

BIDMC: BECOMING A NETWORK

by Integrating the Supply Chain at Affiliate Hospitals



The Problem

BIDMC is a fast growing network of hospitals. To achieve the benefits of an affiliation, the supply chain at the Boston campus must work closely with the affiliates to align products, purchases and processes. Some of the problems encountered were:

- Different material management information systems not permitting access to item file information which made standardization opportunities difficult.
- Various processes for approving new products and initiating saving initiatives.
- Different supply distributors for medical surgical supplies.
- Lack of standard supply chain communication processes between facilities.

The Goal

The goal was to streamline communication and processes throughout the supply chain network to include contracting/purchasing, materials management, the Group Purchasing Organization (GPO) and Clinical Quality Value Analysis (CQVA).

The Team

Bob Cherry, SVP Support Services

Steve Cashton, Director of Contracting and Purchasing

Shane Egan, Director of Finance for Support Services

Chip McIntosh, Director of CQVA

Nancy Miller, Sales Executive On-site for VHA/Novation GPO

Bill Pyne, Director of Materials Mgmt.

The Interventions

- The “Team” traveled to Needham and Milton hospitals monthly having meetings to include key leadership within supply chain and administration.
- Purchasing and contracting personnel were incorporated in weekly roundtable contracting meetings in Boston.
- Needham converted to a “Just In Time” distribution model with our Med Surg Distributor with close oversight and assistance from Bill Pyne
- Milton also converted to the same Med Surg Distributor to provide continuity at all three campuses.
- Novation reviewed potential contracts, conversion opportunities, monitored pricing, and tracked results.

- CQVA is an embedded process at each facilities product committees, to guide initiatives and monitor savings.

The Results and Progress to Date

- In FY’13, **\$643,402** in supply costs were attained for Needham and Milton hospitals. BIDMC is on track to save **\$1.6 million** in FY’14 for all three of our affiliates.
- Needham and Milton experienced a successful implementation of a “Just In Time” (JIT) program for delivery of medical surgical supplies reducing warehouse space.
- Purchasing silos were reduced as each facility now has access to the same contracts and pricing.
- Collaborative relationships were built to foster trust and further engage in streamlining processes which further integrated all three facilities.

The Lessons Learned

- Executive support at each facility is paramount.
- Community hospitals have unique needs, they are quicker to redesign processes, but they may not have the resources to make those changes happen without support from the Boston campus.

Next Steps

- Review a process to integrate the affiliates master item file and purchasing history with the Boston campus
- Implement a process to track initiative conversions at affiliate sites.
- Review the supply chain and purchasing structure with affiliates to be consistent with Boston campus leadership
- Continue same process with new affiliates
- Request further standardization and price reduction from vendors as our physicians from BIDMC practice at our affiliates
- Focus on moving outsourced purchased services at affiliates to an in-sourced BIDMC model.

For more information, contact:
Chip McIntosh, NP, PhD

Director Clinical Quality Value Analysis (CQVA)
amcintos@bidmc.harvard.edu



Beth Israel Deaconess
Medical Center



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