2021 Supplier Conference
August 10, 2021
2021 Attendee List

- Abbott Nutrition
- Abbott Vascular
- Agile-1
- Ahead
- American Red Cross
- Anne Roberts
- Aramark Refreshments
- ARC Hesios
- Arrow Messenger
- Auris
- B Braun
- Baxter
- BD - Diagnostics
- Beeline Support
- Benefit Express
- BioFire
- BioMerieux Inc
- Biomet - Zimmer
- Boston Scientific
- Canino Electric
- Cardinal
- CDW
- Cepheid
- Chicago Tribune
- Cintas
- Coloplast
- Conmed
- Convatec
- Cook
- Crothall

- Dell
- DePuy/Synthes, Ethicon, JNJ
- Diagnostica Stago
- Diamond Communications
- ECRI
- Elsevier
- Emcor Services
- Experian
- Fedex Office
- Felltes Love Sieben
- Fresenius Kabi
- GE
- GHX
- GOJO
- Grainger
- Hill-Rom
- Hologic
- Hyland Nolan
- Immucor
- Instrumentation Laboratory / Werfen
- Inegra
- Inter-City Supply
- International Test & Balance
- Intuitive Surgical
- Ipsen Biopharmaceuticals
- IvValua
- Johnson Controls
- Karl Storz
- Kimberly Clark
- Lakeshore Recycling
- Lionheart

- MarkVend
- McCauley Mechanical
- McKesson
- Meddata
- Medela
- Medex
- Medline
- Medtronic
- Merck
- Meridian
- Metaphasis
- Molnycke
- Morgan Linen Services
- Morrisons - Food
- MSN / Cross Country
- NuVasive
- nxStage
- Office Depot
- Olympus
- Otis Elevator
- PACE Systems
- Paul Borg
- Pfizer
- Philips
- Press Ganey
- Primacy
- Quantum Graphics
- Odyssey Relocation
- Roche

- Schneider Electric
- Siemens Imaging
- SL Procurement
- Smith and Nephew
- Smiths Medical
- Stericycle
- Steris
- Stryker
- Superior Linen
- Surgery Exchange
- Sysmex
- Mercury Promotions
- Teleflex
- Teva
- Thermo Fisher
- Triage
- TrMedx
- Tri-Anim
- US Messenger
- Varian
- Verathon
- Versiti
- Vizient
- Vocera
- Voss Equipment
- Vyaire
- Xerox
- Zoll Medical
8th Annual UCM Supplier Conference

Purpose:
• Orient key supplier leadership to UCM critical business objectives, expectations, and distinct business practices.
• Update on progress and changes from last year’s conference.

In order to ….
• Engage suppliers to work continually, passionately and collaboratively to deliver needed improvements.

Format:
Presentation with Q&A opportunities

- Please submit all questions via the chat function in Zoom
## Agenda

<table>
<thead>
<tr>
<th>Topic</th>
<th>Presenter</th>
<th>Title</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Welcome</td>
<td>David Spence</td>
<td>Assistant Director, Strategic Sourcing</td>
<td>1:00pm</td>
</tr>
<tr>
<td>Strategic Overview</td>
<td>Jason Keeler</td>
<td>Executive Vice President and Chief Operating Officer</td>
<td>1:05pm</td>
</tr>
<tr>
<td>Strategic Planning Update</td>
<td>Amy Ross</td>
<td>Senior Vice President, Strategic Planning and Service Lines</td>
<td>1:15pm</td>
</tr>
<tr>
<td><strong>Question and Answer Session</strong></td>
<td></td>
<td></td>
<td>1:25pm</td>
</tr>
<tr>
<td>Pharmacy Strategy</td>
<td>Kevin Colgan</td>
<td>Chief Pharmacy Officer</td>
<td>1:30pm</td>
</tr>
<tr>
<td>Supplier Panel Discussion: Moderated By</td>
<td>Eric Tritch</td>
<td>Vice President, Supply Chain and Support Services - UCMC</td>
<td>1:50pm</td>
</tr>
<tr>
<td>Eric O'Daffer - VP Healthcare Supply Chain</td>
<td>John Blackketter</td>
<td>Manager North American Business Care Integration - Cook</td>
<td></td>
</tr>
<tr>
<td>Practice at Gartner</td>
<td>Robert Rajalingam</td>
<td>Medical Products and Distribution - Cardinal Health</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rachel Gilbreath</td>
<td>National Vice President of Enterprise Accounts - Hillrom</td>
<td></td>
</tr>
<tr>
<td>Clinical Strategic Sourcing and Value</td>
<td>Ian O'Malley</td>
<td>Director, Strategic Sourcing, Clinical</td>
<td>2:35pm</td>
</tr>
<tr>
<td>Analysis</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-Clinical Sourcing and Business</td>
<td>Osvaldo Torres</td>
<td>Director, Strategic Sourcing, Non-Clinical</td>
<td>2:45pm</td>
</tr>
<tr>
<td>Diversity Updates/Awards</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Procurement and Supply Chain IT Updates</td>
<td>Anurag Jaiswal</td>
<td>Director, Supply Chain Performance and Analytics</td>
<td>2:55pm</td>
</tr>
<tr>
<td>Operations and Ambulatory Updates</td>
<td>Robert Martin</td>
<td>Director, Supply Chain and Logistics, Ingalls and Ambulatory</td>
<td>3:05pm</td>
</tr>
<tr>
<td>Closing Remarks / Open Questions</td>
<td>Eric Tritch</td>
<td>Vice President, Supply Chain and Support Services</td>
<td>3:15pm</td>
</tr>
</tbody>
</table>
# UCM: Health System at a Glance

## FACILITIES

### 1,296 Licensed Beds
- 821 Med Surg
- 171 ICU
- 67 OB-GYN
- 60 General Pediatrics
- 53 NICU
- 78 Acute Mental Illness
- 46 Rehabilitation

## Ambulatory Care Facilities
- Chicago: Duchossois Center for Advanced Care, River East, South Loop
- Orland Park
- Harvey: Professional Office Building
- Calumet City, Flossmoor and Tinley Park: Family Care Centers
- Crestwood and South Holland: Care Centers
- Also: Comprehensive Cancer Center at Silver Cross, Care Network/off-site clinics in Chicago and suburbs

## 4 Inpatient Facilities
- Center for Care and Discovery
- Bernard M. Mitchell Hospital
- Comer Children’s Hospital
- Ingalls Memorial Hospital

## 48 Operating Rooms

## PEOPLE

### 12,417 Employees
- 1,390 Physicians
- 3,011 Nurses
- 981 Residents and Fellows

## FINANCIALS

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Revenue</td>
<td>$2.79B</td>
</tr>
<tr>
<td>Net Patient Service Revenue</td>
<td>$2.33B</td>
</tr>
<tr>
<td>EBIDA</td>
<td>$294.8M</td>
</tr>
<tr>
<td>Operating Income</td>
<td>$122.3M</td>
</tr>
<tr>
<td>Community Benefit (FY20)</td>
<td>$656.6M</td>
</tr>
</tbody>
</table>

## VOLUME

<table>
<thead>
<tr>
<th></th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ambulatory Visits</td>
<td>799,139</td>
</tr>
<tr>
<td>Hospital Admissions</td>
<td>45,690</td>
</tr>
<tr>
<td>Hospital Patient Days</td>
<td>277,912</td>
</tr>
<tr>
<td>Surgical Cases</td>
<td>28,274</td>
</tr>
<tr>
<td>ED Visits</td>
<td>153,198</td>
</tr>
</tbody>
</table>

Preliminary FISCAL 2021, UNLESS OTHERWISE NOTED
UCM - A Year In Review

• Expanded our digital-health capabilities and conducted more than **183,000 virtual visits** via video, telephone and MyChart (July 1, 2020 – June 30, 2021).
• Opened a **Vaccine Clinic** in the Mitchell Hospital in mid-December 2020 to offer an efficient and systematic approach to vaccinating staff and our community against COVID-19.
• Provided over **120,000 doses of COVID-19 vaccinations** to more than 61,000 people, including about **30,000 South Side residents**.
• Earned our **19th consecutive A** in patient safety from the Leapfrog Group.
• Initiated a **Zoom-wellness series** and implemented a **new parental-leave** policy to provide virtual and flexible resources to our employees.
• Established formal **remote-work** policies and procedures to align with the new ways of working.
• Launched a **redesigned employee intranet** to create a modern, easy-to-navigate site.
• Initiated assessment of the **ambulatory call center**.
Overall, Admits and Patient Days has grown year over year, during the 5 year period, by 2.5% & 3.5%, respectively, indicating LOS has grown given which is the result of disease acuity.

Patient days and admissions leveled off during the COVID-19 pandemic; however, recovered and grew in FY21.
Overall, Ambulatory Visits and Surgical Cases have grown by an average of 6.2% and 2.8% per year, over the 5 year period, respectively. The impact of COVID-19 on surgical cases in FY20 was profound, however, recovered quickly heading into FY21 to near pre-pandemic levels.

- Orland Park and South Loop and River East Ambulatory Sites opened in FY19 and FY20.
# UCMC FY21 Priority Quality and Safety Measures

## FY21 UCMC Clinical Priority Scorecard

<table>
<thead>
<tr>
<th>Category</th>
<th>Measure Title</th>
<th>Calculation Format</th>
<th>Desired Directions</th>
<th>Historical Performance</th>
<th>FY Through</th>
<th>Relative FY A</th>
<th>Target</th>
<th>FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safe</td>
<td>Infection Control: CLABSI (SIR)</td>
<td>SIR</td>
<td>↓</td>
<td></td>
<td>Jun</td>
<td>▼ 25.92%</td>
<td>0.72</td>
<td>0.57</td>
</tr>
<tr>
<td></td>
<td>Infection Control: Surgical Site Infections Composite</td>
<td>SIR</td>
<td>↓</td>
<td></td>
<td>Mar</td>
<td>▼ 39.80%</td>
<td>1.41</td>
<td>0.59</td>
</tr>
<tr>
<td>Timely</td>
<td>New Patient Appointments within 14 Days</td>
<td>Percent</td>
<td>↑</td>
<td></td>
<td>Jun</td>
<td>▲ 23.85%</td>
<td>41.50</td>
<td>40.30</td>
</tr>
<tr>
<td>Effective</td>
<td>Ambulatory care: Annual influenza vaccination with Defined Season</td>
<td>Percent</td>
<td>↑</td>
<td></td>
<td>Mar</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Ambulatory care: Cancer screening composite</td>
<td>Percent</td>
<td>↓</td>
<td></td>
<td>Jun</td>
<td>▲ 8.60%</td>
<td>69.56</td>
<td>71.73</td>
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<tr>
<td></td>
<td>Ambulatory care: Diabetes Management - HbA1c Poor Control</td>
<td>Percent</td>
<td>↓</td>
<td></td>
<td>Jun</td>
<td>▼ 6.29%</td>
<td>26.70</td>
<td>25.87</td>
</tr>
<tr>
<td></td>
<td>Ambulatory care: Hypertension management</td>
<td>Percent</td>
<td>↓</td>
<td></td>
<td>Jun</td>
<td>▼ 4.71%</td>
<td>69.30</td>
<td>70.38</td>
</tr>
<tr>
<td></td>
<td>Observed:Expected Mortality</td>
<td>Obs:Exp Ratio</td>
<td>↓</td>
<td></td>
<td>May</td>
<td>▼ 8.05%</td>
<td>0.81</td>
<td>0.80</td>
</tr>
<tr>
<td></td>
<td>Readmissions: 30-day all-causes, unplanned</td>
<td>Percent</td>
<td>↑</td>
<td></td>
<td>May</td>
<td>▼ 4.07%</td>
<td>11.70</td>
<td>11.45</td>
</tr>
<tr>
<td>Efficient</td>
<td>Clinical Length of Stay - Adult</td>
<td>Average Per Patient</td>
<td>↓</td>
<td></td>
<td>Jun</td>
<td>▼ 7.12%</td>
<td>5.96</td>
<td>6.33</td>
</tr>
<tr>
<td></td>
<td>PEEP: Inpatient CAHPS Rating</td>
<td>Percent Top Box</td>
<td>↑</td>
<td></td>
<td>Jun</td>
<td>▲ 0.91%</td>
<td>77.3</td>
<td>76.4</td>
</tr>
<tr>
<td></td>
<td>PEEP: Outpatient CAHPS Rating</td>
<td>Percent Top Box</td>
<td>↑</td>
<td></td>
<td>Jun</td>
<td>▲ 1.46%</td>
<td>90.4</td>
<td>90.6</td>
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</tbody>
</table>

Data & Analytics: DATA@uchospitals.edu
Data Source: Refer to Measure Definition
Data on page updated: 7/15/2021
For quality improvement purposes only. Please do not distribute.
[Click here to provide report feedback](#)
UCM managed through challenges last year, and will continue to face headwinds in the future.

**Onset of Delta Variant** - potential impact to operations and workforce deployment

Record volumes in ED/Trauma continue to challenge care model, and capacity for inpatient bed management

Continue to evolve as the market dynamics change:
- Southside Hospitals (e.g. Insight/Mercy)
- Competition from other health systems and retail providers
- Complete overhaul of ambulatory call center to improve access

Continued Shifts in the Payer market:
- Rate pressures
- Shifting to ambulatory - (e.g. GI Services)
Strategic Plan: UCM Vision 2025
UCM Primary and Secondary Service Area – Greater Chicago Area and NW Indiana

% of UCMC Total (CY19)

<table>
<thead>
<tr>
<th>Service Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Service Area</td>
<td>83%</td>
</tr>
<tr>
<td>Secondary Service Area</td>
<td>11%</td>
</tr>
<tr>
<td>Beyond PSA and SSA</td>
<td>6%</td>
</tr>
</tbody>
</table>

- 94% of UCMC’s inpatient discharges come from the Greater Chicago Area & NW Indiana
- 83% come from the primary service area, which includes the South Side of the city, S and SW Suburbs, and much of NW Indiana
- There are ~120 inpatient hospitals in the region including 5 AMCs

Source: eSIMON
UCM Footprint Has Expanded Significantly in Recent Years

*Does not include department based, single site outreach clinics

Examples of UCM's collaborative relationships with community hospitals include:

- Ingalls/UCM member substitution
- UCM Center for Comprehensive Cancer Care at Silver Cross
- Academic affiliation with NorthShore

- Cardiac Surgery program at Methodist Hospital
- UCM Master Affiliation Agreement with Advocate NorthShore Partners in Pediatrics
Create an excellent experience for our patients, clinicians and employees to deliver the highest quality, coordinated and efficient care. We aim to build a digitally enabled organization for patients and support ease of practice for our clinicians and employees.

Deliver exceptional value through high quality care with greater cost efficiency; focusing on building a foundation for value based care.

Elevate signature clinical programs to integrate discovery and delivery of novel therapies; provide high-quality care delivery; offer innovative clinical trials and training program; and continue to build capabilities for treating complex care.

Enhance and integrate patient care across the care continuum to expand access and elevate care coordination throughout the network in the UChicago Medicine health system.

Build and strengthen partnerships with local community and proactively advance local, state, and federal advocacy efforts to achieve improved access and care delivery in South / Southwest Chicago.
Create an excellent experience for our patients, clinicians and employees to deliver the highest quality, coordinated and efficient care. We aim to build a digitally enabled organization for patients and support ease of practice for our clinicians and employees.

**FY22 Key Activities**

- Focus on Digital and Virtual Health Capabilities
  - Virtual Visit Optimization
  - Creation of Telestroke programs with internal and external partners; Remote Patient Monitoring
  - Ease of Practice Initiatives
  - Epic Integration for CHHD
- Access - Creating a seamless experience for clinicians and consumers
  - Call Center Standard Work Optimization
  - Development of physician referral pathways as part of project
  - Template and Direct Scheduling Optimization
All of the expansion efforts include the development of ONE UCM Model to further integrate CHHD into our system based platforms.

**UCM Vision 2025: Pillar 2 & 3 - Grow and Expand**

**F22 Key Activities**

- **Priority #1**: Consolidate, strengthen and build UCM core programs on the Hyde Park Campus

- **Priority #2**: Network Expansion of key service lines and primary care in targeted core geographies

- **Priority #3**: Create capacity at UCM by expanding UCM’s reach into the community.

- **Priority #4**: Expansion of service lines through partnership models and CHHD to provide access to new geographies and drive margin
Grow Signature and Specialty Programs
Focused Elective Growth Through Signature Programs

Signature clinical programs will be driven through a service line organizational structure with designated clinical and administrative leadership.

**Cancer**

**Digestive Diseases**

**Heart & Vascular**

**Musculoskeletal**

**Neurosciences**

**Solid Organ Transplant**

---

**Growth in Primary Care, Referrals & Partnerships**
- Drive referral volume for sub-specialty programs
- Increase ability to perform in bundled payments

**Clinical Trials & Research**
- Forward program eminence
- Differentiate programs to referring clinicians and providers

**Strategic Faculty Investments**
- Develop bench strength, breadth, and eminence to address program gaps and drive elective growth
  - Expand capacity to grow in volume, revenue, and margin

**Off-Campus Network Expansion**
- Provide access and convenience through system care coordination
  - Distribute signature specialty care throughout network
FY22 Key Activities

- Explore and pursue strategic payor relationships that bring more resources to the system
- Collaborations with individual safety net hospitals like Cook County Health to improve access to specialty care
- Implement the Healthy Community Organization which will infuse the South Side with Primary Care Providers, specialists, community health workers and connective technology to support a new, robust ecosystem
FY22 Key Activities

- Targeted efforts and focus on performance improvement across the system
- Continue to develop and deploy additional high priority clinical pathways in key service lines
- Align bundles and pay for performance commercial contracts to clinical programs—such as stroke and joints; as well as system based metrics
- Development of discharge priorities and align with CHHD post-acute services to reduce leakage and LOS for UCMC
- Focused efforts to reduced cost for FY22 unit cost optimization
Pillar 4: Healthy Community Organization
South Side Health Transformation Project: Timeline

July 2020
Advocate Aurora Health (AAH) and UCM held an initial meeting, supported by Chartis Consulting Group, to begin to plan a coalition to seek Transformation Funding ($150M available from the State of Illinois through Medicaid Program)

August – October 2020
AAH and UCM were joined by St. Bernard Hospital, Jackson Park Hospital, Sinai Hospital, Roseland Hospital, South Shore Hospital, and several of the Federally Qualified Health Centers across the South Side of Chicago – 14 Coalition members in total.

Jointly, we held two Community Virtual Town Halls, nearly 15 small-group virtual listening sessions with community members, surveyed community members online (with over 200 responses) and received feedback through a web-site portal.

November – March 2021
The 14 Coalition Members refined the Healthy Community Organization Model and jointly submitted a proposal to the State of Illinois for $30M.

June 2021
The State of Illinois Department of Healthcare and Family Services communicated that the South Side Health Transformation would be awarded funds for our project.

July 2021
Work is underway to stand up the awarded model. Work Streams, populated by subject matter experts across the collaborative organizations, will support implementation.
Coalition Partners
The Model Proposed: South Side Healthy Community Organization

The South Side Healthy Community Organization

We Will:

- **INCREASE & ENHANCE PRIMARY CARE AND DRAMATICALLY IMPROVE MATERNAL / INFANT HEALTH** with 90 additional PCP & OB hires
- **ADDRESS UNMET CHRONIC DISEASE & BEHAVIORAL NEEDS** with dedicated access to nearly 50 priority specialists
- **ADDRESS CARE COORDINATION NEEDS, SOCIAL DETERMINANT NEEDS AND PREVENTATIVE CARE** with ~250 CHWs & care coordinators and targeted SDOH programming
- **SEAMLESSLY TRANSITION CARE & SHARE DATA WITH A CONNECTED CARE TECHNOLOGY PLATFORM**

To Achieve:

- **REVERSAL OF LONGSTANDING HEALTH DISPARITIES**
  - Reduced Infant Mortality
  - Reduced Chronic Disease Morbidity
  - Enhanced Life Expectancy

- **REDUCED COSTS & IMPROVED ECONOMIC SUSTAINABILITY**
  - Improved Value & Outcomes per Dollar
  - More Care Delivered Locally
  - Over 400 New Jobs Created
South Side Healthy Community Organization: Year 1 Milestones

**SCALE MILESTONES**

- 15 PCP and OB providers – physicians, APPs and care extenders – recruited or otherwise added into participant sites
- 7 specialists providing services via lease, coverage or hire arrangements
- 80 CHWs / care coordinators / social workers recruited into the model, including 20 members of centralized team

All coalition partners have access to early connected care functionality

**PROCESS & PROGRAM MILESTONES**

- Community Advisory Council is established
- IT, CHW, care coordination design is completed; purchased services & vendors selected
- Management team is hired
- Care models / interventions designed for maternal / infant and mental health
- SDoH strategy is developed and partners are identified for co-design
- Year 1 funds and resources are distributed across participant sites, vendors, partners
- Providers and staff are recruited, onboarded, trained and deployed
- Maternal & infant interventions launched
- Year 2 funding strategy and resource allocation is established
- Baseline is established; SSHCO begins to impact outcomes

**OUTCOME MILESTONES**

Meet Year 1 outcome metrics as agreed upon by the Coalition and HFS:

- Increased prenatal & postpartum visits
- Reduced ED visits
- Increased access to PCP visits
- Increased providers of color
- Increase providers with cultural competency training
Question and Answers Session
Please submit all questions via chat
Dominant trends and forecast for 2021 and 2022

1. Continued growth in telehealth for behavioral health and other physician appointments that do not require hands on care

2. Payers emphasizing more value-based care & value-based contracting for high cost therapies

3. Artificial intelligence and big data

4. Delivery system redesign – consolidation within the health insurer, chain pharmacy, primary & specialized care continuum

5. Increasing digitalization of health care monitoring and therapeutics

6. Slow, but steady growth of cell and gene therapies; orphan drugs booming
   - RNA-based therapies halt or reverse the disease (e.g. Onpattro & Tegsedi for hereditary polyneuropathy and cost several hundred thousand per patient per year)
   - DNA-based therapies offer the prospect of a lasting cure (e.g. Luxturna for retinal dystrophy at $425K per eye)

7. New age of healthcare transition from treatment to prevention, early detection and curative therapies that will occur over the next 20 years
YOY Increased Funding of Digital Health

![Graph showing annual investment in digital health from 2016 to 2020 Q3, with an estimated increase to 2020 E.]

11.2% CAGR 2019 to 2024

Figure 2 Worldwide Orphan Drug Sales Projections

Key Health System Challenges For FY22

1. COVID treatment, prevention & vaccination
2. Not enough beds to handle patient surge
3. Move to treat patients outside the hospital – hospital at home & home infusion
4. Site of care shifts
5. Cybersecurity
6. Social network disinformation
7. Adequate workforce, especially lower paid positions
Pharmacy Trends and Challenges

1. Prescription growth has been mainly driven by the aging population and their greater use of medicines for chronic disease.

2. Prescription use will become increasingly public funded.

3. Due to declining births and Baby Boomers aging into Medicare, the commercial enrollment will begin to fall over the next 40 years while Medicare will continue to rise. *There will be more over 65 than under 18 in 2030 for the first time in US history.*

4. Prescription abandonment rate is 9% (55 million Rx’s annually).

5. Newer biosimilars have seen volume share approach 60% within two years. Twenty-nine products FDA approved; 18 products launched

6. Biosimilars have contributed to YOY oncology growth falling below 10% for the first time in seven years.

7. Drugs for immunology, oncology and neurology will be the main sources of prescription growth over the next 4 years – diabetes following closely behind.
Pharmacy Department Plans For FY22
Retail Pharmacy Growing at a 48.9% CAGR
Fewer Specialist Visits with COVID – Specialty Rx Growth Flattens
Pharmacy Projects For FY22

- Initiate Home Infusion Pharmacy Service – October 2021 target date
  New build out to South Holland/Calumet City site by June, 2022
  Will include ambulatory infusion space with 8 chairs & PICC line placement room

- Initiate Automated Central Fill Pharmacy for retail & specialty – May 2022 target date
  New build out to South Holland/Calumet City site
  Includes large call center and training facility

- Expand ambulatory clinical and support services program

- Centralize medication pre-authorization of both the medical & prescription benefit for the entire health system

- Install EPIC EMR at Ingalls

- Replace samples with free prescriptions for those in a coverage gap or awaiting PA

- Initiate Technician Apprenticeship Program

- Continue build out of lower cost sites of infusion care at River East and Tinley Park locations
Sampling of Infusion Patients
White Bagging Is Not Allowed At UCMC

- Medical staff policy prohibits white bagging
- Offer lower cost sites of care as an alternative
- Have done white bagging before and it was prone to unacceptable error
- Violates our safe medication mixing and dispensing systems
- Labor intensive for staff and requires additional storage
- Peer-to-Peer discussions with Insurer CMOs have resulted in their accepting a variance
- In addition, we require first dose infusion in an HOPD location with a rapid response team to respond to any infusion reactions
Drug Cost Per Admission Spiked During COVID

![Bar chart showing the increase in drug cost per admission from 2016 to 2021.]

- 2016: $1,143
- 2017: $1,177
- 2018: $1,253
- 2019: $1,372
- 2020: $1,299
- 2021: $1,400
Value Plots Year To Year

Benchmark Group: Vizient Top Q&A Comprehensive Academic Medical Centers
# Cancer

<table>
<thead>
<tr>
<th>MS-DRG</th>
<th>Cases (n)</th>
<th>Direct Cost (O:E)</th>
<th>Direct Cost Variance ($)</th>
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</thead>
<tbody>
<tr>
<td>838 chemo w acute leukemia as sdx w cc or high dose chemo agent</td>
<td>27</td>
<td>0.84</td>
<td>117,989</td>
</tr>
<tr>
<td>141 major head &amp; neck procedures w cc</td>
<td>7</td>
<td>1.86</td>
<td>68,480</td>
</tr>
<tr>
<td>737 uterine &amp; adnexa proc for ovarian or adnexal malignancy w cc</td>
<td>53</td>
<td>1.19</td>
<td>67,095</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MS-DRG</th>
<th>Cases (n)</th>
<th>LOS Index (O:E)</th>
<th>LOS Variance (days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>016 autologous bone marrow transplant w cc/mcc or t-cell immunotherapy</td>
<td>125</td>
<td>1.10</td>
<td>621</td>
</tr>
<tr>
<td>435 malignancy of hepatobiliary system or pancreas w mcc</td>
<td>77</td>
<td>1.10</td>
<td>145</td>
</tr>
<tr>
<td>374 digestive malignancy w mcc</td>
<td>96</td>
<td>1.10</td>
<td>134</td>
</tr>
<tr>
<td>MS-DRG</td>
<td>Cases (n)</td>
<td>Direct Cost (O:E)</td>
<td>Direct Cost Variance ($)</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>-----------</td>
<td>-------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>221 cardiac valve &amp; oth maj cardiothoracic proc w/o card cath w/o cc/mcc</td>
<td>11</td>
<td>2.23</td>
<td>399,803.44</td>
</tr>
<tr>
<td>269 aortic and heart assist procedures except pulsation balloon w/o mcc</td>
<td>30</td>
<td>1.27</td>
<td>251,770.72</td>
</tr>
<tr>
<td>220 cardiac valve &amp; oth maj cardiothoracic proc w/o card cath w cc</td>
<td>36</td>
<td>1.04</td>
<td>184,005.49</td>
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<table>
<thead>
<tr>
<th>MS-DRG</th>
<th>Cases (n)</th>
<th>LOS Index (O:E)</th>
<th>LOS Variance (days)</th>
</tr>
</thead>
<tbody>
<tr>
<td>314 other circulatory system diagnoses w mcc</td>
<td>237</td>
<td>1.12</td>
<td>314</td>
</tr>
<tr>
<td>280 acute myocardial infarction, discharged alive w mcc</td>
<td>251</td>
<td>1.11</td>
<td>234</td>
</tr>
<tr>
<td>286 circulatory disorders except ami, w card cath w mcc</td>
<td>210</td>
<td>0.98</td>
<td>214</td>
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Significant Pipeline Products
### 33 FDA Drug Approvals In 2021

<table>
<thead>
<tr>
<th>Date</th>
<th>Drug</th>
<th>Manufacturer</th>
<th>Indication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 19</td>
<td>Verquvo</td>
<td>Merck &amp; Co</td>
<td>Chronic Heart Failure</td>
</tr>
<tr>
<td>Jan 21</td>
<td>Cabenuva</td>
<td>ViiV Healthcare</td>
<td>HIV</td>
</tr>
<tr>
<td>Jan 22</td>
<td>Lupkynis</td>
<td>Aurinia (LDD)</td>
<td>Lupus nephritis</td>
</tr>
<tr>
<td>Feb 3</td>
<td>Tepmetko</td>
<td>EMD Serono (Orphan, LDD?)</td>
<td>Lung Cancer</td>
</tr>
<tr>
<td>Feb 5</td>
<td>Breyanzi</td>
<td>Juno Therapeutics (orphan, LDD?)</td>
<td>CAR-T for Lymphoma</td>
</tr>
<tr>
<td>Feb 5</td>
<td>Ukoniq</td>
<td>TG Therapeutics (Orphan, LDD)</td>
<td>Lymphoma</td>
</tr>
<tr>
<td>Feb 11</td>
<td>Evkeeza</td>
<td>Regeneron (Orphan,LDD)</td>
<td>Hypercholesterolemia</td>
</tr>
<tr>
<td>Feb 12</td>
<td>Cosela</td>
<td>GI Therapeutics</td>
<td>Bone Marrow Suppression</td>
</tr>
<tr>
<td>Feb 25</td>
<td>Amondys 45</td>
<td>Sarepta (Orphan, LDD)</td>
<td>Muscular Dystrophy</td>
</tr>
<tr>
<td>Feb 26</td>
<td>Pepaxto</td>
<td>Oncopeptides (Orphan)</td>
<td>Refractory myeloma</td>
</tr>
<tr>
<td>Feb 26</td>
<td>Nulibry</td>
<td>BridgeBio (Orphan, LDD)</td>
<td>Molybdenum deficiency</td>
</tr>
<tr>
<td>Mar 2</td>
<td>Azstarys</td>
<td>KemPharm</td>
<td>ADHD</td>
</tr>
</tbody>
</table>
33 FDA Drug Approvals In 2021

<table>
<thead>
<tr>
<th>Date</th>
<th>Drug</th>
<th>Manufacturer</th>
<th>Indication</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar 10</td>
<td>Fotivda</td>
<td>Aveo Oncology (LDD)</td>
<td>Renal cell carcinoma</td>
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<tr>
<td>Mar 18</td>
<td>Ponvory</td>
<td>Johnson &amp; Johnson</td>
<td>Multiple sclerosis</td>
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<tr>
<td>Mar 22</td>
<td>Zegalogue</td>
<td>Zeeland Pharma (Orphan)</td>
<td>Hypoglycemia</td>
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<tr>
<td>Mar 26</td>
<td>Abecma</td>
<td>Bristol Myers Squibb (Orphan, LDD)</td>
<td>CAR-T Multiple Myeloma</td>
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<tr>
<td>Apr 2</td>
<td>Qelbree</td>
<td>Supermus</td>
<td>ADHD</td>
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<td>Apr 15</td>
<td>Nextstelis</td>
<td>Mayne Pharma</td>
<td>Contraception</td>
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<td>Apr 22</td>
<td>Jemperli</td>
<td>GSK (Orphan)</td>
<td>Endometrial cancer</td>
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<td>Apr 23</td>
<td>Zynlonta</td>
<td>ADC Therapeutics</td>
<td>Lymphoma (C-19 directed antibody)</td>
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<tr>
<td>May 14</td>
<td>Empaveli</td>
<td>Apellis (Orphan, LDD)</td>
<td>Paroxysmal Nocturnal Hemoglobinuria (REMS)</td>
</tr>
<tr>
<td>May 21</td>
<td>Rybrevant</td>
<td>Johnson &amp; Johnson (LDD?)</td>
<td>NSCLC (Companion diagnostic EGFR exon 20)</td>
</tr>
<tr>
<td>May 26</td>
<td>Pylarify</td>
<td>Progenics</td>
<td>Prostate imaging</td>
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<tr>
<td>May 28</td>
<td>Lybalvi</td>
<td>Alkermes</td>
<td>Schizophrenia</td>
</tr>
</tbody>
</table>
## 33 FDA Drug Approvals In 2021

<table>
<thead>
<tr>
<th>Date</th>
<th>Drug</th>
<th>Manufacturer</th>
<th>Indication</th>
</tr>
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<tbody>
<tr>
<td>May 28</td>
<td>Truseltiq</td>
<td>BridgeBio</td>
<td>Cholangiocarcinoma</td>
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<tr>
<td>May 28</td>
<td>Lumakras</td>
<td>Amgen</td>
<td>Lung cancer</td>
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<td>June 1</td>
<td>Brexafeme</td>
<td>Scynexis</td>
<td>Yeast infections</td>
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<tr>
<td>June 7</td>
<td>Aduhelm</td>
<td>Biogen</td>
<td>Alzheimer’s</td>
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<tr>
<td>June 30</td>
<td>Rylaze</td>
<td>Jazz Pharma</td>
<td>Chemotherapy</td>
</tr>
<tr>
<td>July 9</td>
<td>Kerendia</td>
<td>Bayer</td>
<td>Chronic kidney disease</td>
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<tr>
<td>July 16</td>
<td>fexinidazole</td>
<td>DNDi (Orphan, Distribution through WHO)</td>
<td>African typanosomiasis</td>
</tr>
<tr>
<td>July 16</td>
<td>Rezurock</td>
<td>Kadmon (Orphan for another indication, LDD)</td>
<td>Chronic GVHD</td>
</tr>
<tr>
<td>July 20</td>
<td>Bylvay</td>
<td>Albireo (Orphan, LDD)</td>
<td>Pruritus of progressive familial intrahepatic cholestasis (PFIC)</td>
</tr>
</tbody>
</table>
Significant Pipeline Products For Moderate – Severe Plaque Psoriasis

• Tyrosine kinase 2 inhibitor
• Outperformed Otezla (Amgen purchased from Celgene) in head to head POETYK PSO-1 and POETYK PSO-2 trials
• Expect FDA approval in 2022
• MAB inhibiting IL-17A & IL-17F
• Outperformed Stelera & Cosentyx in head to head trials
• PDUFA date: October 15, 2021

Deucravacitinib (BMS)

Bimekizumab (UCB)
Significant Pipeline Product For Multiple Myeloma

- CAR-T therapy (Ciltacabtagene autoleucel)
- CARTITUDE – 1 trial in 97 relapsed or refractory multiple myeloma patients showed a 96.9% ORR and a 67% CRR
- FDA granted priority review in May, 2021
- PDUFA date: November 29, 2021
Significant Pipeline Product For Type 2 Diabetes

• Glucagon-like peptide-1/glucose-dependent insulinotropic polypeptide
• Once weekly administration
• Trials suggest that dual mechanism product may have more A1C efficacy than GLP-1s and greater weight loss
• Will compete with Ozempic (semaglutide inj), Rybelsus (semagultide oral), and Trulicity
• Not all patients require the A1C reduction that tirzepatide supplies – reserve for higher-risk patients?
• Potential FDA approval in 2022
Significant Pipeline Product For Salvage of Central Venous Catheters

- Mino - Lok contains a combination of minocycline, disodium EDTA, and ethyl alcohol
- Injected into the central venous catheter for 2 hours and then is aspirated
- Treatments occur every 5 - 7 days
- FDA Fast Track designation
- Possible approval in late 2022
Significant Pipeline Product For Complicated UTI and Acute Pyelonephritis

• Tebipenem is the first oral carbapenem
• May avoid hospitalization in some patients and early discharge in others
• Potential approval mid-2022

Tebipenem (Spero Therapeutics)
Significant Pipeline Product For Alport Syndrome

• Second most common cause of renal failure and affects up to 60,000 individuals in the US

• The kidneys of patients with Alport syndrome progressively lose the capacity to filter waste products out of the blood, which can lead to end-stage kidney disease and the need for chronic dialysis treatment or a kidney transplant.

• Results from CARDINAL demonstrated that patients treated with bardoxolone experienced a statistically significant improvement in kidney function as measured by eGFR at Week 100 and Week 104

• PDUFA date: February 25, 2022
Summary

1. Bed capacity dominates our challenges in 2021-2022

2. Cost control through continuation of utilization benchmarking and length of stay initiatives is necessary to control cost per case

3. Access to pharmaceutical innovation is essential for improving patient outcome; orphan drugs with limited distribution models are challenging the value of coordinated care

4. AMCs will rely on ambulatory pharmacy services to provide alternative sources of revenue, and compliment population and value-based health initiatives

5. Expansion of services into the home are necessary for providing safe care during the pandemic and decompressing the hospital
Supplier Panel Discussion
Moderator: Eric O’Daffer, Vice President Supply Chain Practice at Gartner
COVID-19 Drove Resiliency in the Healthcare Supply Chain

- Improving demand planning and inventory management
- Launching donation management programs
- Re-processing critical PPE items
- Developing self-manufacturing capabilities for PPE
- Building streamlined global sourcing capabilities
- Funding data and analytics functions to digitize the supply chain
- Managing patient care space and equipment in new ways
- Optimizing physical supply chain assets like CSCs and laundries
- Leveraging local manufacturers for supplies and equipment

Source: Gartner 733477_C
Six Strategies for Supply Chain Resilience

- Multisourcing
- Nearshoring
- Platform, Product or Plant Harmonization
- Ecosystem Partnerships
- Inventory and Capacity Buffers
- Manufacturing Network Diversification

Source: Gartner
Unfamiliar Risks Are Globally Pervasive

Global Risk Presence

Selected

- Trade Wars (2018-2019)
- Brexit (2018-2021)
- Massive Flooding (2020-2021)
- Record-Breaking Wildfire Season (2020)
- Massive Protests (2019-2020)
- Record-Breaking Hurricane Season (2020)
- U.S. Elections (2020-2021)
- COVID-19 (2019-TBD)

Source: Gartner

Note: Unfamiliar risk events are events with which the supply chain has little or no helpful past experience, usually regional or global, high impact events.
Introductions

Moderator: **Eric O’Daffer** – VP Healthcare Supply Chain Practice – Gartner

**Panelists:**

**Eric Tritch** – VP Supply Chain & Support Services
UChicago Medicine

**John Blackketter** – Manager North American Business Care Integration
Cook Medical

**Robert Rajalingam** – U.S. Medical Products and Distribution
Cardinal Health

**Rachel Gilbreath** – National Vice President of Enterprise Accounts
Hillrom
Ian O’Malley
Director of Strategic Sourcing, Clinical
Strategic Sourcing Overview

COVID Impact and Moving Forward

Value Analysis at UCM & Tools We Use

FY22 Challenges & How You Can Help
**Clinical Strategic Sourcing Overview**

**What we do:** Clinical Strategic Sourcing is an organized and collaborative approach to leveraging targeted spend across a system with select suppliers that are best suited to optimize value for our patients and our organization.

**What we manage:** Capital Equipment-Service- Consumables-Clinical Trials & Value Analysis-Contract Management and Negotiation-Spend Analytics-Category Management-Overall Supplier Relationship Management including Scorecarding.
COVID Impact – Lessons Learned

- The global supply chain is incredibly fragile forcing us to realize that this can happen again
- We must take the appropriate steps to protect ourselves
- Enhanced focus for us on Transparency and Resiliency:
  - Geographically diversifying their production
  - Proven history
  - If/When a disruption is eminent we are notified immediately with actionable information
  - Engaged with Vizient
COVID Impact – Vaccination and Sourcing Interaction

- Everyone employed by the Medical Center — including remote workers, volunteers and vendors/contractors working at UCMC or Ingalls sites will be required to receive the COVID-19 vaccination. As with our influenza vaccination program, you may apply for an exemption for medical, religious or spiritual reasons. Supplier sales reps will have compliance managed through the GHX/Vendormate credentialing system.

- Employees, volunteers and vendors/contractors have a grace period to obtain the first shot of the two-dose Pfizer or Moderna vaccine or the single dose of the Johnson & Johnson vaccine **by September 3, 2021**.

**Sourcing Team**

- Primarily remote with on site as needed
Driving Out Costs – Value Analysis

**Value Analysis is:** our process to effectively **remove cost** and **improve quality & outcomes** through supplies & services spend management & utilization optimization.

- **New Technology**
- **Utilization & Waste**
- **Service Line Goals**

\[
\text{Value} = \frac{\text{Quality}}{\text{Cost}}
\]
These teams continue to be the venue for using these new tools to continue to drive costs down and increase the quality of our care.
Driving Out Costs and Optimizing Outcomes - CSI

- Elements of traditional VA and PPI Centric VA carry over to CSI
- Allows for true Service Line Level Support

*Deborah Roy, Principal, Clinical Advisory Solutions, August 5, 2020. [https://newsroom.vizientinc.com/clinical-supply-integration-vs-value-analysis-is-there-difference.html/blog/clinical]*
VA Tools - Actualyzer

- By Supply Spend
  Category similar HCOs are compared by spend and market share against PCI

- By comparing spends we can validate that our spend/market share should indeed be qualifying us for optimal pricing
VA Tools – Procedural Analytics

- Benchmark procedural costs across Vizient nationally
- Includes quality metrics
- Goal to include Ingalls post Epic Go Live
VA Tools – Category Insights and Aptitude

- Partnering with Vizient to develop a new tool that provides deep category insights into pricing nationally
- Uses a composite score of the top 80% of items in that UNSPC category

• Vizient e-Sourcing tool
FY22 Sourcing Challenges

- International logistics concerns
- Medical Device Integration & IT Bandwidth
- Downward margin pressures will continue
- Recurring supply issues
- Managing growth while maintaining supplier relationships
- Revitalizing Value Analysis/CSI
How Can You Stand Out?

- **Transparency & Resiliency**
  - Complete Proposals
    - Capital-MDS², Service Costs, All Acquisition Options
    - Supplies-Revenue data, nationally competitive pricing
- **Contracting (BAA, Software & Security, Master Terms and Conditions)**
- **Creative Cost Reduction Ideas**
- **Customer Service**
Finally-Thank You To Our Supplier Partners
Osvaldo Torres
Director of Strategic Sourcing, Non-Clinical
Non-Clinical Value Analysis Teams

VA Executive Steering

- Linen VAT
- Strategic Planning VAT
- Revenue Cycle VAT
- Finance VAT
  - IT VAT
  - FP&D C VAT
  - Print Management VAT
  - Supply Chain VAT
  - Marketing VAT
  - Support Services VAT
  - HR VAT

IR / Vascular VAT | Pharmacy VAT | Ambulatory VAT | OPEC | Med/Surg VAT
---|---|---|---|---
Anesthesia OPEC Subcommittee | Neuro OPEC Subcommittee | Ortho OPEC Subcommittee | Lab VAT | GI / CERT / Bronch VAT | OR Supply VAT | EP VAT | Cath Lab VAT

- Clinical Team
- Non-Clinical Team
Non-Clinical Sourcing Team

Robbie Brown
Assistant Director, Strategic Sourcing
• Strategic Planning
• Information Security

Evan Kim
Sourcing Category Leader
• HR
• Marketing
• Supply Chain
• Print Services

Ryan Malone
Sourcing Category Leader
• Support Services
• Facilities
• IT Technology
• Finance
FY22 Priorities – Supporting Vision of One UCM

Supporting Implementation of Enterprise Systems – Implementation of single instance of key enterprise systems will enable the system to drive operational efficiencies

Continued Enablement of Shared Services - Expansion of shared services and best practices allow the system to provide a consistent experience for patients and staff

Value Realization – Continue to execute strategies that reduce non-labor expenses to help support our system growth
Supporting Our FY22 Priorities

Supporting Implementation of Enterprise Systems
• Integration Support
• Process Improvement Initiatives
• Sharing the benefits from being an easier client to transact with

Continued Enablement of Shared Services
• Consistent Customer Service and Support
• Working with our Enterprise Partners

Value Realization
• Supporting Operational Expense Reduction Targets (5-7%)
• Payables (Virtual Card Program Participation, Electronic Payments)
• Freight Management
University Collaborative Update
University Collaborative

- Collaborative effort between 4 operating entities under the University of Chicago
- Identify opportunities across the 4 institutions to leverage synergies and optimize value
- Monthly meetings with updates on key initiatives
- Launch joint RFPs, addressed supplier performance issues, optimized contracts

Joint ERP and ERP SI efforts – continue search for synergies across the organization
Supply Chain Affiliates
Supply Chain Affiliate Program

- Additional layer of UCM affiliations
- Access to UCM Contracts
- Opportunity to aggregate spends

Expectation is that all of our supplier partners are providing a similar level of support to our affiliate partners that UCM is receiving.
Local and Business Diversity Strategy
## UCM Local and Diverse Sourcing Strategy

### Awareness
- Continue to actively engage local organizations that are working to develop MWBE in the communities that we are providing care for (i.e. CASE, Chicago United, Chicago Minority Business Development Council)
- Engage peers and supplier partners to exchange ideas and best practices

### Access
- RFP Opportunities – targeting to include local MWBE firms in Purchased Services RFP’s
- Contracting Language – Inserting language into Purchased Services contracts with targets for Tier 1/2 spend with MWBE Firms

### Development
- Standard UCM Supplier Relationship Model (Business Review, Scorecards) – leveraging our best in class model we are able to provide consistent feedback to our supplier partners to improve their operations and how they service us
- Growth – offering opportunity for suppliers to grow with us as we grow

### Metrics
- % Spend with MWBE (Tier 1 and Tier 2)
- Y/Y Growth with contracted MWBE
- # of Scorecards Completed with MWBE
- # of Suppliers invited to Participate in RFPs

### Foundational Tools
- Tableau, Oracle (ERP), iValua, ScoutRFP
Tier 2 Spend Requests

ScoutRFP (Workday Sourcing) – UCM has uses the ScoutRFP platform to collect Tier 2 Spend data from our supplier base.

Response Rates

22% of UCM Suppliers have submitted Tier 2 Spend

Action Needed – Please confirm the contact information for individual at your company responsible for submitting Tier 2 supplier data so that your company can be included in future data requests.
M/WBE Supplier of the Year
Anuarg Jaiswal
Director of Supply Chain Performance and Analytics
FY21 SC IT System Priorities

- ERP Implementation
- Bill Only Process Improvement
- Enable & Execute COVID19 Wave-II Plan
- Ingalls Supply Chain Transformation
UCM’s Enterprise Resource Planning system (ERP) manages business activities such as finance, human resources, and supply chain operations. The objective of this program is to implement a contemporary ERP system and supporting financials systems across the medical center and university.
# Project SOAR Timeline

<table>
<thead>
<tr>
<th>Calendar Year</th>
<th>Q2 2021</th>
<th>Q3 2021</th>
<th>Q4 2021</th>
<th>Q1 2022</th>
<th>Q2 2022</th>
<th>Q3 2022</th>
<th>Q4 2022</th>
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<th>Q2 2023</th>
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<td>Key Milestones</td>
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<td>◇ 1: Kick-Off</td>
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<td>◇ 5: UCM Go-live</td>
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<td>◇ 6: Knowledge Transfer Complete</td>
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<tr>
<td><strong>Ingalls Deployment</strong></td>
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<td>◇ 7: Go-live</td>
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# Project SOAR Impact to Procure-to-Pay

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<th>Add/Update Contract</th>
<th>Setup Item master</th>
<th>Place PO</th>
<th>Receive PO Status</th>
<th>Receive ASN</th>
<th>Receive Product</th>
<th>Receive Invoice</th>
<th>Make Payment</th>
<th>Use Product</th>
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<td><strong>FY17 IMPROVEMENTS</strong></td>
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<td><strong>Project SOAR</strong></td>
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Project SOAR & Supplier Partnership

- Cloud ERP and Opportunities
  - One UCM view to suppliers (Shared Procure-to-Pay service)
  - Supplier Portal functionality for supplier self service
  - Improved Procure-to-Pay process
  - Enhanced master data quality

- Key Project Work-effort
  - Resource planning for Integration, Testing, Conversion & Go-live
  - Contract price accuracy & AR balance clean-up before go-live

Thank You!!
Rob Martin
Director, Supply Chain and Logistics, Ingalls and Ambulatory
Taking the Next Step

“Supply Chain People Do Supply Chain Work”

• Supply Chain focus at Ingalls had historically been on Med/Surg

• Transformation roadmap developed for Procedural, ORs, and other areas of opportunity

• One system approach
Roadmap

Even more to come......

- Pharmacy
- Imaging
- Dock to Stock
Building the Team

• Needed the right expertise in place to guide the process

• Created new inventory planner team at Ingalls to manage Procedural, ORs, and Central Supply

• Developing relationships with supplier partners to drive supply initiatives
Center Core Wall

BEFORE

AFTER
PPE/Inventory Planner Room Transformation

BEFORE

AFTER
Culture of Continuous Improvement

Tracking for success with optimized par levels and expired product prevention
What’s Next For FY22?

• Continued focus on driving optimization in new areas of ownership

• Aggressive targets to continue growing Supply Chain support to clinically managed departments

• Looking to partner with our suppliers on cost savings ideas and best practices
Ambulatory
Proactively respond to rise of consumerism in health care through more convenient patient access points, a differentiated patient experience, and use of digital health tools.

Secure signature program eminence by building market presence and increasing scale and geographic distribution of UCM’s physician network compared to competitors.

Expand ambulatory footprint and asset mix to lead in market shift from inpatient to outpatient environments and reach new markets.

Create additional capacity and more efficient use of current sites to accommodate growth of elective specialty volumes.

Solidify financial position by growing commercial payer mix and establishing a more competitive price point.

UCM 2025 Clinical Strategic Plan
Rapid Expansion

• UChicago Medicine continues to rapidly expand in the greater Chicagoland market

• 43 locations available to provide greater access to care

• Great opportunity to partner with suppliers on optimization efforts
<table>
<thead>
<tr>
<th>Clinical Area</th>
<th>Completion Timeline</th>
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</thead>
<tbody>
<tr>
<td>Tinley Park Family Care Center</td>
<td>July 2020</td>
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<tr>
<td>Calumet City Family Care Center</td>
<td>July 2020</td>
</tr>
<tr>
<td>Flossmoor Family Care Center</td>
<td>July 2020</td>
</tr>
<tr>
<td>River East First Floor</td>
<td>March 2021</td>
</tr>
<tr>
<td>Homewood</td>
<td>July 2021</td>
</tr>
<tr>
<td>Dearborn Station</td>
<td>July 2021</td>
</tr>
<tr>
<td>Orland Park Expansion</td>
<td>September 2022</td>
</tr>
<tr>
<td>Northwest Indiana</td>
<td>Summer 2023</td>
</tr>
</tbody>
</table>

Multiple physician offices added to Care Network and several more planned for coming year
Successes

Before

After
Successes

Flossmoor Central Storage

Conversion of empty pharmacy into central storage area has allowed us to provide a structured ordering and receiving process.

Flossmoor UA Reduction

The central storage area has also helped us reduce physical footprint in areas like Urgent Aid.
Successes

Same Day Surgery Anesthesia Room

Converted unused space into a functional clean supply room that houses Anesthesia and Recovery Supplies to open up extra exam room

Tinley Urgent Aid Huddle Area

Prompt management of receiving activities allowed nurses to use space for daily clinical huddles
Benchmarking

IDN Customer Continuum

Customer Characteristics

Tier 1 - Status Quo
25% of IDNs
- Legacy Org Structure
- Legacy Mentality of “Anything at anytime”
- Service Focus – “just keep sites happy”
- No plans for integration

Tier 2 - Desire
25% of IDNs
- Legacy Org Structure
- No investments in dedicated non-acute SC resources
- Desire for sku reduction

Tier 3 - Commitment
40% of IDNs
- Evolving Org Structure (Med group & SC)
- Investment in dedicated non-acute SC resource
- Initiated formulary work

Tier 4 - Aligned
<10% of IDNs
- Integrated Org Structure (Med group & SC)
- Investments in multiple dedicated non-acute SC resources
- Implemented formulary
- LEAN standardization

Our goal is to have all sites of care at Tier 4 status
Looking Ahead

- Orland Park Expansion + “Medium Box” Sites
- Growth of UC Medlabs, Care Network, and Biological Sciences Division
- Shared ERP and Inventory Management System
- Growth Plans in Northwest Indiana
UCM 2025 Supply Chain Vision

Be an eminent supply chain team recognized for innovation & problem solving, that delivers exceptional value and enables UCM to be At the Forefront of discovery, advanced education, clinical innovation, and the delivery of transformative health care.

This vision will be achieved by implementing the following priorities:

**Care Experience**
- Ensuring the Right Product/Service/Equipment, is in the Right Place at the Right Time, at the Right Quality, and the Lowest Total Cost
- Supporting acquisition & implementation of the latest technologies across the care continuum to improve access, experience and value for patients and clinicians
- Engaging and developing our team members in support of delivering an exceptional patient and caregiver experience

**Growth**
- Driving robust Value Analysis & motivated problem solving that supports a sustainable financial future of highly differentiated clinical services and fosters a culture of continuous improvement and cost efficiency
- Enabling signature clinical programs to integrate discovery and delivery of novel therapies, provide high quality care delivery, and offer innovative clinical trials and training programs
- Providing consistent high value supply chain services across the expanding the health system, ambulatory, physician network, and joint venture & affiliate partners
- Driving business development and partnership with local and diverse organizations that support growth & sustainability in the communities that we serve

**Value**
- Delivering exceptional value for patient care through the highest quality performance with greater cost efficiency
Strive to be the best Healthcare Provider Supply Chain & one of the best in any industry

“Supply Chain People do Supply Chain Work”

- **Efficient** – minimize waste/non-value add, improve flow, consistent, standard work
- **Responsive** – quick, nimble, good service to customers
- **Cost Effective** – competitive pricing, effective spend management, value analysis

Advances the mission of the organization: Heal, Teach, Discover

Drive Value for our patients

Across both source to pay transaction cycle & total lifecycle for: Equipment, Supplies/Implants, Services
This is a challenging time…but our core principles remain…

Quality – zero defects

Cost – best in market

Delivery – 100% on-time & complete

Technology – At The Forefront

Service – best in class
Thank You