

Testimony of
Ms. Trisha Barrett

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Chairman Kohl, Senator DeWine, and distinguished members of the Subcommittee, it is a pleasure to be with you this afternoon to share my perspective of how our health care organization benefits from its association with Novation.

My name is Trisha Barrett and I am the Value Analysis Facilitator for the University of California, San Francisco Medical Center - a member of University HealthSystem Consortium (UHC) - where my responsibilities include the clinical coordination for product selection and standardization. I have been a nurse for 25 years. Previous to joining UCSF, I served in similar capacity for Alta Bates Summit Medical Center in Berkeley and Oakland California, a member of VHA. I have thus served on the Novation Nursing and Clinical Practice Council as both a VHA and UHC member representative.

I am proud to serve in an organization like UCSF Medical Center where our mission focuses on caring, healing, teaching and discovering. UCSF Medical Center is a 500-bed academic hospital, located in northern California that employs 5,500 health care professionals. Annually, we perform 20,000 surgical procedures, and provide tens of thousands of inpatient and outpatient days of care. To meet this demand, we maintain a product and device inventory of anywhere from 20,000 to 30,000 different items. Recently, we were named one of the top ten hospitals in the nation by U.S. News and World Report.

Beyond the daily challenges of providing care and saving lives, America's healthcare organizations face shortages of nurses, constraints imposed by managed care, patient and healthcare worker safety issues, the aging of the baby boomer generation and more. Overshadowing these challenges is financial pressure due to the ever-rising costs of pharmaceuticals, supplies, devices and equipment. While Medicare, Medicaid and private payer reimbursements go down, the cost of health care continues to rise. Novation helps our organization remain financially viable, allowing us to place our energies where they belong - on patient care. We spend about \$120 million each year for supplies - 50 percent of that through Novation contracts. We at UCSF choose to access just over 50 percent of the Novation contracts available to UHC hospitals. The remaining 50 percent is spent on products that are not on contract, or on products that may compete with Novation's contracts that our clinicians choose to use instead. That's one of the good things about Novation - use of their services and product contracts are voluntary. However, we do use Novation agreements whenever we can because they bring value to UCSF Medical Center.

The Medical Center benefits from my participation on councils and task forces because it provides a forum where I am able to provide clinical expertise and experience in the formation and analysis of Novation contracts. Clinicians like me from hospitals across the country gather

and collaborate to share our experience, reach consensus, and advise Novation in structuring and awarding contracts that we know will best meet the needs of our patients and staff.

For example, I am currently working with fellow clinicians throughout the country to establish quality criteria for the IV catheters bid. Clinical council members share our experiences and opinions during meetings and conference calls where we discuss IV catheter quality criteria and supplier service criteria. We recently discussed the need for the supplier to support hospitals with education and training. Many hospitals have lost on-site nurse educators either to the national nursing shortage or to financial constraints. Educational support is a high priority for the supplier we choose - that they be able to provide training 24 hours a day seven days a week during conversion from old product to new. These meetings and discussions lead to consensus and advice that makes the final bid a good one and also makes it satisfying to participate on the councils and task forces.

It is important to note that as clinicians - who actually use medical products to treat, heal and save lives - we place a high priority on product quality and performance in our discussions and decisions. I take my role as a health care professional very seriously, so when I was invited to become a part of Novation's Nursing and Clinical Practice Council in 1999, I welcomed the opportunity. Being a member of a council is something I do above and beyond my current responsibilities at UCSF and involves being away from my family periodically. However, having the opportunity to assist Novation in contracting for the highest quality, most clinically acceptable products available on behalf of patients makes it all worth it. More importantly I can trust in other contracts because I know there are hundreds of others like myself working on the other member councils.

I have the privilege of assisting some of the best doctors, nurses and other healthcare professionals in the country. With that privilege comes the moral and legal responsibility to invest the organization's funds wisely. I ask fellow clinicians to think of these funds as they would their own family budget. When possible, we use Novation contracts. Beyond that, we concentrate our own hospital resources at searching and bidding for those items our care providers need that are not on contracts or offered by suppliers who choose not to participate in Novation bids.

In closing, I would suggest that the members of the committee proceed very carefully in considering any new laws that could potentially place additional financial pressure on an already fragile health care system. Without companies like Novation, I am concerned that health care organizations, and ultimately patients, would pay more for health care. In addition, we would be forced to dedicate significant additional resources towards contracting, diverting precious resources away from the delivery of care.

Thank you.