



## **FOR IMMEDIATE RELEASE:**

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### **Targeting high-dollar clinical departments with major supply headaches, BlackTie Medical introduces “HandOff”™, the industry’s first Web-based solution for streamlining bill-only supply transactions**

Detroit, MI, July 17, 2008 – Today’s high-tech, high-cost medical devices, often delivered to procedure rooms by vendor reps during cases, can give patients hope – and materials managers fits. Today, BlackTie Medical answered the call for relief with its new “HandOff”™ service, an easy to use, Internet-based application for automating and simplifying “bill-only” transactions across the healthcare supply chain.

Targeting hospital supply purchases that do not go through the standard purchasing process and are not represented in the Materials Management System’s Item File, BlackTie’s “Hand Off” application addresses one of the biggest remaining areas of pricing inaccuracy, waste and manual documentation in the typical hospital’s supply process.

“To keep inventory costs low and avoid risk, hospitals increasingly want vendors to bring in high-dollar products for specific cases at the time of service,” said Thad Mac Krell, CEO of BlackTie Medical. “Unfortunately, this informal process can’t be effectively automated by the typical MMIS leaving hospitals with no easy way to ensure accurate product pricing and effective transaction audit control over this enormous chunk of the supply spend. Our “HandOff” application delivers a simple, Web-based process that automates all steps, from physician/procedure documentation to contract price look up to approvals to automatic requisition submission and even forwarding the PO to the vendor.”

While hospitals may have many “X Items” – which aren’t in the MMIS item file because they are bought so infrequently – BlackTie’s “HandOff” focuses on X Items that arrive at the hospital via informal routes, such as from vendor trunk stock, walk-ins, vendor-managed inventory, bill-only, consignment, etc. Although hospitals negotiate contract pricing for these supplies, they do not stock a large selection of the products that could be used by physicians, instead relying on the vendor’s sales representative to ensure that the

product is available for the procedure. At many hospitals, as much as 15-30% of the total supplies budget falls into this category.

“When the product and its price are not represented in the MMIS item file and when complex discount arrangements like tiers, capitation, rebates, etc., are a part of the contract, pricing accuracy takes a hit... easily amounting to several hundred thousand dollars in loss annually,” Mac Krell noted. “Industry projections suggest that the volume of these cases and product proliferation will rapidly accelerate in the coming years. As hospitals continue to pursue cost-saving measures like consignment and capitation and as 3<sup>rd</sup> party control measures like payer audits increase, strong, cost effective, electronic controls like BlackTie’s “HandOff” will become essential in extending the functionality of the existing MMIS.”

Available to hospitals on a predictable monthly subscription, “HandOff” is typically used by only a few individuals, namely contract managers, implant coordinators, materials buyers and, at the hospital’s option, even vendor sales reps. BlackTie’s “HandOff” application is HIPPA compliant and has easy-to-use features including complete contract price list digitization to ensure pricing accuracy, integrated intelligence to capture capitation and other case-specific discounts, automatic implant documentation, customizable approval routing, auditable transaction controls, dashboard graphics, joint transaction visibility with vendor representatives and pre-designed plug-ins for requisition interfaces with the hospital’s MMIS.

“We’re excited by the positive impact that BlackTie “HandOff” can bring to this complicated area of the supply chain,” Mac Krell said. “At BlackTie Medical, we want to help materials managers get the most out of their existing MMIS, with simple, Internet-based applications that solve sizable problems like bill-onlys by reducing staff efforts, improving documentation and saving money.”

### **About BlackTie Medical**

BlackTie Medical is a leading provider of Internet-based, healthcare supply chain solutions for hospitals and health systems. Designing all its applications around the same “engine,” BlackTie identifies informal supply chain conditions that exist in nearly every hospital and then delivers simple, easy-to-use applications to formalize these processes in a way that complements and extends the functionality available from a hospital’s existing materials and clinical platforms.

Current BlackTie Applications include:

***BlackTie CS QA*** – enables users to track operational and infection control quality metrics in the Central Sterile Department.

***BlackTie “HandOff”*** – brings automation, control and pricing accuracy to walk-in and non-stock transactions in hospital surgery, radiology and cardiology departments.

***BlackTie Implant*** – a hospital-wide tool for implant documentation that consolidates implant records, documents recall investigations and automatically forwards Class 1 implant records to vendors in a secure, HIPAA-compliant manner.

***BlackTie Contract Manager*** – a turn-key and cost-effective solution for uploading contracts and other documents into a digital storage environment and importing key contract details into the hospital MMIS automatically.

BlackTie Applications are designed to be compatible with all versions of Lawson, McKesson (PMM), Oracle, PeopleSoft, Meditech and other MMIS platforms.

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