

Member Uncovers \$100,000+ in Annual Savings Through Spend Optimization

Member Profile

This member is a privately owned, single-site skilled nursing facility that provides rehab, long-term care and assisted living options.

The Challenge

The financial pressures of being a privately-owned skilled nursing facility necessitated cost savings measures, and Link-age Solutions, as the Member's incumbent GPO, was engaged to help with the efforts. The Member also engaged a competitor GPO to compare benefits. Ultimately, the Link-age guidance and cost savings proved to be significantly more impactful, so communication with the other GPO was ended early in the review process.

The Solution

Link-age Solutions was asked to perform a dining spend optimization, the results of which suggested slight modifications to food orders that would decrease off invoice spend by 9% annually while increasing quarterly rebates earned by 33%. Additionally, the optimization revealed that disposable products like paper goods, liners, and plastic utensils could be acquired from other Link-age partners for 21% savings. Additional spending reviews were performed with medical supplies, cleaning chemicals, and over-the-counter medications, leading to estimated savings respectively of 10%, 45%, and 55% savings annually.

The Results

Once vendors were consolidated, the Member could benefit from streamlined ordering, saving their team both time and money. **Implementing all the suggested changes would equate to over \$100,000 of savings annually.**



9% savings off invoice for food spend



33% increase in manufacturer rebates



10% estimated savings on medical supplies



21% estimated savings on disposable products



45% estimated savings on kitchen cleaning chemicals



55% estimated savings on over-the-counter products