Leading the pack

Standardizing procedure packs improves clinical and financial performance

To help ensure buy-in across all stakeholders, start small, reviewing procedural supplies used in one or two high-volume procedure types.

Let data analytics objectively identify which kit components can be standardized — and how common packs can be created across your hospital or health system. Validate the data with feedback from clinical staff and materials managers, align on engagement requirements, and create a unified plan of attack.

A custom approach to standardization

As the drive for value-based care continues, hospitals and health systems are looking for proven best practices to improve clinical outcomes, enhance safety, and control costs. As a result, "we need to standardize" has become a common refrain in the halls of hospitals across America. But standardization is not a one-size-fits-all solution. Indeed, standardization can mean different things to different people.

Here are five major reasons why hospitals and health systems choose to standardize:

1. Save money by converting to lower cost products.

2. Lower expenses by reducing waste.

3. Increase efficiency by standardizing common products across a hospital or entire health system.

4. Make life easier by standardizing procedure packs.

5. Take a holistic approach to savings and efficiency by standardizing and integrating clinical and supply chain practices.

Whatever the goal, the value of product and process standardization is clear as health systems continue to grow:

- **Product standardization** yields new efficiencies as well as cost savings. Using common products and kit componentry enables the provider to leverage volume purchasing power and potentially earn more advantageous rebate tiers — all of which can lead to lower product costs. Product standardization also decreases SKU count, minimizes waste and reduces inventory on the shelf, which improves efficiency and contributes to cost savings.

- **Process standardization** has many advantages as well. The more standardized a clinical process becomes, the easier it is to implement. Because they're repetitive, standardized processes are simpler to learn, pinpoint outliers more easily and provide guardrails on which practices to avoid. That makes day-to-day implementation more predictable.

  Creating one simplified approach across multiple clinicians and different settings can collectively help a hospital or health system spend less time managing products and processes and more time focused on patient care. In addition, a commitment to operational excellence and such principles as Lean Six Sigma creates an environment of continuous improvement.

Implementing a standardization strategy can represent a significant cultural change that requires an evolution of policies, procedures and training. The ultimate goal is worth the effort: to eliminate the needless variation that adds no value but increases costs and inefficiency.

Overcoming a common myth

Pack standardization isn't simply "skinnying down" surgical kits via SKU rationalization. This is a data-driven process that yields new insights to improve clinical best practices. New efficiencies, cost savings and more time to focus on patient care are common results.

Two levels of pack standardization

1. Minimizing variation and optimizing componentry across all kits.

2. Using the same kit for the same procedure across the hospital or health system.

Why so much variation?

Are there really nine different ways to perform a C-section? One health system stocked nine different custom procedure packs for the same procedure. Data analytics revealed the issue; pack standardization resolved it.

Standardize in three steps

Based on the proven best practices followed by many healthcare providers across the country, follow these three steps as you establish your own standardization strategy:

1. **Set your formulary:** Use distribution purchase data to identify common products for standardizing across your hospital or health system. The data analysis will answer such questions as: What are you using now? Where are the opportunities to consolidate these items?

2. **Update your preference cards:** They need continual maintenance as physicians enter and leave your system. Which products are needed for a given procedure, based on matching physician preference to your formulary?

3. **Build custom surgical packs:** How many items from your preference card can you build into your pack? The aim is to include as many as possible to minimize the need to pull items off the shelf. Doing so improves OR staff efficiency when preparing the back table for a case.

Don't boil the ocean: take a measured approach

Because standardizing surgical kits can be a tremendous cultural shift, top-down efforts alone have difficulty succeeding. Every stakeholder must participate — including materials management, clinicians and the C-suite.

To that end, create a "clinical practice community," a stakeholder forum for discussing how standardized kitting solutions can contribute to improving clinical best practices such as minimizing variation and increasing efficiency. Via this collective focus on critical common goals, clinicians can have fewer product- and process-related distractions and take back more time for patient care.

To help ensure buy-in across all stakeholders, start small with one or two kitting solutions. Let data analytics objectively identify which kit components can be standardized — and how common packs can be created across your hospital or health system.

PRESOURCE® Services: your kitting services solution

As procedure costs continue to rise and reimbursements fall, PRESOURCE® provides relief. PRESOURCE® solutions enable efficient, data-based optimization of pack programs to help you maximize the value of your resources and spend throughout the delivery of care. Our algorithm-driven data analytics and deep expertise can help you thoughtfully standardize your PRESOURCE® pack program with the overriding goal of improving clinical practices.

We'll start with a pack review — led by a Cardinal Health representative with clinical and materials management expertise — to determine where your standardization opportunities are. We'll analyze your pack componentry, to standardize within product types and suppliers. And we'll work toward developing a common pack for each procedure across your hospital or health system.

Many of the proprietary data analytics tools we may use include:

- **Baselining:** understanding your organization's current vs. historic spend.

- **Scorecarding:** tracking the aggregate value of your pack program (for example, understanding the efficiencies that come from minimizing touchpoints).

- **PackManager®:** analyzing pack data to seek opportunities for standardization.

- **Kit Market Intelligence:** taking a broad view of your pack components — in the context of broader market data — to determine where the opportunities for improvement are. For example, are there missing components that, if added, would improve pack robustness and OR staff efficiency?

Backed by deep data and experience, our procedure-based supply solutions help you optimize the delivery of high-quality care by taking greater control of your supply chain and clinical practice. Count on our scale and expertise to reliably deliver custom kitting solutions where you need them, when you need them.

To learn more, contact us at PresourceSolutions@cardinalhealth.com.

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