

Using Score Cards to Improve Supplier Performance

Score cards, when used properly, can help hospitals and vendors build accountable relationships that encourage both parties to strive toward meeting mutual goals and objectives. Score cards should focus on overall supplier process improvements. The score card has to be relevant to the needs of the hospital, shared with the vendors and used to track vendor performance over time.

Hospitals should focus on the following four areas when implementing score cards:

- 1. Select** – Not all vendors need to be scored. Each hospital has a set of vendors that are critical to the day to day functioning of the hospital. These may include Operating Room vendors that are required to have a product on site prior to an operation being performed. It could also be plant functions that keep the environment sterile and in working order.
- 2. Relevant** – When developing a score card, it is critical to measure what is important to the ability to serve patients and meet accreditation standards. In the OR example above, does the vendor provide the necessary equipment at the correct time and follow all hospital procedures for ensuring the product is ready for the given operation?
- 3. Share** – Unless the information is shared with the vendor, nothing is likely to change.
- 4. Track** – Performance of key functions must be measured over time. For each area of importance, trend lines should be established and minimum thresholds should be achieved. Reviewing this tracking with the vendor drives higher compliance and lets the vendor know if they are reaching the goals you expect.

Vendormate VISION incorporates Score Card capabilities into your credentialing program. The Score Card is easily accessed throughout the application. Anyone on the hospital side with Vendormate VISION access is able to score a rep or vendor. Scores are maintained in the rep / vendor history and averaged to assign an overall score. Not only does this information assist in meeting CMS and Joint Commission guidelines, but it also provides valuable data during contract negotiations and in identifying vendors which provide the most value.

Recent legislation in the healthcare industry has been interpreted to require that companies working in patient care areas be evaluated with the same scrutiny as employees.

Center for Medicare & Medicaid Services

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§482.12(e)(1) *The governing body must ensure that the services performed under a contract are provided in a safe and effective manner.*

INTERPRETIVE GUIDELINES §482.12(E)(1)

Indirect arrangements may take into consideration services provided through formal contracts, joint ventures, informal agreements, shared services, or lease arrangements. The patient care services, and all other services, provided under contract are subject to the same hospital-wide quality assessment and performance improvement (QAPI) evaluation as other services provided directly by the hospital.

The Joint Commission requires:

LD.04.03.09 -Care, treatment and services provided through contractual agreement are provided safely and effectively.

- Describe in writing the scope of services.
- Monitor contracts by establishing expectations for the performance of the contract.
- Monitor contracted services by communicating the expectations in writing to the provider of services.