



Streamlining Healthcare Logistics: Back to Basics

Ana Victoria Sanchez

Virtua Health

Randi Vigil

HealthTrust Performance Group

Issam Abouzahr

HealthTrust Performance Group



Disclosures



The presenters have no real or perceived conflicts of interest related to content in this presentation

Note: The content presented is for informational purposes only and is based upon the presenter(s) knowledge and opinion. It should not be relied upon without independent consultation with and verification by appropriate professional advisors. Individuals and organizations shall have sole responsibility for any actions taken in connection with the content herein. HealthTrust, the program presenter(s) and their employers expressly disclaim any and all warranties as to the content as well as any liability resulting from actions or omissions of any individual or organization in reliance upon the content.

This program may contain the mention of suppliers, brands, products, services or drugs presented in a case study or comparative format using evidence-based research. Such examples are intended for educational and informational purposes and should not be perceived as an endorsement of any particular supplier, brand, product, service or drug.

Learning Objectives



At the end of this session, participants should be able to:

1. Recall potential deficiencies within integrated delivery network (IDN) supply chain operations.
2. Identify foundational processes & visual communication tools to improve employee satisfaction.
3. Recognize strategies for implementing inventory management practices can contribute to significant cost reductions.



IDENTIFYING PROBLEM AREAS

What should I be looking for?



Polling Question



Have you ever conducted a comprehensive assessment of your supply chain?

- A. Yes
- B. No
- C. An assessment yes, but not comprehensive
- D. I don't know

Conduct a Comprehensive Assessment

- Identify Weaknesses & Bottlenecks
- Leverage Data
- Consult With Experts



What to Look for



People

- Gather feedback
- Round regularly
- Engage with senior leadership
- Consider your org chart

Process

- Map the life of a product
- Perform regular audits
- Consider policies & procedures

Technology

- Assess the effectiveness of current solutions
- Follow industry trends
- Consider early adoption

What We Found



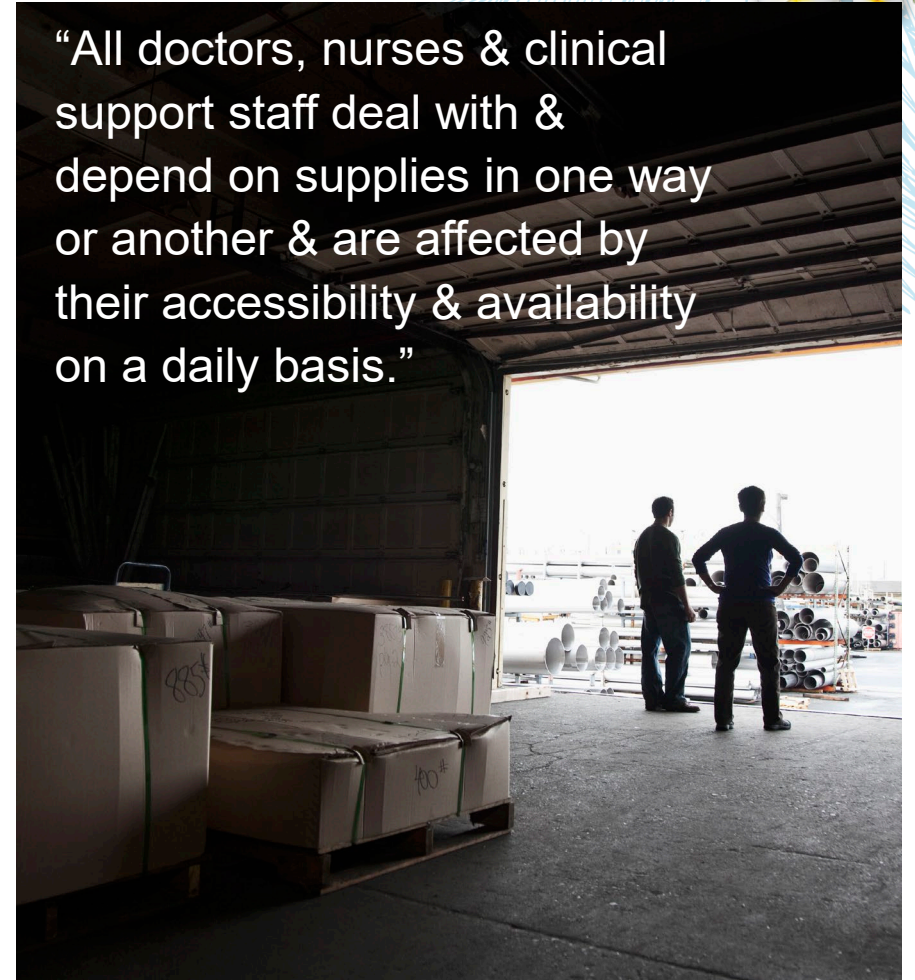
People

It's the little things

- Frustrated staff with limited room or tools to effectively complete their jobs
- Day-to-day responsibilities felt insurmountable
- Heavy reliance on tenured individuals
- Clinical staff concerned with product availability & communication

Source: Landry, S., & Beaulieu, M. (2013). The challenges of hospital supply chain management from central stores to nursing units. In B. T. Denton (Ed.), *Handbook of healthcare operations management* (pp. 465-482).

“All doctors, nurses & clinical support staff deal with & depend on supplies in one way or another & are affected by their accessibility & availability on a daily basis.”



Source: Getty Images. Used with permission of HealthTrust.

What We Found, *cont.*



Process

Every second counts

- Item locations were disorganized with inadequate inventory levels
- Pathways for stocking & retrieving products were inefficient
- Staff were purchasing supplies based on gut feeling or fear of running out



Source: Getty Images. Used with permission of HealthTrust.

What We Found, *cont.*



Technology

If it ain't broke...fix it anyway

- Supply chain management & procurement software was not being maximized
- Reliant on people & process, not technology
- Considering new technologies with limited foundation



Source: Getty Images. Used with permission of HealthTrust.



STRATEGIC INTERVENTIONS

How do I get started?



Getting Back to Basics: 5 Steps



Source: HealthTrust Special Ops. Not for reuse without permission of HealthTrust Special Ops.

Standardize Processes

Creating Sustainable Processes

The simpler the better

- Create standardized procedures for procurement, inventory management & distribution
- Implement visual aids such as flowcharts, diagrams, schedules & plenty of signage to communicate processes
- Design processes that are easy to follow & replicate
- Create a schedule for employees & assigned departments

Source: HealthTrust Special Ops. Not for reuse without permission of HealthTrust Special Ops.

PAR CART OUTDATE & CLEANING CHECKLIST 2020 - "Supply Tech Name"

| WEEK | Loc | Name | # | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 |
|--------|-------|----------------------------------|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| WEEK 1 | KDJ01 | 0187241 PKR CATH LAB PAR AREA VL | | | | | | | | | | | | | |
| | KDJ70 | 0187241 PKR CATH LAB PAR AREA NS | | | | | | | | | | | | | |
| | KNW80 | 0187241 PKR WVMRK CATHLAB VEO4 | | | | | | | | | | | | | |
| | KKE02 | 0187337 CRCU CABINET VL | | | | | | | | | | | | | |
| WEEK 2 | KKE72 | 0187337 CRCU CABINET NS | | | | | | | | | | | | | |
| | KKE01 | 0187337 PKR ANGIO PROCED RM VL | | | | | | | | | | | | | |
| | KKE71 | 0187337 PKR ANGIO PROCED RM NS | | | | | | | | | | | | | |
| | KKW80 | 0187337 PKR WVMRK IR VR04 | | | | | | | | | | | | | |
| WEEK 3 | KDU43 | 0187241C PKR BOSTON SCI CONSIGN | | | | | | | | | | | | | |
| | KDU44 | 0187241C PKR BOSTON SCI CONSIGN | | | | | | | | | | | | | |
| | KKU41 | 0187337C PKR BOST SCI CONSIGN | | | | | | | | | | | | | |
| | KKU42 | 0187337C PKR BOST SCI CONSIGN | | | | | | | | | | | | | |
| WEEK 4 | KDE04 | 0187211 PKR OR ANESTHESIA VL | | | | | | | | | | | | | |
| | KDE71 | 0187211 PKR OR ANESTHESIA NS | | | | | | | | | | | | | |
| | KKB04 | 0187337 PKR IR CT2 | | | | | | | | | | | | | |
| | KKB74 | 0187337 PKR IR CT2 | | | | | | | | | | | | | |



HEALTHTRUST

SUPPLY CHAIN SERVICE



My name is **Dan Whetten**,

I am your OR Supply Chain Specialist. Please call me if you need assistance.

My Phone # is: **(801)427-2915**

Direct: **540001**

My Email is: **Dan Whetten@HealthTrustPG.com**

I will be available from: **6:30 AM to 3:00 PM Mon. – Fri.**

Lota Smiles is your Supply Chain Supervisor and is available at
(207)671-0001 Direct (540001). Email:

Lota.Smiles@HealthTrustPG.com



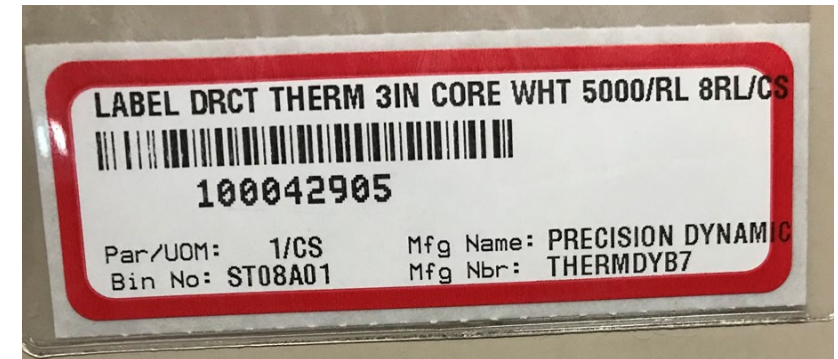
Optimize Inventory Management



Streamline Efficiency & Reduce Costs

Don't let your inventory manage you

- Schedule frequent audits to reconcile physical inventory with system records
- Complete a thorough PAR analysis to determine optimal stock levels for each based on historical usage rates, lead times & clinical urgency
- Minimize holding costs & reduce waste by implementing Just-In-Time (JIT) inventories for commodity supplies
- Maximize consignment for high-cost inventory & enforce tight controls of owned implants or medical devices



Source: HealthTrust. Not for reuse without permission of HealthTrust.

Source: HealthTrust Special Ops. Not for reuse without permission of HealthTrust Special Ops.

Strengthen Clinical Relationships



Enhance Collaboration & Patient Care

Happy clinicians, happy supply technicians

- Continuous rounding & feedback gathering should be a routine
- Include clinical representatives in supply chain management committees & decision-making processes
- Develop & implement joint training programs for clinical & supply chain staff to improve understanding of each other's roles & challenges
- Establish clear & open communication channels

Source: HealthTrust Special Ops. Not for reuse without permission of HealthTrust Special Ops.



Source: Getty Images. Used with permission of HealthTrust.

Enhance Communication & Training



Build a Cohesive & Knowledgeable Team

Knowledge is power

- Set up formal communication pathways to ensure that all stakeholders are informed & engaged
- Ensure an internal platform or knowledge base exists where staff can access training materials & guidelines
- Create an environment where feedback is encouraged & valued
- Regularly solicit input from supply chain teams to identify pain points & areas for improvement
- Encourage continuous education

Source: HealthTrust Special Ops. Not for reuse without permission of HealthTrust Special Ops.



Source: Getty Images. Used with permission of HealthTrust.

Leverage Technology



Enhance Visibility & Productivity

Using the tools in your toolbox

- Before considering new technology, ensure you are maximizing the capabilities of your current tools
- Implement mobile solutions to enable staff to access supply chain data & perform tasks on the go
- Use the data generated by existing systems to create regular reports for monitoring key performance indicators
- Identify specific gaps or limitations in your current technology infrastructure & invest in targeted new technologies to address these needs

Source: HealthTrust Special Ops. Not for reuse without permission of HealthTrust Special Ops.



Source: Getty Images. Used with permission of HealthTrust.



OUTCOMES

What should I expect?



Source: Getty Images. Used with permission of HealthTrust.

Outcomes

*Statistics shown on this slide reflect actual results as a range observed among 10 IDNs/projects.



Improved Efficiency

Streamlined Operations & Time Savings

- Standardized procedures & simplified workflows lead to smoother operations & reduced complexity.
- By minimizing redundancies & optimizing inventory management, staff can spend less time on administrative tasks & more on patient care. **Efficiency Increase: 8–10%**

Cost Reduction

Lower Inventory & Operational Costs

- Optimized inventory levels & better demand forecasting can lower holding costs & minimize waste. **Inventory Reduction: 5%**
- Efficient processes & better utilization of existing technology reduce operational costs.

Source: HealthTrust Special Ops. Not for reuse without permission of HealthTrust Special Ops.

Outcomes, cont.

*Statistics shown on this slide reflect actual results as a range observed among 10 IDNs/projects.



Enhanced Patient Care

Reliable Supply Availability & Better Resource Allocation

- Improved inventory management for essential medical supplies reduces the risk of stockouts that could compromise patient care. **Stockout Reduction: 30–40%**
- Streamlined supply chain operations allow healthcare providers to allocate resources more effectively.

Increased Staff Satisfaction

Reduced Workload & Enhanced Collaboration

- By simplifying processes clinical staff face fewer disruptions & administrative burdens.
- Strengthened relationships between clinical & supply chain teams foster a productive environment.

Source: HealthTrust Special Ops. Not for reuse without permission of HealthTrust Special Ops.

Outcomes, cont.



Greater Transparency & Accountability

Improved Data Visibility & Clear Accountability

- Enhanced use of existing technology & better data integration provide greater visibility.
- Standardized processes & clear communication channels help define roles & responsibilities.

Maintenance & Sustainability of Improvements

The Real Hard Part

- The routine evaluation of supply chain processes & the continued education of staff are essential for sustaining improvements.
- The steps provided in this presentation should be assessed annually.



Source: HealthTrust Special Ops. Not for reuse without permission of HealthTrust Special Ops.



VIRTUA HEALTH

A Real-World Example



Case Study: Virtua Health



Health System Demographics



HEALTH SYSTEM TYPE:
**Regional Non-Profit
Health System**



HOSPITALS:
6



BEDS:
~1,500

Goals

Improve overall supply chain infrastructure, processes & staffing education

- Supply resiliency
- Normalize purchasing patterns & inventory levels
- Create sustainable workflows & redundancies
- Improve nurse satisfaction

Source: Virtua Health. Not for reuse without permission.

Situation

- Warehouses unorganized; filled with excess inventory
- Distribution & logistics efforts inefficient; leading to delay of supplies to hospitals & constant stockouts
- New leaders with good experience, but lacking resources & training to get job done effectively
- Hospital storerooms not holding enough inventory on-hand; requires multiple daily stocking & spot checks
- Staff communication barriers between distribution, hospitals & clinicians
- “Fear-based” procurement to avoid stockouts & backorders

Case Study: Virtua Health, *cont.*



Health System Demographics



HEALTH SYSTEM TYPE:
Regional Non-Profit Health System



HOSPITALS:
6



BEDS:
~1,500

Results & Outcomes

- Consolidated & repalletized the distribution center to improve storage & support cost-effective transport
- Established daily huddles with supervisors to develop strong communication habits between purchasing, receiving & picking teams
- Instituted color-coding for improved identification of products both at distribution & in the hospital setting
- Completed a thorough optimization effort of all PAR locations, excess inventories, & slow-moving supplies

Source: Virtua Health. Not for reuse without permission.



Thank You

