

# St. Joseph Health Saves \$2 Million on Supplies using PriceGuide™

PRICEGUIDE™

## CHALLENGE

When supply chain leaders at St. Joseph Health (SJH), an expansive system serving California, New Mexico, and Texas, discovered that some of the hospitals in its system were paying more than others for the exact same items, they knew they had to rein in the wasteful spending. But where could they find an efficient, data-driven method to streamline procurement processes and level prices across the 15-facility healthcare delivery system?



St. Joseph Health  
Integrated Healthcare Delivery System  
Irvine, California

## SOLUTION

SJH turned to ECRI Institute's PriceGuide™ advisory service and immediately started cutting costs across its entire system. In a site visit to one of SJH's hospitals, the vice president of supply chain logged onto the PriceGuide database and sorted the facility's pricing on 22 specific product categories, including cardiac rhythm management. Within two hours, he uncovered \$265,000 in potential savings. As a result, he and his team were able to consolidate some suppliers for immediate savings, and initiate important conversations with other vendors that enabled them to negotiate more reasonable pricing.

That's because PriceGuide's comprehensive database showed them how many providers reported pricing on a specific product category and how much spend was with that supplier. They were able to quickly pinpoint the major SKUs within existing contracts and assess whether their prices were reasonable.

Soon, SJH's supply chain leaders began using PriceGuide data strategically in their reports to senior management. This revealed how often they negotiated to the best price in the database, and how often the healthcare system was paying above the national low or average price. These reports made it easy for senior managers to assess the savings opportunity that existed in real dollars as well as in percentage points.

## RESULTS

St. Joseph Health saved nearly \$2 million on supplies over two years, including on purchases of drug-eluting stents and low-price, high-volume medical-surgical items. PriceGuide has become the standard for how St. Joseph Health does business and is their means for stabilizing pricing across the entire network.

*"We've made  
PriceGuide the  
standard for how  
we do business."*

Former Vice President  
Finance & Supply Chain Strategies

Contact us today at  
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