GPOs Save Time, Effort For Providers in Due Diligence Process

About Iris Diagnostics

Iris Diagnostics, a division of IRIS International, Inc., manufactures and sells urinalysis systems for use in hospitals and commercial laboratories worldwide. These systems perform both chemistry and microscopic analyses. Iris Diagnostics’ automated systems are designed for workloads ranging from the largest hospitals to smaller laboratories and process anywhere from a few specimens to hundreds of specimens per day. Iris Diagnostics’ systems are designed to provide the user faster and more complete results, plus labor savings over manual methods of performing microscopy, one of the most labor intensive procedures in a clinical laboratory. For more information on Iris Diagnostics, visit its Website at www.irisdiagnostics.com.

Why GPO Involvement is Important

Laboratory contracting team is made up completely of former medical technologists who understand the issues that customers face and the clinical issues around any product or piece of equipment, and other GPOs with clinical specialists, can help a manufacturer such as Iris Diagnostics bring the message of product value to the customer. For example, a couple of the benefits of Iris Diagnostics’ urinalysis systems are improvements in productivity and workflow and in standardization of patient results. Lab team helps convey these benefits in a meaningful manner to laboratorians, from one clinician to another, as opposed to supplier or supplier salesperson to customer.

Products made available through these agreements are selected by councils made up of clinicians from the member hospitals themselves. These councils evaluate products based on their clinical viability, as well as other important factors such as quality, reliability, amount of required maintenance, etc. While all customers will do their own due diligence prior to making a purchasing decision, the value herein is that the products offered under agreement have already been through some level of scrutiny, and typically products offered on contract are “best-in-breed.”

The Benefits of GPOs

Iris Diagnostics has been a business partner with since 2005. The relationship has been very productive and beneficial in terms of bringing value and
technology to mutual customers. During the first partial contract year, about $300,000 was done through the contract with MY GPO. This volume has grown to over $2.6 million in the last full calendar year. In the last quarter of 2008, Iris Diagnostics participated in a group buy with MY GPO in which $232,000 in savings was delivered to the participating MY GPO customers.

The agreements that are negotiated for these products address not only price, but freight terms, warranties, uptime guarantees, minimum insurance requirements by the supplier and other factors that directly and indirectly affect the “cost” of a product. Many if not most hospitals do not have the manpower resource to negotiate all of these areas with multiple suppliers for every product that a hospital purchases. The value herein is that hospitals are delivered best pricing and terms for the products they need to purchase.

Group purchasing agreements typically offer fixed pricing. This allows the customer to budget for multiple years of product use, as well as stave off annual increases that would be applied if there were no contract or agreement in place.

“Group Purchasing Organizations have become an integral component of the Health Care Supply Chain,” said Scott Milsom, director of corporate accounts and distribution at Iris Diagnostics. “They have honed skills and become experts in product evaluation and contract negotiations; areas that can consume huge amounts of time and human resource for any health care provider.”

For more information about Iris Diagnostics, please contact Scott Milsom at scott.milsom@proiris.com.