

2023 VIZIENT CONNECTIONS SUMMIT

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# Supply Chain 360: An Assessment Journey Toward Best Practice

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# Learning Objectives

- Identify ways to enhance Associate engagement and growth during times of change.
- Describe how to implement a performance improvement model and best practice indicators.
- Explain utilization review and best practice applications to all areas of the Supply Chain.

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# Introduction

- Hospital Demographics
- Organizational Culture
  - Non-Punitive
  - Associate Engagement & Development
  - What individual and organizational factors influence the attitudes of service workers towards career advancement?



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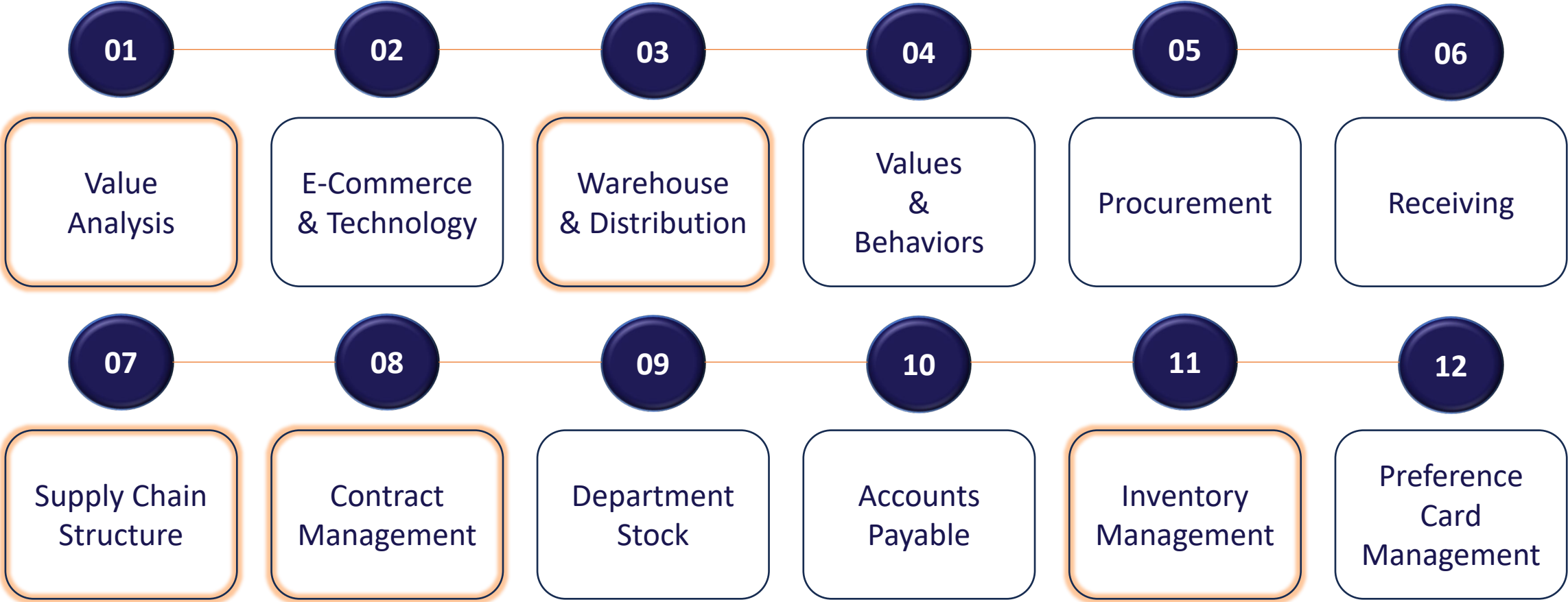
# Investment in Associate Growth

- Career Ladders
  - Job Description Realignment
  - Organizational Chart
- Training
  - Leadership Development
  - Associate Development
  - Personal & Professional Development Plan

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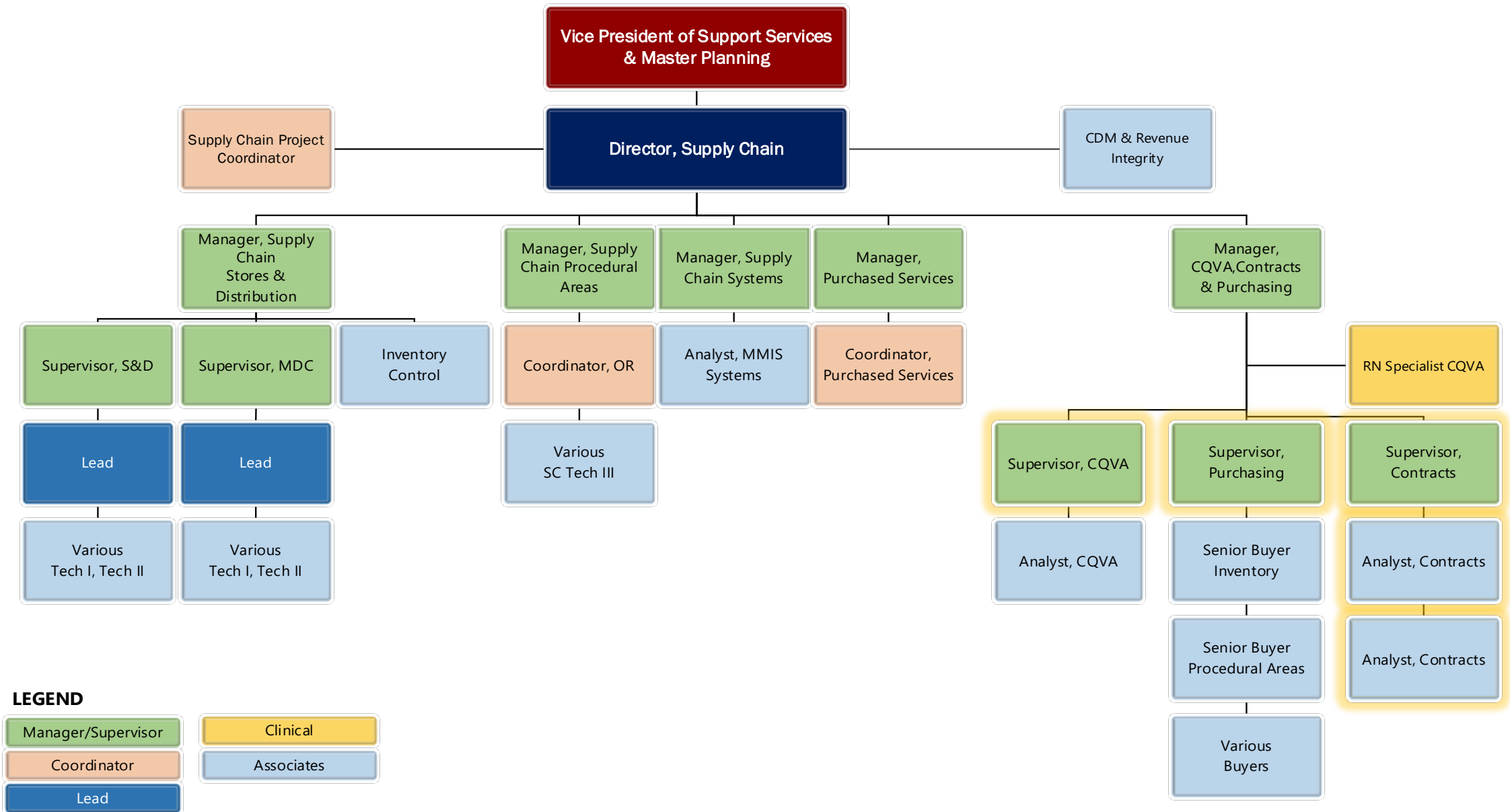
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# Setting the Best Practice: Supply Chain Assessment



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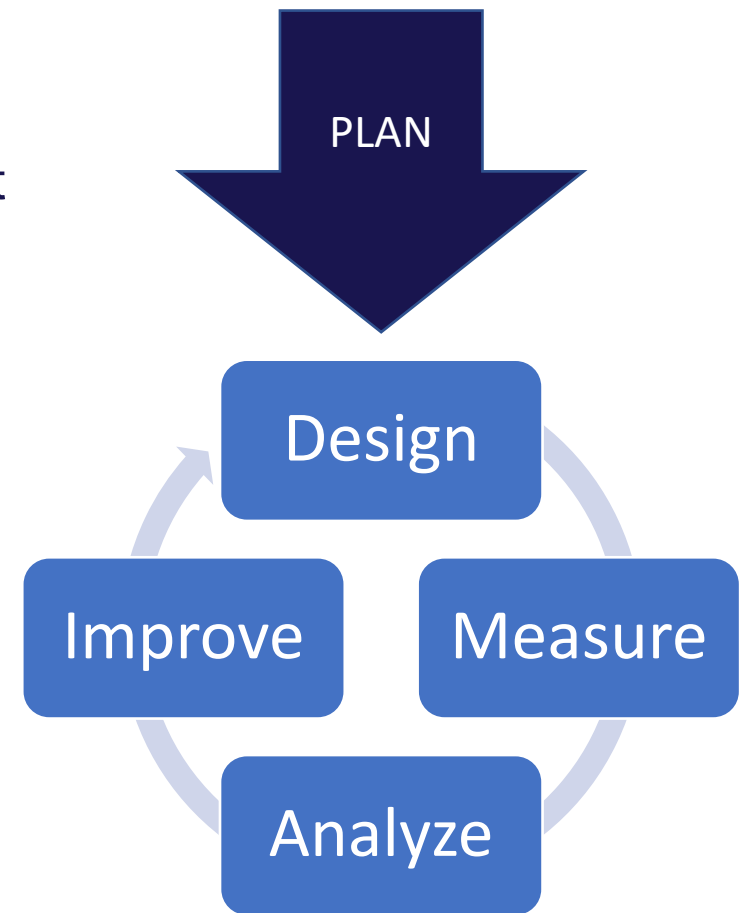


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# Visualize the Future State

- Performance Improvement Model
  - Visualize Future State Related to Best Practice & Assessment
  - Establish Measurable Goals
  - Analysis
  - Improve
  - Control
    - Weekly Meetings with Executive Sponsor
- Leadership Type
- Weigh-In Before Buy-In



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**PLAN: Every PLAN starts with this: "To be a best practice [INSERT HERE] with a strong performance improvement system."**

### IMPROVE

- How are you going to improve?
- Based on the measurement and analysis what will be changed, added, or implemented to achieve the PI goal?

### ANALYZE

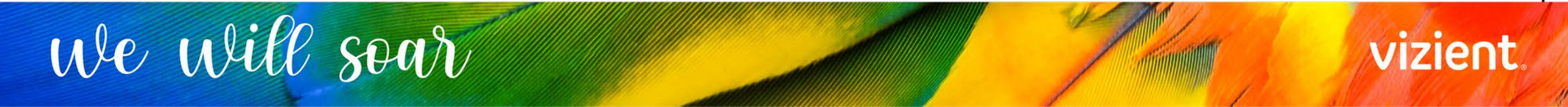
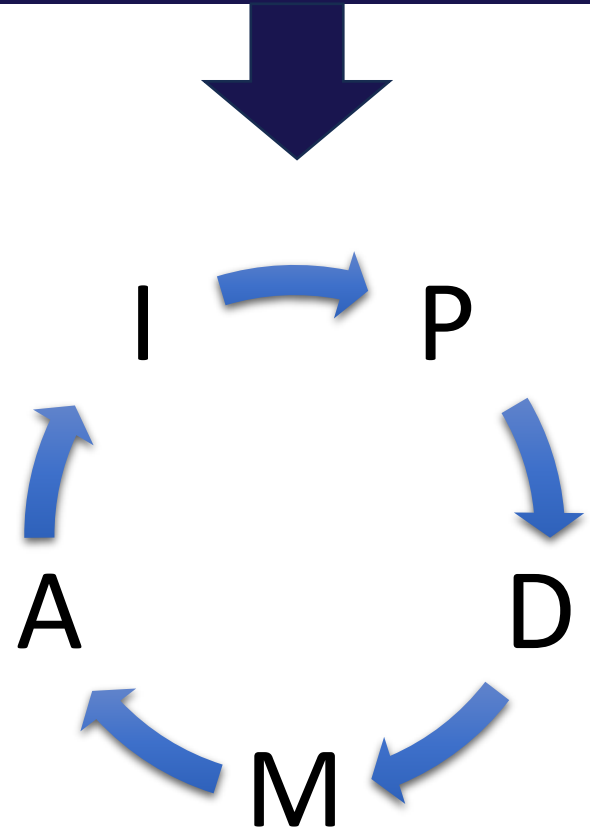
- Outcome of KPI measure.
  - Data, trends, outliers, performance, etc.
- Root cause vs. symptom.

### DESIGN

- Current organizational formalized approach.
- Staffing
- Policy & Procedure
- Organizational Chart
- Could change after "Improve" process.

### MEASURE

- Current state vs. recommended/ desired state (i.e. Leadership, consultant, etc.)
- Variance from best practice.
- Key Performance Indicators (KPI), trends, and variance.



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# How Did We Arrive At An Assessment?

- New Director:
  - Asks for change.
- PVHMC Leadership:
  - Asks for a validation of where change should occur.
- Size Does Not Matter:
  - Maximize your resources.
  - Be a good steward of your resources.
- Care:
  - “We”/ “I” Care = Quality
  - In everything we do at PVHMC!
  - Desire to BE the BEST!
- Consideration was given to all active entities performing this type of Supply Chain Assessment:
  - Vizient was selected as best positioned to do this assessment.

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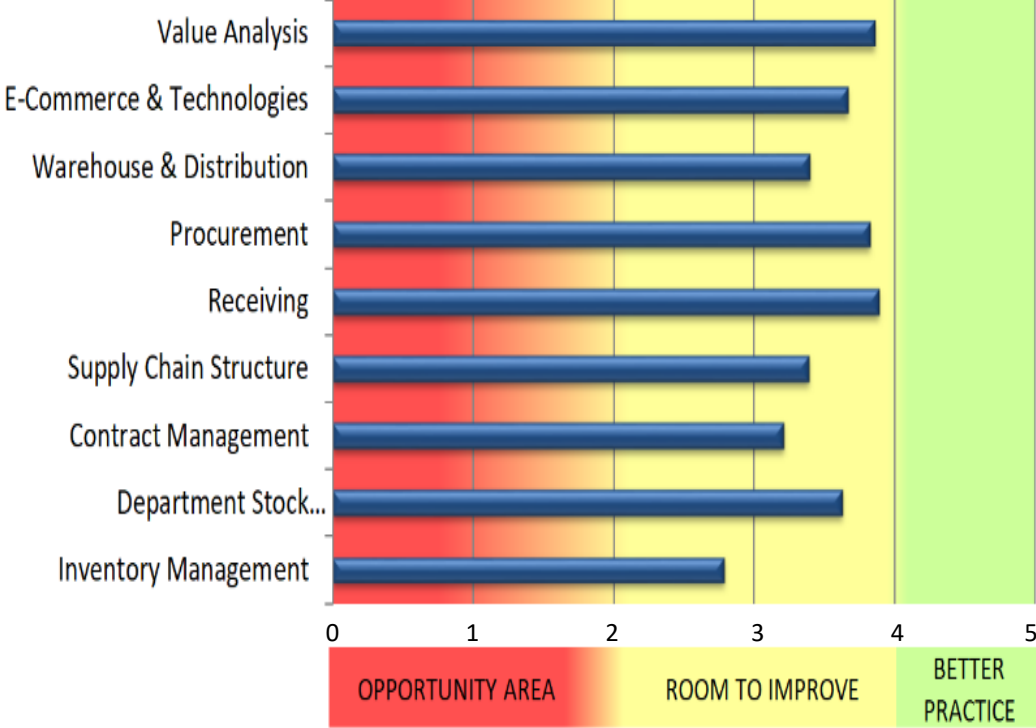
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# Analysis of Assessment

2021 Assessment Results



2023 Assessment Results



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# Supply Chain: Bridge To Clinical

- Integration
  - Supply Chains must be interconnected.
    - Internally & externally with customers.
      - WE ARE ONE - NO SILOS
      - Builds Trust
- Deliver Quality: Reflection of Care
- Display Knowledge/Be Informed:
  - Do your homework, know your stuff, be accurate, reflection of care.

I will highlight, “*Clinical Bridge Activities*,” that build trust.

## PVHMC Examples

Group emails, shared drives, project management software, huddles

Celebrate together, grieve together, birthdays, babies, funerals, weddings

Know the HOUSE:  
Get out of your office  
(*Clinical Bridge Activity*)

Communication,  
Communication,  
Communication!

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# Establish A Focus On Flexibility & Goals

*Starting with the Supply Chain Director Being Assessed.*

FLEXIBILITY: Cross training, build redundancy of skills and knowledge.

- **COVID19: PVHMC, March 9<sup>th</sup>, 2020.**

LEARN: Leading Practices (Assessment)

CITE: Your Best Practice (Chosen Practice)

GOALS: Goals & New Goals (Focus)

MEASURE: Daily, Weekly, Monthly, (It's a lifestyle!)

FLEXIBILITY: Remain flexible (Change is constant).

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# Assessment Deliverable

## Opportunity Analysis – Opportunity Area

### Inventory Management

Current Practice	Recommendations
Bar code scanning not utilized in all areas of supply chain.	Maximize the adoption of barcode scanning technology in all areas of supply chain.
Supply chain metrics and KPIs do not exist to measure and monitor supply chain performance as an organization.	Utilize a step approach to targeted inventory goal attainment. Start with a target turn rate and once achieved move to the next step.
No review of slow and non-moving inventory items.	The racking in the storeroom, warehouse, and Central Sterile were not set up for a serpentine pick path
Data-driven value and utilization history of products are not considered on how products are stocked, strategy does not follow a clear methodology.	Add Inventory Demand Planning function into the operational manager's responsibilities to manage all inventories at PVHMC, as well as min/max and PAR levels

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# PVHMC Performance Improvement: PDMAI

## PLAN: To Be a Best Practice Supply Chain with a Strong Performance Improvement System Inventory Management: Right Thing, Right Place, Right Time

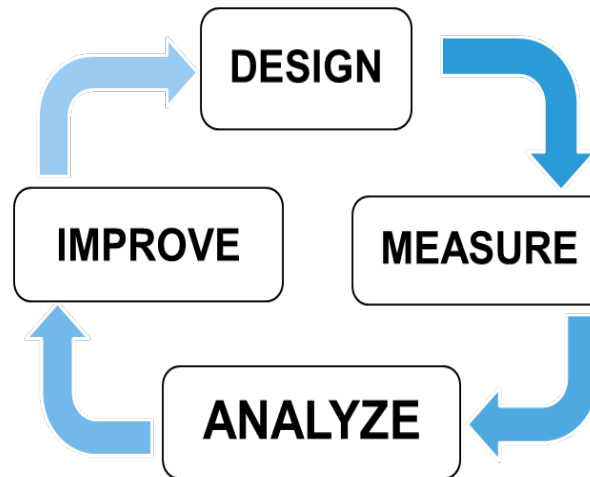
### IMPROVE

#### New Organization Chart With Dedicated Operations Manager focused on Inventory Management.

- Implement Inventory Management Policy.
- Implement Inventory Performance Activities:
  - Inventory qualification policy.
  - Daily cycle counts
  - Turn calculations that set par values to ensure correct investment of our capital.
  - Reduction of expired and obsolete items.
  - Automation
  - Complete procedural perpetual inventories
  - Redo organization and racking at the MDC.
- Complete BIRST KPI Platform Implementation.

### DESIGN: INVENTORY MANAGEMENT

Current design includes an Organization Chart, Job Descriptions, Policies & Procedures.



### MEASURE

#### *Current State of the PVHMC Inventory versus a Best Practice provided in the Vizient Supply Chain Assessment.*

- Current Organization Chart and job descriptions to Vizient recommendation of best practice.
- Current inventory performance vs. Best Practice
  - Turns
  - Automation
  - Physical Inventory Variance 3%
  - Organization of the MDC vs. Best Practice
- Current par level setting vs Best Practice
- Current KPI to Best Practice

### Analyze

- The SC Manager job description is presently written broadly to be a policy, process and protocol creator for inventory and purchasing roles.
- Inventory turns not tracked and not driving par levels. Slow moving items identified but not removed from inventory. Inconsistent restocking practices by SC Techs. There is limited tracking of expired and obsolete items in the Lawson system for par locations.
- Physical inventories show process improvements toward Best Practice but are not yet without error or within 3% variance.
- KPI measurements were developed in 2019. The PVHMC KPI Platform used was never fully developed due to COVID usurping resources.

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# Inventory Operations

- Best Practice Goal Setting
  - PAR Level Setting (*Clinical Bridge Activity*)
  - Turns
  - Associate Performance
    - Expectations
    - Accountability
    - Setting a pace and a tone – TEAM

## Best Practice Standard: PAR Level Setting

### PAR Level Setting Baseline Starting Point

Using the item average daily use from  
**Report: Detail Par LOC Utilization.**

### PAR's will be set with this method:

Average Daily Use x 4 days = **Maximum par level.**  
Maximum Par Level / 2 Days = **Minimum par level.**

*\*Goal to reduce touches and establish a baseline.*

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# Unique to PVHMC: Expired & Obsolete Tracking

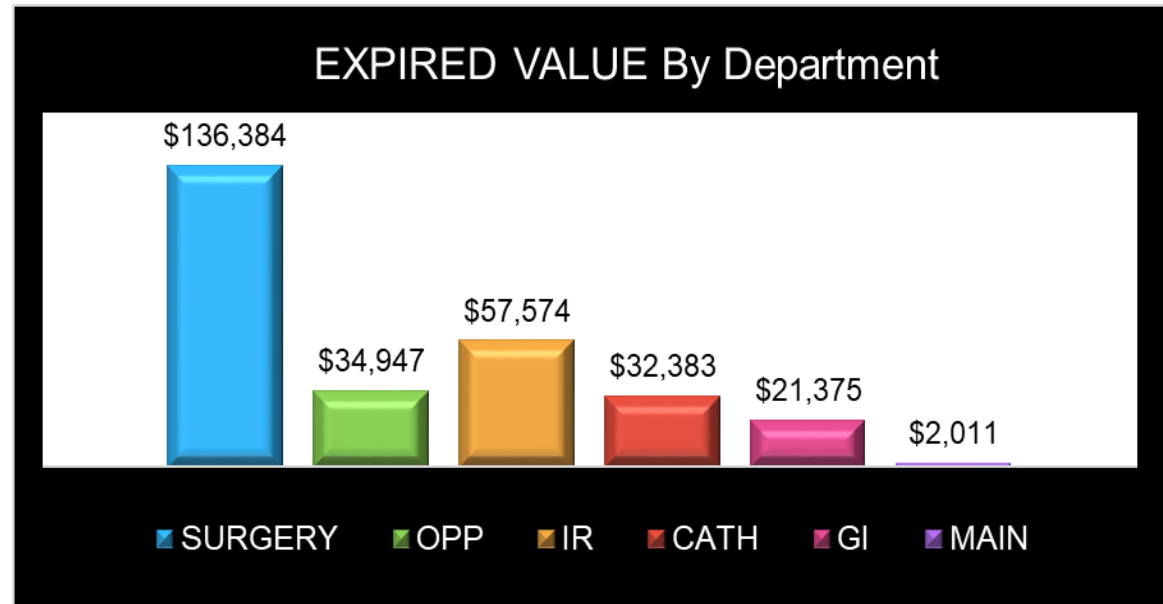
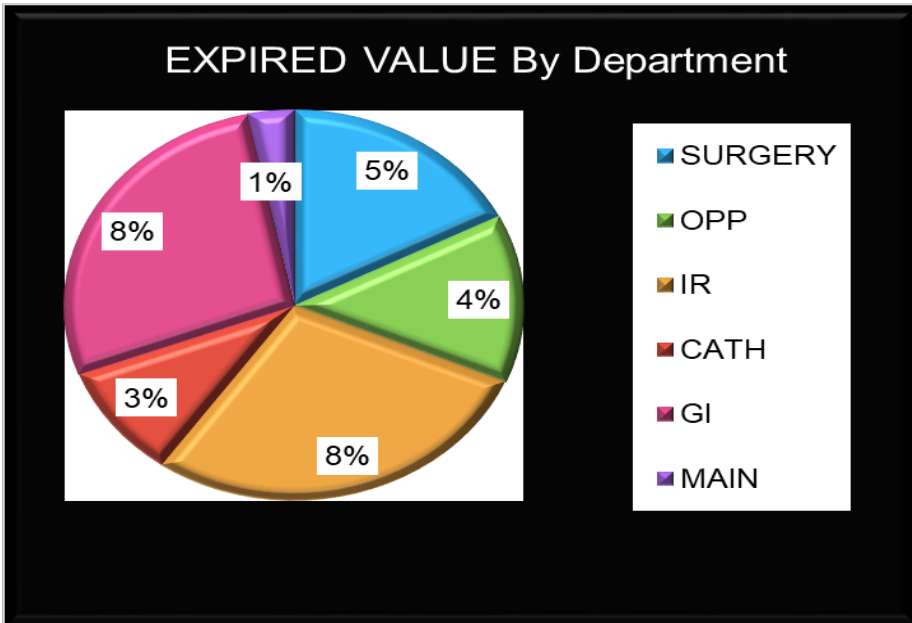
- Root Cause (*Clinical Bridge Activity*)
- Identification of Areas of Focus

***“Non-Punitive”***

## Value Expired/Obsolete By Department

% of Value Inventory Items = 1.9%

Source: AHRMM KEYS: Patient Safety: Expired Products as a Percentage of Total Number of On-Hand Products in Inventory



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# Supply Chain Systems: MMIS

- Invest In Technology
  - Handheld Terminals
    - Replenishment, Daily Cycle Counts, Physical Inventory.
  - Portable Bar Code Printers
    - Real time updates at the shelf.
- Invest In 3<sup>rd</sup> Party Platforms
  - You are otherwise flying blind.
  - Importance of outbound data, regularly validate your data specifications.



The Supply Chain Management

07/18/2023

- Vizient: New handhelds received early 2022
- MDC picking by all Associates
- SD ordering and picking at the hospital
- Next steps
  - Daily Cycle counts for both Main and MDC
  - Receiving and Delivery functions performed at the Hospital and MDC 90% complete.
  - Inventories performed in Main and MDC by handhelds
  - Implement Push To Talk for communication between techs and between the Main Hospital and the MDC.

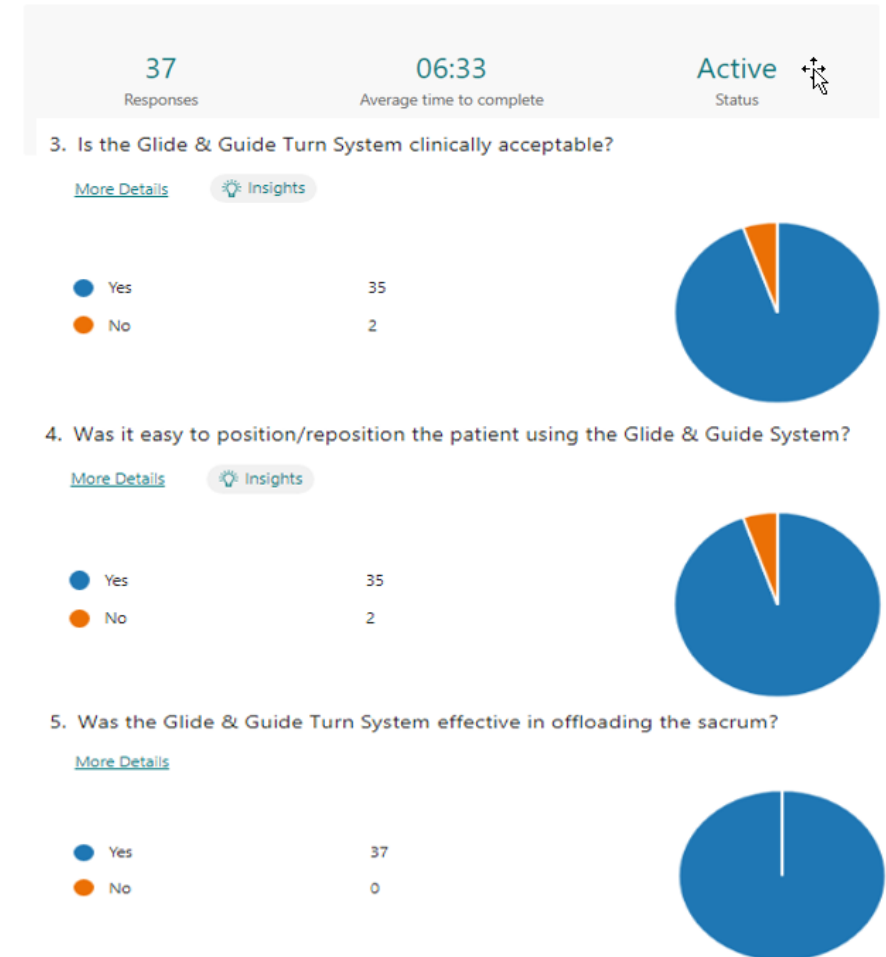
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# Clinical Quality Value Analysis (CQVA)

- Electronic Platform Implemented
- Physician Engagement (*Clinical Bridge Activity*)
  - Requirement to Present Product.
    - o Be a Resource! Provide Information & Service
  - Trials, “Clinical Validation”
  - Survey's (*Clinical Bridge Activity*)
- Utilization Review (*Clinical Bridge Activity*)
  - Important to close the loop on approved items.
  - High spend categories and product performance.
- Standardization Review

## Primo Glide & Guide Patient Positioning



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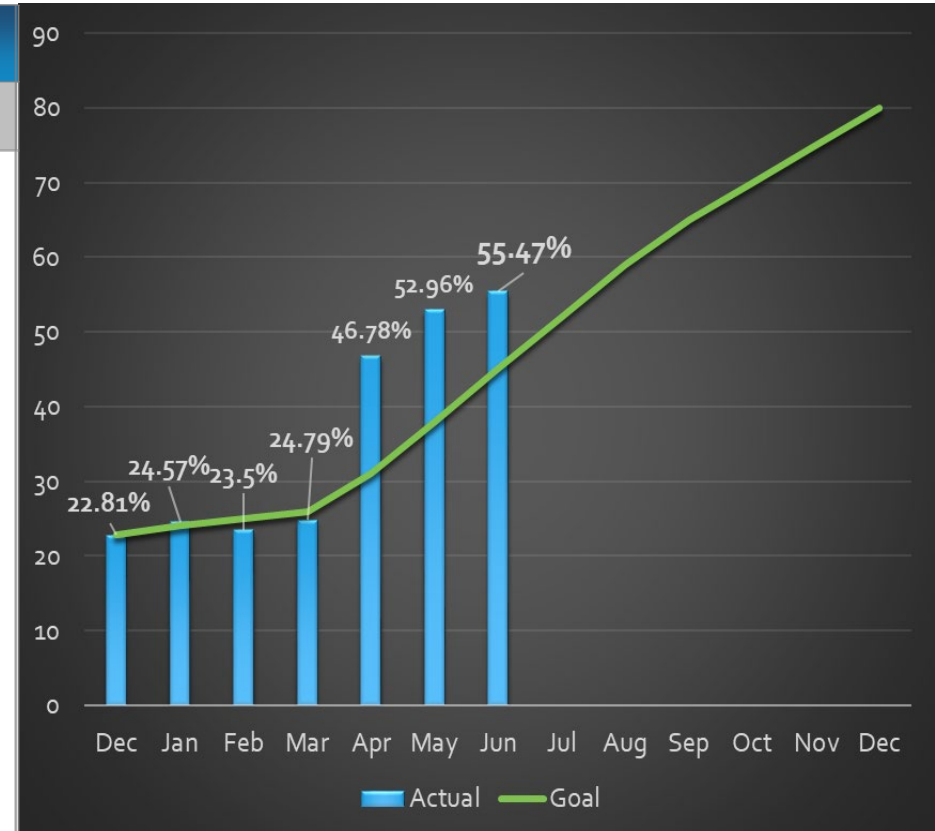
# Contract Management – NEW

- Best Practice Goal Setting (with citations)
  - Items under contract
  - % of spend under contract
  - Contracts loaded
- Best Practice Processes
  - Prioritize & Plan activities (Clinical Bridge: Ask)
  - Bid calendar (Clinical Bridge: Share)
  - Savings Targets
  - Adding new contracts
  - Adding new items to existing contracts
  - Get in touch (get irritated)

On Contract
Best Practice: 80%
<ul style="list-style-type: none"><li>• Year End 2022: 22.81%</li><li>• June 2023: 55.47%</li><li>• Total Contracts Loaded: 454</li><li>• PO Lines on Contract, EDI: 8,291</li><li>• Improve:<ul style="list-style-type: none"><li>• Activate all GPO Contracts</li><li>• Load all local contracts to EDI Platform</li><li>• Future: Establish protocol to load all non-contracted vendors to EDI platform.</li></ul></li></ul>

## CONTRACTS

Best Practice – On Contract



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# State Your Scope: Purchased Services & Capital



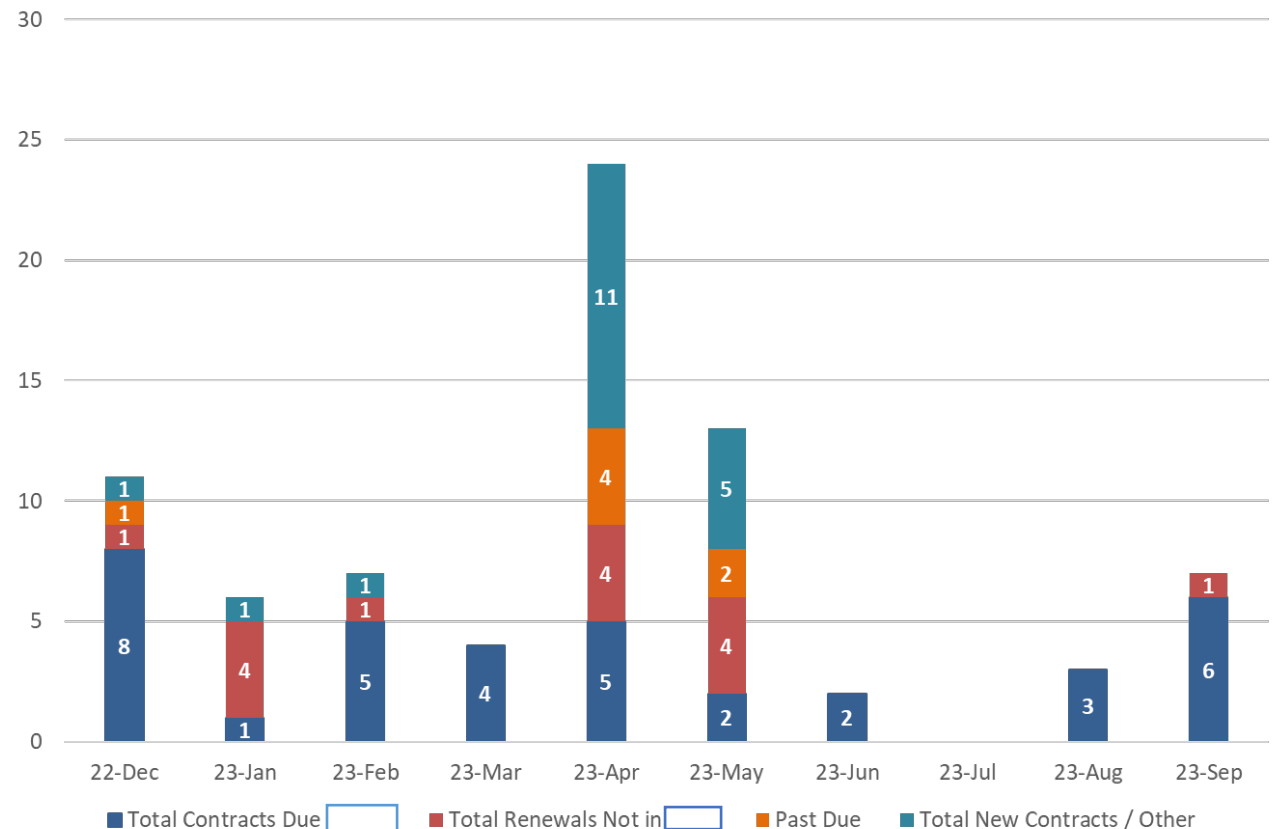
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# Purchased Services & Capital

- Best Practice Goal Setting
  - **Just how many purchased services contracts do we have?**
- Best Practice Processes T's & C's
  - Invest in developing your Terms & Conditions Catalog.
- Plan and Prioritize the activity of your resources
- Best Practice Processes for Capital
  - Tie new capital purchases to your purchased services. **(Clinical Bridge Activity)**
  - Be in Step with the requestors. **(Clinical Bridge Activity)**

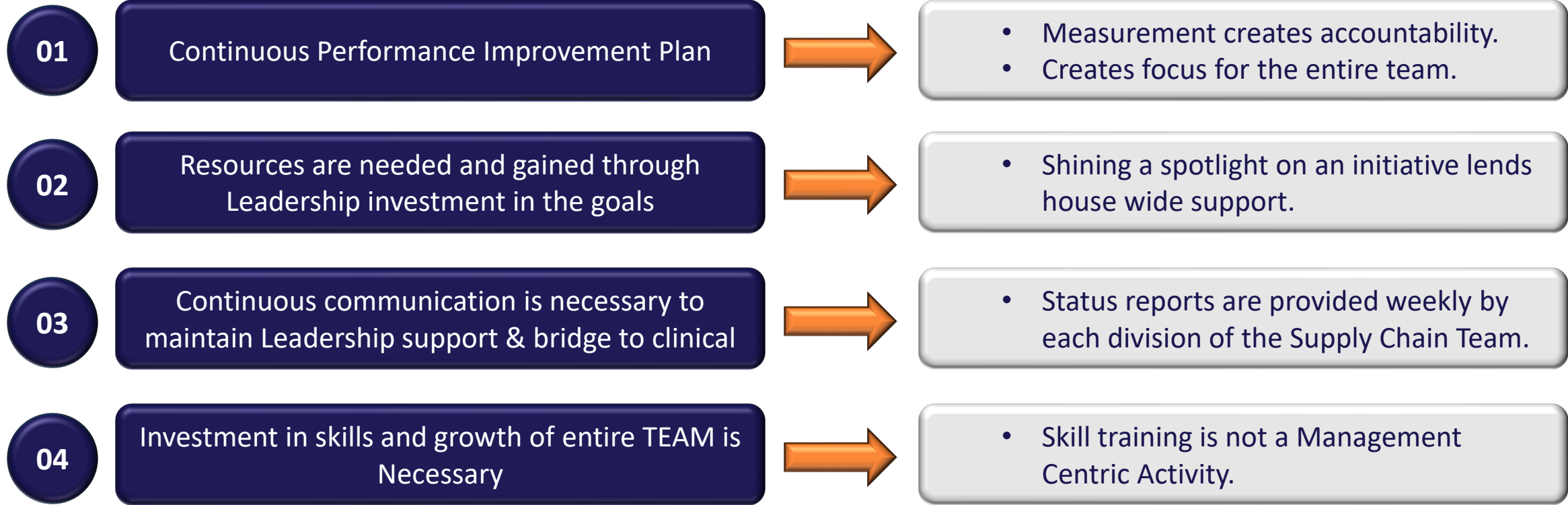
CONTRACTS: MONTHLY TREND PLANNED VS ACTUAL CONTRACTS



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# Lessons Learned



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# Key Takeaways

01

It is of critical importance to your success to create a Healthy, Non-Punitive Culture of Change.

02

Master your organization's "Performance Improvement Model" to achieve support.

03

Flexibility and cross training is important to be sustainable in disasters.

04

Stay in Touch with Leading Practices in the Industry.

05

Select and your, "Best Practice".

06

Select and your "Targets".

07

Measure.

08

Communicate, Communicate, Communicate.

09

We Are All One – Engage EVERYONE!

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# Questions?



## Contact:

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