Gartner for Supply Chain
Healthcare Supply Chain Top 25 for 2021
For the 13th consecutive year, the Gartner Healthcare Supply Chain research team ranks the 25 leading supply chains.

This year’s report highlights only U.S. health systems. Moving to a solely U.S. health system ranking for 2021 reflects the growing supply chain maturity across the healthcare industry.

The methodology for the 2021 ranking is 65% community opinion and 35% quantitative data. Community opinion comes from Gartner experts and peer voters and takes into account the specific capabilities that improve human life at sustainable costs. Quantitative data comprises IBM Watson Health 15 Top Health System Ranking and Bond Rating.

Chief supply chain officers (CSCOs) at health systems can use this report to learn from leaders and highlight their organization’s advancements with supply chain talent and within the supply chain ecosystem.

Superior supply chains deliver on the business’s purpose

They don’t just push products; they understand customer value, invest in demand management and promote innovation against environmental, social and governance (ESG) needs. The Gartner Supply Chain Top 25 is a renowned annual ranking of the world’s superior supply chains.

From financial and corporate social responsibility data and community opinion, we identify, celebrate and profile companies demonstrating excellence in supply chain management. Clients use the peer benchmarks to make the business case for supply chain transformation and the best practices to accelerate supply chain performance.

See the Gartner Supply Chain Top 25 most relevant to your geography or industry at gartner.com/en/supply-chain-top-25.
Lessons from leaders

Through Gartner Healthcare Supply Chain Top 25 research, we note what leading organizations are focusing on, where they are investing time and effort, and what can be applied broadly. Three key trends stand out this year for these leaders that are accelerating their capabilities and separating themselves from the rest of the pack.

2021 lessons from leaders

- Improve risk and resiliency capabilities
- Expand ESG efforts
- Focus on next-generation collaboration

Source: Gartner
In 2020, we reflected the fact that organizations amid the emergence of the COVID-19 pandemic were in a “response” mode, as risk management and resiliency, in the short term, accelerated organizations’ innovation across a number of different categories. This extended to better demand planning in the short term.

Fast-forward to 2021. During the rise of the COVID-19 Delta variant, healthcare providers struggled to attract clinical nursing talent and, in some cases, supply chain talent. For the most part, however, it was a nursing shortage issue and a capacity issue versus access to personal protective equipment (PPE) that drove challenges at health systems. While the supply chain isn’t perfectly resilient, leading organizations built in resiliency in a variety of ways. This included building their own redundant stockpiles, sourcing products in new ways and partnering with other organizations — mostly on the manufacturing front.

As organizations progressed through the COVID-19 Delta variant, they witnessed the fruits of their labors. It has caused supply chains to be elevated at many organizations, enhancing their role within the C-suite. There’s a new understanding of the impact that supply chains have on operational ability in health systems, which extends to investment in supply chains. As a result, we’ve witnessed organizations hiring staff to lead resiliency efforts — the staff that were sought comprised people who considered the risk and resiliency mandates for health systems and were able to align the supply chain response accordingly.

Organizations are becoming more focused on what’s happening with their manufacturing partners. In the past, such partners could sometimes be taken for granted or only considered for price. There’s now a realization that we must better understand partner organizations to maximize effectiveness and resiliency. Gartner published research earlier this year on unfamiliar risks, along with a framework for mitigating them in a changing environment. Comparing organizations that shape disruptive risk and those that just respond, we saw risk shapers experiencing seven fewer high-impact disruptions per year.

→ In times of extreme uncertainty, rely on supply chain scenario planning (versus traditional forecasting) to prepare and improve decision making. Download the Gartner four-step guide to running a supply chain scenario planning exercise.
Expand ESG efforts

Organizations have also started to increase their knowledge about the ESG aspects that the C-suite and other stakeholders may be demanding of the supply chain. They’re asking questions such as, “Is there a way for us to enhance the economic vibrancy of the most underserved members in our local communities?” and, “How can we impact the social determinants of health through supply chain?” The leading-edge health systems are going further to address questions such as, “What’s the chemical composition of this product?” and, “What are the labor practices of the organizations that we buy manufactured products from?”

This evolving view, coupled with the maturing of resilience and risk management, is leading to an understanding that health systems need to be better contributing participants as major employers — sometimes the biggest employers — in many of our markets.

Health systems are also asking themselves how they can leverage their economic strengths and abilities to expand diversity, equity and inclusion (DEI) initiatives to support both the missions of the organizations and best help their respective communities via supply chains. For example, this even includes focusing more on where products are sourced and identifying chemicals of concern that may impact the environment and/or staff safety in the workplace. Other examples include labor issues, such as strikes, poor child labor policies, unsafe work practices and unfair wages.

Health equity issues in local communities could be impacted by the right investments in service and/or distribution manufacturing capabilities that add jobs in a market. We have long advocated for improved supply chain alignment to home care, to enhance patient care. Many health equity issues are tied to economic conditions and access to care in disadvantaged areas.* Using home care investments along with new partnerships with community, government and religious organizations could make an impact here. We see examples brewing at many health systems. Being strategic about supply chain leadership, on this front, is an opportunity for most.

Purpose-driven supply chains deliver value for not only shareholders, but also suppliers, local communities and employees. Download the Gartner Blueprint for building the purpose-driven supply chain.

Focus on next-generation collaboration

Collaboration in the healthcare supply chain is increasingly important; the pandemic showed as much in the case of personal protective equipment (PPE) and the manufacturing of capital equipment like ventilators. Many organizations, including manufacturers, are realizing that they can’t fulfill their mission without more collaboration with health systems. In turn, health systems are recognizing that they need an efficient supply chain that has the right product, at the right place and at the right time, including products that meet clinical specifications. Health systems also recognize that they need the resources of the manufacturers that have developed these capabilities in order to better understand and serve their patients.

“Collaboration 2.0” will enable health systems to map how supply chain operations support the patient from preadmission to postdischarge. Next-generation collaboration may influence key clinical outcomes like reducing hospital (re)admission, decreasing length of stay and minimizing hospital-acquired infections.

This collaborative enterprise means greater emphasis on visibility, transparency, efficiency and customer service. The organizations with dedicated resources and mature capabilities will succeed.

An effective strategic plan requires strong collaboration with key stakeholders. Learn how to map support for supply chain strategy and use the Gartner template to document the key elements of supply chain strategy on one page.
Gartner Healthcare Supply Chain Top 25 for 2021

01 Cleveland Clinic
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04 Baylor Scott & White Health
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25 BayCare Health System

Turn the page to read profiles of the organizations ranked 1-10. Clients may read additional profiles (the organizations ranked 11-25) at gartner.com. See the Gartner Supply Chain Top 25 most relevant to your geography or industry at gartner.com/en/supply-chain-top-25.
Cleveland Clinic attains the top spot in the Gartner Healthcare Supply Chain Top 25 for 2021, with the highest peer and analyst opinion scores outside the Supply Chain Masters.

Cleveland Clinic reached the pinnacle this year due to its sustained leadership in the clinical supply chain across a wide span of control over products and services, including new construction, pharmaceuticals and purchased services. RFID-based point-of-use technology spans across most procedural areas, increasing patient safety, capturing revenue and reducing loss and expiration.

Cleveland Clinic also collaborated effectively this year, standardizing and improving $53 million in food service expenses, and embarking on an upgraded technology across 81 automated guided vehicles on the main campus that provide the backbone of service across the large campus network.

Cleveland Clinic invests locally and with diverse suppliers as part of OneTen and the Healthcare Anchor Network, committed to double its diversity and inclusion spend from $80 million in 2020 to $160 million in 2025.

The supply chain team at Cleveland Clinic is also working on home-care initiatives, from orchestrating a new hospital-at-home distribution model to providing medically tailored meals to diabetes patients.

In 2022, Cleveland Clinic will open its London hospital and expand its global footprint, with an aligned supply chain response.
Banner Health takes the No. 2 spot in the Gartner Healthcare Supply Chain Top 25 for 2021 on strong performance across the ranking criteria.

Banner puts the word "system" in health system supply chain: It is organized, intentional and methodical in its approach to supply chain excellence. Banner measures the true cost and quality of patient care by admissions to the emergency department, average length of stay and procedure costs.

- Demonstrated excellence in the areas of physical asset management, supply chain talent management and goal alignment.
- New digital supply chain capabilities will aid in clinical research.
- Supply chain maturity and leadership recognized via industry accolades.

As Banner has grown 10x in size over the past 22 years, supply chain is a much larger business than the entire enterprise was back in 2000. The Banner supply chain function shines in large part because of physical assets like its distribution center, investment in talent, alignment to the growth and patient care quality goals of the organization and expansion of digital capabilities.

Also, Banner demonstrates supply chain maturity and leadership by sharing what it does each year. Banner was recognized as a 2021 Supply Chain Department of the Year by Healthcare Purchasing News, and as a finalist for the 2021 Gartner Power of the Profession™ Supply Chain Awards “Customer or Patient Innovation of the Year” for its switch to reusable isolation gowns, among other accolades.
Ochsner Health System


Ochsner likes to say that supply chain is a “facilitator of solutions,” and brings energy and willpower to the health system. It’s long had a mature supply chain, but the past 18 months have led to some enhancements. Ochsner showed its mettle amid challenges wrought by the COVID-19 pandemic and Hurricane Ida, receiving strong peer and analyst scores and improving on quality of care performance.

- Investment in resilience in the form of collaboration with key suppliers and the creation of a supply chain depot.
- Investment in manufacturing capabilities, specifically the ability to manufacture products at its own plant.
- Persevered amid challenges wrought by the COVID-19 pandemic and Hurricane Ida.

Like many health systems, Ochsner invested in resiliency in the form of collaboration with key suppliers and the creation of a supply chain depot. But Ochsner went a step further, investing in the ability to manufacture PPE in two SafeSource Direct factories that employ 2,200 people.

This initiative blurs the lines between health system and independent manufacturer, and at scale. It provides Ochsner the opportunity to help serve other customers down the line while keeping ESG tenets in place for sustainability and DEI goals.

Investment in resilience in the form of collaboration with key suppliers and the creation of a supply chain depot.
Baylor Scott & White Health lands at No. 4 on the Gartner Healthcare Supply Chain Top 25 for 2021.

A $12 billion, 27-hospital network and one of the largest not-for-profit healthcare systems in the United States, Baylor has been on a multiyear upswing in maturity by doing great things in supply chain efficiently. Much of this increase in supply chain capability is due to investment and talent in the areas of logistics, sourcing and data analytics.

Investment and talent in the areas of logistics, sourcing and data analytics resulted in greater supply chain capability.

Disciplined supply chain management enabled rapid deployment of the COVID-19 vaccine.

Industry recognition around its distribution center development, master data management, spend analytics dashboards, revised organizational design and reporting structure improvements.

Like many health systems, Baylor was called upon to help with rapid deployment of the COVID-19 vaccine. Baylor stood up critical new capabilities — from equipment implementation, to supply management, to patient services — at eight sites across the Dallas and Austin metro regions. By defining standard supplies and services and rigorously forecasting inventory, Baylor’s supply chain team enabled more than 250,000 vaccines to be administered in barely a month’s time.

Baylor has received industry recognition around its distribution center development, master data management, spend analytics dashboards, revised organizational design and reporting structure improvements. It was recognized as a semifinalist for two of the 2021 Gartner Power of the Profession™ Supply Chain Awards — its supply and demand management approach for “Customer or Patient Innovation of the Year” and its point-of-use inventory management process for “Process or Technology Innovation of the Year.”
Mercy rounds out the top five health systems in the Gartner Healthcare Supply Chain Top 25 for 2021. This St. Louis-based system has been in the top 10 of our traditional, all-healthcare ranking every year since 2009.

- Continues to put a value on service and standardization.
- Seeks to improve nurse satisfaction, lower costs, decrease inventory and reduce the add-on items that cause staff to leave the OR suite in search of the product.
- Improved inventory utilization and charge capture via GS1 compliance.

Although Mercy sold its operational supply chain division, ROi, to HealthTrust in 2019, it continues to benefit in our ranking from high peer and analyst opinion.

Still reaping the benefit of the supply chain cost and service model it now orchestrates as an outsourced service provider, the leadership team seems to have focused more on patient care alignment capabilities.

Specifically, Mercy continues to put a value on service and standardization in the basics of getting preference cards right and having a predictable service rate in the operating room (OR).

Its integrated work with nursing to increase preference card accuracy seeks to improve nurse satisfaction, lower costs, decrease inventory and reduce the add-on items that cause staff to leave the OR suite in search of the product.

Foundational improvements in GS1 compliance made many of these next-step advances possible.

In one study, Mercy indicated that GS1 compliance helped it improve inventory utilization by $4.6 million and charge capture by $13 million.

Spectrum Health continues to grow in size with the announced merger with Beaumont Health creating a $13 billion system, with a large health plan attached.* In 2012, Spectrum was a $4.6 billion company. Supply chain maturity has had to keep pace with its expansion plans.

Continues to grow in size with the announced merger with Beaumont Health.

Matures sequentially in supply chain through improved governance under a single instance of ERP.

Drives innovation on multiple fronts.

Spectrum is a great example of what Gartner calls a bimodal supply chain — maturing sequentially in supply chain through improved governance under a single instance of enterprise resource planning (ERP), expanding through acquisition and refining its distribution and logistics capabilities.

At the same time, Spectrum’s supply chain leaders drove innovation on multiple fronts. Just in the past year, it inked an outcomes-based savings program that aligns technology, cost and patient outcomes into a collaborative and strategic agreement with Medtronic.** They also continue to lead — along with Mayo Clinic — as founders of Health Industry Research Companies (HIRC), working to bring a voice of many in risk management, resiliency and business continuity in partnership with other health systems and manufacturers. Lastly, Spectrum was ahead of the labor shortage impact that hit most health systems with the COVID-19 Delta variant. Spectrum implemented its Service Team Ambassador Robots (S.T.A.R.) Program — deploying autonomous mobile robots in four hospitals to do the last-mile logistics functions across a variety of product categories within the facilities it serves.*** Early returns show an improvement in service and cost.

*“Beaumont and Spectrum Health plan to merge, forming Michigan’s biggest health system,” Detroit Free Press.
**“Reporter’s Notebook: Spectrum Health pursues ‘revolutionary’ value-based contracting with suppliers,” MiBiz.
Although making its debut on our ranking, Bon Secours Mercy Health (BSMH) is not an overnight success in our eyes. It hovered just outside the Top 25 for the past five years, significantly developing in size and maturity during that time to become a seven-state health system with over $10 billion of revenue. It even expanded globally in 2019 by acquiring the largest private health system in Ireland.

Supply chain capabilities at BSMH show a commitment to sustained leadership, the impact of good governance — especially in a merger of like-sized systems — and the ability to choose partners in core areas such as distribution, laboratory supplies, clinical engineering and global sourcing that have served the organization well in the merger (target of $87 million in supply chain savings achieved during the pandemic and beyond).* BSMH is charting a new course for the organization, forming Advantus Health Partners earlier this year.** It is early, but this group purchase organization (GPO) looks to leverage what has worked at BSMH and share it with others. Like other mature supply chains, sharing with others is the next step. The goal is to go beyond contracting to more advanced operations and clinical solutions for internal and external members.**

**“Bon Secours Mercy Health launches GPO,” Becker’s Hospital Review.
UPMC takes the No. 8 spot in the Gartner Healthcare Supply Chain Top 25 for 2021, propelled by high peer and analyst scores and its strong performance on the IBM Watson Health 15 Top Health System Ranking.

Built pharmaceutical capabilities through the co-development of CognitiveRX with Premier.

Accelerated DEI initiatives by developing “UPMC Essentials for Success,” a partnership with the University of Pittsburgh Small Business Development Center.

Supply chain alignment to the quality of patient care and analytics enables delivery of care.

UPMC states: “Our vision is healthcare transformation through supply chain elevation.” UPMC has a long and impressive history in supply chain. It is foundationally strong, with sustained leadership and terrific development of supply chain leaders, many of whom are making an impact at other organizations as well. UPMC pioneered managing the end-to-end supply chain for pharmaceuticals, developed and spun off successful technology platforms, and set a bar for compliance and governance across a large organization early in its development of capabilities. In addition, alignment to the quality of patient care and analytics positioned it as a valuable asset to the delivery of care.

In recent years, UPMC built on its pharmaceutical capabilities through the co-development of CognitiveRX with Premier. UPMC states: “CognitiveRx predicts, manages and solves for challenges related to drug shortages, inflation, declining reimbursement and other factors.”

UPMC has also accelerated DEI initiatives by developing “UPMC Essentials for Success,” a partnership with the University of Pittsburgh Small Business Development Center that locates diverse suppliers from across Pennsylvania ready to work with the organization.
Advocate Aurora Health lands at No. 9 on the Gartner Healthcare Supply Chain Top 25 for 2021.

The supply chain strategy at this $13 billion, 26-hospital network in Wisconsin and Northern Illinois is aligned to the organization’s Destination 2025 initiative, which is focused on transforming the core to improve patient care and lower costs, meeting the patient wherever they are, and highlighting health equity and wellness.

- Aligns the supply chain strategy to key tenets that the organization follows: transform the core, consumer first and health equity.
- Pursuing vital ESG outcomes by joining the Healthcare Anchor Network Community Investment Commitment and the Impact Purchasing Commitment.
- Implemented new digital technology that improved charge capture by 20%, enhanced service and ensured better patient safety in clinical areas.

Beyond Advocate Aurora’s foundational capabilities and alignment to its leading “LiveWell” app that connects the health system to consumers, two initiatives in 2021 come to the forefront:

Advocate Aurora joined the Healthcare Anchor Network Community Investment Commitment, setting a goal to deploy $50 million by 2025 to provide access to capital for critical needs like affordable housing, small business development and food centers in low-income neighborhoods.

In addition, it joined the Impact Purchasing Commitment, which is designed to spend $1 billion annually with minority and women-owned businesses by 2025, identifying targets for spend and how to sustain and grow the effort.

On the operational front, Advocate Aurora implemented a single-scan technology in its ERP and electronic health records (EHRs) system for medical devices, leveraging data standards and electronic bar code technology to improve charge capture by 20%, enhance service and ensure better patient safety in clinical areas.
Rounding out the top 10 health systems in the Gartner Healthcare Supply Chain Top 25 for 2021 is AdventHealth, receiving strong peer recognition and exhibiting strong performance against the IBM Watson Health 15 Top Health System Ranking.

- Improved governance by moving to a centralized structure with a CSCO and maintaining focus on patient support.
- Improved service response and lowered costs by collaborating with clinicians and suppliers to solve service challenges.
- Enabled better home care through a partnership with DispatchHealth that expands the connection of patient care into the home.

This $12 billion, 50-hospital network improved its governance over the past few years by moving to a centralized structure with a CSCO and became one of a few leading systems to also bring in a chief of staff to support the senior leader. AdventHealth focuses on having a clear organization design that supports the strategy of supply chain centered around the patient.

Collaborating with clinicians and suppliers in varied supply chains across the enterprise has also been key to success. For example, during the COVID-19 pandemic, lab supplies had unique needs that could benefit from a systematic supply chain approach. The AdventHealth supply chain team leaned into this and other challenges in service areas like new construction, imaging and respiratory therapy to improve service response and lower costs.

Additionally, as one of many strategies to enable better home care, AdventHealth is partnering with DispatchHealth to expand the connection of patient care into the home in a more strategic way.
Supply Chain Masters lead the way

Masters have attained top 5 composite scores in the Gartner Healthcare Supply Chain Top 25 for at least seven out of the last 10 years (2011-2021).

Intermountain Healthcare

2018  2019  2020  2021

Mayo Foundation

2018  2019  2020  2021

The 2021 ranking focuses only on U.S. health systems.
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The 2021 ranking focuses only on U.S. health systems.
Actionable, objective insight

Explore these additional complimentary resources and tools on healthcare supply chain management:

**Research**
- Healthcare Supply Chain Strategy Do's and Don'ts
  Learn the four steps to enable strategic planning in healthcare supply chain.

- Supply Chain Planning Capabilities
  See the 10 keys to digitalizing supply chain planning at pharmaceutical companies.

**Executive Interviews**
- Podcast-style interviews with healthcare supply chain leaders
  Gain insight and advice to hedge against future supply chain disruption.

**Case Study**
- Low-Cost Patient Engagement
  Explore how Geisinger innovated on traditional healthcare supply chain strategies to improve costs and outcomes.

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