Purchasing

- Refresh of Existing Group Purchasing arrangements
- Competitive Bids for Membership and Services
- Develop Regional GPOs, Shared Services
Organizations and Product Specific GPOs

Detailed Case Study

Purchased Services

A new CEO at a physician-led nonprofit teaching hospital in New England needed to reduce costs and maintain or improve existing service levels. Neil Olderman led initiatives in five spend categories to help the hospital drive additional value from its vendors.

Challenges:





Cut costs while maintaining or improving current service levels.

Assess total cost of ownership of purchased services diffused throughout the organization.

Engaged with C-suite leadership to promote and obtain organizational buy-in for strategic initiatives; tailored solutions to minimize staff disruptions and other operational concerns.

Approach Taken with Savings and Improved Service, Performance

Used unique contracting strategies and value-focused negotiations to target savings in five spend categories:

| | | Action | Guaranteed Savings | Improved Service Performance |
|---|---|--|---|---|
|  | Purchased Services Outsourcing (Food, Environmental Services, Facilities) | Leveraged competitive pressure and an expansion of services to extract better performance, guaranteed savings from incumbent vendor. | \$9.6M across 5 years | Performance goals tied to metrics for cleanliness, food quality |
|  | Diagnostic Imaging & Biomed | Determined spend was 15% higher than benchmarks due to in-house staff/vendor duplications. Outsourced all services for unified management with explicit savings, service levels. | \$1.1M first year \$3.7M across 5 years \$5.5M across 7 years | Service level requirements reduce average repair time, increase system uptime |
|  | Transcription and Coding | Combined services and obtained multiple proposals. Consolidated spend with preferred incumbent vendor at competitive price and guaranteed service levels. | \$ 2.4M across 3 years | Cutting-edge platform; improved turnaround and transcription accuracy |
|  | Document Management | Softly tested market to reveal opportunity for a 20% savings by consolidating services. Awarded business to supplier willing to help reduce costs and improve service. | \$1.3M across 5 years | 96% error free; Uptime > 96% operational; Faster repair < 4 hrs |
|  | Group Purchasing Organization | Applied contract scrutiny and competitive pressure to renew incumbent vendor with increased guaranteed savings, penalties for missing savings target, and an easy-to-invoke exit clause. | \$8.2M across 29 months | GPO added onsite resources to implement savings initiatives |

Results Achieved:

Vendor-guaranteed savings within **12 months** of implementation: **\$8.6M**; within **5 years** of implementation: **\$30.4M**

Additional Case Studies and Experience

Brett Warner joined Innovative Health Strategies™ as a consultant in May 2019. He brings tremendous experience throughout his career in leading purchased services savings initiatives for hospitals and health care systems of various sizes. Representative examples of his recent engagements include:

| CLIENT | SERVICES | ANNUAL SPEND | ANNUAL SAVINGS | PERCENT SAVINGS |
|--|---|--------------|----------------|-----------------|
| Multiple Services | | | | |
| Maryland, Medical Center | Food, EVS, Laundry, Facilities | \$66,000,000 | \$6,600,000 | 10% |
| Arkansas, 9 Hospital System | EVS, Patient Transport, Laundry, Facilities | \$51,489,783 | \$5,199,895 | 10% |
| Diagnostic Imaging & Biomed | | | | |
| Tennessee, 10+ Hospital System | | \$3,960,234 | \$653,657 | 17% |
| New England, Academic Medical Center | | \$5,912,756 | \$782,462 | 12% |
| Print Management | | | | |
| Illinois, 2 Hospital System | | \$546,677 | \$212,777 | 39% |
| Florida, 4 Hospital System | | \$1,904,920 | \$461,960 | 24% |
| Tennessee, 10+ hospital system | | \$1,799,287 | \$391,667 | 22% |
| Food/EVS | | | | |
| Illinois, 2 Hospital System | | \$6,000,000 | \$1,500,000 | 25% |
| Tennessee, 10+ Hospital System | | \$26,000,000 | \$2,300,000 | 9% |
| Florida, 4 Hospital System | | \$17,243,436 | \$938,641 | 5% |

Health Care Information Technology

Engagement highlights:

- **Strategic growth, operations, integration and performance improvement, while leveraging technology:** Negotiated an eight-year strategic agreement between a quickly expanding multi-hospital health system in Pennsylvania and a leading health care technology vendor.

Results: Achieved between \$500 million to \$1 billion in improved financial performance. The arrangement was based on a shared-risk model that is contingent upon the level of success in reaching certain agreed-upon goals.
- **Multi-Year Master Relationship Agreement (Multi-Hospital Health System):** Represented a multi-hospital health system in New England in the negotiation of a six-year “Master Relationship Agreement” with a health care technology company.

Results: The technology company committed to \$180 million in improved financial performance over six years through critical enhancements in capacity optimization and workforce management. The agreement also established a cost-effective infrastructure to purchase technology and services more efficiently and a discount structure that resulted in significant savings.
- **Multi-Year Outcome-based Agreement (Multi-Hospital Regional Health Care System):** Represented a multi-hospital regional health care system based in North Carolina in the negotiation of a 10-year outcome-based agreement with a leading health care technology company.

Results: Achieved enterprise-wide commitments to: collaborate on critical innovation and optimization projects, improve clinical and non-clinical workflows, and establish an efficient structure to acquire equipment and services (subject to a discount structure that would result in significant and historical savings for the hospital).

The Innovative Health Strategies™ Advantage: Our *Assessment-to-Agreement* Process

Innovative Health Strategies™ is unique among our peers. We are a wholly owned subsidiary of Faegre Drinker, a prominent national law firm with a *Chambers U.S.A.*-ranked health care practice group. Collectively, Innovative Health Strategies™ and Faegre Drinker operate as an extension of a hospital or health system's C-suite and supply chain team. While other management consulting firm engagements stop before the final contract is negotiated, Innovative Health Strategies™ works with Faegre Drinker attorneys to go beyond assessing and recommending deal terms to delivering a final agreement that you can execute with confidence.

The *Assessment-to-Agreement* process is designed to expedite resolution of your agreement:

- Our RFPs require vendors to accept key business and legal terms. This reduces the number of issues that need to be negotiated in the final agreement.

- We address potential legal pitfalls early to reduce the risk of an unanticipated legal issue derailing contract negotiations.

- Innovative Health Strategies™ requires the vendor to agree to a term sheet based on the final RFP responses. Faegre Drinker then uses the term sheet as the foundation for drafting the final agreement.

Assessment-to-Agreement is a proven process designed to maximize the value of your vendor contracts. For more information, we encourage you to contact us.

Thought Leadership

The Innovative Health Strategies™ team promotes, educates and leverages best practices in health care supply chain contracting via direct and indirect media. Following are articles and other materials that showcase our experience.

- **Choosing the Correct Financial Model for Purchased Services**

By Mark Phillips

This alert guides providers through three of the most common financial services models for purchased services contracts.

- **Lessons to be Learned from Amazon's Step Back from Entry into the Hospital Supply Chain**

By Neil Olderman

As Amazon continues to pursue involvement in the health care industry, we analyze the challenges that may have caused the company to reassess its strategy for entering the hospital supply chain.

- **Ask Your GPO For These 10 Valuable Contract Concessions**

By Neil Olderman

This list offers innovative ways for hospitals and providers to collaborate with group purchasing organizations to increase savings beyond bulk pricing.

- **Aggregating Purchasing Volumes in Purchased Services: The Next Wave in Driving Value**

By Mark Phillips

In this article, we discuss how hospitals can obtain greater value in their purchased services agreements by consolidating vendors.

Neil Olderman provides insights and experience to Modern Healthcare. He also discusses benefits and best practices for outsourcing relationships.

For a complete list of Thought Leadership, visit:
IHSconsult.com/resources/thought-leadership





THE TEAM

Neil S. Olderman

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Neil Olderman is President of Innovative Health Strategies™ and Partner at Faegre Drinker. He has over 20 years of experience representing hospitals and health systems in connection with the negotiation of GPO participation agreements and purchased services contracts. Neil has created and counseled regional hospital GPOs and specialty GPOs; represented GPOs in connection with their vendor negotiations; and advised on a wide variety of supply chain and strategic sourcing initiatives. Neil was associate general counsel to Premier Health Alliance for seven years.



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Mark W. Phillips

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Mark Phillips is a Vice President of Innovative Health Strategies™ and Counsel at Faegre Drinker. He joins Innovative Health Strategies™ after 15 years negotiating hundreds of support services agreements on behalf of Compass Group USA, one of the largest food, EVS, facilities, and non-clinical outsourcing firms in the world. With hands-on industry experience, and an MBA in addition to his J.D., he is well versed in the financial, operational and legal terms that are relevant to purchased services and GPO contracts.



THE TEAM

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Kelley Taylor Hearne is a Vice President at Innovative Health Strategies™ and Partner at Faegre Drinker. She has over 20 years of experience as a health care transactional lawyer and advises clients in connection with mergers and acquisitions, joint ventures, and hospital and physician affiliations. Kelley has particular depth in the area of dialysis programs and vascular access programs and has represented 50+ hospitals, health systems and physician groups in divestitures and joint ventures of 100+ dialysis programs and/or vascular access programs, as well as the negotiation of acute dialysis services contracts and medical director agreements.



THE TEAM

K. Randolph Peak

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Randy Peak is Vice President at Innovative Health Strategies™ and Partner at Faegre Drinker. He provides strategic legal advice to health care, life sciences and technology clients, leveraging nearly three decades of industry experience, including serving as general counsel for a nationally recognized health system. Randy works with providers, Fortune 500 companies, start-ups and nonprofits, offering outside general counsel and legal department outsourcing services. He has negotiated thousands of transactions across corporate operations, service offerings and complex contracts.



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Brett Warner

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Brett Warner is an Assistant Vice President at Innovative Health Strategies™. He leads purchased services consulting engagements, collaborating with hospital leaders and national vendors to scrutinize department spend and surface creative ways to safeguard cost-savings and incentivize performance improvement. Brett joins Innovative Health Strategies™ with over 10 years of professional experience. He has led several large-scale consulting engagements, negotiated complex outsourcing contracts, and developed a best-in-class sourcing process using a combination of market validation and benchmarking.



THE TEAM

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Ilse Peterson is Assistant Vice President of Research and Strategy at Innovative Health Strategies™ and Partner at Faegre Drinker. With over a decade of experience, she consults on strategy, project management and impact evaluation for life sciences, health care and tax-exempt clients. Ilse manages initiatives tackling scientific, clinical and public health challenges, including grant programs, stakeholder collaborations and organizational planning. She also supports clients with clinical research and data privacy compliance efforts.



For more information about
Innovative Health Strategies™, visit: IHSconsult.com

