levelpath | **INNOVACARE HEALTH**

Customer Story
InnovaCare Brings Delightful Procurement with Levelpath

60%
quicker cycle times than was previously the case

18%
consolidation of overlapping contracts

2
full-time employee salaries saved

Key Benefits

- Streamlined operations, with 60% faster cycle times

- Increased contract visibility, with a consolidation of 18% of overlapping contracts

- Established auto-renewal governance and savings

- Introduced faster facility compliance auditing with digital process

- Saved the salaries of two full-time employees through streamlined workflows and AI platform

InnovaCare Health, a leader in transforming care delivery, combines a physician-led care model with cutting-edge technology that focuses on personalized care to improve the health of patient populations. Its 47 facilities treat more than 250,000 patients annually and support physicians who collectively serve more than 27,000 Medicare Advantage members.

InnovaCare's business has changed significantly since it was first incorporated in 1998 and, as is often the case, purchasing arrangements across its facilities have also developed in an ad hoc manner. Until recently, each facility was initially managing its own procurement activities, and once InnovaCare began centralizing procurement it became obvious that it needed a better way to manage spend.

Need for Change

To put cost-effective procedures and governance in place, InnovaCare hired procurement leader Patrick Michaud to head the overall transformation, take on supplier management and create a dedicated procurement organization. It was clear that technology would need to form part of the solution, and Michaud turned to Levelpath to simplify InnovaCare's workflows and inject visibility and overall efficiency into the procurement process.

Levelpath's AI platform has enabled InnovaCare to introduce a new process, where any direct third-party spend must be raised through Levelpath. This has enabled Michaud to easily intake requests and assign appropriate workflows and suppliers, and conduct agreement exercises when needed. "InnovaCare is using Levelpath to streamline purchase governance without having to bring in more full-time employees to manage the volume of requests across our 45 facilities," says Michaud.

Efficiency and Savings

"Without an AI platform for procurement like Levelpath, it would be a very manual process to do the analysis and triage all of our requests," Michaud says. "Other legacy systems don't have the flexibility to get all the data that I need upfront. With Levelpath, we have been able to put a structure in place quickly, and easily train the business user on the new process." The company is now reporting cycle times of up to 60% quicker than was previously the case.

This technology has also led to significant savings through eliminating cases where InnovCare was using overlapping suppliers, with varied payment terms in contracts. This meant it was unnecessarily paying higher costs on items that could be consolidated. Overall, InnovaCare saw roughly an 18% reduction in the number of contracts used, as well as seeing savings as a result of not having to hire an estimated two full-time procurement employees.

InnovaCare has also seen financial benefits from more efficient procurement processes, particularly in managing leases across its 47 facilities. "By incorporating all of our real estate transactions and workflows into Levelpath, we have streamlined operations, reduced administrative burdens, and leveraged our buying power to negotiate better terms," explains Michaud. The platform's detailed spend analytics have enabled InnovaCare to identify cost-saving opportunities and manage expenses more effectively, while also ensuring adherence to contract terms and minimizing financial risks.

60%

quicker cycle times than was previously the case

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> With Levelpath's AI platform, the team was able to easily share request details, collaboratively evaluate and ultimately avoid an unnecessary $50K cost. It's a prime example of how Levelpath's enhanced approval processes and visual documentation enable smarter spend management."
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> **Manuk Ozcan**
> Head Of Financial
> Planning & Analytics

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> Initial hesitation from our clinic staff quickly transformed into enthusiastic support for the new procurement solution."
>
> **Patrick Michaud**
> Head of Procurement &
> Supplier Management

Enhanced Governance

Perhaps most critically, Levelpath has transformed InnovaCare's approach to real estate decisions. "The platform provides valuable data for cost–benefit analyses, allowing us to make more informed strategic choices," Michaud notes. "We've not only achieved substantial cost savings but also enhanced our internal governance processes. Now, we have a simplified yet comprehensive system for property management, complete with a proper 'paper trail' of approvals. This integration of procurement into our real estate management has been a game–changer for supporting our strategic growth."

Levelpath's AI platform was implemented to fit the exact workflow requirements of InnovaCare, he adds, ensuring that suppliers had to enter an agreed password before they could set up any new VHA arrangement. "This was a big win for InnovaCare as an organization, as we have one easy–to–audit process for our providers and facilities," says Michaud.

Another impactful example relates to InnovaCare's physical repairs and maintenance team that manages all the facilities. Before centralizing procurement requests, each of its 47 care facilities would call the centralized maintenance team, says Michaud. "They would get an issue request from a facility, and then the group would immediately dispatch for repair," he explains. "The unexpected costs then hit the VP of Operations' budget, causing overruns they had not approved which were beyond their control."

Cultural Transformation

These operational challenges led to building a procurement workflow process where all requests, other than emergency callouts, go through the Vice President of Operations to accept or deny a quote. "We created a closed loop, controlled, highly visible and fully governed process that just wasn't there before," says Michaud. Levelpath worked collaboratively with InnovaCare to create a streamlined workflow that provided greater visibility and collaboration, but which was still flexible enough that Michaud himself could make some adaptations.

For Michaud, success is not just measured by more effective procurement. Equally important has been the cultural change, particularly at executive level. "From a reporting standpoint, my CFO, CEO and COO are avid consumers of the reports that I build from Levelpath," he says.

"Executives now have visibility that they didn't have before. Part of the reason Bain asked InnovaCare to launch a procurement function was because they knew we needed purchase governance and to be able to show the controls that we have in place. We weren't going to get that from our ERP system."

A newly appointed general counsel has also bought into the Levelpath platform, says Michaud, even instigating new policies for contracts and building key governance steps within the Levelpath AI platform. "Our GC had been here for less than two weeks, and immediately picked up on what InnovaCare could do from a governance perspective, from a signing authority," he says. Levelpath helps InnovaCare keep its data clean and auditable, meeting compliance requirements of healthcare audits and private equity ownership. Internal customers, including the clinics themselves, have also come onboard.

"While we expected resistance to approval process, the system usage results speak for themselves. Today, InnovaCare's operations team, VPs and provider group managers are our biggest champions, recognizing the immense value Levelpath's AI platform brings to their daily operations." Procurement receives five or more requests for new purchases or contracts every day, and these have risen steadily since the Levelpath went live in January 2024.

User Experience

I've used a lot of different procurement solutions," Michaud says. "I've used a lot of different procurement solutions," Michaud says. "More specifically, older systems are bloated with unused features, and newer systems are not always adaptable to the demands of an iterative and evolving governance process. I've got operational users that are not tech-savvy, and honestly, they shouldn't have to be tech-savvy to use a procurement solution.

"With Levelpath, our users are actively going into the system to make requests, look for updates and collaborate on projects. These actions show that our team has already shifted their behavior, which is amazing." The fact that Levelpath is well designed and easy to use has been very important for the team at InnovaCare, he says, adding that most of the team uses the Levelpath system on their desktops but there is growing group of mobile app users, especially on the executive team.

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> I use the Levelpath mobile app constantly as a team of one. It allows me to access Levelpath from my cell phone anywhere. For instance, I took my kids to the Everglades for a spring break and found myself traipsing through the swamp, approving orders while trying not to step on crocodiles."

Patrick Michaud
Head of Procurement &
Supplier Management

Future Plans

Michaud is now looking to build out the procurement function, as there is more operationally that can be done in terms of getting InnovaCare's tail spend processed through Levelpath. From there, procurement's focus will be to dive into greater supplier consolidation to provide spend efficiencies as well as facility consistency. InnovaCare's goal is to get all transactions, suppliers and contracts into the system to allow for a 360-view of spend, make it easier for facility site audits and allow for greater overall business agility.

"We're not quite there yet as an organization and I haven't pushed it because the volume across 45+ facilities would increase exponentially, but Levelpath will make this transition super-easy once we get to that final mile of spend," concludes Michaud.

Want to find out more?

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