The truth is in the data

How supply chain leaders can use data to support outcomes, save money and increase operational efficiency

Data that delivers accurate, insightful comparisons of the myriad of products and manufacturers used by healthcare providers is a vital asset for identifying key trends and opportunities for savings and reduced variation. But acquiring such data can be challenging if it's sitting in disparate systems, or worse, in no system at all. Many supply chain business analysts have learned to mine data from materials, billing, clinical, and general ledger systems but this is a time consuming process with uncertain results.

Real-time inventory and point of use tracking capabilities, coupled with an advanced analytics platform, can centralize all supply data, break it down into tightly focused categories and deliver a wide range of actionable intelligence. This gives you the opportunity to review precise month-to-month/year-to-year consumption patterns and anticipate product expirations. You're also able to make case-to-case comparisons, differentiate and understand usage among physicians, prepare for seasonal spikes, recognize opportunities for bulk purchasing, and much more.

So how does your current inventory management system deliver data — and is it meeting your needs? Here are three ways to ensure your supply chain data is used to effect meaningful change:

Use data to speak the same language as your clinicians and make evidence-based decisions

A big part of supply chain success hinges on how well physicians and other clinicians are engaged in cost-saving efforts. Having strong analytical data at your fingertips — information that actually measures outcomes, enlightens stakeholders and influences change — is a critical driver. What's more, most clinicians are ready to take steps to reduce spending and improve efficiencies — they just need to see the proof, and numbers behind it.

According to a McKinsey survey, 84 percent of physicians surveyed said they were completely or very willing to make changes in their own decisions and actions, or to collaborate to change other physicians' practices, if doing so would affect at least one of ten potential sources of healthcare waste and inefficiency.[1]

Automated inventory management with advanced analytics can help achieve that end. By continuously tracking and collecting information about clinician preferences and product use, from receipt to usage, supply chain gains a real-time view of objective, consequential data and the scientific edge it needs to facilitate cooperative discussions with physicians.

"While comparative cost data can be sensitive, it is some of the most compelling data available for driving change. Providing physicians with product pricing information before, during and after a procedure has opened their eyes to the way that one product choice can significantly impact total cost of care delivery," explained Carola Endicott, Vice President, Services and Operations, Cardinal Health™ Inventory Management Solutions. "Physicians want to know their own cost per case, how their supply choices compare to peers doing same case types, and the potential for safe, effective, and less expensive alternatives."

Use data to monitor trends & prepare for seasonality

When it comes to high-value, physician preference items (PPI) and implants — products that represent the greatest financial savings opportunity — the supply chain has historically depended on averages to drive purchase decisions. Today we know averages hide important facts, especially for high cost products with low or sporadic usage patterns. With accurate, dependable data such as maximum daily usage, you can underscore that reality and provide value analysis and purchasing teams with new knowledge that is clear and convincing.

"This data can blunt the clinician concerns that we often hear: 'I remember when we used four in one day and then we ran out — that's why I need to have so many on hand.' While these stories are true, the best practices around inventory optimization revolve around actual hard data, not stories," said Endicott. "Supply chain data results in tangible savings in inventory carrying costs, higher rates of charge capture related to a point of use automation system and less waste and shrinkage due to tighter management of high-value supplies."

Perpetual, automated tracking of med/surg and high value implants and medical devices means usage trends can be identified over time so that purchase decisions can be made on facts, not feelings. Good data also facilitates a better understanding of why certain products may be more feasible than others and helps supply chain get a tighter, more precise handle on quantity so products are ordered only when needed — no more, no less.

"We know intuitively that during flu season we will need more respiratory supplies; however, how many, which ones and when is not so obvious," explained Endicott. "Automated inventory systems track location-specific product velocity and deliver the information to users via charts and graphs and alerts. Over 12 months, seasonal patterns become obvious."

Use data to improve room turnover and through-put

Implementing an automated inventory management system gets doctors and nurses back to doing what they do best — managing patient care, not products. This is one of the main benefits to investing in technology, but the data received as a result can take you one step further.

"By tracking supply data in real time against optimized stock levels, automated inventory management technology ensures that physicians can focus on patients, not collecting the product data manually," said Endicott. "The data that an automated system collects can deliver insights that identify what products were picked for a procedure and ultimately, put back on the shelf. The additional time it takes for a clinician to restock unused product could be eliminated — improving procedure room turnover and case through-put."

It's everyone's goal to operate more efficiently, and get patients through procedures quickly, safely and comfortably. Having the right data to support outcomes, save money and increase operational efficiency is a key driver toward reaching that goal.

Data matters — make yours count.

Reference

1. http://healthcare.mckinsey.com/sites/default/files/MCK_Hosp_MDSurvey.pdf.