Medpricer Reveals How Healthcare Supply Chains Can Leverage Supplier Tax Breaks to Access Savings

*Its low risk, high ROI approach relies on supplier relations and comprehensive market data to drive analysis and negotiations*

GUILFORD, Conn. and WALNUT CREEK, Calif. (PRWEB) April 12, 2019 -- With U.S. hospitals overspending an estimated $39 billion every year, Medpricer, the leading purchased services cost management solution for the healthcare industry, urges healthcare organizations to evaluate pre-existing supplier relationships to optimize their savings and negotiate terms that better meet their fiscal goals.

Many healthcare suppliers will take advantage of the 2017 Tax Cuts and Jobs Act this 2018 tax season. While they benefit from newly reduced corporate tax rates, it’s fair to say supplier profit margins will improve substantially. This puts the healthcare supply chain in the unique position to discuss deeper savings opportunities with their incumbent suppliers. Renegotiating is advantageous to both provider and supplier, as the providers access much-needed savings for their bottom lines while suppliers can gain a larger market share by aligning closer with their customers’ budgetary needs.

Medpricer offers the following low risk, high ROI suggestions on how healthcare providers can leverage the economic shift to uncover more savings:

1. **Review contracts before the Automatic Renewal clause begins**

   The healthcare supply chain should search its contracts database for renewal and expiry terms to seek savings on categories that were negotiated before new tax laws were in effect. More specifically, search for contracts negotiated more than two years ago with terms like “Termination for Convenience” that enable teams to renegotiate at post-tax cut rates. This narrows down the number of suppliers to focus on for these discussions.

2. **Seek competitive insights with Precision Benchmarks**

   Healthcare organizations should regularly benchmark their purchased services spend to see how its contracts compare in the market. This approach gives organizations concrete savings targets with reasonably high confidence and detailed data to have a discussion with incumbent suppliers. Medpricer’s Precision Benchmarks analyzes more than 70 purchased services categories, enabling customers to quickly compare service level terms using a multi-factor approach that takes important details like service levels, price and region into consideration.

3. **Approach incumbent suppliers to negotiate**

   Armed with benchmark data, supply chain teams can invite suppliers to share what they can offer in lowering their cost structure in order to be most competitive with what’s standard in the market. This also opens the opportunity to collaborate on ways to improve service level terms or bundle service offerings to the healthcare organization’s advantage. Should an incumbent supplier not be able to meet expectations, the healthcare organization already has the data needed to run a purchased services RFP and evaluate additional suppliers.

“As more healthcare systems look to purchased services for savings opportunities, it’s important they have...
comprehensive technology to help them create a smart decision-making strategy,” said Medpricer CEO Chris Gormley. “Medpricer prides itself on providing AI-based market intelligence that enables organizations to better leverage their supplier relationships and connect stakeholders in order to unlock their full savings potential.”

For more information on how healthcare supply chains can access purchased services savings, please visit www.medpricer.com.

About Medpricer
For more than a decade, Medpricer has helped move savings strategies forward with scalable purchased services solutions that improve sourcing efficiency and financial health. Their industry-leading software, mSource®, is the only all-in-one contract management, negotiation, and analytics platform that enables organizations to tailor contract terms to fit their unique needs – not those of a group. Engage with your purchasing data, learn from market intelligence, unite your stakeholders, and move contracts through the pipeline – faster. No catches, no hidden admin fees. Discover substantial savings and deliver outcomes that continuously improve the quality of patient care. To learn how other leading healthcare providers are transforming their savings strategy, call (888) 453-4554 or visit www.Medpricer.com.

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