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Supply Chain Process Improvement: From Problems to Opportunities

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Learning Objectives

- Describe how to implement a solution to streamline the bill-only requisitioning process
- Discuss the outcomes and challenges from the pilot project.
- Explain data points required for a successful service line utilization dashboard.
- Create visualizations that provide directional, clinically integrated supply chain data to support daily operations.

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Supply Chain Process Improvement:
From Problems to Opportunities

How to convert bill only process from problems into opportunities
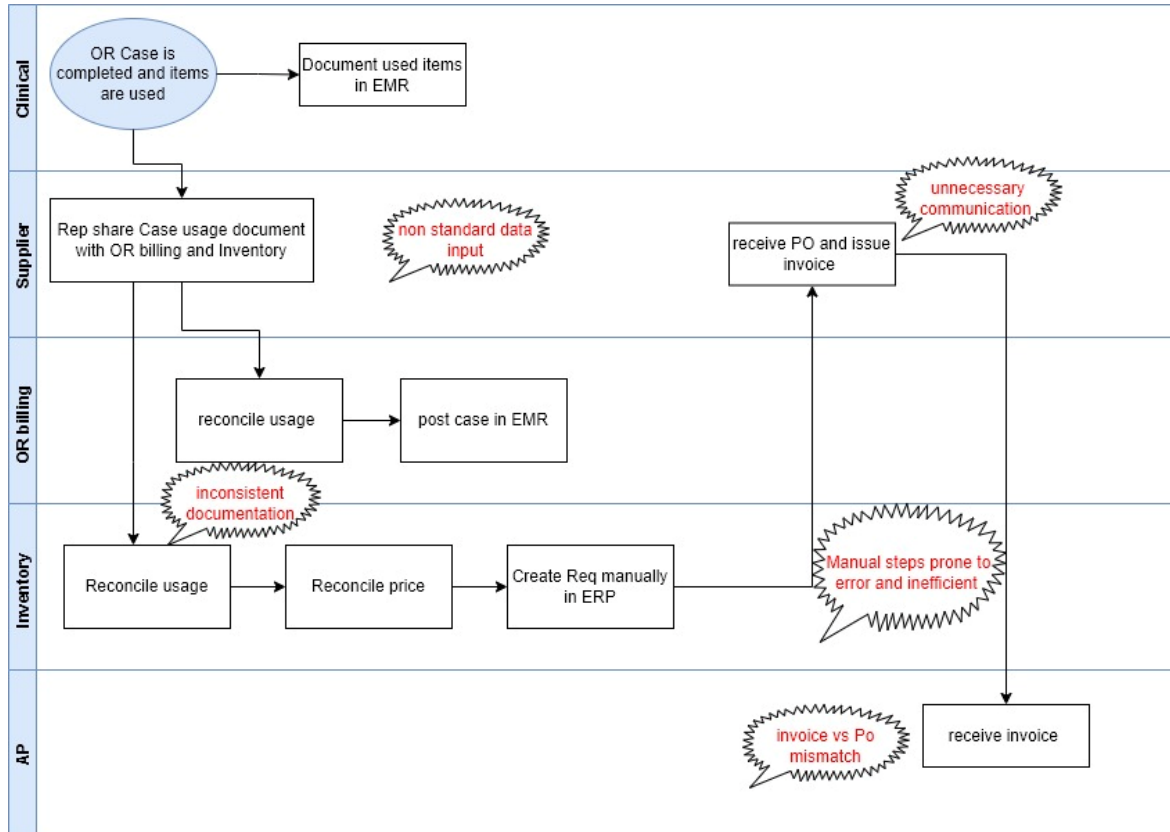
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The Problem: manual, inefficient processes led to inaccurate POs, long payment cycle, invoice holds and off-contract spend
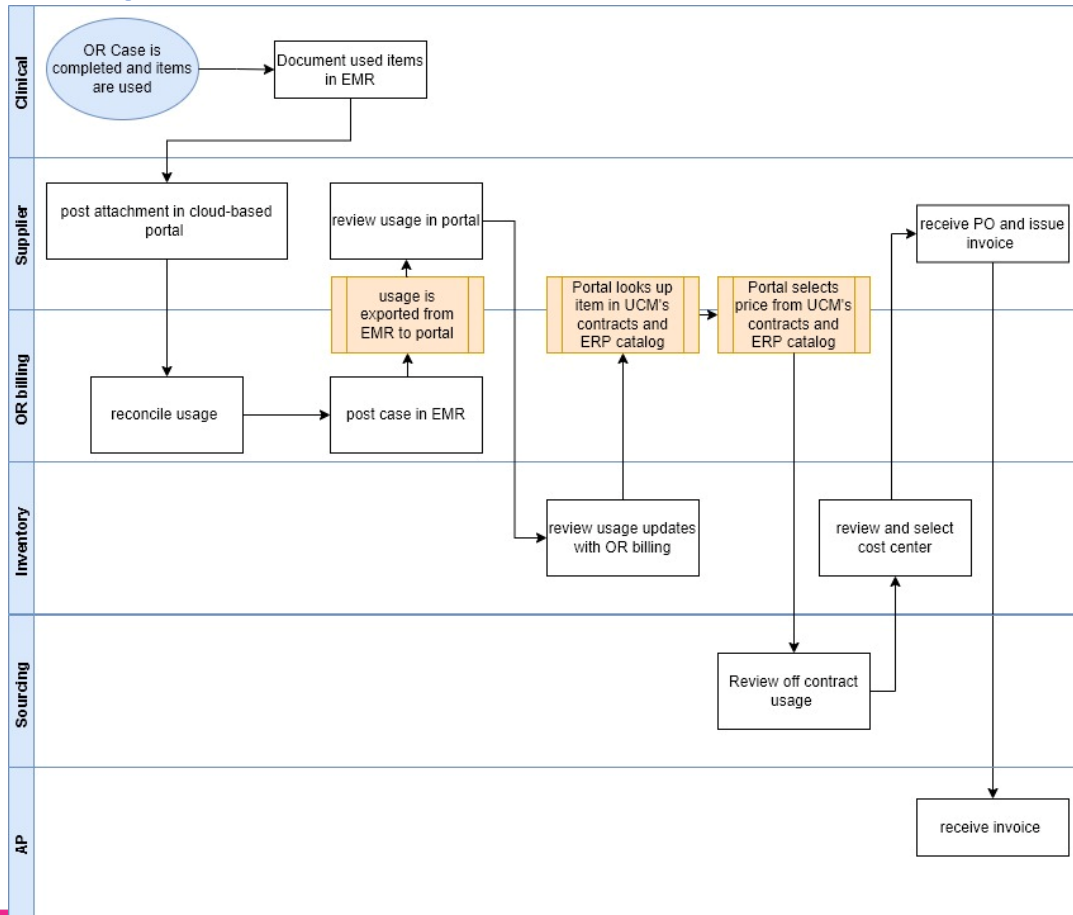
Old process

The Problem in Numbers:

- **51.7%** of lines were non-catalog (manually typed)

- **50.5%** of which were items in ERP catalog (false non-catalog)

- **19.06%** of lines had price mismatch

- **16%** of invoice holds were bill only

- **40** hrs per week to process bill only requisitions

Goal Statement: To standardize and automate bill only requisitions using contract price and point of use information from UCM's systems

New process

Basic thinking

- Standardization of supplier data input

- Don't pass a defect:

    - Validation of price using UCM's local and GPO contracts

    - Validation of quantity using EMR data

    - Reduction of redundant communication

The Outcome

- More than **70%** of bill only PO lines are processed through cloud-based solution

- Automated end-to-end bill only process

- Reduced buyers' manual queue by **95%**

- Reduced the time from case date to PO date by **70%**

- Reduced bill only invoice holds by **50%**

- Estimated annual cost avoidance **$200k**

- Increased contract compliance

- Proactive contract maintenance

Challenges

IT	People	Data
Lack of compatibility between ERP, contracting systems, EMR, and Cloud-based portal	Supplier engagement and buy in	Price alignment between ERP & contracting system
	Internal stakeholders' engagement and buy in	Extensive review of off-contract item use
		Extensive pre & post go live master data cleanup
		EMR documentation

Lessons Learned

- 80% of automation success is data quality, process improvement, and clear communication

- Data alignment between systems is a prerequisite for any automation

- Different contract management practices pre-go live would have eliminated a lot of pre-work

- Stakeholders feedback and buy-in is key

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Key Takeaways

To achieve sustainable automation

- Involve stakeholders from technology selection to future state design to post go live support

- Create opportunities for feedback throughout the project, and be receptive

- Manage expectations (negative early results)

- Improve data quality and alignment between systems before applying new technology

Questions?

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Froedtert Health

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Clinically Integrated Supply Dashboards:
Visualizations Guiding Conversations

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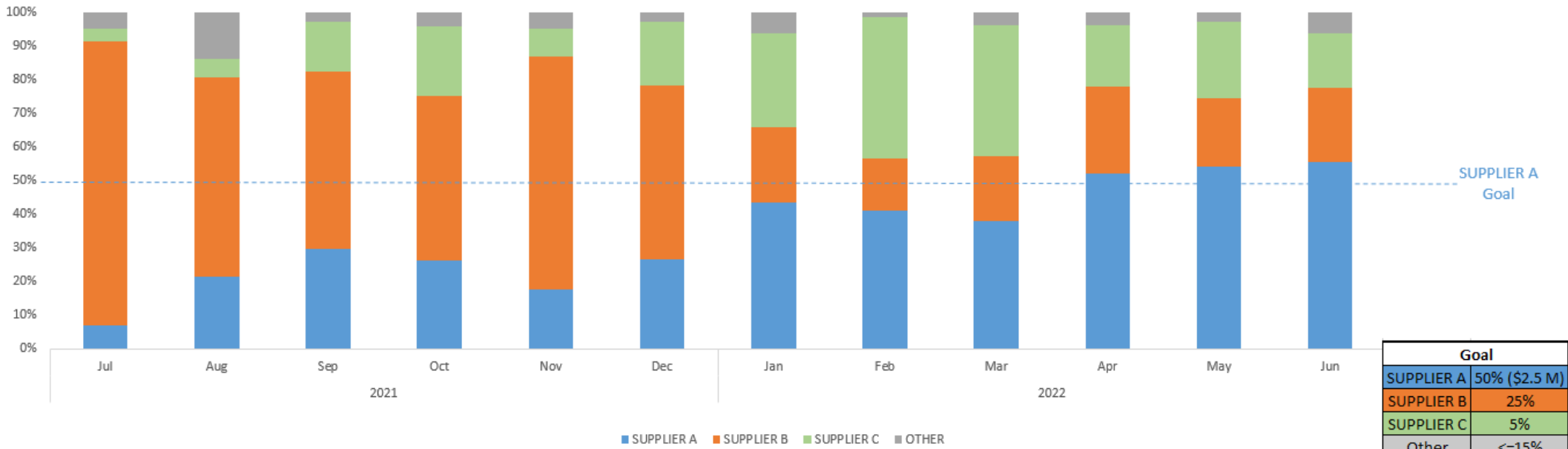Froedtert Health, Milwaukee, WI

Dashboards

Supply Chain Dashboards

- Contract Compliance
- Supplier Identification
- Purchase History
- Market Share
- Cost or Spend
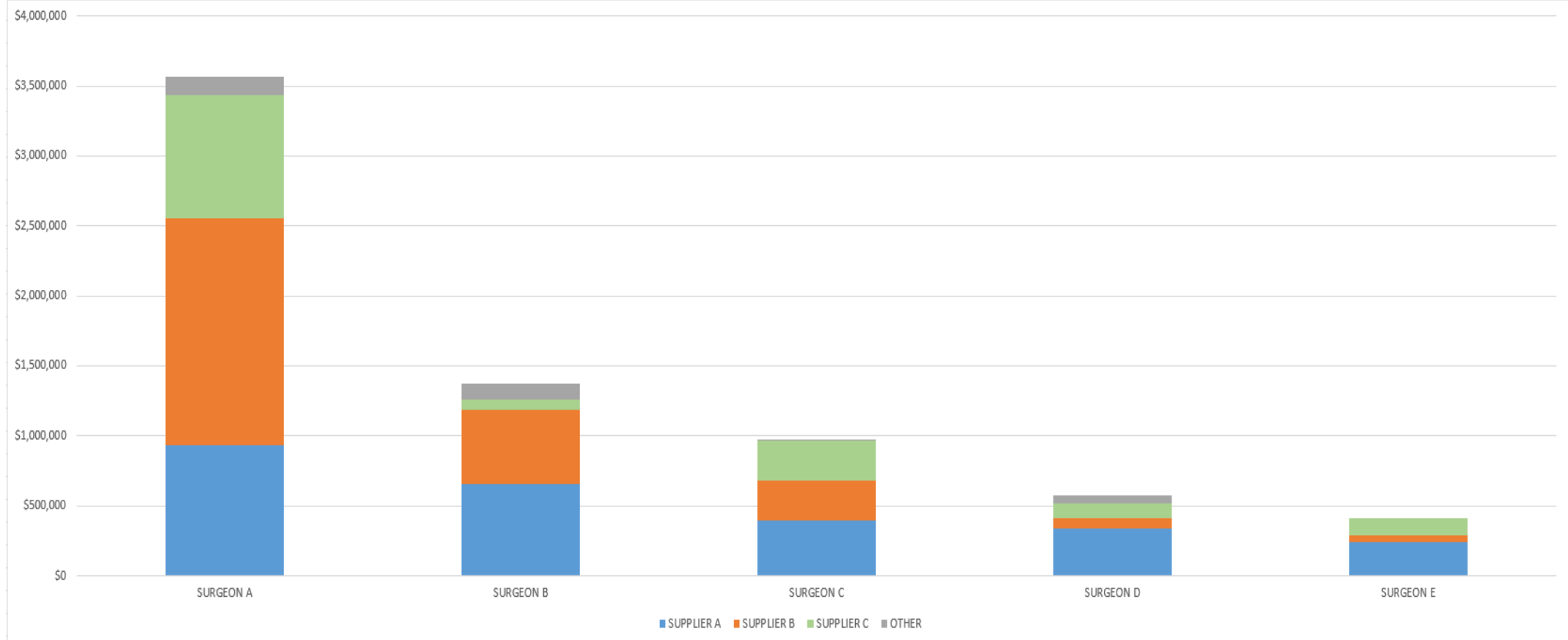- Primary and Secondary Supply Categorization

Clinically Integrated Dashboards

- Utilization
- Age Demand Matching
- Appropriate Location
- Blood Loss
- New Hardware vs. Revision
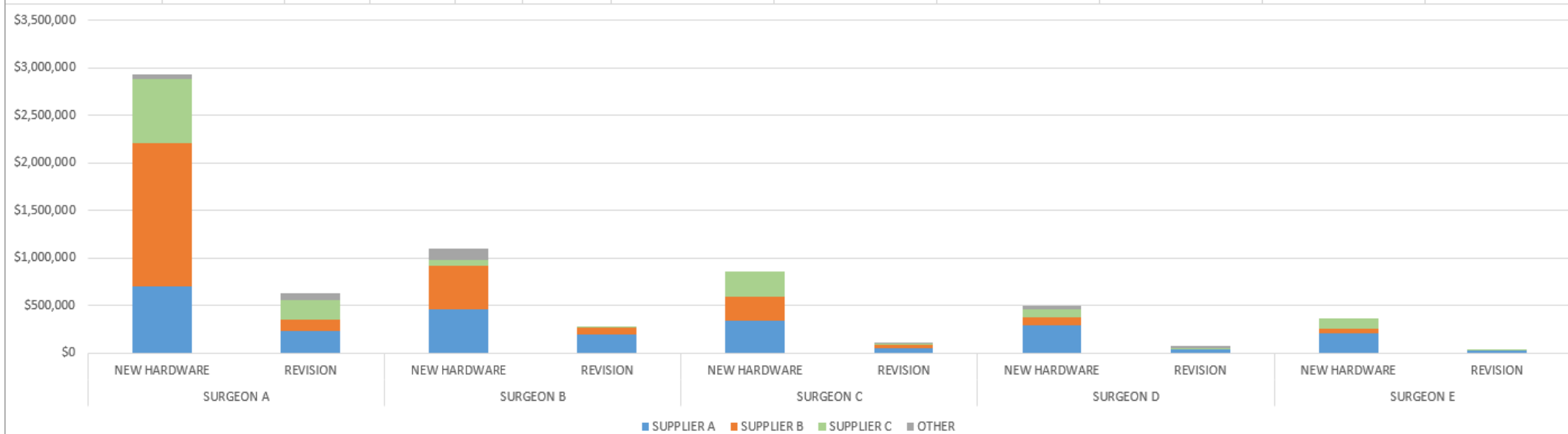- Procedure Codes
- Procedure Time

Goal	
SUPPLIER A	50% ($2.5 M)
SUPPLIER B	25%
SUPPLIER C	5%
Other	<=15%

Sum of Spend	Manufacturer					Percent of Spend	Manufacturer			
Date	SUPPLIER A	SUPPLIER B	SUPPLIER C	OTHER	Rolling 12 Months	Date	SUPPLIER A	SUPPLIER B	SUPPLIER C	OTHER
2021	$617,523	$1,698,107	$352,624	$145,096	$2,813,350	2021	21.95%	60.36%	12.53%	5.16%
Jul	$26,411	$314,978	$15,160	$17,100	$373,648	Jul	7.07%	84.30%	4.06%	4.58%
Aug	$83,831	$234,273	$20,522	$54,240	$392,866	Aug	21.34%	59.63%	5.22%	13.81%
Sep	$146,612	$260,365	$73,661	$13,147	$493,785	Sep	29.69%	52.73%	14.92%	2.66%
Oct	$157,442	$289,948	$123,102	$24,050	$594,541	Oct	26.48%	48.77%	20.71%	4.05%
Nov	$101,138	$401,531	$47,545	$26,359	$576,573	Nov	17.54%	69.64%	8.25%	4.57%
Dec	$102,090	$197,013	$72,635	$10,200	$381,937	Dec	26.73%	51.58%	19.02%	2.67%
2022	$1,953,873	$856,171	$1,113,134	$150,472	$4,073,649	2022	47.96%	21.02%	27.33%	3.69%
Jan	$309,961	$158,951	$201,248	$42,044	$712,204	Jan	43.52%	22.32%	28.26%	5.90%
Feb	$266,917	$101,141	$272,670	$7,040	$647,768	Feb	41.21%	15.61%	42.09%	1.09%
Mar	$206,111	$105,544	$211,049	$19,125	$541,829	Mar	38.04%	19.48%	38.95%	3.53%
Apr	$389,720	$191,251	$137,753	$26,053	$744,777	Apr	52.33%	25.68%	18.50%	3.50%
May	$484,359	$182,719	$202,912	$24,205	$894,195	May	54.17%	20.43%	22.69%	2.71%
Jun	$296,804	$116,565	$87,502	$32,005	$532,876	Jun	55.70%	21.87%	16.42%	6.01%
Rolling 12 Months	$2,571,396	$2,554,278	$1,465,758	$295,568	$6,887,000	Rolling 12 Months	37.34%	37.09%	21.28%	4.29%

Summary Manufacturer | By Surgeon | Rolling 12 Months | June22 | New vs. Revision | Filtered Data

Total Cost	Manufacturer ↓				
Surgeon ↓T	SUPPLIER A	SUPPLIER B	SUPPLIER C	OTHER	Grand Total
SURGEON A	$937,194	$1,618,595	$881,597	$124,210	$3,561,596
SURGEON B	$660,274	$524,422	$78,052	$112,337	$1,375,086
SURGEON C	$397,191	$282,576	$287,511	$351	$967,629
SURGEON D	$337,860	$74,142	$103,420	$58,670	$574,092
SURGEON E	$238,877	$54,543	$115,178		$408,598
Grand Total	$2,571,396	$2,554,278	$1,465,758	$295,568	$6,887,000

| Summary Manufacturer | By Surgeon | Rolling 12 Months | June22 | New vs. Revision | Filtered Data | ⊕ |

Sum of Spend	Manufacturer				
Surgeon	SUPPLIER A	SUPPLIER B	SUPPLIER C	OTHER	Grand Total
⊟ SURGEON A	$937,194	$1,618,595	$881,597	$124,210	$3,561,596
NEW HARDWARE	$706,853	$1,496,168	$678,638	$44,346	$2,926,004
REVISION	$230,341	$122,428	$202,959	$79,864	$635,592
⊟ SURGEON B	$660,274	$524,422	$78,052	$112,337	$1,375,086
NEW HARDWARE	$465,030	$452,781	$63,652	$112,337	$1,093,800
REVISION	$195,244	$71,642	$14,400		$281,286
⊟ SURGEON C	$397,191	$282,576	$287,511	$351	$967,629
NEW HARDWARE	$342,071	$254,791	$265,256		$862,118
REVISION	$55,120	$27,785	$22,255	$351	$105,511
⊟ SURGEON D	$337,860	$74,142	$103,420	$58,670	$574,092
NEW HARDWARE	$298,312	$74,142	$90,645	$32,720	$495,818
REVISION	$39,548		$12,775	$25,950	$78,273
⊟ SURGEON E	$238,877	$54,543	$115,178		$408,598
NEW HARDWARE	$207,338	$54,543	$107,878		$369,759
REVISION	$31,539		$7,300		$38,839
Grand Total	$2,571,396	$2,554,278	$1,465,758	$295,568	$6,887,000

PROCEDURE DATE

Q3 2021 - Q2 2022   MONTHS ▾

2022

JAN   FEB   MAR   APR   MAY   JUN   JUL   AUG   SEP

Summary Manufacturer | By Surgeon | Rolling 12 Months | June22 | **New vs. Revision** | Filtered Data

Looking to the future

Future State

- Predictive Analytics
- Contracting with KPIs
- Clinical Outcome Cost Tracking
- Clinician-Led

Lessons Learned

- Automation
- Every Contract/Service Line Differs
- Explants/Documentation
- Purchase History vs. Utilization

Key Takeaways

- Visualizations
- Feedback = Engagement
- Create a Template
- New Technology

Questions?

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Panel Discussion

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