

Go with the optimal flow

New solution breaks down operational barriers and builds clinician confidence

Every day patients put their trust in the hands of their doctors and nurses. In turn, clinical teams put their trust in supply chain to deliver what they need to provide optimal care. Supply chain also has an obligation to maximize the budget and reduce spending wherever possible — without sacrificing quality.

“More recently, with healthcare consolidation accelerating strategies to achieve efficiency, supply chain is now taking ownership of things that have historically been owned by clinical operations, such as managing OR and Cath lab products. The operating room alone represents 40 to 60 percent of total hospital supply expenditures,”¹ explained John Roy, Vice President/General Manager, Cardinal Health™ WaveMark™ Supply Management & Workflow Solutions. “However, many institutions, especially larger IDNs on disparate platforms, don’t always have the visibility to make informed decisions. When these two teams are not on the same page, clinical departments will often request large portfolios of supplies and devices because they feel that it’s best for patient care. Although patient care is also a top priority for supply chain, a purchasing model like this can create a litany of challenges, such as non-contract spend, reduced sourcing leverage, increased labor and an adversely impacted patient experience.”

Clinical integration: a win-win

Increasingly, healthcare providers are realizing that the best way to meet these responsibilities successfully is to focus on building a strong, clinically integrated supply chain. However, aligning people and processes operating in diametrically different roles and environments can be complicated. Clinical leaders can be reluctant to trust that supply chain will deliver, and sometimes fairly so. A recent supply chain survey discovered that 47 percent of frontline clinicians don’t always trust the quality of their organization’s inventory management processes.²

Christina Tosto, Director, Enterprise Accounts, Cardinal Health™ WaveMark™ says lots of health systems struggle with similar problems. A large health system in the Midwest, for example, used to track supplies manually without any real-time visibility to their usage patterns. “Because equivalent products are often used across multiple interventional spaces, they were consistently overspending on items that could be managed more effectively,” Tosto recounted. “The inventory for each department was managed individually, resulting in the customer carrying

more inventory than necessary to support the aggregate group.” Greater visibility of on-hand inventory and usage would have eliminated that redundancy, overstock and unnecessary cost. Also, it would have freed up valuable time for clinicians to focus on patients. In fact, a Jackson Healthcare national survey found that 42 percent of clinicians surveyed said they felt they were wasting too much time participating in inventory management activities such as restocking and locating supplies and equipment.³

Transparency brings clarity

These problems can be solved more easily and permanently when healthcare systems adopt technologies specifically designed to engage supply chain and clinical teams with shared facts, robust analytics, and easy access to real-time actionable data. If members can work together using the same information, communication improves automatically, agreement over product selection happens more readily, and the various processes that impact workflow efficiency, patient experience, expenses, etc. are no longer vague, but transparent and easier to manage. Decisions become less about individual preference and more of a joint decision based on truthful evidence and shared goals.

That is what the Midwestern healthcare system achieved when they adopted the WaveMark™ Supply Management & Workflow Solutions platform. The system gives everyone a universal view of stored supplies with interfaces to their ERP and clinical systems which allows them to enjoy a seamless end-to-end supply flow through receipt, storage, use and reordering. Proactive, rather than reactive, the daily management of operations is now guided by the WaveMark™ dashboard, which gives everyone real-time, accurate information to help manage and prioritize tasks, generate orders, and identify recalls and expiry. Using the advanced analytics feature, parts are optimized, which means consistently satisfying clinical service levels without inadvertent overstocking. WaveMark™ analytics goes even further by delivering data that can support strategic decisions, such as optimizing owned/consigned ratios, discovering bulk-buy purchasing opportunities and enhancing value analysis discussions. Ultimately, supply chain and clinical teams can now implement standardization policies because decisions are based on facts.

“Since launching WaveMark™, clinical staff is minimally involved in the inventory management process,” said Tosto. “Clinical

involvement is now focused on reviewing data and analytics to ensure that appropriate and optimized par levels are set and managing items that have been removed from the system without documented patient usage. Also, in the past, supply chain’s role stopped with the delivery of supplies, while today they are ‘going beyond the red line’ to manage inventory inside the procedure space. Visibility to not only inventory on hand, but to data and analytics is empowering both the clinical team and supply chain team in new ways.”

According to a 2017 Bain U.S. Front Line Healthcare Survey, quality is still the top driver for surgeons involved in medical device purchasing decisions; however, costs have become increasingly more important in recent years, with 66 percent saying they feel a responsibility to help reduce spending.⁴ Sharing real-time data on usage and value creates deeper trust and collaboration among clinical teams. This helps establish a view of total costs versus just focusing on individual product prices, which has diminishing returns.

“We see health systems lowering inventory levels by up to 20 percent, while increasing stock on items where service levels were challenged, reducing expiry over 8 percent including high-value devices, improving charge capture, reallocated labor across supply chain and clinical teams, reduced freight spend, and even reduced purchasing spend by taking advantage of bulk-buy opportunities,” Roy added. “With analytics you know exactly what to buy, how much of it, and when.”

It couldn’t be clearer that a clinically integrated supply chain is imperative to achieving successful outcomes. “Just look at the most recent Gartner 2018 Supply Chain leadership rankings,” Roy concluded. “It is no wonder that the institutions regarded as the most clinically successful are also being recognized for digitizing their supply chains, installing visibility platforms with RFID and beyond.”⁵

Finding the right supply management system — one that delivers accurate, trustworthy, actionable data and analytics in real time, every time — is what the WaveMark™ solution can do for you. For more information email: wavemark@cardinalhealth.com.

References

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2. Cardinal Health Supply Chain Survey Data conducted Oct-Nov. 2017 by SERMO
3. RN Practice Trends & Time at Bedside survey; Jackson Healthcare, 2014
4. Front Line of Healthcare Report 2017; Bain & Company
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