



AHRMM11 NATIONAL CONFERENCE Highlights

Supply Chain Revolution
Lead the Charge

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Where is your organization going?

- Do you have accountability within your department?
- Do you understand your finances?
- Do you understand your internal and external customer and associate needs?
- Are you going to be here in the future and if so what will your business model be like?

Potential Barriers to Change

-find that personal interest and work that interest

- Inertia

- Awareness (lack of knowledge)
- Fear (unknown)

- Lack of Ownership

- Denial (not my fault)
- Focus (distractions, failure to commit)

- Knowledge Recycling

- Traditional approaches (same thing over and over)

- Conflict of Interest

- Self interest (power, income, skills)
- Other interest

Pathways to Change



- Leadership
 - Promote ownership
 - Maintain focus
- Awareness
 - Overcomes inertia
 - Drives the process
- Knowledge
 - Overcomes fear
 - Leads to solutions
- Culture
 - Recognizes that change is a part of life and nothing can stay the same.



Key!!!

- Provide feed back – keep all informed
- Goal to keep cost down, revenue up, and people happy!!!

The Florence Prescription

- Joe Tye – Key note Speaker for the AHRMM Conference in Boston
 - CEO, America's Value Coach
- “You can hold people accountable for being on time but not for caring.”
- Creating a sustainable source of competitive advantage by building on the “Invisible Architecture” of core values, corporate culture, and emotional attitudes.
- Emphasizes the importance of ownership versus renting
- Uses Florence Nightingale and her experience of setting up the first organized hospital and school of nursing to illustrate the importance and challenges she overcame in relation to challenges we face in today's Healthcare crisis.



Change...Change....Change....

- Everyday there is something in the News!
 - What are we going to do?
 - How are we going to deal?
- Current Business Models are no longer acceptable...margin for error is gone. We must get it “right” the first time...great patient care for the best price and still provide healthcare solutions to communities where the uninsured are growing daily.

What Can We Control?

● Patient Population?



● Reimbursement?



● Supplies?



● Labor?



Repositioning Supply Chain to Deliver Clinical Excellence

- Hospitals are “service factories” ...
 - Same issues as Manufacturers
 - Cost of equipment, infrastructure, and skilled labor will continue to increase.
 - Staff & Supplies
 - Easy to manage? Sure...well maybe..
 - Physicians are key production agents
 - Vendors drive supply purchase decisions (alignments with doctors/facilities)
 - Patient/customers want the best regardless of the ability to pay.
 - We can not lower our care based on ability to pay

Repositioning Supply Chain to Deliver Clinical Excellence

- Where is the money?
 - Supplies & services 50%
 - Salaries & benefits 34%
 - Other direct expenses 16%
- Nursing shortage & aging work force
 - Predicting by 2020 not enough to meet demand
- New Technology with Rapid Change
 - New roles...more time on computer tasks and less on patient care...decreased job satisfaction

Repositioning Supply Chain to Deliver Clinical Excellence

(reposition supply chain for greater value)

- Historic Model...

- Decentralized supply chain support and expertise
 - Surgical Services & Supply Chain Management

- New Model...

- Develop a better Model to better leverage people, processes, and technology.
 - Standardize equipment & supplies
 - Build partnership between both entities
 - Train and develop staff to medical terminology, create a shared vocabulary and rotate in OR.
 - Use common systems for billing, materials, and finance. Ex. Meditech or Lawson.

Repositioning Supply Chain to Deliver Clinical Excellence

- Key Modules within procedure based inventory management system
 - Item Master
 - Perpetual inventory management
 - Pyxis – auto replenishment
 - Billing interface – time frame
 - Reduced with automation (buy in at pt of use)

Repositioning Supply Chain to Deliver Clinical Excellence

- OR coordinator role (worth the investment)
 - Audit charges and approve quantities
 - Review surgical dictation capture missed charges
 - Validate 100% of implants
 - Support case cost analysis and data integrity
 - Equipment upgrades
- Communicate – using hard numbers to achieve buy in from all parties to include physicians.
- Document all initiatives – show financial impact of various initiatives implemented.
 - Supply usage, waste, expiration reporting
 - Case cost analysis per Surgeon—share info with your docs
 - Contract compliance



Uncover the Savings

- There are many opportunities for savings when clinicians and materials management form a working team to look for savings. Having both parties on the team allow meet both patient and financial goals.



Uncover the Savings

- Utilization Projects-clinical (examples)
 - Drug delivery process – Anecef IVPB to IV Push
 - Level of Difficulty: easy
 - Savings Opportunity: \$2 per dose
 - Flushing Saline Locks
 - Level of Difficulty: easy
 - Savings Opportunity: \$.30 per syringe; eliminating 1 flush per day.
 - Kyphoplasty Products
 - Level of Difficulty: moderate
 - Savings Opportunity: 1200-1500 case



Uncover the Savings

- Reprocessing Opportunities

- Level of Difficulty: Moderate

- Cost Savings: ranging to 50% off new items

- SCD sleeves

- Pulse Oximeters

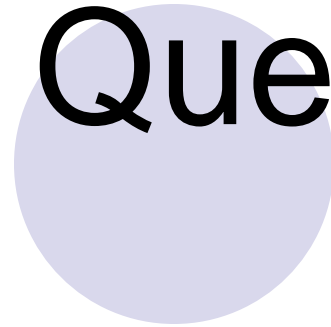
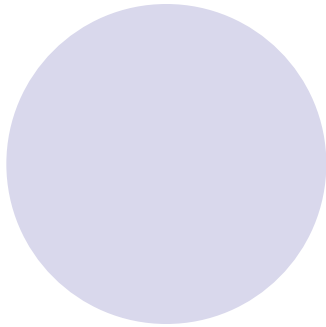
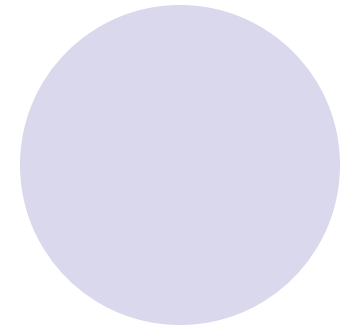
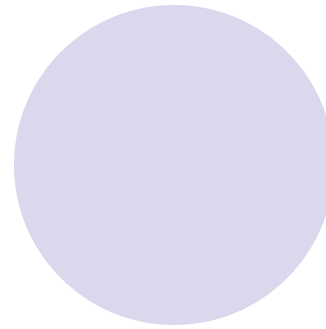
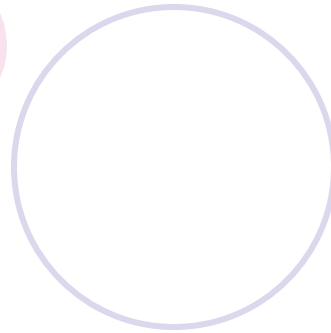
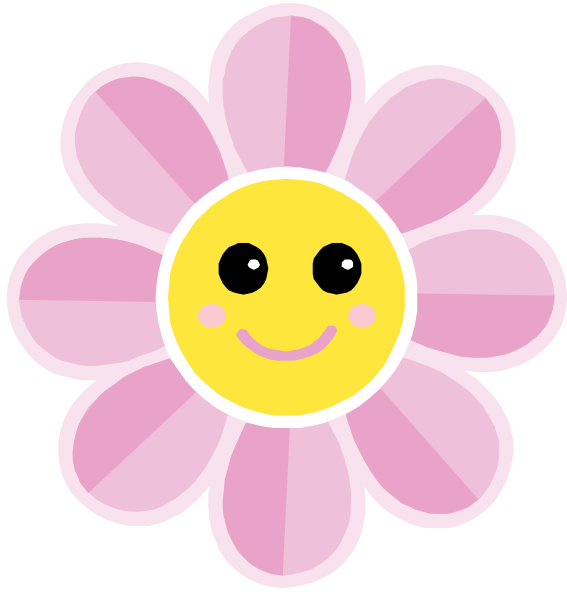
- Harmonic Scalpels

- Bits, burs, blades

- Tocars

- EP Caths

- Work with Company and Staff to maintain ongoing education of the advantages of using reprocessed items – driving compliance – “get clinical buy in”. Post those hard savings!



Questions?

