

Mercy - ROi

Success Story

"Our evaluation determined greater functionality was required to adequately support a fully integrated pharmaceutical distribution model. This conclusion led us to investigate several warehouse management systems, ultimately deciding on TECSYS as the most affordable and scalable WMS with proven experience in specialty pharmaceutical management by several major wholesalers."

Vance B. Moore, President & CEO
ROi - Resource Optimization & Innovation
Division of Mercy

21 hospitals
8 states





The **Challenge**

U.S. healthcare providers are at a crossroads—while facing spiraling healthcare costs, providers are under fierce regulatory and sector pressure to improve patient safety and quality of care, while controlling costs.

Mercy responded to these pressures and challenges by forming a for-profit operating division called Resource Optimization and Innovation (ROi) in order to insource supply chain functions and improve service while significantly reducing cost.

The **Solution**

ROi focuses on four areas of service: supply chain management, performance consulting, capital management and group purchasing. ROi is an innovative business model that integrates functions traditionally outsourced to commercial distributors, GPOs and consultants. The first two years, ROi has replaced six commercial companies, acquiring their revenue streams and eliminating their markups. The goal was to move buyers from all 21 hospitals to a centralized location, a 100,000-sq.-ft. distribution center in Springfield, Missouri. This resulted not only in a more efficient process, but also in a 38% reduction in resources. ROi does not exist to make a profit, but to generate revenues for investing back into Mercy, to support their continued operations and expansion.

After a due diligence of the market, TECSYS' houseIT™ was selected and implemented to manage Mercy's consolidated distribution center in Springfield.

“Today Mercy health system has the ability to eliminate virtually all medication errors. All steps are carefully controlled throughout the process, including the management of the request, ordering, filling, repacking and unit dose barcoding through scan verification. This verification process ensures the patient receives the correct medication as prescribed at the correct time.”

Mercy ROi

The Benefits

TECSYS' houseIT™ is now delivering accurate real-time usage reports to all member hospitals. The ability to take pharmaceutical replenishment requests from the network of hospitals and patient facilities has allowed for increased product accuracy and timeliness and improved patient safety. This is also demonstrated in a 98.5% fill rate, which is approximately a 10-point increase over traditional commercial fulfillment levels.

As a result of implementing houseIT™, Mercy achieved the following:

- End-to-end lot and serial number tracking
- Total control of pharmaceutical inventory and fulfillment management
- Barcoded unit dose direct to patient level
- 60-day pharmacy implementation
- High-volume processing
- Improved access to real-time information
- Improved relationships with manufacturers
- Better support of and response to patient needs
- Expiration control through FEFO (First Expired, First Out) functionality



“As the healthcare industry continues to change and the impact of government regulations becomes more prevalent, TECSYS' ITopia® platform gives us the flexibility and connectivity to address and report on those changes.”

Mercy ROi

Impact of **Change**

The business plan for Mercy and ROi is to continue to drive process improvement while focusing on increasing patient safety. ROi decided to upgrade the current system by expanding the number of users to support the MedSurg initiative. TECSYS' role within the distribution center continues to expand.

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