GS1 Healthcare Provider Advisory Council Webinar

Streamlining processes, delivering benefits, building future foundations: GS1 standards implementation in South West Healthcare

Terry Hoy, Regional Supply Chain Manager, South West Supply & Logistics, South West Healthcare, Australia
October 2017
Welcome and thank you for attending!

• Welcome to our August 2017 webinar. Thank you to our guest speaker – Mr Terry Hoy, Regional Supply Chain Manager, South West Supply & Logistics, South West Healthcare, Australia

• Some housekeeping for today:
  - All attendees will be on mute
  - If you have questions during the presentation, please type them into the questions area and these will be monitored then answered at the end of the call

• After the webinar:
  - Within a week, the recording will be posted to: http://www.gs1.org/healthcare/hpac_webinars
  - All previous webinars are also posted to this location, so please feel free to use this resource and share the link
The GS1 Healthcare Provider Advisory Council (HPAC)

Focus is on thought leaders and adopters of GS1 Healthcare Standards from the global clinical provider environment. Their final goal is to improve patient safety, cost efficiency and staff productivity through implementation of GS1 standards.

- A forum for sharing and discussion
- Identification of projects and case studies
- A source of expertise and advice

- About the practical realities of implementation of GS1 Standards in the care giving environment in regards to the impact on clinical care and patient interaction
- That support the adoption of GS1 Standards in healthcare providers and retail pharmacies
- For publication, presentation and sharing
- To those involved in GS1 standards development, the wider Healthcare stakeholder community and senior executives/decision-makers to gain their buy-in and support for implementation of GS1 Standards
## HPAC Activities

<table>
<thead>
<tr>
<th>Webinars</th>
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<tbody>
<tr>
<td>• Monthly webinars open to all stakeholders interested in learning about GS1 standards implementation in the care giving environment.</td>
</tr>
<tr>
<td>• <a href="http://www.gs1.org/healthcare/hpac_webinars">http://www.gs1.org/healthcare/hpac_webinars</a></td>
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<table>
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<tr>
<th>Awards</th>
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<tr>
<td>• Twice per year</td>
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<tr>
<td>• Provider Best Case Study Award</td>
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<td>• Provider Recognition Award</td>
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<tr>
<td>• The prize is travel / accommodation to attend the next GS1 Healthcare conference</td>
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<tr>
<td>• <a href="http://www.gs1.org/healthcare/hpac">http://www.gs1.org/healthcare/hpac</a></td>
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GS1 Healthcare also holds two global conferences per year. The next conference will be in Chicago from October 17-19, 2017, with significant Healthcare Provider participation on the agenda.
Presenting today

Terry Hoy

• Regional Supply Chain Manager,
• South West Supply & Logistics,
• South West Healthcare,
• Australia
Streamlining processes, delivering benefits, building future foundations

GS1 Standards implementation at South West Healthcare
Introduction

- Who and where we are
- Background
- What has been achieved
- Savings
- Agencies’ perspective
- Next step
- Questions
Five patient rights

• Right patient
• Right drug
• Right time
• Right dose
• Right route

...and for patients in sparsely populated areas
• Right location (or only location)
How Australia’s size compares to Europe

Australia:
Population = 24.1 million
Size = 7.6 million km\(^2\)
Persons per km\(^2\) = 2.66

Europe:
Population = 743.1 million
Size = 10.18 million km\(^2\)
Persons per km\(^2\) = 27

United States:
Population = 323.1 million
Size = 9.83 million km\(^2\)
Persons per km\(^2\) = 31.27
How Victoria’s size compares to Germany

Victoria:
Population = 6 million
Size = 237,629 km²
Persons per km² = 25.2

Germany:
Population = 82.6 million
Size = 357,376 km²
Persons per km² = 230.8

Britain:
Population = 65.6 million
Size = 209,331 km²
Persons per km² = 248.2
How GS1 identifiers and standards have helped

• For the patient:
  – Travelling distances to receive healthcare
    • Onus on health agencies to ensure they do not travel in vain
    • Leads to more admissions than outpatient clinics
    • Geographically spread outpatient clinics adding to higher overall costs
  – Preventing admissions
  – Need to prevent having to travel extra because doctors or medical supplies not ready at the right location in the right time
  – Lack of alternative opportunities to receive care so high level of dependency on health agency
How GS1 identifiers and standards have helped

• For the health agency:
  – Sourcing funds can be challenging
  – Business cases to source revenues that can be used for new projects
  – Requires good planning and quality stock keeping
  – Create good working environment so professionals will be happy to work outside the big cities
  – Happy professionals bring better served patients
SWARH Financial Management Information System (FMIS)

- FMIS Rural and Regional upgrade
  - Oracle FMIS fundamentally designed for large organisations
  - Ensured the most efficient model was considered and implemented
  - Region-wide approach required to gain longer term benefits and payback from system
  - Duplication of time and effort avoided where possible
  - Some centralisation of functions required
  - Benefits and costs shared equitably

Collaboration between Finance and Supply to achieve region-wide benefits with buy-in from all agencies
Original Supply structure

Organisation Supply Structure

- **SWH** South West Healthcare
- **MOY** Moyne Health Service
- **WMH** Warrnambool Warehouse
- **TMH** Terang & Mortlake Health Service
- **TIM** Timboon & District Health Service
- **HRS** Hesse Rural Health Service
- **OHC** Otway Health & Community Services
- **CMH** Casterton Memorial Hospital
- **LCH** Lorne Community Hospital
- **PDH** Portland District Health
- **WDH** Western District Health Service
- **CAH** Colac Area Health
- **HRS** Hesse Rural Health Service
- **PDH** Portland District Health
- **HRH** Heywood Rural Health
- **HRS** Hesse Rural Health Service
- **CMH** Casterton Memorial Hospital
- **LCH** Lorne Community Hospital
- **CAH** Colac Area Health

*Supply request* | *Supply delivery*
South West Supply and Logistics

<table>
<thead>
<tr>
<th></th>
<th>Quantity</th>
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<tbody>
<tr>
<td>Acute beds</td>
<td>476</td>
</tr>
<tr>
<td>Aged care beds</td>
<td>658</td>
</tr>
<tr>
<td>Acute psychiatric inpatient beds</td>
<td>20</td>
</tr>
</tbody>
</table>

**Total beds**: 1154

**Total operating theatres**: 15
What has been achieved

• Only rural alliance to implement a centralised supply model
  – One catalogue across all agencies, stock value AUD$800,000
  – Significant savings and efficiencies versus decentralised model
  – Centralised purchasing skill set
  – Improved inventory control and purchasing practices
  – Opportunities for small agencies
  – Improved buying power
  – Current stock value AUD$420,000
Invest in Supply Chain Reform

• Existing costs across the region AUD$1.5M
• Central model costs
  – Phase 1 (like for like) AUD$1.1M
  – Initial Saving AUD$394K
• Phase 2 (improved purchasing/procurement)
  – Reinvestment AUD$316K
    • 1.00 FTE Clinical Product Adviser
    • 2.00 Category Managers
• Cash saving across sub region AUD$78K
Process Savings

- First agency in Victoria to implement Business to Business (B2B) transactions (partnership with Melbourne Health)
  - Stationery Punchout, health information forms, food services, prosthetic ordering

<table>
<thead>
<tr>
<th>Orders</th>
<th>CXML suppliers (about 42)</th>
<th>All suppliers (about 800)</th>
<th>% of CXML orders</th>
</tr>
</thead>
<tbody>
<tr>
<td>CXML POs p.a.</td>
<td>13,216</td>
<td>29,668</td>
<td>45%</td>
</tr>
<tr>
<td>PO lines p.a.</td>
<td>81,158</td>
<td>117,904</td>
<td>69%</td>
</tr>
</tbody>
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<thead>
<tr>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Process savings</td>
<td>101,448</td>
<td>$0.52</td>
<td>$52,753</td>
</tr>
<tr>
<td>Reduced on holds processing</td>
<td>24,347</td>
<td>$0.52</td>
<td>$12,661</td>
</tr>
<tr>
<td>Total</td>
<td>125,795</td>
<td></td>
<td>$65,413</td>
</tr>
</tbody>
</table>

Note: Statistics for Jul-Dec 2016 used to forecast per annum totals
Logistics Savings

- Collaboration with South West Linen Services distribution
- Avoid purchase of additional truck:
  - AUD$100,000 cost avoidance
- Distribution costs reduced 50%:
  - Driver redirected to Warehouse
- Further opportunities:
  - Pharmacy
  - Theatre packs
  - Food
## Realised Savings SWSL

### SWSL expenditure per annum (AUD$)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total expenditure</td>
<td>$23,798,013</td>
</tr>
<tr>
<td>Percentage targeted savings (3%)</td>
<td>$713,940</td>
</tr>
<tr>
<td>Percentage reviewed to date</td>
<td>10.48%</td>
</tr>
<tr>
<td>Saving achieved</td>
<td>5.33%</td>
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### SWSL savings per annum (AUD$)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall previous expenditure</td>
<td>$2,493,872</td>
</tr>
<tr>
<td>Overall forecast expenditure</td>
<td>$1,234,652</td>
</tr>
<tr>
<td>Overall realised savings</td>
<td>$1,268,490</td>
</tr>
</tbody>
</table>

- Savings based on review and action against 239 items
## Imprest (ward product management) expansion review

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of items on imprest at max level</td>
<td>192</td>
</tr>
<tr>
<td>Value of imprest at max level</td>
<td>$19,194.69</td>
</tr>
<tr>
<td>Number of items not scanned</td>
<td>91</td>
</tr>
<tr>
<td>Value of items not scanned</td>
<td>$ 9,192.66</td>
</tr>
<tr>
<td>Number of items to have level decreased</td>
<td>41</td>
</tr>
<tr>
<td>Value of items to have level decreased</td>
<td>$ 2,485.69</td>
</tr>
<tr>
<td>Number of items to have level increased</td>
<td>14</td>
</tr>
<tr>
<td>Value of items to have level increased</td>
<td>-$ 634.69</td>
</tr>
<tr>
<td>Potential savings</td>
<td>$11,043.66</td>
</tr>
<tr>
<td>Value of imprest if changes adopted</td>
<td>$ 8,151.04</td>
</tr>
</tbody>
</table>

- WDHS Anaesthetics imprest (ward product management) over three month period (21/3/16 to 21/6/16)
Culture of constant improvement

- Centralised procurement and contracts – regional collaboration
• Supply Chain improvements and savings are just the beginning
  – More ways to improve health & care
  – Great examples of implementations around the world where the patient and clinician are the focus
  – GS1 standards are not just for ‘supply chain’
  – ‘Supply chain’ does not stop at the hospital door
Visiting & learning from others
Lessons from others

• It is not about supply chain or procurement in isolation – it is about what it does to make the patient pathway more transparent and safer – we need to change how we think
• GS1 standards are core enablers to being able to achieve the next layer of efficiency and visibility across health systems at a local, national and global level
• Regulation is the best enabler – but it is not the only way - the industry stakeholders in many countries are leading change and improvement but working together
More lessons from others

• The value comes in the implementation in operational use – not in just agreeing that we need to do anything – the key is finding the best point to start and do so
• Not all organisations or health systems are the same in structure, they differ from country to country, but the lessons translate to help to support your business case
• Solution providers need to be natively supporting standards to make the benefits possible
• Though sometimes hard for many to understand, the benefits for patients care are definitely there
Key actions to go forward

- Enable data capture across SWH
- Enable clinical team in the process – ensure support & share the benefits
- Automate processes
- Assist in improving patient care and safety
- Continue to benchmark and share knowledge
- Establish foundations for future development
- Partner with suppliers to improved supply chain leading to better patient outcomes
- Work with GS1 for the support we need to make it happen
Conclusions

• Identified opportunities for SWH’s supply chain to continue to evolve and improve
• Highlighted importance of better linkages between supply chain and clinical teams
• Created community of open collaboration for gathering knowledge and networking
• Interoperability provided by a framework of standards is just as critical to success and the solution
• Sharing successes and networking – locally and globally – help us to identify and reach our potential
Questions
HPAC Questions and contact details

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