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

<table>
<thead>
<tr>
<th>Rules-based Oversights</th>
<th>Example</th>
<th>Goal</th>
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<tbody>
<tr>
<td>1. Formulary Management</td>
<td>Choosing one hydrocolloid is the preferred option</td>
<td>Maintain Lean pricing, best absolute products for patient indications and positive outcomes for provider.</td>
</tr>
<tr>
<td>2. Cost per patient per time period</td>
<td>Less $2 per patient per 2 week period</td>
<td>Reduce high cost patients.</td>
</tr>
<tr>
<td>3. Silver Antimicrobial Utilization</td>
<td>Flag patient orders that use more than 3 weeks of silver products</td>
<td>Reduce waste of silver products; communicate with clinicians.</td>
</tr>
<tr>
<td>4. Advanced Wound Care Utilization</td>
<td>Follow OIG guidelines for product usage/pricing guidelines, 3 eaches per wound, per week.</td>
<td>Reduce waste of supplies, patient change in plan of care.</td>
</tr>
<tr>
<td>5. Per Patient Per day Rate</td>
<td>Determine the appropriate medication is 32.50 per patient per day</td>
<td>Reduce waste of supplies, patient change in plan of care.</td>
</tr>
<tr>
<td>6. Number of Orders per Patient per Time Period</td>
<td>One order per patient per week.</td>
<td>Reduce small orders; engage nurses in order execution.</td>
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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
- Monitor high cost patients

3. Silver Antimicrobial Utilization
- Flag patient orders that use more than 3 weeks of silver products
- Reduce waste of silver products; communicate with clinicians

4. Advanced Wound Care Utilization
- Follow OIG guidelines for product usage/pricing guidelines, 3 eaches per wound, per week
- Reduce waste of supplies, patient change in plan of care

5. Per Patient Per day Rate
- Determine the appropriate medication is 32.50 per patient per day
- Reduce waste of supplies, patient change in plan of care

6. Number of Orders per Patient per Time Period
- One order per patient per week
- Reduce small orders; engage nurses in order execution
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

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<tr>
<th></th>
<th>Period March, 2007 through September, 2007</th>
<th>Period October, 2007 through April, 2008</th>
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</thead>
<tbody>
<tr>
<td>Medical Supply Costs</td>
<td>$163,242</td>
<td>$113,641</td>
</tr>
<tr>
<td></td>
<td></td>
<td>30.38% reduction in costs</td>
</tr>
<tr>
<td>Silver Product Spend</td>
<td>$35,643</td>
<td>$13,876</td>
</tr>
<tr>
<td></td>
<td></td>
<td>61.07% reduction in costs</td>
</tr>
<tr>
<td>Silver % of total Spend</td>
<td>21.83%</td>
<td>12.21%</td>
</tr>
<tr>
<td>Case Mix</td>
<td>1.26</td>
<td>1.22</td>
</tr>
<tr>
<td>Average Census</td>
<td>Baseline</td>
<td>11.83% increase</td>
</tr>
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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
For Example….Trended Outcomes

Pressure Ulcer Prevention

Pressure Ulcer Prevention
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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