



## GHX: Improving the 21st Century Healthcare Supply Chain

**G**HX delivers value at the intersection of healthcare suppliers and providers, creating and delivering collaborative solutions that address the increasing impact of the supply chain on the financial and clinical performance of healthcare organizations.

While supply chain costs are the second highest expense category for most hospitals, these costs are rising faster than any other area due to higher prices for advanced medical devices and their growing use in treating an aging population and chronic diseases.

At the same time, to remain competitive, suppliers must control supply chain costs while delivering the highest possible levels of service to customers – whether they are hospitals or other healthcare providers.

To ensure patient safety and quality of care, both suppliers and providers must ensure the integrity of the supply chain from the point of manufacture to the point of use.

Where the critical needs of these organizations collide, GHX has the answers, with an innovative suite of solutions built specifically to meet the unique needs of the healthcare industry.

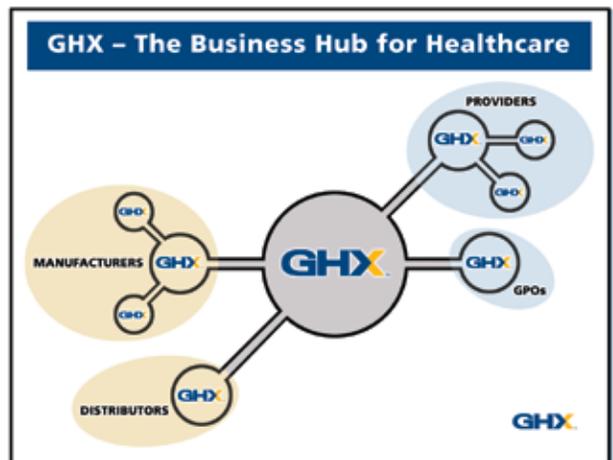
The bottom line for organizations that buy, sell, track and use healthcare products: GHX makes it possible to realize cost savings, gain efficiencies and make better business decisions.

### The Exchange

Founded in 2000, GHX was originally created to provide an electronic trading exchange where suppliers and providers connect once to do business with multiple trading partners. Since then, GHX has quickly become a collaborative community integrated through a robust, reliable and scalable

infrastructure where providers and suppliers work together. Created by the healthcare industry, for the healthcare industry, GHX is owned by manufacturers, distributors, hospitals and group purchasing organizations.

Today, in North America, the exchange connects more than 3,800 hospitals, which include more than 80 percent of licensed beds in the U.S., and 350 suppliers - representing greater than 85 percent of the products purchased on a regular basis by hospitals. GHX also operates in nine European countries. Procurement volume transacted via the Exchange has grown nearly 1300 percent, from \$17 million in 2001 to an estimated \$22 billion in 2008, and will continue to grow exponentially as GHX automates more of the processes around the purchase and use of high-dollar medical devices and other physician preference items.



## The Business Hub for Healthcare

As the healthcare industry's recognition of the strategic importance of the supply chain has grown, GHX has expanded to offer a wide variety of services that make it possible for the majority of healthcare organizations to conduct business with one another electronically, regardless of whether one or both parties has an Electronic Data Interchange (EDI) infrastructure. Healthcare organizations can connect and communicate with all of their trading partners, either through integration to the exchange or through use of customized e-procurement web portals or fax- and email-to-EDI conversion services. By outsourcing their B2B projects to GHX, organizations can strategically expand their trading universe without a significant ongoing investment in IT resources. As a result, more than 7,200 buying and 2,400 selling healthcare organizations are currently transacting business through the exchange.

As healthcare's business hub, GHX brings buying and selling organizations together to improve their performance. Companies that create, sell and deliver medical products – from latex gloves to the latest stents and orthopedic devices – can improve customer service, reduce operational costs and implement smarter sales strategies. Their customers, meanwhile, can streamline supply chain processes and ensure that the right products are available at the right price, the right time and the right place.

### • **Mobile Solutions**

GHX Mobile Solutions is expanding the capabilities of handheld device applications originally deployed to help medical device manufacturers automate sales force processes and better manage highly valuable field inventory. This technology is being adapted for use in the operating room to capture information about products used and then, through integration to the exchange, to automate the replenishment and invoicing process while ensuring correct pricing in real-time. Accurate information from the point-of-use means suppliers will receive more accurate orders, improve inventory turns and receive payment faster.

Future advances will address clinical and financial performance. Providers can track which products were used on which patients for safety reasons; billing can be improved by capturing all chargeable items electronically; and products can be tied to clinical outcomes to justify and report on costs and quality. GHX's handheld device is equipped to support a variety of auto ID capture technologies, recognizing that different technologies are used in different facilities and for different purposes.

### • **Market Intelligence**

GHX Market Intelligence enables healthcare manufacturers to identify market opportunities, quantify market size, appraise sales force performance and formulate crucial business strategy. Unlike any other source of market data, GHX captures up to 80 percent of the medical/surgical and clinical laboratory sales volume per quarter, sourced directly from the nation's leading

distributors. Through GHX Market Intelligence, suppliers identify market changes, assess their competitive landscape, evaluate sales results, and create and measure marketing programs to drive profitability.

### • **Channel Intelligence**

The contracting process holds specific, inherent challenges. Manufacturers often struggle with the ability to validate contract pricing and to manage the time involved in chargeback processing. Industry research shows that an average of 9 percent of revenue is lost due to penalties, missed deadlines, inconsistent pricing and transactional errors.

GHX Channel Intelligence uses tools to collect, verify, format and cleanse contract data from channel partners. With Channel Intelligence, the manufacturer has access to national, regional, individual territory, product, facility and distributor sales information, which helps reduce administrative costs while improving the overall contracting process.

## The GHX Advantage

GHX's ability to enable performance excellence in healthcare is based on those factors that enabled its survival while most others failed, including:

- Broad industry ownership
- Value across the entire supply chain
- A robust, reliable and highly scalable network with 99.9% uptime
- A commitment to data accuracy and privacy
- An open and neutral business model that increases customer value with greater utilization

By staying true to its core focus – advancing the business of healthcare – GHX has survived and thrived in what was once a highly crowded marketplace. Today, it delivers a wide range of offerings that enable its customers to improve efficiencies, reduce costs and optimize operational performance by connecting the industry; automating supply chain, accounts payable and sales force processes; improving inventory management, and expanding business intelligence. Its commitment, expertise and proven ability to deliver what the market needs puts GHX at the heart of the next wave of innovation where collaborative industry solutions will create the agile, demand-driven supply chain needed to meet the healthcare industry's 21st century challenges.

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