



In Conversation with **Donna Van Vlerah** **Senior Vice President, Support Division** **Parkview Health**

About **Parkview Health**

Parkview Health is a not-for-profit, community-based health system serving a northeast Indiana and northwest Ohio population of more than 895,000. With more than 13,000 employees, it is the region's largest employer.

Parkview Health has been serving communities since its early beginnings as Fort Wayne City Hospital in 1878. The Parkview Health system was formed in 1995 and its heritage of care and compassion continues today with nine hospitals and a network of primary care and specialty physicians.

Interviewer

Donna Van Vlerah

How has the Covid-19 pandemic impacted your supply chain?

Significantly. The global and sustained nature of this event is unprecedented. We have seen items that traditionally have very low demand go off the charts. I'll give you an example – just plain old safety goggles. We might have used less than five hundred a year and the recent demand went over 4,000%. Things that you could never have predicted, even in the best disaster planning mode, have just been exponentially crazy. Everything is on allocation because of the global shortages and substitutes aren't even available. It's been extremely difficult to manage.

How important was your consolidated service center to your operations and enabling you to navigate these supply chain disruptions?

When I joined Parkview Health in 2010, one of the first things our team did was the establishment of a disaster plan, which folded disaster stock into our inventory management plan. This was based off the hospital's Hazardous Vulnerability Assessment (HVA) in which they identify what major events are likely to happen at the facility. We used this model to identify our highest risks and, interestingly enough, one of the top five was an influenza pandemic.

Therefore, we had a specific list of items directly linked to an influenza pandemic and we built-in safety stock within our general inventory. That's the great news. Our distribution center became pivotal in our ability to have sustained operations. The only opportunity for improvement is that we base demand off of normal usage versus surge. Now going back to my goggle story, I don't know anybody in their right mind who would have predicted 4,000% demand over normal. That's just astronomical. But the distribution center enabled us to not have a stock-out on any items and we sourced additional product.

You mentioned the goggles and the unforeseen surge, what is Parkview Health doing now to address your safety stock?

Traditionally, hospitals base stocking levels on The Joint Commission requirement of 96 hours of inventory on-site – there is no way this stocking level can sustain the influenza pandemic. In regards to COVID-19, we established a team to support what we called the 'short game' and the 'long game.'

The short game looks at how we survive eight weeks of critical stock items. We picked eight weeks because it provides the procurement team two months to source products and get them delivered. We also created a red, yellow and green stoplight chart on critical items as key performance indicators (KPIs) to monitor days of stock for critical items.



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How are you planning to re-engage and kick-start elective procedures and overall healthcare delivery?

We have recently transitioned focus to the long game. The long game is how we replenish safety stock in support of sustained COVID-19 operations. Our goal is to restock everything by October 30, 2020, before the anticipated flu season and ongoing COVID-19 operations.

Parkview Health weathered the first wave of COVID-19 based upon the fact that we had a very solid disaster plan that was integrated into our central distribution center. It was this combination that attributed to our success of no stock-outs for Parkview Health operations.

We are also reviewing our operating room stocking items and we're tracking these with the same red, yellow and green chart. The purpose is to identify anything that might impact our ability to restart operating rooms. For example, one of the items on the chart is the intubation equipment. In this instance, the manufacturer supports approximately 80% of the country's business and it has one production factory in the United States. Increased demand for intubation associated with COVID-19 has made this product difficult to procure. Therefore, we are looking at alternative products to sustain operations.

How important of a role has technology played in your business performance?

Technology associated with warehouse management, distribution management and transportation management has been pivotal in Parkview Health's ability to create a robust stocking strategy. This coupled with our point of use technology enables virtual inventory management to sustain operations. Demand planning ensures we can predictively model demand and surge functions for appropriate stocking levels. Without these tools, our support of COVID-19 operations would have been extremely challenging.

I can't tell you how many times that we supported key leadership questions on the status of personal protective equipment (PPE). This is a very complex question. Our recent long-term restocking plan has over 3,045 items. Therefore, we have set up analysis that allow us to do predictive modeling based upon usage. We have been able to tell the story about an item and its trajectory based upon demand. If one sees the trajectory is going down, then one can figure out what to do next. Do we need to do better sourcing? Are there alternatives? Can we change work practices? The data that we're able to pull on utilization at the point of use level has been helpful in making decisions.



Interviewer

What advice would you give to other health systems that do not have a consolidated service center?

Donna Van Vlerah

I cannot imagine not having a distribution center during this COVID-19 situation. I just can't express enough how the Tecsys platform and the central distribution center has given us the visibility and the ability to weather a huge storm.

I started telling people to think about this not as a sprint, a marathon, or a triathlon, but as an Iron Man event! COVID-19 is the Iron Man. It's multiple problems and multiple events over an extended period. It's not enough for your healthcare system to be a good runner. Your organization must be a good runner, a good swimmer and a good biker. You must be able to do all of them and you have to be able to do it over a sustained period of time. Without our distribution center, you're going to live in the sprint mode.

Hence, I believe the distribution center for healthcare is pivotal. It helps you plan and be able to sustain operations. We have even been getting calls from hospitals that don't have a distribution center to see if there is anything we can do to help their organization because they know we have a good stocking strategy.

If an organization is considering a consolidated service center, my advice for them between now and the end of the year is to work on their business plan and what the cost would be. What would it look like to get things in place so that they've got dollars earmarked, a physical location and a system identified to be able to execute on a consolidated service center in 2021.

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