

Tackling the challenges and complexities of elective surgeries and hospital inventories in a reopening world



COVID-19 has definitely presented industry-wide challenges in supply chain management, and as health systems and hospitals prepare for the restart of elective procedures, new challenges will continue to emerge. *The Journal of Healthcare Contracting* (JHC) recently hosted two podcasts with Owens & Minor and Tampa General Hospital to discuss how their solutions around people, processes, and technology can help providers overcome potential supply chain issues before they become problems.

Being Prepared for Elective Surgeries and Procedures

As healthcare providers transition back to the world of elective procedures, there are four key steps to ensuring adequate staffing and supply:

- › Identify procedures you will focus on
- › Determine overall volume levels for procedures
- › Determine inventory levels needed
- › Evaluate staffing needs

Identify procedures:

Identify those procedures you intend to ramp up first as elective surgeries return. The procedures you identify might be based on existing backlogs, historical data or even the time a procedure takes.

“The type of surgery, the length of the procedure and the exact list of products needed will vary from patient to patient. In this restart period, there may be a natural tendency to over-order, rather than being short or running out,” said John Raab, Director, Performance Delivery for Owens & Minor.

“Certain procedures will have higher volumes than others,” he added. “One way to identify these is to look at your historical volume and which procedures were performed most over a given time. Also consult with your surgeons and other clinical staff to understand their priorities by procedure and what backlogs they might have as elective surgeries ramp up.”

Determine overall volumes:

Once you have identified the procedures you will focus on, you can begin determining the overall volume levels of elective surgeries.

“If you plan to expand the days and hours that elective surgeries are being performed or focus on a select few procedures, then historical volume will not be the only factor to forecast future volume,” said Angela McNally, Vice President, Provider Solutions for Owens & Minor. “Determine how many days per week and hours per day you’ll be performing surgeries. Next, look at historical data on how long it takes you to turn over a procedure from case to case. It’s important to review room turnover times by procedure since different procedures take longer than others.”

The next step is determining the number of procedure rooms in use. You can then take that information and combine with the procedures being done and the hours they are being performed to determine overall surgical volumes. According to McNally, based on these projected surgical volumes, health systems should:

- › Evaluate preference card validation and value analysis for product substitutions
- › Identify support needed – product, manpower, data analysis and/or physical inventory
- › Connect with partners in the supply chain for services and distribution

Determine inventory needs:

Hospitals were forced to quickly source supplies during the peak of the pandemic. Now, they’re tackling the remaining inventory to make sure the right products will be available when they are needed. “Some providers may experience a need to right size their inventory levels,” said McNally. “It’s really important to understand what you have and then you have to define the processes for how you’re going to use it.”

Managing the complexities of a hospital’s inventory requires a dynamic process. Clinicians need more time than ever to focus on patient care and quality outcomes during the restart, and inefficient inventory management diverts their attention and devours staff hours while eroding profit.

PANDAC helps hospital administrators immediately gain access to all the information needed to check inventory status. These reports allow Owens & Minor to make recommendations for controlling inventory costs and saving money.

Evaluate staffing needs:

Efficiency is paramount as elective surgeries come back online and having the right amount of staff is probably one of the hardest aspects to plan for, according to Raab, but also one of the most critical. “Hospitals will need all hands on deck to focus on patients and the new protocols in place to continue to handle COVID-19 concerns,” said Raab. “Your supply chain experts need to be working closely with their supply and distribution partners to focus on the up-stream supply chain and services that will help drive efficiency while managing cost, labor and waste.”

Owens & Minor can help!

As you prepare your health system for the return of elective procedures while continuing to navigate COVID-19, Owens & Minor offers comprehensive services and solutions that combine people, process and technology to empower our customers.

People: Leveraging Visibility into the Supply Chain

Visibility into supply chain has always been important. But the need for that visibility has never been greater as providers seek to return to elective surgeries. McMahon stated, “when you talk about the unpredictable product or amount of product that the hospitals are carrying, it’s

not just unpredictable, it’s a different mix of product as well.” But providers have to be able to see that product in order to manage that product.

Going forward, “visibility is going to be key into this process and then truly understanding how do you take that visibility, use the data and the historical trend, but then also make a forecast of making sure that you have the right product, the right mix of product, that you will be able to, continue to service the needs of your patients,” McMahon said. That’s a challenge for a number of providers who either lack a solution that provides visibility

into the supply chain or if they have one, it provides only partial visibility.

Physical Inventory Service

Physical inventory services can provide an accurate cost-effective alternative to completing a full, financially auditable physical inventory at this time. “You don’t have to pull your clinical teams, or your supply chain teams to focus on this,” said McNally. “It allows you to focus efforts on restarts and elective surgeries while still maintaining COVID safety protocols, whether it’s a single department like a cath lab or it’s your PPE inventory.”

Owens & Minor physical inventory service is more than a count of your product on hand. “We also help you identify what you need to maintain to have those optimal inventory levels. We provide you visibility so you can see where you’d need to make recommendations and how you can move stock around to critical areas, remove out of date items and just look for opportunities to manage your space,” stated McNally.

PANDAC™

Owens & Minor also has a solution called PANDAC that helps customers control purchases of wound closures and eliminate excess while maintaining supply levels. It includes on-site service, in-depth reporting and integration with materials management, business reviews and the ability to expand management to other product categories. Owens & Minor taps into patented technology to routinely monitor purchases and utilization, adjust stocking levels and provide continuous reporting on all aspects of purchasing and inventory.

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information needed to check inventory status. These reports allow Owens & Minor to make recommendations for controlling inventory costs and saving money.

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– Patrick McMahon, vice president,
service of sales for Owens & Minor

“It’s really all about the data,” said Mark Campbell, Vice President of Supply Chain for Tampa General Hospital, an Owens & Minor customer. “Prospectively, we know who has block time scheduled. We know that procedures are scheduled one to four weeks out. It’s looking at that data, but also looking at historical data, what has actually been done, how that block time has been utilized and on what days of the week.”

Campbell added that PANDAC has helped because it has provided a laser focus on a key supply item, surgical closure or wound closure that the hospital doesn’t have to worry about. “When we have a dedicated resource to managing that critical resource, it frees us up to worry about other things,” he said. “That resource can expand and look at other products, but

also take into account what’s going on with our surgery schedule and flex as appropriate with that critical asset.”

Cost management around non-labor expense is a priority for many hospitals as they restart. McMahon said suture and mechanical spend provide potential big-ticket cost savings opportunities. “Traditionally, suture and mechanical spend represents about 10% of the spend for distribution,” said Patrick McMahon, vice president, service of sales for Owens & Minor. “Often, there are a lot of SKUs within these products. There are short expiration dates. It can be difficult to manage these products.”

“We create a process of making sure that we manage these products efficiently and effectively for your organization,” said McMahon. “We’ve been able to reduce inventory and support it with data and analytics to make actionable decisions on how to support these products.”

Process: Driving efficiencies and reducing waste SurgiTrack™

A product like Owens & Minor’s SurgiTrack can help streamline the surgical process. It is an industry-leading unitized delivery system that combines lean methodologies, technology, surgical products and physician preference products into one process. SurgiTrack provides an advanced clinical supply process, grouped by procedure and customized by surgeon preference. It helps reduce spend, decrease waste and improve processes in the internal supply chain.

SurgiTrack includes a platform that lets hospitals track key performance indicators and transform information into actionable intelligence. It relates the

supplies purchased to the contract pricing system and to the surgeon preference card, bringing greater supply chain efficiency and savings.

“In the past, we relied on simple things like product bundles, custom packs and standard packs, that seemed to drive the entire business of surgery,” John Raab, National Director of Preoperative Solutions for Owens & Minor, explained. “Today with the complexity of the product demands that are needed and the technology used for surgery, SurgiTrack is a method of pulling all the data needed together to both identify what products are needed for surgery and how to make best use of your clinical and your supply chain staff to support the business elements of surgery.”

SurgiTrack brings together the two worlds of surgery: the performance of the surgery by the clinical staff and the hospital’s supply chain duties. “SurgiTrack really bridges the gap between those two groups of people and makes their job easier,” said Raab. “It’s truly a business approach to a clinical need in the supply chain today – the supplies, all the products they need and also the information necessary to make sound business decisions.”

Technology: Transforming inventory management

Providers can leverage the power of a technology solution like QSight™ to make better, smarter decisions about inventory and supplies as elective surgeries resume. Owens & Minor’s QSight is the industry’s leading cloud-based solution

for procedure rooms. It uses state-of-the-art technology to transform how providers manage their inventory, simplifying clinical workflows and providing them the data to make better, smarter decisions.

“One of the problems providers are facing as elective surgeries resume, but especially longer term is the lack of visibility and transparency into critical pieces of inventory data, such as inventory counts by products, products on back-order, products below PAR and other important information,” McMahon stated. “And when they lack that information or even if they have it but don’t trust the validity of it, making the right decisions on what, when and how much to order of a product can be challenging.”

“When we see a supply chain that has the ability to use predictive analytics to make decisions and use historical trends and then future trends, this is where

QSight comes in and plays a critical role in the process,” McMahon said. “QSight provides that visibility within the supply chain that most hospitals don’t have access to if they’re not using a clinical inventory management tool today.”

With QSight, providers worry less about stocking out a product. “They can use the data within QSight to make critical inventory decisions based on the historical usage of that product instead of gut instinct,” McMahon stated. Providers can also use QSight as the tool to making sure there is no expired products. “QSight enables users to go right to that department with expired product and pull that product off. And what’s critical about that too, is that it doesn’t only, help with labor optimization but also helps with that risk mitigation. Making sure that you never implant a product or a recalled product into a patient.” ■



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