

# Physician MEMO

To | All Medical Staff

From | Jim Tobalski Sr VP Marketing/Communications & Government Affairs

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Re | New Supply Network

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## **Three Large Not-for-profit Healthcare Systems Form New Supply Network**

*New venture expected to reduce supply costs and identify best practices for supply utilization*

(November 17, 2011) –MedStar Health, Novant Health and Sentara Healthcare have agreed to work together to reduce their supply expenses and improve operational performance. The newly formed MNS Supply Chain Network, LLC, as it has been named, represents more than \$3 billion in annual purchases of supplies and services. The network will work as a single entity on identified contracting initiatives in order to generate savings and supply chain efficiency. The Network has contracted with VHA Inc., a national hospital alliance, to provide network support.

“The MNS Network’s strategic alliance will create concrete avenues for economies of scale and help us to derive significant supply chain savings,” said Michael Curran, chairman of the board of MNS Supply Chain Network and chief administrative and financial officer of MedStar Health. “Our shared commitment to volume aggregated contracting strategies will drive value for all the organizations, their patients and communities.”

The new network will be operational immediately and will be governed by senior executives from the participating members.

- ◇ MedStar Health is a \$4 billion not-for-profit, regional healthcare system with a network of nine hospitals, 20 health-related organizations and more than 100 care sites across Maryland and the Washington, D.C. region.
- ◇ Novant Health is a \$3.5 billion not-for-profit integrated system comprised of 13 hospitals in North Carolina, South Carolina and Virginia, 150 outpatient centers and a medical group consisting of 1,123 physicians in 360 clinic locations.
- ◇ Sentara Healthcare, is a \$5 billion not-for-profit integrated health system, that operates more than 100 sites of care serving communities across Virginia and Northeastern

North Carolina and is comprised of 10 acute care hospitals, a 3,680 provider medical staff and three medical groups with 618 providers, as well as a health plan, serving more than 433,000 members in Virginia.



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