



How to effectively manage your ASC's operating room inventory

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Welcome



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Objectives

- 1 Discuss why supply management in your operating room is important
- 2 Describe the challenges of effective OR supply management
- 3 Review the current processes used to manage OR supplies
- 4 Outline strategies to improve OR inventory management
- 5 Review the roles and responsibilities of perioperative nurses in effectively managing OR supplies

Cited study: Supply costs fact: (and many others that may interest you) <http://www.beckersasc.com/lists/100-asc-benchmarks-to-know-2014.html>

About Cardinal Health

Recognized leader in healthcare supply chain transformation

- Ranked #1 by Gartner 2011–2014 in transforming the healthcare value chain to meet new challenges around costs, revenue and outcomes

Unparalleled understanding of healthcare value chain

- Supplier and leading manufacturer of med/surg products
- Leader in providing supply chain services with 40+ years experience

Leading med/surg distributor for ASC market

- ASC clinical team of perioperative nurses – averaging 20 years of OR and supply chain management experience – to help ASCs cut waste and OR costs
- Built to meet the unique needs of ASCs both now and in the future



ASC supply spend is substantial

- Annual supply spend per ASC
 - \$230K per suite
- Inventory \$\$ per surgical suite
 - \$100,000-\$120,000 per suite
- Average inventory turns
 - 4.8 times per year
- ASC supply costs
 - Between 17-25% of net revenue
- 25% of clinical staff time spent on supply chain activities
- Waste in the OR can have a profound impact



Financial pressures

- CMS/Medicare pays ASCs less than hospital outpatient departments for the same service
 - In 2015, an average of 45.9% less
- Profits declining with reimbursements
- Transition from fee-for-service to value-based care
- Patients often prefer ASCs in contrast to a large hard-to-navigate hospital
 - ASCs are conveniently located, offer improved service and lower out-of-pocket costs

Where are the supplies?

- The surgical suite
- OR core area
- Specialty carts
- Case pick areas
- Case carts/baskets
- Bulk storage area
- Other non-official areas
 - Nurses' lockers



7+ locations where you can find the exactly same product!

Challenges

Diversity of
procedures

Physician
preferences

Typical practice

Limited data

Preference cards
management

Duplications

Lack of automated
inventory systems

Multiple
categories of
supplies

Procedure challenges

Just-in-case (JIC) practices



Physician preference challenges



Typical practice

- Lack of data to support inventory levels
- Perioperative nurse ensuring the surgeon has everything on the preference card
- Supply acquisition and distribution managed by people who do not know what happens in the OR
- Lack of integration between supply chain personnel and surgical services
- No defined PAR levels
- Perioperative nurse lacking knowledge and understanding of inventory management
- Perioperative nurse focused on patient care, NOT inventory management

Data analysis gaps

- Lack of technology in many ASCs
- Data master file
- Issues & usage reports
- Current P&L statements
- OR IT systems reports
- Determine where you are – annual spend, inventory & turns
- Decide where you want to be – targets/goals
- Preference cards or lack of preference cards

Preference card management



Product duplication



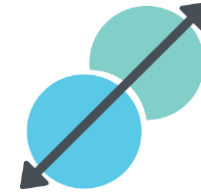
Taking greater control of OR inventory



**Product
consolidation**



**Product
consignment**



**Product
standardization**



**Improved acquisition
and distribution**



**Control new products
and vendors**

Organize a supply chain team



Team members should include:

- Materials management
- OR leadership and OR clinical experts
- Administrator/CEO/CFO



Review ALL policies related to inventory management

Do a walk-through

- Include entire team
- Visit all stocking locations
- Look for duplications and excess inventory
- Look for “mission” bins
- Observe case pick process
- Review pick lists for accuracy & have “availables”
- Evaluate daily returns from OR
- Review group observations



Start with commodity items

- Consolidate like products
- Combine commodities into procedure-specific kits or packs (standard or custom)
- Work with vendors to develop appropriate kits for high-volume, supply-intense procedures
- Base kits on actual volumes – group similar draping practices
- Review contents annually for additions or waste
 - Review preference cards, case carts, return carts
- Review kit contents each year



Look for consignment opportunities

- Explore vendor relationships and consign all possible products
 - Orthopedic implants
 - IOLs
 - Spine implants
 - Tissue
- Include instrumentation in consignment
- Include consigned items in physical inventory

Standardize products

Reduce
multiple/duplicate
SKUs

Require clinically
acceptable
alternatives

Look for
opportunities
inside and
outside of kits

Involve vendors
and sales
specialists in
trials or sampling

Focus on drapes
and gowns,
implants and
sutures

Control the flow of new products & vendors



Expand your action plan

Move toward more critical clinical practice issues

Waste

**Over
draping**

**Right
product for
right task**

**Right level
of
protection**

**Eliminate
practices
that do not
add value or
improve
outcomes**

**Convert to
clinically
acceptable
alternatives**

Next steps

- ✓ Establish a baseline
- ✓ Set measurable goals
- ✓ Assemble a team
- ✓ Determine appropriate solutions to employ
- ✓ Develop an action plan
- ✓ Operationalize your plan
- ✓ Measure your success

Q&A

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