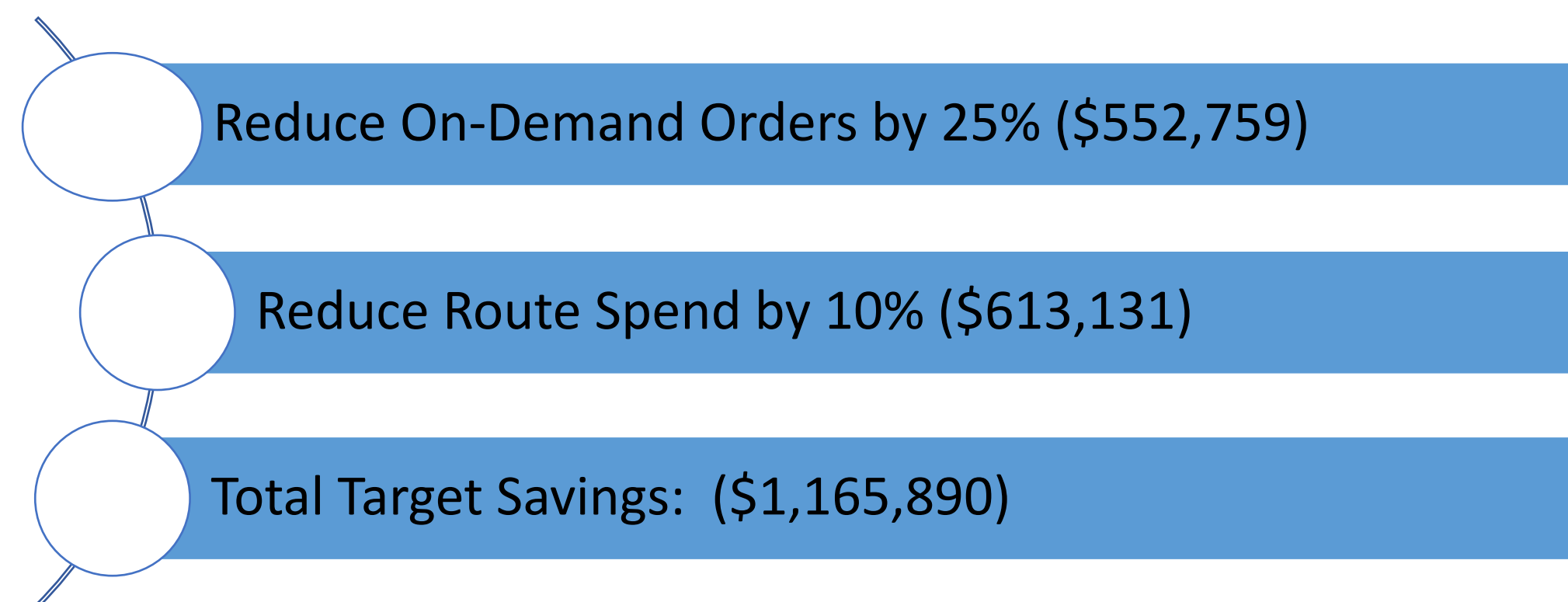


Background

Opportunity:

Due to rising costs of products and services, Yale New Haven Health was tasked with creating operational efficiencies and reducing expenses. Courier expenses were identified by Corporate Supply Chain (CSC) and Corporate Finance as an area of opportunity due to the increased costs of the Covid-19 pandemic and the changing healthcare environment. The project team took a nontraditional approach to realize cost savings by focusing on reducing waste and sought new ways to increase vendor adherence to their contractual obligations.

Goals:



Top Barriers to Progress

- Overreliance on vendor to identify savings.
- Lack of ownership/accountability.
- Resistance to change.

Learning Objectives:

- Explain at least two ways to realize savings through nonlabor budget mitigation.
- Identify at least two strategies to reduce expenses and yield significant savings.

Strategy

Data:

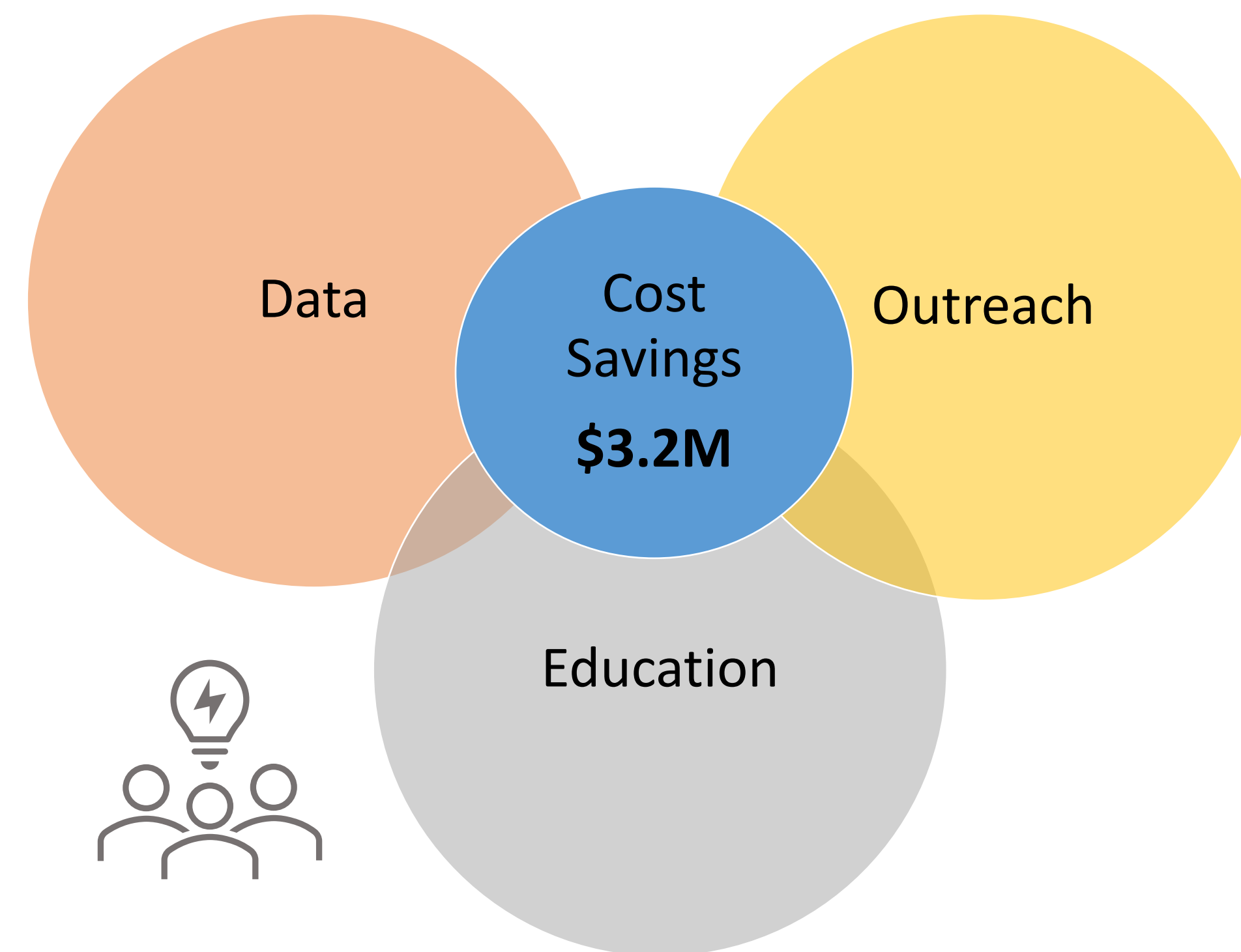
Five key areas of opportunity:

- Canceled Upon Arrival
- On-Demand Orders
- High Dollar Cost Centers
- Invoice Review & Data Cleansing
- Pharmacy Expedited Ordering

Outreach:

Met individually with key stakeholders to:

- Review current routes and verify schedule
- Present opportunities for optimization and cost containment



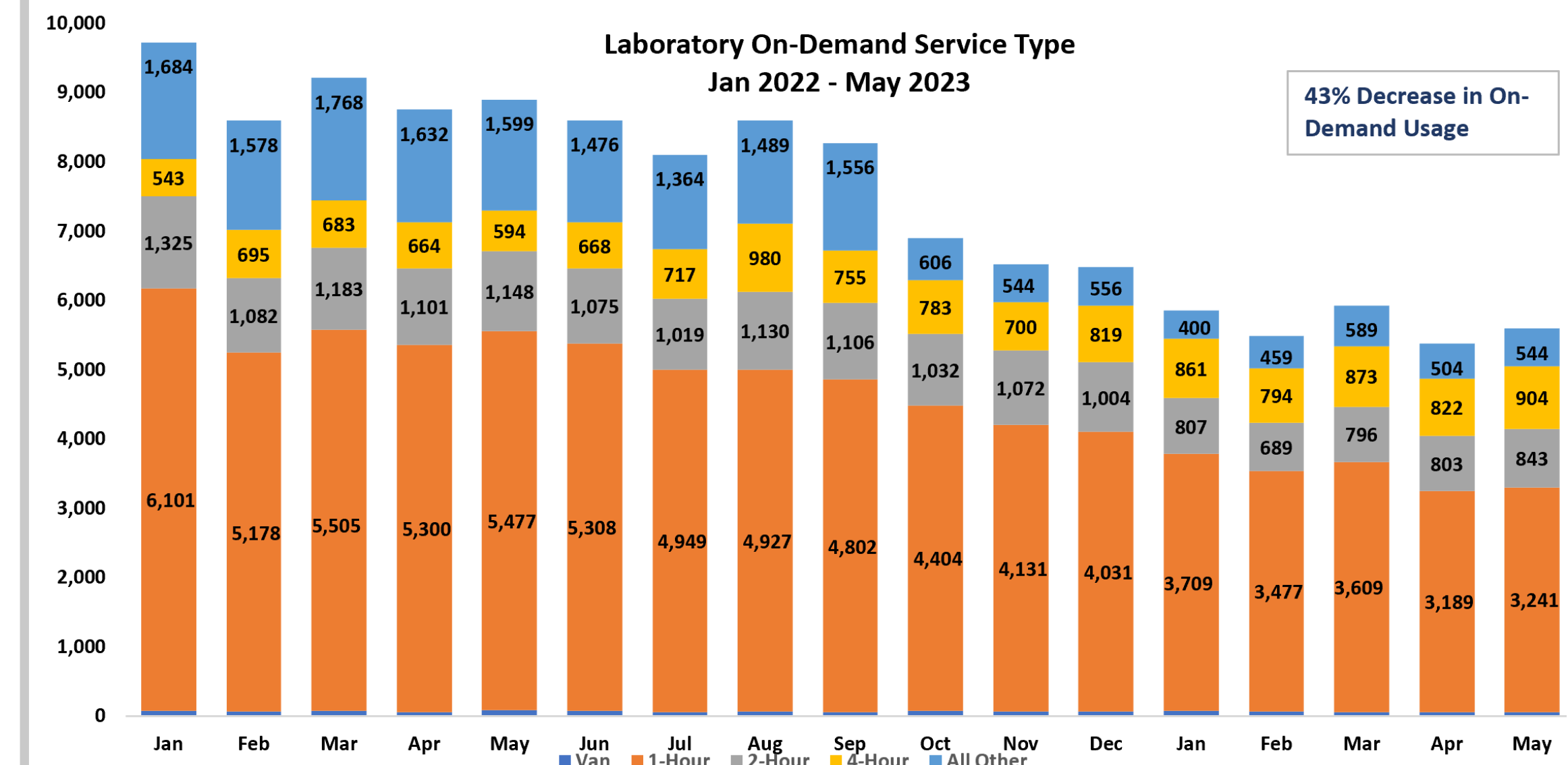
Education:

Provided for:

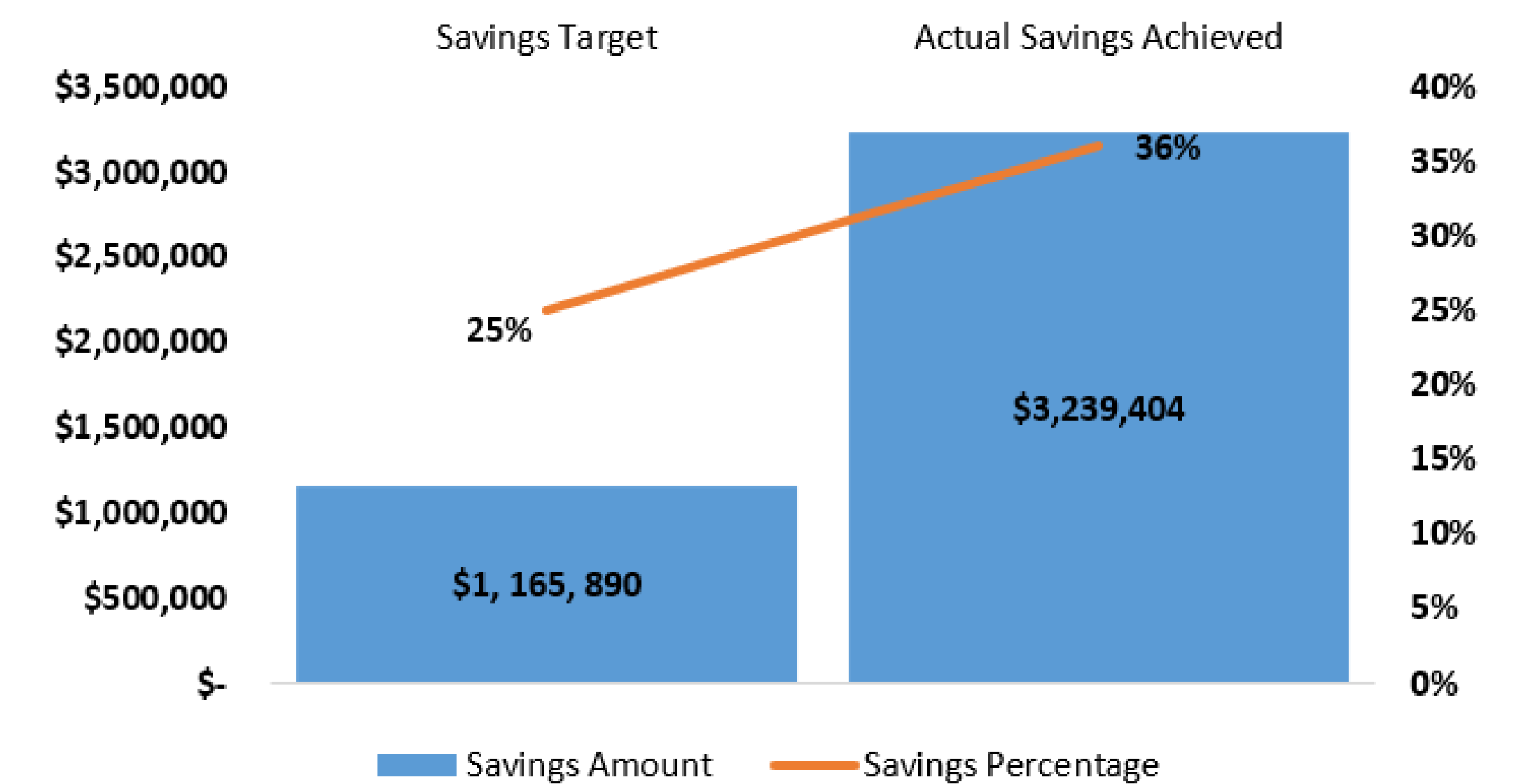
- System Policy
- Online Portal
- Invoice Review Process
- Canceled on Arrival Report

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Results



Progress



Key Takeaways/Lessons Learned

- The establishment of vendor / finance / operations / CSC ongoing meetings created accountability.
- The right project champion is essential to success.
- Creation of operational ownership with finance partnership is key to sustainability.
- Finding the correct stakeholders over key service areas is crucial to gain traction.
- Resistance will certainly occur, persevere with kindness and a data driven approach.
- Celebrate the wins.



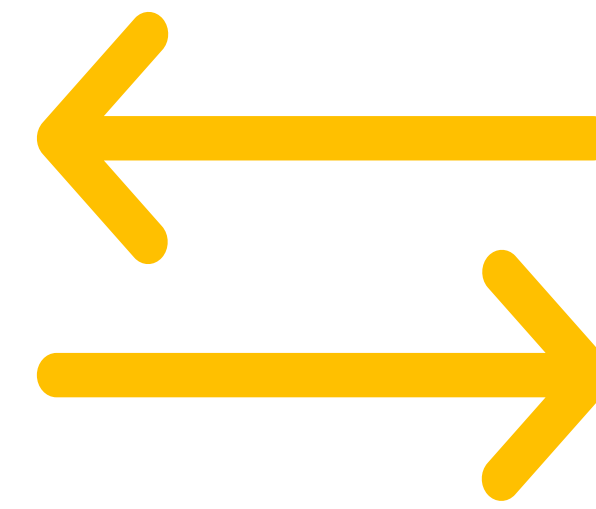
Standardize Guidelines

- Approved as a System Policy under YNHHS Leadership



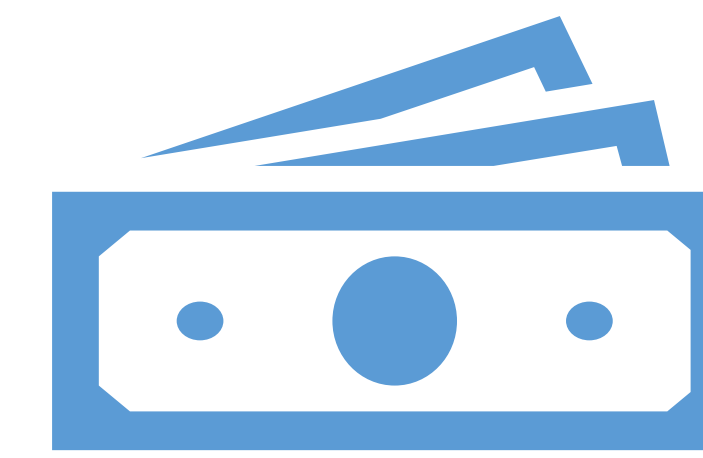
On-Demand Ordering

- \$1.1M reduction in On-demand orders adhering to revised policy guidelines



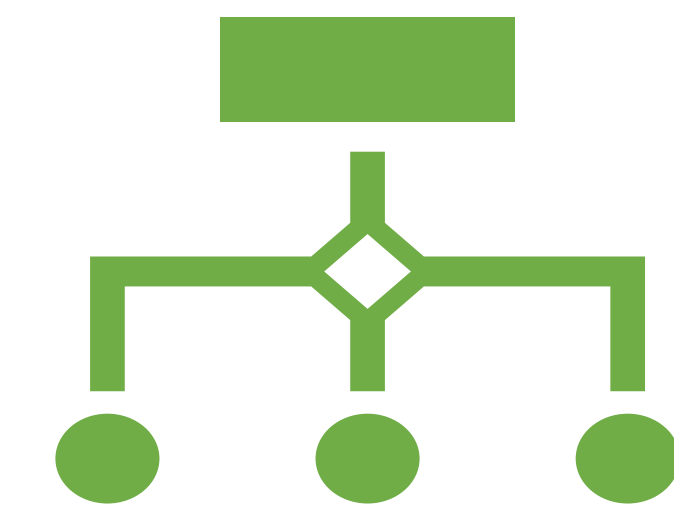
Courier Route Optimization

- \$752K eliminated for:
 - Unnecessary routes
 - Changes in operating practices.



Pharmacy Business Model Shift

- \$820K identified through outpatient pharmacy shift for patient prescription deliveries from courier to other delivery service
- \$417K - 5% discount on contracted rate



Sustainability

- Framework created for a monthly invoice review process.
- Periodic review of routes and on-demand usage.
- Vendor notification (including billing contact) when a route is altered or closed.

Canceled on Arrival

January 2022 - May 2023

Under Utilized
Range



Utilized Range

- A Canceled on Arrival (COA) results when a scheduled route does not have a pickup at the scheduled time.
- Monitoring this activity can be useful to gauge if a route is under-utilized or the time does not meet the needs of the location.
- Adjustments to the route can be made to limit the amount of COAs to reduce expense.