

Eliminating Inefficiencies in Implant Purchases

The old way of processing implant purchases and preference items is draining supply chain teams of their most precious commodity – time.



Implant purchases and preference items cause a lot of headaches for

hospital and health system supply chain teams. They also generate a tremendous amount of paperwork.

In an age of digital, streamlined solutions, the process for implant purchases and physician preference items has maintained a reliance on paper forms and manual processes to get things done.

It starts with a vendor rep typically filling out a paper form for a requisition of a product that is a bill-only product (such as an orthopedic implant). Someone at the

hospital must receive the form, then manually research to see if that exact product was used in a case, and then manually verify if the right price with the right discount was applied to it. That same person has to then go into the materials management information systems (MMIS) system and request a purchase order (PO) for that product, which is then sent to the vendor.

“For a lot of hospitals, the purchasing of bill only products can be a time consuming and laborious process,” said Angela McNally, Vice President, Provider Solutions for Owens & Minor. “These products typically are not captured by a standard MMIS, and because of that, most providers rely on paper forms and manual interventions to get them approved and purchased,” McNally continued.

Fortunately, there are new solutions being introduced to the market designed to simplify a tedious process by eliminating manual work and manual processes.

Streamline the Bill-Only Process

One of those solutions is Owens & Minor's Bill Only Management solution. "We developed Bill Only Management with the express purpose of making the purchase cycle for bill only products easier for both the hospital and the vendor," McNally said. "We wanted the solution to simplify the process so that that the purchase cycle could be counted in days or even hours instead of weeks and months."

Owens & Minor's Bill Only Management is a fully automated, cloud-based solution for bill-only products that streamlines the process, eliminates inefficiencies, saves time, and puts up some "guardrails" to ensure the right pricing is applied to the products. It does this by:

"Digitizing" the information. Instead of forms that are manually filled out, the

"We wanted to design a solution that addressed the unique challenges of purchasing bill only products, one that eliminates paper forms, provides visibility to the process and uses advance technology to automate manual tasks. With Bill Only Management we have."

- Angela McNally, Vice President, Provider Solutions for Owens & Minor.

information is collected/captured online via Bill Only Management.

Reducing the potential for errors.

There are fewer errors on the person receiving the information because of bad handwriting, etc.

Allowing transparency/visibility into the process. If you want to know

where a PO or other document is at any one time, Bill Only Management provides that visibility. Bill Only Management provides insights via reports for better decision making that you wouldn't get via a manual process.

Shortening time-consuming tasks.

Because the contracts are loaded into Bill Only Management, it cuts down on the

Pain Points

How painful and time-consuming can implant purchases and preference items be for a hospital or health system? Consider:

- ▶ Many of these preference items are walked in by the vendor the day of the procedure, so they are not captured in the standard MMIS and must be manually manage.
- ▶ The vendor rep manually submits a requisition for the implant and submits it to the hospital.
- ▶ Manual validation of contract pricing must occur.
- ▶ The manual approval process for implants requires routing the form to the right person for approval (wet signature).
- ▶ A PO must be created from that requisition. Often this too is a manual form and must be typed in to the MMIS system for PO creation.
- ▶ There is a lack of visibility in the process (i.e. whose "desk" is the PO/requisition on), and a duplication of efforts (i.e. the clinical staff and buyer working to get same information and proper approvals).
- ▶ It's inefficient (too much time spent on these manual tasks and approval process highly dependent on availability of approvers)
- ▶ Finance departments may undertake manual processes to apply complex discounts, pricing tiers and capitation agreements.

time verifying prices and helps ensure the provider is paying the correct negotiated price every time. Also, automatic workflows are used to route the right document to the right person for approval instead of sticking it inter office mail or sending as an attachment. This speeds up the process.

Simplified training. Owens & Minor will manage the training and implementation of the software, which in return saves the supply chain team time and money.

Bill Only Management enables hospital to simplify the entire purchase cycle for bill only products, from the time when a vendor fills out a requisition to the time a PO is issued. “What the solution ultimately does is make life easier for people involved in purchasing implants and gives them back time to do other, more strategic tasks instead of doing things like manually verifying a price” stated McNally.

Indeed, from its quick implementation to full utilization, Bill Only Management

takes the pain out of many critical supply chain functions for hospitals and health systems. The days of looking up prices to ensure the vendor put in the right price are gone. With Bill Only Management, supply chain teams have a cloud-based solution that automates the entire purchase cycle for bill only and physician preference products, transforming a tedious and time-consuming process into a streamlined and simplified one. ■

Benefits of the Bill Only Management Solution



CONTRACT PRICE MANAGEMENT:

Ensures you pay the correct negotiated price every time

CAPITATION MANAGEMENT:

Leverages an automated system for identifying capitation opportunities and modifying requisitions to reflect correct pricing

LABOR OPTIMIZATION:

Provides the option to shift initial case documentation to the vendor representative without any loss of input or pricing control

STREAMLINED APPROVAL PROCESS:

Centralizes bill-only purchase approvals to 1-2 people across a single hospital or network by automating requisitions, purchase orders, and invoice receipts

ENHANCED REPORTING:

Enables you to create and share custom export reports by procedure, physician, contract, product, price, or any number of metrics

QUICK ACCESS TO KEY DATA:

Provides easily accessible data regarding procedure, vendor, and utilization that can be used to manage overall business or prepare for audits and recalls