



Case Study: Intermountain Healthcare Standardizes Purchasing and Improves Patient Safety



Where positive identification
meets safe, efficient patient care.

The Challenge:

Located in Utah and southeastern Idaho, Intermountain Healthcare is a nonprofit system of 22 hospitals and a Medical Group with more than 185 physician clinics.

Without a standardized system in place, multiple departments at Intermountain Healthcare purchased similar patient ID products from a variety of suppliers. This led to an overabundance of SKUs, increased supply costs, and inconsistency between products that impacted caregiver efficiency and patient safety.

Inefficiency resulted as separate departments dealt with dozens of suppliers to order same or similar products. The decentralized processes led to a lack of visibility of total spend and an excess of suppliers and purchase orders, driving SKU levels to uneconomical proportions. The inefficiencies also overburdened Intermountain staff responsible for managing, monitoring, and tracking the surplus.

Most alarming is that Intermountain isn't alone in this dilemma. On a national scale, hospitals lose millions of dollars per year in hidden expenses due to missed opportunities for cost containment and incorporation.



Enter PDC Healthcare's ValuePlus® Service



Curtis McEntire,
Sr. Manager of Supply Chain Solutions

Intermountain Healthcare needed a consultative partner that could help the organization optimize product spend and streamline efficiencies as effectively and professionally as it treated patients. PDC Healthcare, Intermountain's wristband and label supplier, responded via its ValuePlus® Standardization Program—a service that the healthcare identification company offers for free.

"When we're buying a large quantity of similar items from different suppliers, we miss out on opportunities to leverage our volume. By reducing our SKUs and consolidating those to a preferred supplier, we knew we could attain better discounts and get better service," said Curtis McEntire, Sr. Manager of Supply Chain Solutions. Through standardization, the hospital

also sought to enhance consistency between products, which in turn, improves patient safety and caregiver efficiency.

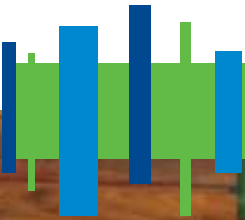
“Our primary initiative and key driver was to reduce our label SKUs by 20% and improve patient safety through more streamlined products and application processes.”

– Curtis McEntire



Photography provided by





The Audit & Analysis:



PDC Healthcare consultants worked closely with Intermountain Healthcare: **Josh Doyle, Geana Smalls, Christine Navarro, and Lorrie Hetherington.**

Swiftly putting plan to action, a team of four consultants from PDC Healthcare visited Intermountain's Salt Lake City facility to perform a department-wide audit and analysis. Product data including part numbers, usage, and total dollar spend were used to develop an audit report, which identified all products with standardization potential, complete with a cross reference with contract pricing showing ultimate savings.

The PDC Healthcare Team presented compelling metrics, revealing the root causes of Intermountain's purchasing predicament. "For one, 61 suppliers were outsourced for patient ID products across

the entire healthcare organization," said Geana Smalls, Director of Marketing, ValuePlus® and Labels. "The large amount of suppliers and small amount of visibility of overall orders led to unnecessary purchases and product overlap. More costly custom products were outsourced when lower-priced stock items were available."

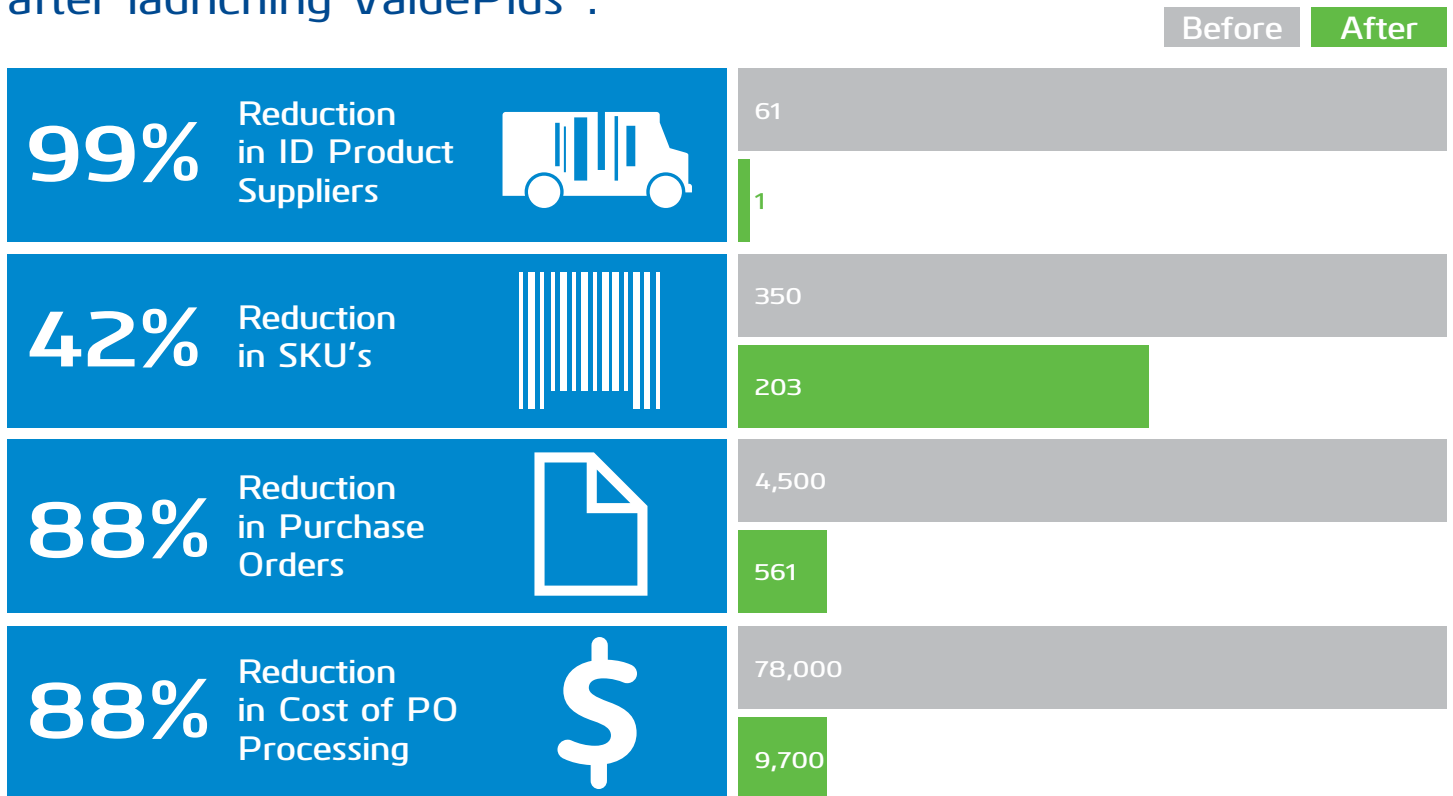
While exposing the fiscal effects of the problem through metrics, PDC Healthcare also identified product application processes that raised the risk for potential human errors among caregivers. McEntire explains, "In several cases, multiple labels were used when

only one was needed. A nurse would perform one shift at a hospital using one supplier's label, and move on to a second shift at another hospital using a different label for the same application." The inconsistency increased the need for staff training; impacted workflow time and efficiencies; and raised the risk for human error among caregivers.

The Result:



The chart below illustrates actual savings that Intermountain Healthcare's system of 22 hospitals benefited from collectively after launching ValuePlus®.



ValuePlus® Product Standardization Simplifies Processes

As part of the consolidation process, PDC Healthcare identified instances in which multiple medical labels were used for applications requiring only one, while recommending more streamlined solutions. Christine Navarro, PDC Healthcare Account Manager, specified, "In one case, five allergy labels—several of which were customized at higher

costs—were ordered through multiple purchasing channels. We were able to standardize down to one stock label, knocking out four SKUs."



Going hand-in-hand with the consolidation benefits, Intermountain Healthcare also gains a competitive edge from PDC Healthcare's long-standing expertise in patient safety. The transition to PDC's industry-leading wristbands and labels offers more consistency between products (including size, design, and color), while providing improved safety and protection of patients.

Streamlining patient identification products reduces the chance for manual errors

to better protect patients. In addition, caregivers receive peace of mind knowing that their patient ID products are consistent across the continuum of care, regardless of the hospital department or facility they happen to be working in.

In recommending the right products for the right application, PDC Healthcare consultants help Intermountain to comply with important patient safety regulations on an ongoing basis. These include The Joint Commission National Patient Safety

Goals, American Public Health Association (APHA) for protection of patient privacy, the Centers for Medicare and Medicaid Services Stage 2 eMAR bar coding requirements, and the Health Insurance Portability and Accountability Act (HIPAA) for protection of individuals' health information.

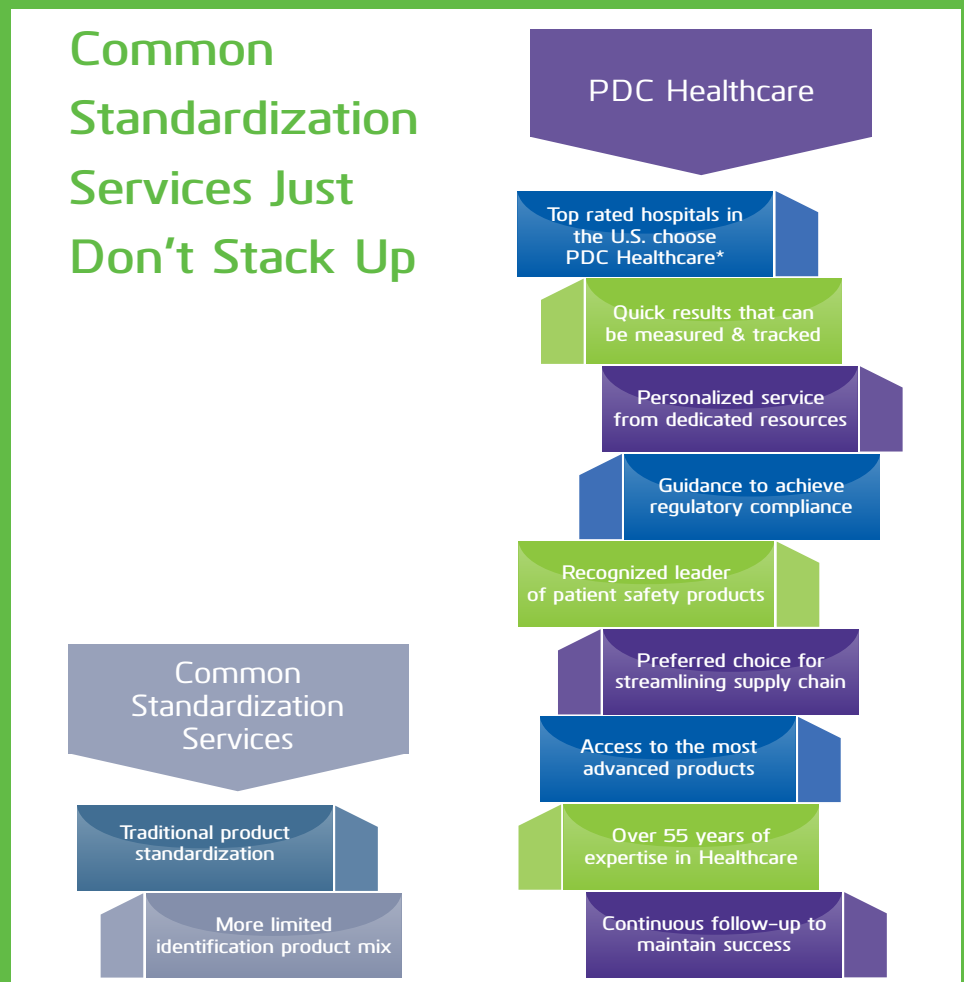


Comparing ValuePlus[®] to Other Standardization Services

In comparing ValuePlus[®] to other standardization services, McEntire was wowed by the amount of resources PDC Healthcare put forth, which differentiated it from other suppliers.

"When choosing a partner, we look closely at their level of commitment," said McEntire. "While we've had various levels of success with standardization programs in other categories, PDC Healthcare's commitment to investing the right resources made a major difference: the attention to detail in the auditing phase...the responsiveness from their full team throughout the conversion. They did all the heavy lifting, which made my job a lot easier."

McEntire was also impressed by how quickly results were achieved. "The reduction of suppliers and SKUs were realized soon after we made PDC Healthcare our preferred partner. The service had an immediate impact on our efficiencies. Ideally, you look at a supplier as an extension of your team that can help you accomplish your goals. In this case, PDC Healthcare exemplified that."



*Based on U.S. News & World Report, "Best Hospitals 2012-13" Honor Roll

Building on the Benefits of ValuePlus®

“We’re continuing to build on the success of the program. We keep consistent communications with Curtis and his team, reporting on the accuracy and timeliness of shipments, which are averaging a 99% on-time rate each week.”

– Josh Doyle, Regional Business Manager, PDC Healthcare

After launching ValuePlus®, Intermountain Healthcare has exceeded its goals for the purchase of labeling products:

- SKU reductions have doubled goals
- Suppliers are reduced to optimal levels
- Purchasing of this product line is centralized to operate most efficiently
- Product standardization provides a higher level of consistency and safety—from admissions to discharge
- And clinicians are more empowered, supported by the most technologically advanced products in the industry to help meet regulatory compliances

The ability to achieve standardization and savings across your entire supply chain, while meeting critical patient compliance is no easy feat. It involves a culture change that requires time and resources, which most companies don’t have. Don’t attack the challenge alone. As your consultative partner, PDC Healthcare will guide you through a totally seamless and integrated procurement process that will reduce your supply costs and optimize your purchasing volume.

Put the power of ValuePlus® to work today for your healthcare organization.
Call **800.435.4242**



Intermountain Healthcare is an internationally recognized, nonprofit, system of 22 hospitals, a Medical Group with more than 185 physician clinics, and an affiliated health insurance company, SelectHealth. Over 34,000 employees serve patients and plan members in Utah and southeastern Idaho. Intermountain Healthcare offers a full range of services, from urgent care, to home care, to the region's most advanced trauma centers.

More product choices than any other company. More opportunities for supply chain optimization.

PDC Healthcare provides the highest quality and most comprehensive selection of wristbands, labels, medical records and imaging products in Healthcare.



Wristbands

- Bar Code Wristbands
- Blood Bands
- Color Code Alert Bands & Clasps
- Custom Wristbands
- Imprinter Wristbands
- Insert Wristbands
- Labor & Delivery Wristbands
- Laser Wristbands
- Pediatric and NICU Wristbands
- RFID Wristbands
- Shield Wristbands
- Short Stay Wristbands
- Thermal Wristbands
- Write-on Wristbands
- ...and more

Labels

- Allergy Labels
- Anesthesia Medication Labels & Tape
- Blood Labels
- Chart Labels
- Color Code Labels
- Custom Labels
- Flags & Tags
- Lab System Labels
- Mailing Labels
- Pharmacy System Labels
- Skin Markers
- Sterile Medication Labels
- Visitor Passes
- X-ray Date Labels
- Year Labels
- ...and more

Medical Records, Imaging, and Other Healthcare Products

- Armboards
- Body ID & Containment
- C-Arm Drapes
- Digital Media Solutions
- Labor & Delivery Products
- Mammography and Radiology Skin Markers and other Products
- Medical Imaging Supplies
- Medical Records & Imaging Filing
- Orthopedic Supplies
- Patient Belongings Bags
- X-ray Cassette Covers
- ...and more

Discover the benefits of ValuePlus®. Contact Us Today at 800.435.4242.

The ValuePlus® name and branding replaces the former PowerPlus name for the company's standardization and customization service.

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A Brady Business  BRADY

Where positive identification meets safe, efficient patient care.