Novation Helps Health Care Organizations Thrive

Founded in 1998, Novation is a health care services company for the more than 100,000 members and affiliates of VHA Inc. and UHC, two national health care alliances; Children’s Hospital Association, an alliance of the nation’s leading pediatric facilities; and Provista LLC.

Novation, a VHA and UHC company, drives the success of the organizations we serve by combining aggressive supply cost management, deep industry expertise and world-class intelligence. These members use the company’s unique programs, cost management expertise and extensive analytical tools, workflow capability and data to make better decisions and thrive in a new era of health care.

Based in Irving, Texas, Novation develops and manages competitive contracts with more than 700 suppliers. By representing a large number of hospitals and health care providers, we negotiate significantly lower prices for all types of medical devices, goods and services. In 2013, members of VHA, UHC, Children’s Hospital Association and Provista purchased $49 billion of products and services through Novation.

Novation also created one of the industry’s largest and most accurate databases of product and spend information, and it provides hospitals with a wide range of applications to help them optimize decision making and take full control of their supply chain. This includes analytic programs that leverage data on purchases from more than 2,000 hospitals, accounting for more than $80 billion in spend.

We create value for the members we serve

The value we create for our alliance partners and the respective health care organizations that we all serve is significant and extends beyond contracting, which helps lower health care costs and increase quality:

- **More than $1.5 billion** of savings in contract price improvements over the past five years
- **$1.4 billion** in savings through analytics since 2010
- About **$500 million** in annual savings through advisory services

We serve a broad range of markets

We are the engine that lowers the cost of products and services for a diverse set of providers — including acute care hospitals and health systems, academic medical centers, pediatric facilities, ambulatory care centers, physician clinics, and home health and long-term care facilities. Through Provista, Novation also serves the education and corporate markets. Our market scale is reflected in the following metrics:

- 40 percent of staffed beds in the United States
- 45 percent of the nation’s admissions
- 47 percent of the nation’s total surgeries
- 40 percent of pediatric inpatient beds
- 94 percent of the nation’s academic medical centers

We place the highest value on ethics

We have implemented best practice standards and a leadership culture that promotes ethical practices. Novation has earned the coveted Ethics Inside® Certification from Ethisphere, a leading think-tank on ethics in business. This designation is only given to a small number of companies that can demonstrate a superior employee and leadership
culture that promotes ethical business. For the last three years, Novation earned both the Ethics Inside certification and recognition by Ethisphere as among the World’s Most Ethical Companies — the only company in the health care industry to do so.

**We have the broadest contract portfolio, offering members the widest choice**

Novation has the broadest, most comprehensive contract portfolio in the industry, maintaining agreements with more than 700 suppliers and distributors to provide exceptional choice and value. These agreements comprise nearly 90 percent of the products and services that health care organizations purchase and use, including offerings in the following categories:

- anesthesia
- bariatric
- business products
- capital equipment and related services
- cardiology
- diagnostic services
- distribution services
- document management services
- facilities
- food and nutrition
- information technology products and services
- intravenous products
- laboratory
- linen services
- medical-surgical
- oncology
- orthopedics
- pediatrics
- pharmacy
- respiratory
- safety
- staffing

**We help drive down the cost of health care with award-winning data and analytics solutions**

Using the largest, most advanced data warehouse and analytics capabilities, Novation empowers purchasing decisions, drives down costs and identifies future savings with a wide range of analytics programs. For example, by continuously monitoring pricing dynamics and market conditions, Novation is able to provide market-leading prices throughout the life-cycle of our agreements.

We created the industry’s largest and most accurate database to help hospitals optimize decision-making and take full control of their supply chain:

- We process data on purchases from more than 2000 hospitals
- Our database has detailed information on more than $80 billion in spend
- The data set includes 7 million products and processes more than 30 million cross-reference pricing and product relationships in real time, so members can easily search and obtain the latest information.

We have a long track record of success in developing award-winning analytic applications that help members gain more insights into their supply chain efforts, resulting in lower costs:

- One of only 12 companies named by IDG’s Computerworld as a 2013 Data+ Editor’s Choice award honoree for the development of supply chain and analytics solutions that help hospitals reduce purchasing costs and increase supply chain efficiencies
- A finalist for the Gartner Inc. 2013 BI & Analytics Excellence Award highlighting world-class BI, analytics and performance management initiatives
- Named an IDG Computerworld 2013 Honors Laureate as a developer of visionary applications of information technology with the launch of our suite of price-benchmarking and cost-management applications in the medical, surgical and pharmaceutical areas.
- One of *Supply & Demand Chain Executive* magazine’s “100 Great Supply Chain Projects” for the successful implementation of an innovative e-sourcing solution in 2012
We deliver expertise beyond contracts

Novation uses its expertise and experience to create innovative programs that deliver even greater value to organizations. The company provides a wide range of clinical and nonclinical contracting programs that help drive greater pricing advantages.

To achieve increased savings, members may self-select supply chain programs that work best for them — such as IMPACT Standardization, NOVAPLUS® private label products and services, pharmacy, group buys, local programs, or using the Committed Portfolio to realize greater savings.

- IMPACT Standardization Programs have delivered more than $1 billion in rebate value to participating members to date.
- NOVAPLUS, Novation’s private label program, delivers average savings of 15 to 21 percent on products and services.
- The Novation Pharmacy Program is one of the most innovative and successful committed portfolios in the industry, with about a 5 percent price advantage over the competition (based on 2013 hospital pricing studies).
- Novation’s Capital Equipment Group Buys have provided members with savings of more than $700 million on more than 45 categories of equipment. Since its inception in 2005, about 3,500 organizations have purchased $3.1 billion of capital products through the program.

We help health care organizations prepare for the new era of health care

Novation’s specialized industry knowledge helps members see ahead of and prepare for the challenges they meet every day. Its award-winning tools and resources in sustainability and environmentally preferred purchasing help members incorporate these concepts into their supply chain. Novation provides a suite of industry reports, including budget impact reports, raw materials data, white papers and several publications that keep members informed of the latest industry news. Physician preference management, industry standards and innovative technology expertise round out the myriad other benefits offered by Novation to enhance the members’ experience.