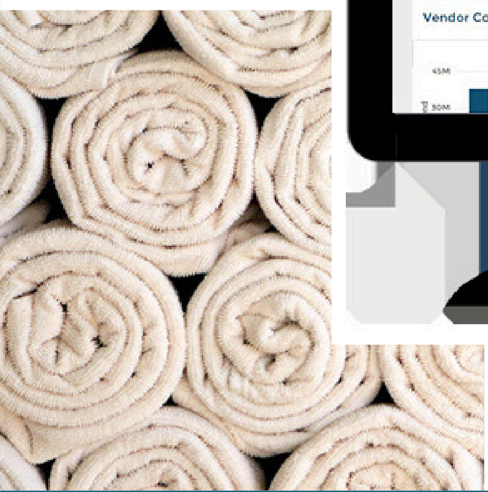
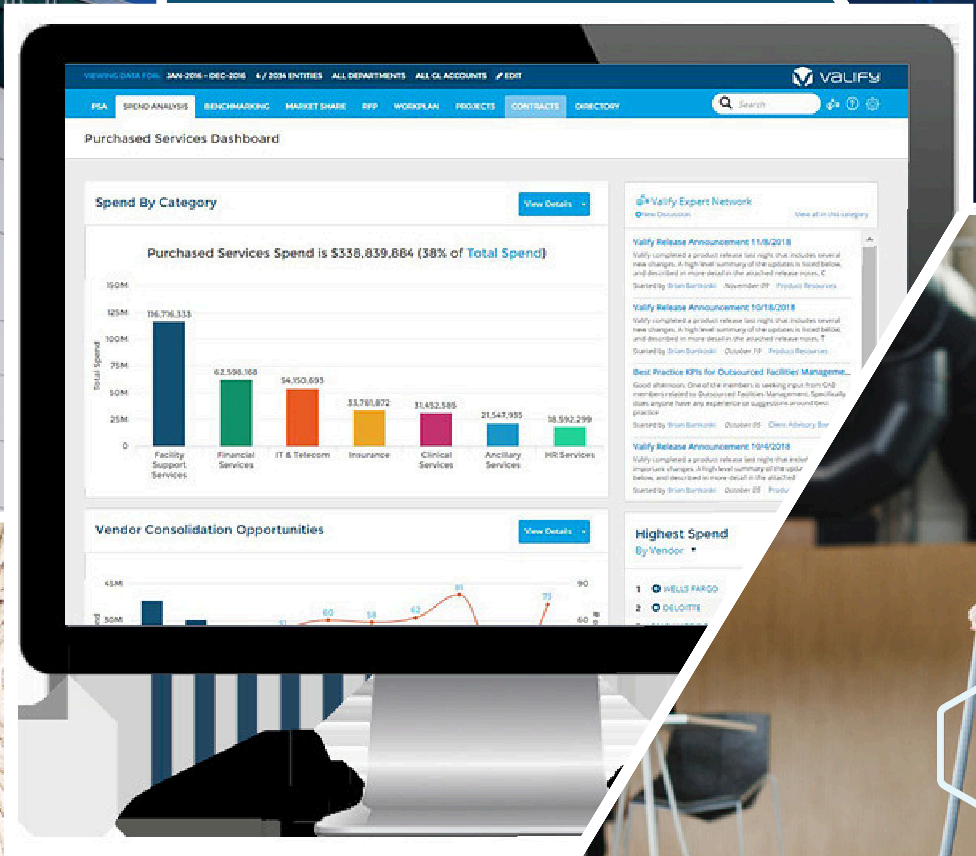




Capturing Hidden Value in Purchased Services

A Strategic Purchased Services Playbook for Healthcare Leaders

Executive Summary

Purchasedservicesrepresent oneof the **most overlooked opportunities for cost optimization** in healthcare. Valify enables hospitals and health systems to capture **10-30% savings** across under-managed categories by combining benchmarking, sourcing expertise, and execution support.

This playbook equips teams to:

- Prioritize the right categories and entry points
- Engage finance, procurement, and category leaders with targeted messaging
- Execute trigger-based plays that convert into savings

It also highlights high-impact categories:

- Janitorial
- Intra-operative neuromonitoring (IONM)
- Interpretation services

These categories are often fragmented, governed by outdated contracts, and misaligned with current market pricing.

Why Purchased Services Require a Different Approach

Across categories, health systems consistently face:

1. **Fragmentation**
   Multiple vendors, limited governance
2. **Lack of visibility**
   Incomplete contract and pricing transparency
3. **Market misalignment**
   Legacy agreements no longer reflect current pricing

Most organizations leave **10–30% savings unrealized—not due to lack of effort, but lack of visibility and execution.**

Trigger-Based Purchased Services Plays

How to Engage and Convert Opportunities

Totranslate insight intoaction,leadinghospitals and health systems adopt **trigger-based engagement plays.** These plays align strategy with real-world buying and savings opportunities—dramatically improving impact.

Trigger	No Benchmarking in Category—"You're Likely Overpaying"
Play	Pinpoint Benchmarking: High-level Brief Comparison + Savings Estimate

Across healthcare systems, pricing variability in purchased services can exceed 20%. We help identify where you stand with Valify's expense management technology.

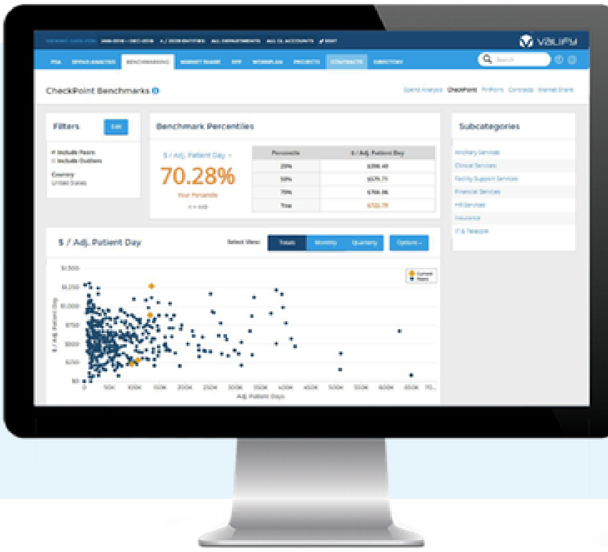
Why it works

Many purchased service categories lack transparency and benchmarking. Benchmarking is the systematic evaluation of vendor-provided services by comparing them to defined performance metrics or market standards to ensure optimal value, cost efficiency, and service quality.

This play introduces **data-driven urgency** without requiring prior initiative.

Best use cases:

- Decentralized categories
- Long-standing vendor relationships
- Limited pricing visibility



Valify Action: Pinpoint Benchmarking

Within days, Valify delivers a targeted, high-confidence benchmark comparing your current pricing to peer hospitals and health systems—paired with a clear GPO agnostic estimate of savings potential. Powered by over $1T in normalized spend data across 1,400+ hospitals, our insights go beyond directional averages to pinpoint exactly where you are overpaying, by how much, and in which categories.

Trigger Contract Expiring / Renewal Pressure

Play Pre-renewal Savings Diagnostic + Negotiation-ready Insights

Renewals are where most organizations lock in inefficiencies.
We help quantify savings BEFORE renegotiation.

Why it works

Contractrenewals are a **high-risk moment** where inefficiencies become embedded for years. This play reframes renewal as an opportunity—not an administrative task.

Best use cases:

- Contracts nearing expiration (6–12 months)
- Auto-renewal clauses
- Historically unsourced categories

Valify Action: Negotiation Leverage

Late-stage renewalslimit leverage,favor incumbents, and lock in inefficiencies. Valify engages early to reframe renewal from a deadline to a strategic opportunity. We deliver a rapid diagnostic that uncovers cost drivers, pricing misalignment, and missed savings before contracts are set.

- Clear benchmarks grounded in market reality
- Quantified savings with defined opportunity ranges
- Negotiation-ready insights that shift power back to your team

Valify aligns stakeholders and takes a category-level view—not just the contract view, challenging the status quo, optimizing supplier strategy, and entering renewals with confidence, clarity, and leverage.

Trigger-Based Purchased Services Plays

Trigger	Cost Reductions and Margin Initiatives
Play	Rapid Cost Opportunity Assessment + Prioritized Savings Roadmap

Most healthcare cost initiatives focus on labor reduction or supply expense—but purchased services are faster to impact— and lower risk.

Why it works

Alignsdirectly with executive priorities by positioning purchased services as a **faster, lower-disruption alternative.**

Best use cases:

- System-wide cost reduction mandates
- Margin compression environments
- Finance-led initiatives

Valify Action: Targeted Assessment

Valifyprovides a targetedassessmentoverview that quickly identifies high-impact, low-disruption savings opportunities across purchased services—often within weeks, not months. Our team translates insights into a clear, finance-ready roadmap—helping you deliver measurable margin improvement without operational disruption.

Trigger

No Active Analysis Initiative:
Lack of Clear Prioritization or Visibility

Play

Valify Score: Hidden Spend + Prioritization Diagnostic

Most Health Systems lack visibility into price variation within purchased services —Valify surfaces hidden savings, prioritizes the next best opportunities, and creates a clear, actionable roadmap for where to focus next.

Why it works

Createsmomentum in accounts with no current initiative by highlighting **unknown opportunity and low-effort discovery.** Combines **visibility + prioritization** to eliminate guesswork, surface quick wins while building a scalable savings pipeline.

Best use cases:

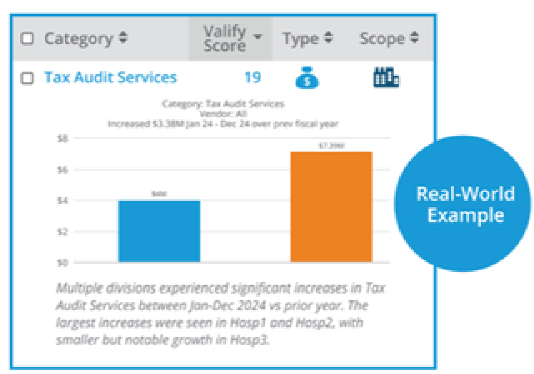
- Strong stakeholder relationships
- Limited procurement maturity
- No active sourcing roadmap

Valify Action: Valify Score

Valify deliversa data driven evaluation leveraging advanced spend analytics and the proprietary Valify Score to identify, rank, and surface up to 2–3 times more high-impact savings opportunities across categories, vendors, and sites. By prioritizing initiatives based on both potential impact and ease of execution, this approach highlights immediate "quick wins" while also uncovering longer-term opportunities. The result is a clear, data-driven roadmap that accelerates results and drives sustained value over time.

TAX AUDIT SERVICES AT VALIFY REGIONAL HOSPITAL

- **What we see:** $3.4 million spend increase from FY24 vs FY23
- **How important it is:** Category Priority of '25' (less critical) and Indicator Weight of '50'
- **Final Priority Score:** Final Priority Score: 19 (Low Priority)



Three Purchased Services Categories Worth a Closer Look

Purchased services opportunities don'talwaysshow upwhere you'd expect. These three categories are on Valify's radar because they can look stable even when pricing, contracts, or service models have shifted.

Janitorial Services

Hidden in Plain Sight

Opportunity: Highly fragmented; low visibility.

What we see:

- Dozens of vendors across hundreds of sites
- Inconsistent pricing and service definitions

Impact:

- Vendor consolidation
- $1M+ annual savings (Case Study)
- Standardized service scope and pricing models
- Structured sourcing (RFI   RFP   validation)

Best Plays to Use:

- Pinpoint Benchmarking
- Valify Score

Janitorial services are rarely scrutinized—but **scale + fragmentation make it a high-confidence savings opportunity.**

Read Case Study

Three Purchased Services Categories Worth a Closer Look

IONM (Intra-Operative Neuromonitoring)

ClinicalComplexity, Financial Opportunity

Challenge: Physician-driven decisions, complex pricing based on case length, staffing model and monitoring modalities.

What we see:

- Pricing variability by case structure
- Hidden fees and misaligned cost models

Benchmark Insight:

- Weighted average ~$480–$600 depending on spend tier

Top-performing contracts: include disposables, limit or eliminate add-on charges, and align pricing to actual case duration.

Best Plays to Use:

- Pre-renewal Savings Diagnostic + Negotiation-ready Insights
- Rapid Cost Opportunity Assessment + Prioritized Savings Roadmap

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IONM is often **mispriced due to complexity**—but benchmarking and structure can unlock meaningful savings without disrupting care.

Download Report

Three Purchased Services Categories Worth a Closer Look

Interpretation Services

Market Disruption Advantage

Opportunity: Rapidly evolving category

What we see:

- Fragmented vendors (10–15+)
- Rising adoption of virtual delivery

Impact:

- $1.7M+ annual savings (Case Study)
- 15% per minute cost reduction
- Standardized, compliant, and higher quality interpretation services across the system

Best Plays to Use:

- Pinpoint Benchmarking
- Valify Score
- Rapid Cost Opportunity Assessment + Prioritized Savings Roadmap

Interpretation services represent a **rapid, high-impact opportunity** due to market shifts and fragmentation.

Read Case Study

VALIFY

Turning Insight Into Action

Purchasedservicesrepresent oneof the **mostoverlooked opportunities for cost optimization** in healthcare. Valify enables hospitals and health systems to capture **10-30% savings** across under-managed categories by combining benchmarking, sourcing expertise, and execution support.

How Valify Helps:

- **See Clearly:** Unified visibility into spend and benchmarks
- **Act Confidently:** Data-backed sourcing strategies
- **Deliver Results:** Vendor consolidation and pricing optimization

Purchased services may not always command attention—but they consistently deliver **measurable financial and operational impact** when approached strategically.

By combining **category expertise with trigger-based plays**, organizations can:

- Accelerate savings identification
- Improve stakeholder alignment
- Drive measurable, repeatable results

Conclusion

Bycombining Valify's category expertise with trigger-based engagement plays, hospitals and health systems can accelerate savings, improve alignment, and drive measurable results.

If you are asking yourself **"Where could hidden savings exist in our purchased services journey?"**

Connect with Valify today.

Getvalify.com

charles.collins@getvalify.com

How to Identify Opportunity

Key Questions

- Do we have a complete contract inventory?
- Are pricing models consistent?
- When was the last benchmark or sourcing event?
- Are we aligned with current delivery models?

Signals of High Opportunity

- 5+ vendors in a category
- Contracts older than 3–5 years
- No enterprise governance
- Limited spend visibility