



The **3 Ts** for Tackling Healthcare Supply Chain Weaknesses

By Cory Turner

Across all industries, supply chain challenges are always changing and generally growing in complexity from day to day. In healthcare, lives are at stake and those behind the scenes and at the patient's bedside must be able to respond at a moment's notice to deliver supplies when and where they are needed.

Nothing has tested healthcare's supply chain capabilities more than COVID-19. While healthcare supply chain leaders have long recognized the process inefficiencies, costs and lack of control over ordering and inventory management, the pandemic has intensified these issues and prompted organizations to take a critical look at their systems, processes and data.

These were some of the key issues discussed during a **Society for Health Systems (SHS) Supply Chain webinar**, where experts came together to share how providers can transform the healthcare supply chain for greater efficiency and cost savings, while counteracting the effects of COVID-19.

It was resoundingly clear based on the panel discussion that now is the time for healthcare supply chain to move beyond old business practices and reactive supply management, to automated processes, advanced data access, real-time visibility and comprehensive analytics that enable proactive, informed decision-making. This will support product standardization and value-based purchasing initiatives aimed at reducing costs and waste, while improving care quality and patient outcomes.



Three Things You Can Improve Right Now

No matter where your organization falls on the supply chain maturity curve — from smaller hospitals that still rely on manual processes and Excel spreadsheets to those with advanced software platforms — you have an opportunity to leverage what you have in place to improve your organization's clinical and financial performance.

Here are three areas that you can address right now to support standardization, better manage supplies during the current pandemic and become better prepared for future supply chain disruptions.

1.

Assemble Your Team

Successful healthcare supply chain operations that deliver the right supplies, to the right places, at the right times and at the right prices do not work in a silo. Rather, there are multiple stakeholders that impact supply chain processes, and subsequently quality and costs.

When enacting change, identify those departments and individuals that rely on the supply chain in terms of products and data, and who have an influence over product selection. This includes clinicians, infection control/infection prevention (IC/IP), value analysis and finance. Because change is more effective when driven from the top down, where necessary resources can be secured (e.g. staff labor, technology), be sure to engage your organization's leaders and secure their buy-in on the proposed improvements.

Together, this multidisciplinary team can sit at the same table to evaluate current state, challenges and changes that need to be made to supply chain operations from a clinical, operational and cost perspective.

Clinicians

Infection control (IC)

Infection prevention (IP)

Value analysis

Finance



2.

Improve **Tracking**

Whether your goal is to address short-term supply challenges related to COVID-19 or implement sustainable supply chain improvements for standardization, cost savings and improved decision-making, you must be able to effectively and accurately track the products used within your organization.

This includes:

- What products your organization is purchasing and at what prices?
- What is contained within your inventory at any given time?
- What supplies are being used and by which departments/clinicians?

It is important to keep in mind that while clinicians are the experts in patient care, the other stakeholders can offer data and information to help them make supply decisions that improve care quality while reducing costs at the same time. This is especially true for initiatives aimed at transitioning from the traditional approach of physician preference in product selection to one where stakeholders leverage outcomes-driven data to standardize products for specific procedures.

Physicians are typically data-driven. If you are asking them to switch from one product to another in an effort to lower costs while maintaining quality outcomes, they will want to see the data backing this decision. A collaborative effort of data sharing among supply chain, clinicians, IP/IC and finance can bring to the table a complete picture of product prices, utilization, patient outcomes and overall financial outcomes, including cost drivers such as complications (e.g. infections) and readmissions, to inform decision-making.

4.7M
savings

Case in point: Mercy

Through increased visibility into inventory assets, Mercy has generated an estimated \$4.7M in savings.

– Sustaining Margin Performance in the OR,

The Mercy Story white paper



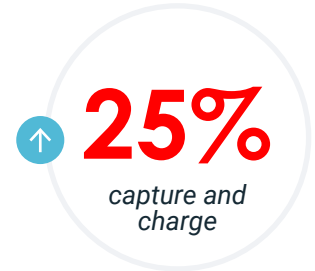
3.

Leverage **Technology**

Ideally a health system or hospital will have in place a fully integrated supply chain technology platform that goes beyond generating purchase orders (PO) to facilitate automated procure-to-pay processes, real-time inventory management, data capture and integration with connected systems (EHR, financial systems), business intelligence (BI) capabilities and advanced analytics. But even supply chain teams in less technologically advanced healthcare organizations can prepare systems and data for proactive decision-making and standardization.

Start by identifying process inefficiencies and gaps in information and determine whether you can better leverage existing information technology (IT) solutions to address these issues, or if the challenges warrant new investments. Work with stakeholders to understand current processes in place and look for areas where technology and automation can cut down on manual tasks.

When it comes to product data capture at the bedside, ensure your processes and systems facilitate a streamlined workflow for clinicians. Their focus is, and always should be, the patient first. When implementing ways to collect critical data at the point of use (POU), look for solutions that fit into the clinicians' current workflows and promote automated data capture and sharing to connected systems. If the process is easy and does not take time away from patient care, clinicians are more likely to comply with it.



Case in point: Munson Healthcare

Through a point of use (POU) inventory management solution, Cath Labs at Munson Healthcare have been able to capture and charge 25% more on the same procedure volume.

— **Munson Healthcare**
case study





Building a **More Resilient** Healthcare Supply Chain

For decades healthcare supply chain professionals have been working to demonstrate the importance of their position to the overall success of their organizations, and thereby secure stakeholder support for process improvements and technology advancements. While many health systems leaders likely believed they had their supply chains under control, the COVID-19 pandemic and its impact of supply availability has quickly revealed long-standing vulnerabilities.

Efforts to improve supply chain resiliency in response to COVID-19 will have a positive impact on the success of healthcare organizations in the short- and long-term. Those that invest in their people, processes and technology to better manage supplies and track their use will also be positioned to capitalize on standardization opportunities and value analysis initiatives. While it is unfortunate that it took a global pandemic to direct more focus to supply chain activities in our industry, I am confident that all stakeholders will benefit moving forward, including health systems and hospitals, physicians, clinicians and patients.

Speak to a Healthcare Supply Chain Expert



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