

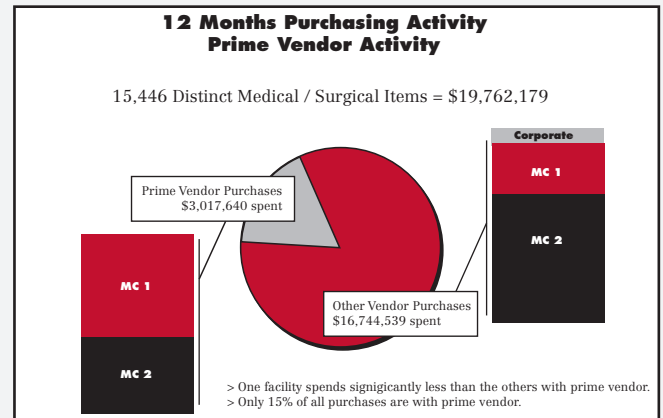
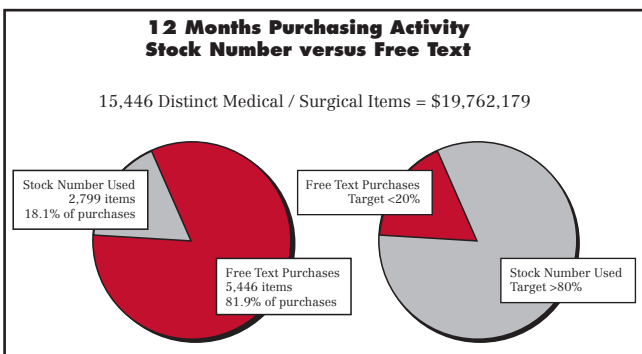
Creating a Supply Formulary

Engagement Profile

DataPros was engaged by a two-hospital integrated delivery network located in the Midwestern United States to implement a supply formulary using our seven-step methodology. A supply formulary is a major conceptual shift in managing supplies that reflects the proven methods already used in the Pharmacy.

Assessment

We performed an assessment and determined that 80% of the spend was occurring outside of the item master resulting in virtually no visibility into supply spend.



In addition, the Prime Vendor relationship was greatly used by the smaller facility but barely used by the larger facility. It was also discovered that the Prime Vendor purchases relied on “blanket” purchase orders that did not contain item level detail. This further obscured the visibility into the total supply spend.

Implementation

DataPros used our 7-step methodology to establish and maintain the formulary.

- Executive Sponsorship** - A health system executive champion clearly communicates the vision of creating an effective, safe, and economical supply formulary. A cross-functional steering committee is appointed to review the work of sub-committees. Sub-committees are chartered for data analysis and create their portion of the formulary.
- Data Collection** - The core data files are collected.
- Data Identification** - Identify unique purchases and unit cost.
- Data Cleansing** - Verify data fields, standardize descriptions, and categorize items.
- Data Analysis** - Identify savings opportunities using price benchmarking.
- Data Review** - User friendly reports are delivered to sub-committees. Formulary leaders from each department work with clinical consultants to build new supply formulary. Changes are considered in the context of clinical need (effectiveness and safety) as well as economics (pricing, vendor, contract tiers, rebates, etc.).
- Formulary Acceptance** - Approved formulary put into productive use with new value analysis procedures and accountability. Savings become recurring due to new procurement processes.

Results

Within six months of project initiation, the IDN achieved \$633,575 documented and recurring savings in medical surgical supplies. This represented approximately 3% of the total supply spend.

Department	Savings
Anesthesia	\$1,489
Cardiology	\$30,025
Critical Care	\$7,528
Dialysis	\$503
ED	\$3,634
Endo	\$3,634
General Med/Nursing	\$22,391
Lab	\$9,251
OB / Nursery	\$65,300
Oncology	\$2,000
Ortho	\$2,414
Pharmacy Supplies	\$171,476
Radiology	\$2,375
Respiratory Therapy	\$19,258
Sterile Processing	\$42,005
Surgery	\$240,920
Total Savings	\$633,575



Contact Us Today for More Information
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