Premier Provider Select: Physician Group Purchasing Program

Premier, Inc. is a group purchasing alliance entirely owned by 200 not-for-profit hospitals and healthcare systems. As an owner and member, Frederick Memorial Healthcare System has participated with Premier since January 1996, taking advantage of discounts on medical supplies, medical equipment, office supplies, and other goods and services. The Premier organization receives up to 3% of purchases from participating vendors. After the alliance’s expenses are met, the Premier Board votes to allocate distributions to owner entities.

ProviderSelect is Premier’s solution for providing group purchasing power to physician practices. ProviderSelect physicians, presently numbering over 21,000, have access to over 1,300 contracts which makes ProviderSelect the nation’s largest physician’s group purchasing program. During 2005, ProviderSelect physician members saved over $30 million dollars.

ProviderSelect is free to join. The contract portfolio includes products and services in the following major categories:

- Medical/Surgical Supplies
- Laboratory Supplies
- Pharmaceuticals (including vaccines)
- Office Products and Equipment
- IT Equipment
- Practice Administration
- Construction

Premier has an exclusive agreement with McKesson Medical/Surgical for physician practices. Members are asked to set a goal to purchase 80% of their medical supplies from McKesson. McKesson’s nationwide distribution network allows small units of measure and next day delivery. Premier also provides discount opportunities from other popular vendors including Office Max, Dell, Verizon Wireless and Beachley Forms.

Any physician practice is eligible to join at the Gold membership level. Practices affiliated with Frederick Memorial Healthcare System and/or FredMed may join or upgrade to the Affinity level which offers a higher level discount structure.

ProviderSelect members receive a Welcome Packet with a listing of all participating vendors and a toll free member support number. Members may also refer unaffiliated vendors to Premier. A McKesson salesperson is available for in person visits and access is provided to McKesson’s web-based information system. If a practice is already working with a specific McKesson representative, no re-assignment is made.
Several practices in the Frederick community are current members of Premier. Marty Jones of Internal Medicine Associates, a member of ProviderSelect, has been very pleased with her experience. She saved thousands of dollars on a Xerox equipment lease and her overall medical supply costs dropped significantly. She periodically shops for better prices and McKesson has met or beat any other offer she has received. When she purchased a large piece of Laboratory equipment, McKesson provided the same brand and model for $20,000 less than any other vendor.

Gloria Bamforth of Corporate Occupational Health Solutions, a Premier member under Frederick Memorial Hospital, has identified significant cost savings after working with a Premier representative to learn how to use comparative product and pricing tools. She noted that although most of her medical supplies have small unit prices, the incremental savings has a large impact on her bottom line.

Practices may join at any time by completing a Premier application form available on the FredMed website and here and a McKesson credit application (if you are not already a McKesson customer) also available on the FredMed website and here. Fax both forms to the fax number on the application. About two weeks later, you will receive your welcome packet. Should you have any questions about Premier or your application status, you may contact:

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Note: Premier and McKesson are hosting a Luncheon and Vendor Fair June 15, 2007 for the FredMed practice community.