



Texas Children's Hospital Unlocks \$14M in Annual Drug Savings by Automating Pharmacy Inventory

Results at a glance

\$14M

annual savings on Factor VII and VIII despite 30% higher usage

↑ \$40M

in avoidable drug losses previously identified through visibility gaps

80%

reduction in tracking steps (12 steps down to 2)

7

second RFID tagging for high-cost medications

24/7

real-time visibility into inventory value, location and expiry



About Texas Children's Hospital

Texas Children's Hospital (TCH) is the largest pediatric health system in the U.S., serving thousands of patients across multiple campuses. The system manages more than \$400 million in annual drug spend.

The margin drain in pharmacy operations

TCH pharmacy leaders uncovered a critical gap: manual counts, inconsistent workflows and limited expiry tracking created an environment where high-value medications were routinely misplaced, overordered or allowed to expire. A 90-day audit of the system's 30 highest-cost drugs revealed \$40 million in inventory unaccounted for, representing nearly 10% of annual pharmaceutical spend.

The financial exposure extended beyond waste. Re-dispenses — when staff could not confirm whether a drug had been administered — meant the hospital occasionally dispensed a second dose but captured revenue for only one. Without item-level visibility, losses were invisible until audits exposed discrepancies.

How Texas Children's Hospital fixed it

TCH implemented a fully integrated solution built on Tecsys' Elite™ Healthcare POU platform, combined with RFID automation, Terso cabinets and Zebra hardware. The system creates real-time, item-level visibility from receipt through dispensing, supported by direct Epic Willow integration for accurate billing.

The transformation included:

Automated tracking

Every drug is RFID-tagged upon receipt, enabling continuous visibility into quantity, location, value and expiry.

Closed-loop chain of custody

Tecsys connects RFID cabinets, carousels, automated dispensing cabinets and the EHR to document each movement and ensure accountability.

Proactive expiry management

RFID-enabled workflows highlight drugs nearing expiry and prompt reallocation to high-use areas.

Automated inventory counts

Automated cycle counts replaced hours of labor; wand-based scans deliver rapid verification for drugs outside RFID cabinets.



Turning waste **into value**

BEFORE

12-step

Manual 12-step inventory processes; widespread variation in counts; expired drugs treated as usable stock; recurrent re-dispenses; millions lost to diversion, expiries and overordering; no reliable view of on-hand value.

AFTER

Two-step

Two-step automated workflow; **seven-second** RFID tagging; **full visibility** into on-hand asset value and expiry; **reallocation** of high-cost items before expiration; **reliable** charge capture; **continuous**, system-wide accountability.

The financial **impact**

TCH's pharmacy transformation now serves as a margin-protecting engine for the health system. The initiative produced measurable financial gains across five areas:

- **Lower drug procurement costs** – Accurate visibility prevents premature orders and ensures every high-cost item is used before expiration.
- **Labor efficiency** – Technicians complete tagging in seconds, and automated cycle counts remove hours of manual inventory work.
- **Revenue protection** – Charge capture improves because re-dispenses are eliminated.
- **Risk reduction** – Visibility across all storage locations supports compliance, minimizes diversion and ensures audit-ready accountability.
- **Asset optimization** – Item-level tracking protects millions in inventory by preventing misplacement, expiry and unmanaged movement.

Turn data into dollars

with Tecsys' Elite™ Healthcare POU

Tecsys' Elite™ Healthcare POU enables hospitals to control high-value drug inventory with precision. The platform connects pharmacy workflows, automation, RFID hardware and the EHR to deliver a real-time, closed-loop view of every item. Health systems gain:

- **Item-level tracking from receipt to dispensing**
- **Automated cycle counts and expiry oversight**
- **Accurate billing visibility through Epic Willow integration**
- **Waste reduction through proactive reallocation**
- **Stronger compliance and accountability across all pharmacy operations**

Tecsys' Elite™ Healthcare POU brings precision and control to pharmacy inventory.

Contact a Tecsys expert today



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