

The Newsletter for Materials Management and Group Purchasing


**HOSPITAL
MATERIALS
MANAGEMENT**
Performance improvement

Improve your presentation skills with these tips

You frequently hear about the importance of garnering support for major initiatives you undertake. Often, the most effective way to do so is through an effective presentation that clearly spells out your goals and plans.

But what makes a presentation effective?

Robert Meinertzhagen, MBA, FAHRMM, a technical director for General Dynamics Information Technology and the logistics team leader at the Tri-Service Regional Business Office in Portsmouth, VA, discussed this issue during his talk about professional presentation skills for materials managers at the August 2007 AHRMM conference in San Diego.

You may find you need to give a presentation to your hospital's C-suite about a new project or your budget proposal. Or perhaps you are overseeing a value analysis team and need to present goals for the group. Maybe you have thought about bringing in your vendors

and educating them about how to properly access your hospital. All of these efforts will require strong presentation skills.

The following are four tips from Meinertzhagen about how to improve your presentation ability:

1. Do your homework. The challenge of giving a strong presentation begins before you step in front of a group.

"You've got to know your subject material," Meinertzhagen says. "It's a matter of knowing your topic, knowing your audience, being able to identify what objectives you want to achieve, and being able to do a presentation that's relevant to the audience you have."

Don't overlook the value of allocating significant

time for preparing the content of your presentation.

"When you do your research, it helps you—even if you are already familiar with the topic—to know it even more in depth," he says.

2. Develop strong audio/visuals. Poor audio/visuals can turn a good presentation into a forgettable one.

"I've read studies where they say people, within about two weeks [after a presentation], remember maybe 10% of what they've been told," Meinertzhagen says. "However, if you combine that with an audio/visual, they can remember up to two-thirds of what they've been told, so it makes a big difference."

Strengthen the audio/visual component of your presentation by doing the following:

"[If people] can go in and present well . . . it really puts them in a good place, whether it's in their current position and being respected as a subject matter expert, or . . . when it comes time for a promotion."

—Robert Meinertzhagen,
MBA, FAHRMM


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November 2007 was a strong month for finished goods and the consumer price index components surveyed.

Performance improvement

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- Use large, clear fonts
- Control the temptation to go overboard with colors
- Limit the amount of text on each slide, focusing on the main points rather than writing whole sentences or paragraphs
- Avoid busy, hard-to-follow charts or those that have so much data that they're difficult to read
- Keep font and format consistent throughout the presentation

"Whatever slide show or audio/visuals you use, if you have the opportunity, you really should look at them as you would be looking at them if you were presenting that information to make sure it projects and looks like you want it to," Meinertzhagen says.

3. Practice makes perfect. You may think you're an expert of the subject you are presenting, but you won't

appear knowledgeable if your presentation is delivered poorly. "I've seen a lot of speakers where . . . they step up, and you can tell from the delivery that they probably really haven't practiced the presentation," says Meinertzhagen.

There are several effective ways to practice a presentation. The most common methods include practicing in front of friends and family, standing in front of a mirror, or just practicing the speech alone in the middle of a room.

"I have found that even if you stand in the middle of the room and present to yourself and just familiarize yourself with the material and actually giving the presentation out loud—although it might seem strange to stand there and talk to yourself—[it] can help considerably," Meinertzhagen says. "It helps you get familiar with the material, and it helps you to organize your thoughts and the points you want to make."

But depending upon how serious you are about improving your skills, or if you have a particularly important upcoming presentation, you may want to step your preparation up a notch.

Consider setting up a video camera and recording yourself practicing the presentation, says Meinertzhagen. "Review the video, and it will really bring to light your strengths and your possible weaknesses," he adds.

You might also want to consider joining a professional speaking organization, such as Toastmasters International (www.toastmasters.org). Members of the organization gather together at periodic meetings and practice their speaking skills in front of the group. This is a great way to receive feedback.

4. Control your movements. Using your hands to express yourself during your presentation can help emphasize points and control nervous energy.

"You need to be somewhat demonstrative in terms of using your hands," Meinertzhagen says. "You can make an impact in terms of indicating things being brought together, or perhaps being taken apart. You can use your

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hands to emphasize direction. If you use your hands, it can help you to make your point and maintain audience attention.”

You should generally try to keep your hands in clear sight, above your elbows. Keep them out of your pockets and avoid jingling change or playing around with another item, such as a pointer or notes—this will distract your audience.

Also, try to avoid bouncing and shifting around. If you feel the urge to move your legs, try walking around the room or stage rather than standing still and fidgeting.

Don't overlook value of presentation skills

If you still question why you should improve your presentation skills, keep in mind that they can help you do more than just educate an audience about a particular issue. They may even help elevate your status within your organization or in the industry.

“I think [if people] can go in and present well and do a good job, it really puts them in a good place, whether

it's in their current position and being respected as a subject matter expert, or it can even put them in a good situation when it comes time for a promotion,” Meinertzhagen says. “The higher you get in an organization, the more you have to expect that you're going to have to go out and speak publicly.” ■

Coming soon in HMM

Upcoming issues of **HMM** will feature stories about controlling spend on orthopedic devices, reprocessing, OR and imaging device purchasing trends, and best practices for managing construction costs. Price survey columns will profile devices our readers have requested, such as IV solutions, Foley catheters, gloves, and more orthopedic implants.

Do you have suggestions for topics we should cover? Would you like to participate in the anonymous surveys about devices for the “Price survey” columns? Share with us your thoughts and suggestions by e-mailing **HMM** Editor Robert Kurtz at robertmkurtz@gmail.com.

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PRICE SURVEY

Insurance, celebrities may shape endoscopic market

Although new technology may eventually have a significant effect on the endoscopic instrument market, insurance companies and celebrities have recently played major roles by influencing patient volume and could continue to do so in the future.

When insurance companies changed their policies approximately five years ago to cover colonoscopy screenings for patients starting at the age of 50, hospitals saw a notable boost in patient volume, says **Marie Porter, RN**, director of the GI lab for Lehigh Valley Health Network in Allentown, PA.

If the age covered is lowered again, hospitals can expect another big influx. "Insurance plays a minor, even sometimes major, influence in things that get done in the GI world," Porter says.

Another influence on patient volume has come from celebrities. When former NBC *Today* show cohost Katie Couric underwent a colonoscopy live in 2000, she may have boosted colonoscopy rates more than 20% for nearly a year following the broadcast, according to research conducted by researchers at the University of Michigan Health System and the University of Iowa (www.med.umich.edu/opm/newspage/2003/couric.htm).

In addition, in October 2007, Oprah Winfrey brought renewed attention to colorectal screenings by featuring the experience of an African-American firefighter from Chicago on *The Oprah Winfrey Show*.

If celebrities continue to draw attention to the value of the screenings, hospitals are more likely to see increasing patient volume and the need to purchase more devices. "That media is one of the ways that patients learn about [the] medical world out there," Porter says. "The more information out there for a patient to see how things are done, I think that's a big help."

However, the effects of the insurance age change and Couric's broadcast are not playing as significant a role as they once did as volume of endoscopic instruments purchased has remained stable over the past year, says

Susan A. Toomey, contract and product manager for Lehigh Valley Health Network, and confirmed by an anonymous survey of supply chain professionals conducted by **HMM**.

Prices for these devices are also flat due to few significant developments or advancements in technology or new procedures.

An examination of the prices of six instruments often used during an endoscopy in this month's price data, provided by the ECRI Institute, a not-for-profit health services research agency in Plymouth Meeting, PA, illustrates this price stability (see p. 5 for the data). ECRI's ongoing surveys of 400 hospitals cover a wide range of products. This month's data provide the current and the past two years' lows and average prices for these accessory instruments.

Note: The data provided include prices for the more popular categories of instruments as determined by ECRI.

The most notable new technology in recent years was the transition from fiber-optic scopes to computer chips installed at the end of the scopes to allow doctors to view images on a monitor.

But Porter, Toomey, and survey participants do not anticipate any major new technology shaking up the market in the next few years. Olympus, along with a few other companies, some internationally based, are conducting research into developing a camera in a pill capsule that could allow doctors to use images captured by the camera to perform diagnostic work.

If the camera capsule is developed, it could significantly alter how screenings are performed, leading to changes in the devices hospitals purchase. But for now, organizations must continue to buy and rely on technology they have used for many years until the pill is realized to its full potential.

"Maybe that will help patients have their screening done in an easier manner . . . rather than a scope being inserted into your body," Porter says. ■

PRICE SURVEY

Endoscopic instruments

Catalog number	Description (unit of measure)	2007 low price	2007 avg. price	2006 low price	2006 avg. price	2005 low price	2005 avg. price
Bite blocks							
B & B Medical Technologies							
11040	Short-Abbreviation Intubation Bite-Proof Fits 5mm - 9mm Tube (Case)	\$352.00	\$364.00	\$316.80	\$413.16	\$175.00	\$308.64
11160	Universal Adult Fits 6mm - 9.5mm (Case)	162.00	167.33	154.00	157.33	154.00	155.73
G.I. Supply							
GIS3M	Generabloc (Case)	175.00	175.00	175.00	175.00	187.25	187.25
Ballard Medical Products (Kimberly Clark)							
69100	With Retention Strap Endoscopic-Guard Disposable Latex (Case)	52.00	54.18	52.90	54.27	52.00	52.48
Sclerotherapy needles							
Boston Scientific							
1123	Variject Single Use 23 Gauge 200cm (Each)	25.00	28.60	21.00	29.19	23.00	32.04
1125	Variject Clear Single Use 25 Gauge 200cm (Each)	21.00	32.60	21.00	33.35	23.00	39.57
1145	Variject Single Use 25 Gauge 200cm (Each)	21.00	23.00	23.00	27.17	25.00	34.00
1815	Interject Single Use 23 Gauge 200cm (Box)	180.00	200.96	180.00	202.67	180.00	220.00
1831	Interject Clear Single Use 25 Gauge 200cm (Box)	180.00	214.68	180.00	256.13	180.00	239.43
1835	Interject Single Use 23 Gauge 240cm (Box)	180.00	201.58	175.00	215.33	175.00	217.83
1836	Interject Single Use 25 Gauge 240cm (Box)	180.00	201.62	180.00	209.78	180.00	222.66
Probes							
Alcon Laboratories							
8065010203	Endoscopic Ocular Laser Curved Endoocular Angle (Box)	799.30	1,406.59	1,248.00	1,508.00	650.00	1,299.60
8065010219	Endoscopic Ocular Laser (Box)	799.30	1,209.46	900.00	1,426.18	829.50	1,522.42
ERBE USA							
20132156	Argon Plasma Coagulant Endoscope Disposable Sterile Flexible 2.3mm 7Fr (Box)	1,995.00	1,995.00	1,995.00	2,034.12	1,950.00	1,994.04
Polyp snares							
Boston Scientific							
6131	Jumbo Disposable Captivator Latex-Free Oval 30mm 240cm (Box)	120.00	180.27	130.00	185.89	130.00	211.85
6182	Micro Disposable Rotatable Latex-Free Oval 13mm 195cm (Box)	190.00	313.10	190.00	312.59	250.00	309.23
6183	Mini Single-Use Rotatable Latex-Free Oval Standard 20mm 195cm (Box)	190.00	286.80	190.00	308.09	250.00	355.06
6230	Micro Disposable Captivator Latex-Free Oval 13mm 240cm (Box)	120.00	163.33	150.00	183.20	150.00	182.21
6232	Micro Single-Use Stiff Wire Short Throw Sensation Latex-Free Oval (Box)	150.00	173.24	150.00	184.61	129.20	173.29
6240	Captiflex Strd Oval Stylet 27mm 240cm (Box)	150.00	224.21	110.00	184.40	110.00	188.33
6247	Mini-Micro Disposable Captiflex Oval 11mm 240cm (Box)	130.00	174.00	120.00	173.04	120.00	246.18
6255	Oval Loop Profile 13mm 240cm (Box)	210.00	268.33	207.35	251.12	210.00	279.00
6257	Pediatric Disposable Profile Wide Oval 27mm 240cm (Box)	210.00	277.57	120.00	254.58	120.00	248.39
6265	Short Throw Jumbo Sensation Oval 30mm 240cm (Box)	55.00	114.75	55.00	148.25	65.00	109.85
6267	Short Throw Sensation Oval Strd 27mm 240cm (Box)	95.00	164.25	65.00	108.82	65.00	173.75
6269	Micro Oval Captiflex Standard Oval Short Throw Latex-Free (Box)	95.00	174.78	95.00	135.51	95.00	95.00
Cook Group							
AS1	Accusnare Disposable White Oval Standard 25mm 5.5cm 7Fr (Box)	130.00	145.00	120.00	138.75	130.00	162.27
ASM1	Polypectomy Device With Wire Mini Oval Accusnare Red 15mm x 3cm 7Fr (Box)	110.00	134.29	120.00	149.68	130.00	164.41
SASJ1	Jumbo One Piece Disposable Stainless Steel White Oval 25mm x 5.5cm 7Fr (Box)	130.00	150.24	130.00	135.71	160.00	167.50
EndoDynamics							
H334	Suction Trap Retrieval Separator (Box)	93.50	104.17	93.50	102.17	8.75	85.75
EZ-EM							
H334	Suction Trap Retrieval Separator (Box)	63.00	107.40	105.00	109.29	8.75	91.25

Source: ECRI Institute, Plymouth Meeting, PA. Reprinted with permission.

Note: "Current price" represents data gathered as of December 12, 2007. ECRI's PriceGuide "low price" is the lowest price that has been submitted for an item within the past 12 months and the "average price" represents the average of all of the prices submitted for an item within the past 12 months. The average price is calculated by using pricing from two or more member facilities. Usage figures and rebates are not taken into consideration in the calculation of the PriceGuide low and average prices.

PRICE SURVEY

Endoscopic instruments

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Catalog number	Description (unit of measure)	2007 low price	2007 avg. price	2006 low price	2006 avg. price	2005 low price	2005 avg. price
Wilson-Cook Medical							
AS1	Accusnare Disposable White Oval Standard 25mm 5.5cm 7Fr (Box)	\$160.00	\$174.50	\$130.00	\$161.38	\$141.33	\$153.68
ASDB25015	Accusnare Duck Bill Disposable White Sterile 25mm 7Fr (Box)	218.25	401.08	218.25	218.25	120.00	273.98
ASM1	Polypectomy Device With Wire Mini Oval Acusnare Red 15mm 3cm 7Fr (Box)	150.00	156.00	120.00	148.36	130.00	151.04
SASJ1	Jumbo One Piece Disposable Stainless Steel White Oval 25mm 5.5cm 7Fr (Box)	120.00	161.37	120.00	124.00	110.00	127.50
Suction tips							
Busse Hospital Disposables							
298	Bulb Without Ventilation Yankauer Sterile (Case)	31.02	31.02	30.40	32.73	30.40	36.20
ConMed							
33080	Frazier Disposable 8Fr (Case)	64.09	64.09	100.00	130.50	58.00	58.00
33120	Frazier Disposable Sterile 12Fr (Box)	12.73	12.73	12.02	17.19	22.35	22.35
33120	Frazier Disposable Sterile 12Fr (Case)	89.97	89.97	61.45	84.12	58.00	77.67
35040	Cautery Poole Disposable Sterile (Case)	145.66	145.66	52.52	99.09	36.00	64.42
Covidien							
8888505172	With Central Ventilation Flexible Open Tip Yankauer Sterile (Case)	32.89	33.22	32.98	32.98	32.98	33.56
Innovative Medical Devices							
14991	Mini Sams Sterile Adult 1/4in (Case)	260.00	283.00	260.00	290.17	290.00	296.00
Terumo Cardiovascular Systems							
14991	Mini Sams Sterile Adult 1/4in (Case)	259.60	313.57	257.00	305.20	256.50	347.57
Trocars							
ConMed							
PCD10	Closure 10mm (Box)	420.00	442.86	420.00	441.70	420.00	436.62
Ethicon (Johnson & Johnson)							
1SEAL	Reducer 1 Seal Endopath 36mm x 40mm x 7mm 7Fr .035in 5-12mm (Box)	25.71	28.55	27.58	28.68	27.90	29.04
355LD	Endopath Dilating Tip Stability Sleeve 5 x 100mm (Box)	260.25	292.65	180.00	277.97	195.56	270.09
35NLT	Handless Optiview Large 5mm (Box)	286.87	467.26	273.72	352.11	273.71	355.36
511HT	Endoscopic Bladeless Stability Sleeve Disposable 10/11mm 100mm (Box)	345.08	345.08	350.12	350.12	350.12	363.99
511NT	Endoscopic Bladeless Stability Sleeve Disposable 10/11mm 100mm (Box)	329.59	551.64	329.59	572.35	329.59	465.89
511SD	Endoscopic Dilating Tip Radiopaque Disposable Tristar 10/11mm x 100mm (Box)	314.58	345.97	216.00	327.43	235.97	323.21
512HT	Endoscopic Bladeless Stability Sleeve Handled 10/12mm x 100mm (Box)	370.33	380.89	329.59	356.08	359.83	374.46
512NT	Endoscopic Bladeless Stability Sleeve Disposable 10/12mm 100mm (Box)	341.23	375.65	329.59	412.65	329.59	402.62
512SD	Endoscopic Dilating Tip Radiopaque Disposable Tristar 10/12mm x 100mm (Box)	314.58	349.40	216.00	332.21	329.59	339.69
512XD	Dilating Tip Endoscopic Radiopaque Smooth Extra Long 10/12mm x 100mm (Box)	376.83	436.97	364.82	442.81	386.68	394.89
578SD	Endoscopic Stability Sleeve Dilating Disposable 7/8mm 100mm (Box)	314.58	344.98	329.59	342.49	329.59	339.39
FP015	Thoracic 15mm (Box)	242.16	259.33	229.99	340.47	229.99	22 9.99
MS512	Endopath Reducing Cap Multiple Seal Tristar Blue 5mm (Box)	51.41	63.12	55.81	68.28	56.05	56.79
1SEAL	Reducer 1 Seal Endopath 36mm x 40mm x 7mm 7Fr .035in 5-12mm (Box)	27.91	30.24	446.70	446.70	27.90	63.14
355LD	Endopath Dilating Tip Stability Sleeve 5 x 100mm (Box)	285.20	297.36	273.72	341.45	273.73	297.01
35NLT	Handless Optiview Large 5mm (Box)	285.52	334.38	273.72	322.84	273.72	282.60
511NT	Endoscopic Bladeless Stability Sleeve Disposable 10/11mm 100mm (Box)	343.81	343.81	343.81	397.44	329.59	342.76
512NT	Endoscopic Bladeless Stability Sleeve Disposable 10/12mm 100mm (Box)	343.81	369.91	343.81	409.18	329.59	332.85
512SD	Endoscopic Dilating Tip Radiopaque Disposable Tristar 10/12mm x 100mm (Box)	350.49	352.02	329.59	359.63	329.59	352.83
512XD	Dilating Tip Endoscopic Radiopaque Smooth Extra Long 10/12mm x 100mm (Box)	437.56	437.56	382.82	439.29	364.82	547.60
578SD	Endoscopic Stability Sleeve Dilating Disposable 7/8mm 100mm (Box)	352.79	357.43	329.59	359.74	329.59	348.67
Pharmed Group							
1SEAL	Reducer 1 Seal Endopath 36mm x 40mmx7mm 7Fr .035in 5-12mm (Box)	27.53	27.53	27.53	28.42	28.69	28.86
355LD	Endopath Dilating Tip Stability Sleeve 5 x 100mm (Box)	270.04	270.04	270.04	278.70	281.38	282.48
512HN	Endoscopic Bladeless Radiopaque With Handle Disposable 10/12mm 100mm (Box)	351.42	351.42	338.82	359.13	338.82	354.93

DATA ANALYSIS

Tips to help craft a meaningful, targeted data report



by Thomas W. MacVaugh, BSBE, MS

In previous columns, I have addressed several topics related to supply chain executives' and materials managers' abilities and limitations concerning effective communications. Because **HMM** frequently touches on data collection and reporting, I thought it worthwhile to reiterate some of the fundamentals of truly effective communications concerning data provided by the supply chain. I also offer reminders about how to craft a clear message when using extensive data and other statistical measures.

As the old adage goes, "Figures lie and liars figure." And unfortunately, in today's complex and fast-paced health industry, there is a great deal of suspicion when it comes to the presentation of data. Various government branches and agencies publish several tomes of data about everything from alleged patient needs to health-care provider organization (HPO) overexpenditures.

Insurance entities publish sets of data largely based on their own actuarial sources. This often results in payment "standards" that never quite match anyone's actual needs in any real location or for any real HPO cost structure.

Small-business interests and major corporate benefits administrators tout their own data in hopes of influencing providers to lower costs and insurers to boost payments. The HPO community and its political supporters generate data in defense of what they have spent or to justify future investments in "necessary" patient care services and related facilities.

Although much of the time, energy, and increasingly scarce resources are expended to research, create, and report this sea of data, it seems that little of it is readily accepted. The result of this skepticism leads to more wasted resources that fail to validate or refute what some other part has presented. These rebuttal reports

are met with nearly equal skepticism, and the cycle renews itself.

It seems that healthcare is data-rich but information-poor. So how can resource and materials executives avoid undue scrutiny or criticism for reporting data that is required of them?

The following are a few simple guidelines:

► **Data requested vs. data needed.** It is not uncommon for various parties to request information without really knowing what it is based on or its overall relevance to what they are measuring. These requests may be made in response to media focus on expense issues, requests from board members who come from other industries, or even from various government or third-party payers. None of these sources understand the idiosyncrasies of HPO operations and therefore do not know what they really want to see or how the data are compiled.

When responding to data requests, directors of materials management and supply chain executives need to make sure they understand what is requested and then determine whether it is the most appropriate measure for that particular performance indicator. If it is not, their duty is to provide alternative information that gives the best indicator for the situation.

► **Know your audience.** Often, an executive or other team of individuals requests data from the supply chain. When preparing and presenting such information, know who is on these teams and what each member of your audience needs. For example, an executive team consisting of the CEO, CFO, and chief nursing officer will each look at the data differently. Make sure what you present gives indicators and explanations for each of these specific members of your audience.

► **Provide only key indicators.** Volume of numbers does not make a report useful. When presenting data, especially to senior-level staff and executive teams,

> *continued on p. 8*

DATA ANALYSIS

Targeted data report < continued from p. 7

give them only major key indicators—a quick snapshot. Do not bury them with columns of background data and subtotals. Make sure you are prepared to provide such detail if it is requested.

► **Be succinct.** Along with only providing key indicators, you should also respect the hierarchy's time by restricting any commentary or supporting documentation to salient points. Remember, brevity is a virtue in these situations (assuming you have established credibility with your audience).

► **Be accurate.** Surprisingly, much of the data generated throughout the healthcare industry is inaccurate. These inaccuracies cause further difficulties that range from mere mistrust to total misdirection of organizational plans and related resources, strategies, and execution tactics. There are many causes for inaccuracies, from simple clerical or data entry errors to deliberate deception attempts. Your credibility is on the line, so make sure to validate your sources and calculations and clearly mark any suspect data or extrapolations. Also, if you are using or transferring data generated by any third party (a vendor, journal article, consultant, etc.), give them full credit (or blame) for the data by clearly footnoting the source.

► **Provide definitions.** Make sure that whatever you are presenting in data form is clearly defined. One of the major issues in our industry is determining the meaning of a financial indicator. A simple yet enormously complex example is the "supply expense" indicator. Although attempts are under way to have a truly universal standard for this term, there are presently several component variations in common use. Therefore, a supply expense figure from one HPO will not necessarily include the same elements/components as a supply cost figure from any other HPO. Whenever such data is presented, include a specific listing of components provided as a footnote or addendum.

► **Be timely.** There is a cause-and-effect dilemma in reporting data throughout the healthcare arena. The

current practice of gathering and generating the largely meaningless tomes of data about virtually all aspects of the industry requires a monumental task often taking months or years to determine a final measurement. In the interest of accuracy (defined here as statistically correct information on which to base real-time decisions), you need to gather and report enough statistics within a given timeline to reach meaningful operational decisions.

Measure and report on what is important for the short-term decision-making for your organization. Long-term trends will reveal themselves over time and provide you with sufficient opportunity to take corrective actions or to modify your overall strategy. ■

Editor's note: MacVaugh is president and CEO of Strategic Initiatives In Healthcare, LLC. He can be reached at 717/898-3648 or tmacvaugh@SIHealthcare.com.

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PRICE INDEX

Sponges can't keep third quarter of 2007 in the positive

The overall medical-surgical price index for the third quarter of 2007 was 100.76, up 0.25% from the second quarter of 2007 and 0.76% over the past year.

Of the 21 categories surveyed, 11 were down for the quarter and 10 were up. Even with a 4.8% increase for sponges, the average quarterly change was -0.04%. Paper, bandages and dressings, and surgical instruments helped pull the average into the negative.

The average annual change was 2.15%, with only six categories showing declines over the past year. Sponges continues to lead the way, up 29.21% from the third quarter of 2006.

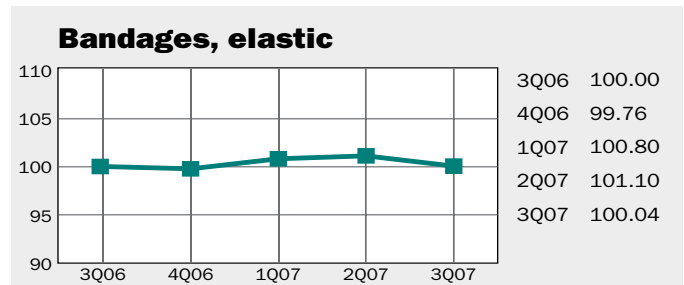
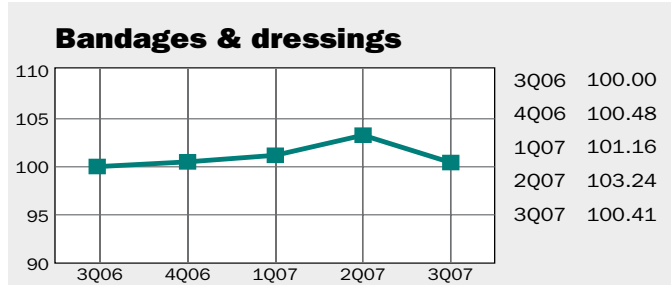
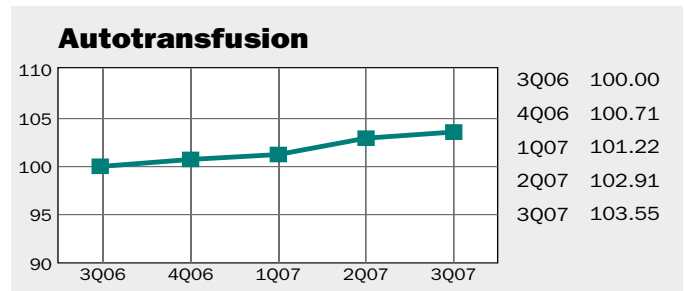
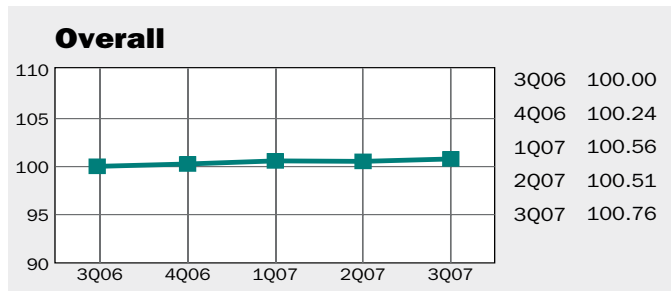
X-ray supplies was the only category showing greater than a 2% decline for the year, down 3.93%.

Note: **HMM** obtains its indexes from IMS Health in Plymouth Meeting, PA. IMS surveys 350 hospitals each month and projects the results quarterly for 5,101 nonfederal, short-term acute care hospitals in the United States. For more information about how **HMM** computes the increase in price, see "Price index explained" on p. 11. ■

Item	Change in quarter	Change in year
Overall	0.25%	0.76%
Autotransfusion	0.64%	3.55%
Bandages & dressings	-2.83%	0.41%
Bandages, elastic	-1.06%	0.04%
Catheters, tubes	0.17%	-1.32%
Diagnostic catheters	-0.37%	-1.68%
Diagnostic instruments	0.23%	0.91%
Electrosurgical	0.38%	2.60%
Endoscopy	3.03%	1.93%
Garments & textiles	-1.00%	3.46%
Gloves	-0.63%	0.65%
Orthopedic supplies	1.11%	2.00%
Paper	-3.43%	1.66%
Respiratory therapy	-0.78%	2.54%
Solutions/delivery	-0.76%	-0.18%
Sponges	4.80%	29.21%
Surgical instruments	-2.10%	-1.14%
Surgical packs	1.27%	2.17%
Syringes & needles	-0.09%	-0.41%
Urological products	0.21%	0.99%
Wound closures	1.05%	1.72%
X-ray supplies	-0.77%	-3.93%
Average	-0.04%	2.15%

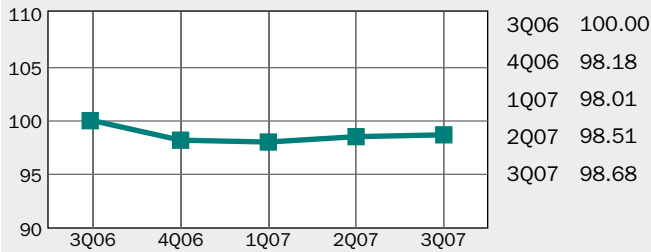
Note: HCPro and IMS Health cannot assume responsibility for the accuracy of third-party data aggregated in the tables on pp. 9-11.

Source: IMS Health, Plymouth Meeting, PA.

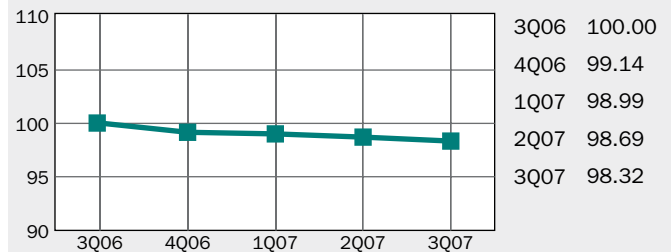


PRICE INDEX

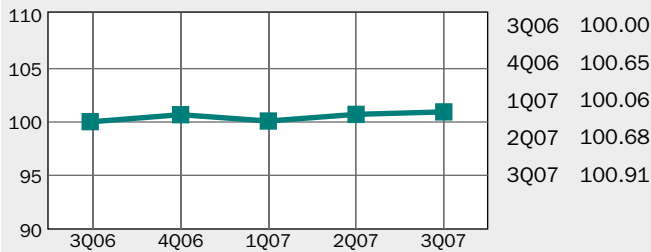
Catheters, tubes



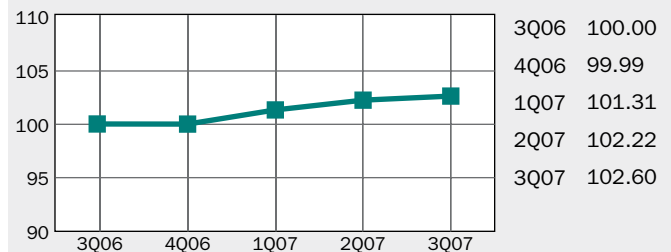
Diagnostic catheters



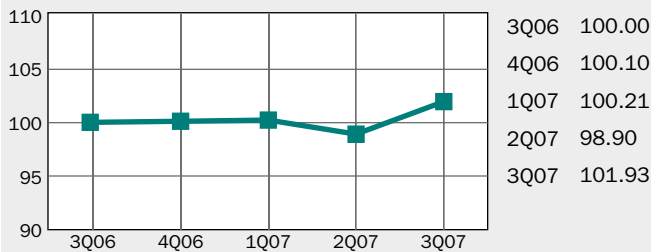
Diagnostic instruments



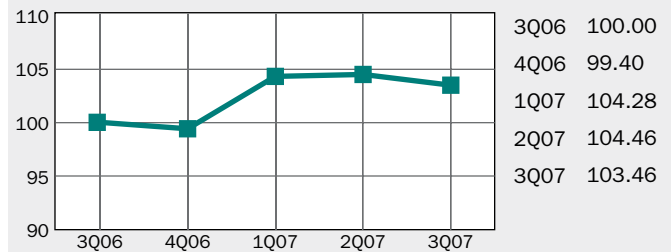
Electrosurgical supplies



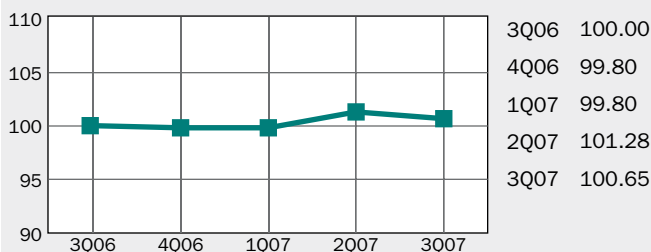
Endoscopy



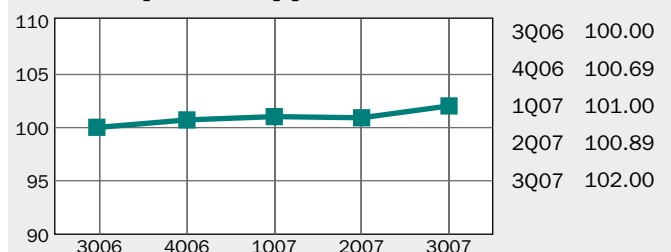
Garments & textiles



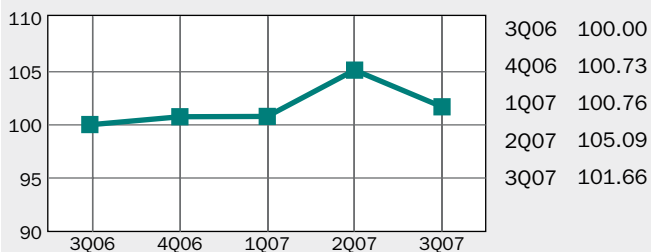
Gloves



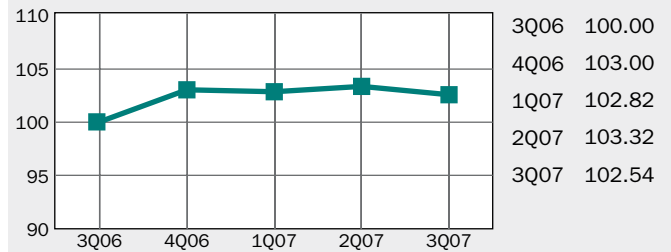
Orthopedic supplies



Paper products

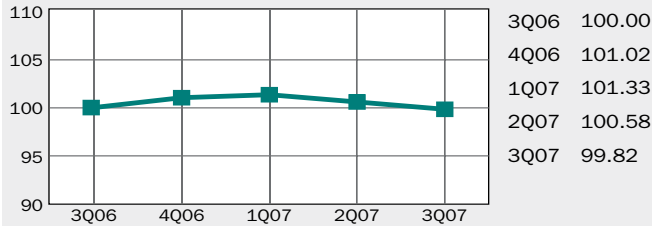


Respiratory therapy

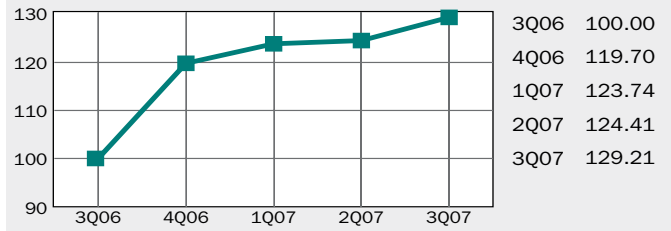


PRICE INDEX

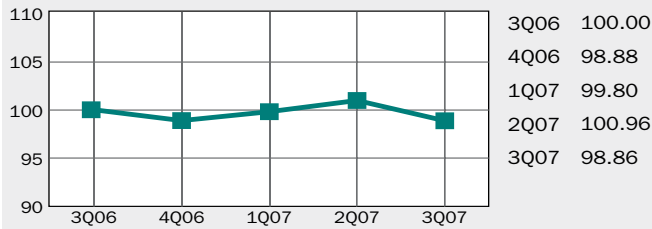
Solutions/delivery



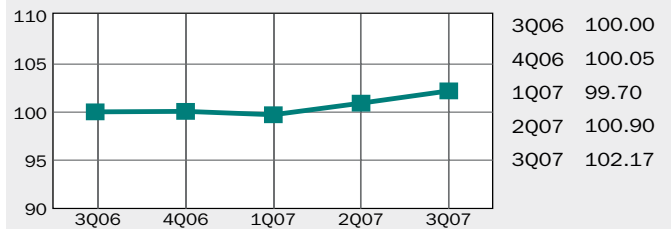
Sponges



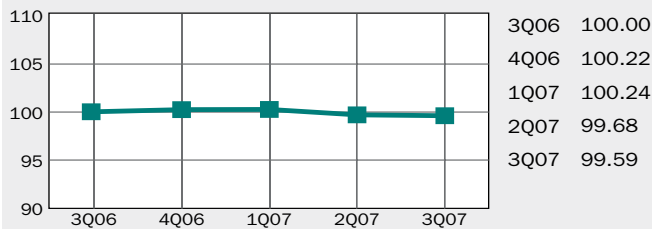
Surgical instruments



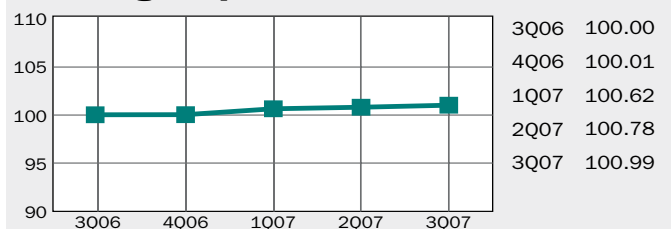
Surgical packs



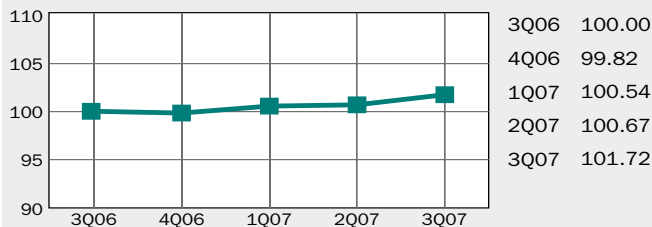
Syringes & needles



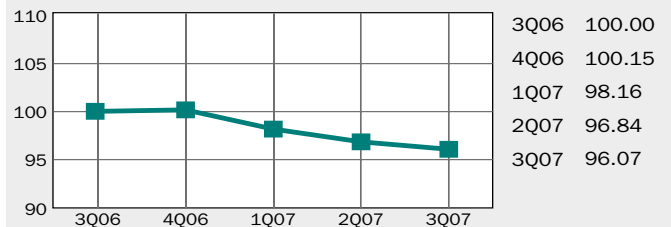
Urological products



Wound closures



X-ray supplies



Price index explained

The price indexes measure the growth in these markets due to price (i.e., removing the effect of growth due to the volume of sales). The markets with the greatest increases in this report might be those that the purchasing department has seen price increases occurring in, or where it might want to focus its attention considering that the market is seeing price increases in these areas.

The **HMM** indexes compute the increase in price for the most recent four quarters using data from five quarters ago as a baseline. The data reflected in the price index reports

originate in *IMS National Sales Perspectives* and *IMS Hospital Supply Index* services, reflecting data for nonfederal hospitals.

Pricing data in these services reflect the average actual acquisition prices at which hospitals purchase pharmaceutical and medical-surgical products from wholesalers and/or manufacturers. Price-change statistics were calculated using a Laspeyres index, which is the most commonly used statistical methodology for calculating weighted average price changes.

PRICE WATCH

Finished goods continues upward swing in November

The finished goods component of the producer price index had its third consecutive strong month, posting a 1.6% increase. It is up 7.2% from November 2006.

Of the medical-surgical categories surveyed, there was little movement for the month, with no category increasing or decreasing more than 0.3%. Catheters continues to lead the categories surveyed in percentage change over the past year. Electromedical equipment shows the only percentage decrease when compared to November 2006.

All CPI components up nearly 2% for the year

On the consumer side, the five consumer price index components surveyed increased either 0.3% or 0.4%. All of the categories are up nearly 2% from November 2006, with prescription medical equipment and supplies the only one below this mark, at 1.9%.

Prescription drugs is showing the greatest change over the past year, up 2.4%. ■

Price watch data table

Producer price index	November 2007	October 2007	November 2006	Change in month	Change in year
Product					
Finished goods	171.3	168.6	159.7	+1.6%	+7.2%
Catheters	127.5	127.9	123.3	-0.3%	+3.2%
Analytical laboratory instrument mfg.	133.4	133.4	132.4	0	+0.7%
Electromedical equipment	87.6	87.8	90.0	-0.2%	-3.1%
Irradiation apparatus	114.1	114.1	113.8	0	+1.1%
Surgical and medical instruments mfg.	134.3	133.9	132.7	+0.3%	+0.8%
Consumer price index	November 2007	October 2007	November 2006	Change in month	Change in year
Product					
Medical care commodities	293.2	292.2	286.6	+0.4%	+2.3%
Prescription drugs	373.3	371.9	364.5	+0.4%	+2.4%
Nonprescription drugs and medical supplies	158.5	158.0	155.3	+0.3%	+2.0%
Internal and respiratory over-the-counter drugs	188.0	187.5	184.3	+0.3%	+2.0%
Nonprescription medical equipment and supplies	187.8	187.3	184.3	+0.3%	+1.9%

Source: U.S. Department of Labor.

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