



Nearly 350 Richmond-area physicians now participate in MedVirginia's data-sharing network.

# Building a network

Hospitals work together to share information and cut costs

by Marjolijn Bijlefeld

Virginia hospitals are finding that there's strength in numbers. By banding together, they are finding ways to share information and work more efficiently.

A handful of Virginia hospitals, for example, are trying to build a data-sharing network that would allow health records to be updated with every doctor's visit or new prescription. Plus, the records would be available to health-care providers that need to see them. "It's as simple as creating one database of information, but at the same time making sure there's enough security

around it so that people don't abuse it," says Jeff Burke, a spokesman for Bon Secours Richmond Health System.

Data-sharing is one of the most pressing issues hospitals face today. It affects the quality of patient care, as well as operating efficiencies. The Richmond-area hospitals in the Bon Secours system are part of an early effort to develop a data-sharing network through MedVirginia LLC, a company formed in 2000. Bon Secours was the initial financial sponsor and data source for MedVirginia, which today has close to 350 Richmond-area physicians participating in its

network.

The idea for MedVirginia grew out of one medical practice's efforts to create a similar system. Dr. James Ratliff, chairman of MedVirginia's board of directors and a physician with the Virginia Urology Center in Richmond, says his office made a stab at it. "Within our own system it was clear that it was a great move forward, but we still had a lot of problems getting easy access" to patient records in hospitals, pharmacies or anywhere else a patient might go.

Bon Secours' Burke says a regionwide network that will include other area hospitals is

a first step. "When we come out the other side in a couple of years, the people practicing with Bon Secours will be doing their documentation online and entering patient data into a single database. So it's all there, and we can coordinate with other providers in the community." Ultimately, the initiative should help the hospitals save money, too, because using the data will "allow us to be a little quicker to get to treatment, and do it in a safe way," Burke says.

A second network initiative involves four small- to medium-size Virginia health systems that grouped together



The idea for MedVirginia LLC started at the Virginia Urology Center in Richmond where Dr. James Ratliff is board chairman and Shannon Thompson is nurse coordinator.

Photo by Skip Rowland

to create a virtual integrated delivery network called the Virginia Alliance. The idea is that these regional systems — none of which approach the size of Northern Virginia's Inova Health Systems, Hampton Roads' Sentara Healthcare or the Roanoke region's Carilion Clinic — could save on non-personnel costs by banding together. It seems to be working. In 2007, the health systems saved \$3.7 million and expect to gain another \$1 million in savings this year.

"All hospitals in Virginia and the country have been working hard to drive out waste and cost inefficiencies in the health system," says Fred Rankin, CEO of MediCorp Health System in Fredericksburg, which includes the 412-bed Mary Washington Hospital. "For the most part, the low-hanging fruit is gone. So we've had to get creative and look for new and innovative ways to see that more of every dollar goes into patient care."

With the help of Dallas-based VHA Inc., a national health-care alliance, MediCorp and the three other systems — Martha Jefferson Hospital in Charlottesville, Rockingham Memorial Hospital in Harrisonburg and Centra Health, which includes Lynchburg General Hospital, Virginia Baptist Hospital and Southside Community Hospital in Farmville — could command greater volume discounts together than they could separately.

A smaller regional group can provide vendors with a more committed volume than a large organization such as VHA, says Dana Trom, director of materials management/clinical engineering at Martha Jefferson Hospital. According to him, the Virginia Alliance worked with vendors already on the VHA list; in most cases, they were able to keep the vendor already supplying the hospital, but some changes had to be made. Trom says his hospital alone saved \$484,000 in 2007.

"For an independent stand-alone community hospital, that's big bucks." The group achieved better pricing on office supplies and common medical or surgical goods such as gloves, needles, syringes, X-ray film pricing and IV therapy supplies, such as the solutions and tubing.

Trom says the materials managers have been meeting every month with hospital team members from labs, medical imaging and other committees. "We'd like to see how we can expand these focus groups to other areas of the hospitals — OR, cardiology, medical imaging labs — that generate costs."

It isn't easy, Rankin says. Health systems have to be willing to give a little. For example, one may have to forego a favored vendor so the group can achieve better pricing with another vendor. But the early success and the enthusiasm with which the materials managers have approached the task make him and others appreciate the potential. He would like to see the practice develop more and says the group may look at other bargaining possibilities, such as life insurance coverage for employees and possibly even some physician-specific supplies — such as standard implants for orthopedic surgeries. Rankin acknowledges that would be more difficult because the individual physicians would need to agree. "But even if we can narrow it down to a few key vendors, we can start to make some real impact." **VB**



The 270-bed Rockingham Memorial Hospital in Harrisonburg is part of the Virginia Alliance, a network of three small to mid-sized health systems.

Photo by Calvin R. Trice, courtesy Richmond Times-Dispatch