

## The evolution of freight management: How hospitals can save more on shipping, transportation

By: Alia Paavola

**T**he scope and role of freight management in healthcare has evolved significantly in the last decade, presenting hospitals with new savings opportunities.

In the past, health systems focused largely on managing inbound shipments for their flagship facilities. To drive additional savings in today's healthcare environment, providers should expand their freight management programs into new care sites, including pharmacies and ambulatory care centers, explained Melissa Laber, senior vice president and general manager of OptiFreight® Logistics, a Cardinal Health company.

"Unmanaged freight, inbound and outbound, at these additional sites of care ... leaves major savings on the table," she said.

Ms. Laber spoke with Becker's Hospital Review about the evolution of freight management in healthcare and how hospitals can expand their freight management programs to drive significant savings.

*Editor's Note: Responses were lightly edited for length and clarity.*

### **Question: How has healthcare freight management evolved in the last 10 years?**

**Melissa Laber:** Over the last decade, managing freight in healthcare has expanded to additional sites of care, which offers new savings opportunities. In the past, hospitals focused freight management efforts on saving money on inbound shipments from suppliers and mainly addressed shipment costs for their main facility. Today, freight management encompasses the entire integrated delivery network, working to save shipping and transportation costs for pharmacies, labs, home health and ambulatory service centers. Also, the focus is no longer just on inbound small parcel shipments; it now includes large freight and outbound shipments.

### **Q: How can large IDNs expand their traditional freight management program beyond the typical inbound shipments from suppliers?**

**ML:** While many healthcare supply chain programs are already managing part of their freight spend, there are other areas that can drive savings if properly managed. For example, managing outbound shipping – including when hospital pharmacies are sending prescriptions to patients, laboratories are shipping diagnostic samples or home health providers are sending devices and equipment to patients' homes – present savings opportunities.

Data from OptiFreight® Logistics reveals that about 50 percent to 70 percent of an IDN's healthcare transportation spend

may be unmanaged for several reasons, including improper employee training or an unmanaged mode of transportation such as same-day courier. Finding a way to train employees, control courier costs and improve outbound shipping are just some of the ways that IDNs can evolve beyond the traditional inbound small parcel freight management.

### **Q: How do mergers and acquisitions affect freight management?**

**ML:** Mergers and acquisitions often result in a duplication of services. For example, separate departments uniting under consolidated ownership might have their own accounts payable and procurement systems or have differing freight management solutions. If there's not an integrated approach to freight management, then you may be leaving savings on the table.

However, hospitals and health systems can optimize time and resources when it comes to freight management by putting centralized processes and systems in place to drive compliance and ensure they are always picking the best option for each shipment.

### **Q: What differentiates OptiFreight® Logistics from other freight management providers serving the healthcare industry?**

**ML:** As a part of Cardinal Health, we understand the business of healthcare. We are the industry-leading freight management provider because we have a team of healthcare transportation experts that can build a program around your needs, a large-scale operation that can drive supplier compliance, and data-driven insights that give us the visibility we need to drive more savings throughout an IDN.

OptiFreight® Logistics also has a comprehensive offering of services across the full continuum of care—hospitals, pharmacies, labs, surgery centers, physician office, home health, long-term care, blood and tissue banks, and more. Freight costs occur at every site of care, and it's important to manage all of them to maximize your transportation savings.

Finally, our customers report strong satisfaction with our program. In a recent survey of system employees at one of America's leading health systems on the OptiFreight® Logistics Advanced Solutions program, 9 out of 10 are satisfied with the services received, including reporting, shipping assistance, information sharing, courier route adjustments, researching shipping issues (delayed or lost packages), recording service problems, and assisting with the contract process.

To learn more about how OptiFreight® Logistics can help health systems uncover additional savings, [click here](#).