

“Taming the Beast” (Supply Management)

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Learning Objectives

Understand medical supply management

Determine how to measure their cost per patient for home care and hospice

Correlate trends for specific patient diagnoses related to medical supply spend

Validate how to implement electronic supply rule management based on unique key performance measures



Supply Management

- Focus on positive
- Budget?
- Black vs. Red...do you know?
- Is it a concern?
- Lower costs!
- Service...



Capture the *True Cost*



- Beyond the price of gauze
- Time
- Mileage
- Retention
- Productivity
- Clinical Outcomes

Analysis Of Reports To Understand Supply Usage

- Identify Trends In Supply Usage
 - Patient
 - Clinician
 - Agency Location
- Determine Outlier Supply Costs And The Why
- Compare Case Mix vs. Categorical Supply Spend
- Compare Census To Supply Spend Over Period Of Time



Analysis Of Reports To Understand Supply Usage (cont.)

- Understand Medical Supply Utilization
 - Patient,
 - ICD-9
 - Nurse
- Conduct Business Reviews
 - Outline Operations
 - Formulary Compliance



Cost Reporting

- Formulary Compliance
- Descending dollar/quantity
- Patient Invoice summary/detail
- Product Category
- Payor
- Clinician
- Outcome Concept Systems

What Is Rules Management

- Proactive, Not Reactive
- On Demand
- Evidence-based Practice
- Electronic
- Customized
 - Follow CMS Guidelines
 - Agency Specific



Rule Management

Rules-based Oversight	Example	Goal
1. Formulary Management	Ensuring one hydrocolloid is the preferred option	Maintain best pricing, best clinical product for positive outcomes and teaching; streamline protocols
2. Cost per patient per time period	\$150 per patient per 2 week period	Monitor high cost patients
3. Silver Antimicrobial Utilization	Flag patient orders that use more than 2 weeks of silver products	Reduce waste of Silver products; communicate with physician
4. Advanced Wound Care Utilization	Follow CMS guidelines for product categories like Foams, 3 eaches, per wound, per week	Reduce waste of supplies; monitor change in plan of care/protocol
5. Per Patient Per day Rate	For use with Hospice especially, i.e.\$2.00 per patient per day	Easily track patient costs for DME/Supplies
6. Number of Orders per Patient per Time Period	One order per patient per week	Reduce small orders; engage nurses in "smart ordering"

Formulary Management

- Maintain Best Pricing/Contract
- Compliance measurement – What Should It Be?
- Best Clinical Product For Best Outcome
- Teaching Aspect
- Streamline Products

Cost Per Patient Per Time Period

- Customize To Agency Needs
- Monitor Patients With High Supply Cost
- Daily Report Logs To Identify Outliers
- \$150/2 Weeks

Advance Wound Care Utilization Management

- Adhere to CMS Guidelines
- Wound Ostomy Continence Nurse (WOCN) Guidelines
- Customized on product category
 - Foam
 - Hydrocolloid
 - Transparent Film
 - Alginate
 - Hydrofiber
 - Silver/Collagen

Silver Antimicrobial Utilization

- Reduce Waste
- Enhanced Communication With Physicians
- Monitor Duration Of Use
- Achieve Same Outcomes
- PPS Impact 2008 And Beyond...



Utilization Review

- Review All Orders Held For Approval
- Review Patients Electronic Medical Record (EMR)
- Review If Orders Are Reflected For Supplies Ordered
- Review If Proper Supply Amounts Are Ordered For Wound Based On Documentation

What we have learned....

- A strong supply management program can positively effect
 - Supply Cost
 - Staff Productivity
 - Clinical Outcomes
 - Supply Revenue

Remington Report Published



Medline Order Oversight Reviews

- Identify potential supply problems BEFORE they become a problem
- Repeatedly Credited with 30% + cost savings even with significant census growth.
- 60% Reduction in Silver Dressing cost



Results

	Period March, 2007 through September, 2007	Period October, 2007 through April, 2008
Medical Supply Costs	\$163,242	\$113,641 <i>30.38% reduction in costs</i>
Silver Product Spend	\$35,643	\$13,876 <i>61.07% reduction in costs</i>
Silver % of total Spend	21.83%	12.21%
Case Mix	1.26	1.22
Average Census	Baseline	11.83% increase

We also learned

- Patient Specific ordering is a great tool for tracking NRS cost.
 - No additional work for clinical staff.
 - Interface with almost all national technology vendors



What is the Future?



What if you could....

- Understand your cost related to specific diagnosis and benchmark that against other providers.
- Identify specific treatments leading to improved outcomes on specific disease states
- Identify opportunities for improved performance related to OASIS-C
- Target Specific Training to staff members

Understand and Control Your Supply Cost

- Tie Non Routine Supply cost directly to specific disease states.
- Compare your cost to those of your peers
- Determine best practice for treatment of specific disease states based on outcomes and overall cost

Control Your Supply Cost

- Benchmark internal staff members to identify opportunities for improved supply management.
- **Identify extraordinary supply cost based on assessment in *real time*.**
 - Did something get missed on assessment?
 - Does someone need more training on assessments?
 - Did something change with the patient?

Improve Outcomes and Performance

- Identify opportunities for improvement related to:
 - Hospitalizations
 - Emergent Care
 - Process Measures
 - Potentially Avoidable Events

Role of the Wound Care Nurse

- Provide Expert Nursing Care To A Group Of Patients With A Special Need
- Instruct The Nurse/Patient/Family/Significant Others On Wound Management, Associated Principles And Practices Of Infection Control
- Facilitate Nurse/Patient/Family/Significant Others Independence In Wound Care Management
- Develop And Recommend Wound Care Protocols That Reduce Cost And Labor For Both The Agency And The Nurse/Patient/Family/Significant Others
- Reduce Hospitalizations Associated With Wound Complications
- Develop Strategies For Prevention Of Further Skin Breakdown

Physician Challenges (cont.)

- Wet To Dry Dressings
- Daily Or BID (Twice A Day)
- Temperature
- Bioburden
- Pain
- Accrediting Agencies Stance

Questions

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