AVITA
HEALTH SYSTEM

CASE STUDY

Avita Health sees PAR Vision giving them inventory room with a view

3	2,823	3	11
NO. OF HOSPITALS	NO. OF SCALES INSTALLED	DEPARTMENTS WITH SCALES	NO. OF LOCATIONS WITH SCALES

AFFILIATING WITH A LARGER AND MORE PROMINENT INTEGRATED DELIVERY NETWORK (IDN) CAN BOOST THE RESOURCES AND STATUS OF A SMALLER HEALTHCARE SYSTEM, BUT THEIR INFORMATION TECHNOLOGY AND INVENTORY MANAGEMENT SYSTEMS MUST KEEP PACE AND NOT FALL BEHIND.

While Avita Health System, Galion, OH, relished the advantages of entering into a partnership with The Ohio State University, that decision came with certain IT and operational caveats, according to Scott Hazen, IT Applications Manager. Avita had to adopt and implement new electronic health record (EHR) software.

"It's been a great addition for us and the partnership with OSU has helped us significantly improve our clinical processes," Hazen said. Admittedly, however, Avita Health struggled to link the new EHR system with supply chain and patient charging.

"One of the more difficult processes we've had to work with was charging through Epic," Hazen indicated. "Materials' naming conventions were tough for staff to work with, particularly since they had short-hand names for a lot of the [products]. Charging could be time-consuming and it was easy to miss steps or just ignore and forget. Our staff tried their best, but we didn't feel like the process was efficient. In addition, our inventory system was a basic count-and-fill system. Staff in Supply Chain were in a cycle of overstocking, and our inventory was inconsistent. The staff did the best they possibly could, but it was an inefficient process."

Hazen's team and those within Supply Chain recognized they needed to update their inventory management through upgraded automation.

"First, we knew we needed a tool that would help recover costs quicker, more effectively and with more accuracy," Hazen recalled. "Second, we needed buy-in to the process from more than just IT and Supply Chain.

Hazen had worked with PAR Excellence in the past so he was familiar with the technology and many of the people who were still the company. Further, he appreciated their customer service acumen. He wasn't alone.

"When we brought them in we were fortunate to have a Nursing Director who had worked with them in the past also, but had not seen the weighted bin technology," Hazen noted. "After a site visit to another hospital, our clinical staff was sold."

Hazen acknowledged that Avita Health's inventory process "needed a shot in the arm" because they also were developing a distribution center to accommodate their expanding service. "We knew long term that the key areas where we would be implementing PAR Excellence had to have solid replenishment processes

and to be able to take advantage of the tools provided with the PAR Vision tool."

Ultimately, Avita Health was looking for a technology tool that was "easy to use and fit our culture," according to Hazen.

"The other competitors added a layer of complexity to their products that we just didn't see as value-added," Hazen said. "Bar-code scanning or locked cabinets or other concepts. This just felt right. I'm pretty sure we would have landed with PAR Excellence even without the prior relationship."

SOLID MODELING

Avita Health viewed PAR Excellence's tools as providing a solid replenishment process with ample statistics. "We wanted to improve how we replenish, what we replenish and what we measure," he added. "The tools PAR Excellence provides does exactly that."

PAR Excellence's tools needed to pass three critical tests to merit installation within Avita Health's organizational framework.

"No. 1, it absolutely had to be easy for the staff," Hazen noted. "This is by far the easiest process we reviewed. Second, it had to provide our Supply Chain with intelligence about the materials. What was moving, what was sitting on the shelf not moving, what needed better par levels, etc. Finally, we wanted something that would easily integrate to our existing technology, but also be flexible enough that in the future, if we moved to some other ERP system, it would be an integration that would be easy to work with and set up."

Integration adaptability is critical and something an organization should learn upfront when evaluating automation tools, Hazen insisted. They quickly realized the breadth and depth of IT systems with which PAR Excellence technology was able to connect and operate.

Avita Health set five goals for the PAR Excellence technology to achieve. They wanted:

1. The return-on-investment to include paying for the technology.
2. To see their supply cost recovery improve significantly over the current processes long term.

3. To improve par levels and inventory replenishment processes operationally.
4. To offer fact-based decisions to the clinical and supply chain staff on inventory.
5. A tool that would be flexible from a technology perspective.

Once the system went live, they compared supply charging data generated with that prior to installation. The differences year-to-year for the first installation location were striking, according to Hazen, who chose not to release specific dollar figures.

"The prior year, without PAR Excellence, we had almost no charges for several of our floors for supplies," he said. "The year we put it in place our supply charges on that same account were significant. I don't want to go into specific dollars, but I will tell you the first phase of the project paid off the initial purchase of the system in 14 months. The second phase of the project – select floors at two other hospitals – is now paid for. The difference is going from almost no supply charges to having a large volume of charges. And the simplicity of the system is what helps drive that ROI."

Hazen indicates the simplicity of system operations represents a worthy reward for the installation, which went more smoothly than anticipated.

"Any implementation has challenges," Hazen reflected. "The first few months [involved] just working with the backbone on the technology side. The servers, the integration, the hardware, getting the materials ordered. That part was the most significant in terms of ramping up for the project. Overall, PAR Excellence is one of the better implementations we've done. In part, this is due to the support they provide. The project does require coordination with our facilities, IT, Supply Chain and Clinical teams. Without that buy-in, it does become more problematic. We've been fortunate that these groups have all worked well internally, which has made our go-lives a lot easier."

Hazen recognizes that without the internal teamwork, be it ambivalent or adversarial relationships, any installation and implementation would turn out that much more complicated.

"I think the facts have to drive conversations like this," he observed. "If administration identifies the problem that our supplies are not being charged, PAR Excellence

is a possible solution. I'm a big believer in the quality methodology. First, identify the problem. If you can agree with everyone in the room what the issue might be, then you're far better off. Finger-pointing isn't helpful, but if you can present solutions that make documentation easy, help everyone and fix the root cause, then you're well on your way to a solution that brings everyone together.

"I'm not saying our selection process was perfect either," he continued. "But some things that absolutely helped were having a site visit for some of the staff to see it in action. We also agreed there had to be a better way. Even if personalities in the room are an issue, if you can just get agreement on what the problem is, then people are at least looking for solutions."

STRIVING FOR CONSISTENCY

Hazen's team and Supply Chain installed PAR Excellence within existing facilities, footprints and structures. If he were looking to add PAR Excellence within a new hospital he might alter some decision points a bit.

"At a brand-new hospital, if you're designing the space, make sure you have plenty of wall space available," he advised. "We've run into a few rooms where we had to great really creative with the space in order to work in the supplies. If you're in an existing hospital space, I would suggest being smart about the inventory you to put on the walls. Get as much as you can into the item master so all your replenishment is done through PAR Excellence. We've had a few items that are still special order, and it has created some confusion. Don't be shy about using the facts to drive inventory decisions either. When there's items on shelves that haven't moved in a year, there needs to be discussion on the validity of that item as an inventory item. We've done some of these things, but maybe not as effectively up front as I would have liked."

Hazen acknowledges that PAR Excellence's methodology motivates people to ask those questions early on.

"The hardest thing to give up is the safety of extra stock," he noted. "It's something we still are addressing, and everyone addresses. The answer is to fairly judge usage based on the history of the item. You can get ordering history from your ERP system and analyze that to at least start that conversation."

Avita Health has recorded a wealth of daily improvements, including financial and operational cost avoidance and cost savings in both hard and soft dollars since implementing the PAR Excellence technology, according to Hazen.

"We've seen more consistency in supply charging and more consistency in cost recovery," he said. "We've seen improvements in the speed of replenishment, the amount of time staff spends doing replenishment and the overall accuracy. At this point we've seen a great recovery in dollars over two years. We have seven units live, three more coming in the next two months, and we'll add two more next year. The project has paid for itself at this point, and we're starting to see our compliance numbers settle in, so we're managing to our exceptions in compliance, not having people question the product or the why of what we're doing."

Supply Chain wanted the PAR Excellence tool in place as Avita Health opened its new distribution center without having to dedicate staff to counting and managing floor stock, according to Hazen. Instead, they wanted their team to concentrate on the logistics of building out the distribution center.

Compliance hovers around 60%, and while that may sound low the percentage represents more of a reflection of the unorthodox way they view compliance, he said.

"Specifically, we measure all materials leaving the shelf as having to be accounted for," Hazen explained. "Many places just measure the chargeable items, which is a small portion overall of their total stock on the shelf. Common-use items are often the hardest to track. A nurse may come in on the beginning of the shift and put several non-chargeable items into a pocket and not think in terms of accounting for the item, so we still are working on things like that. But that's a natural transition that just takes time. The key is [that] those non-chargeables are still replenished in the next cycle, which helps with staff trust in the tool."

LOOKING AHEAD

After using PAR Excellence technology for a number of months, PAR Vision in particular, Hazen offers some enhancement ideas he'd like to see in future versions. "It's such a great technology but it really needs to be in the Cloud. We understand that all of PAR's new customers are starting in the PAR Cloud and we're very

much looking forward to our migration. Our version of PAR Vision installed locally and features an older design. This means our IT staff has be install updates and it takes our new staff a longer time to learn how to navigate between features. In my opinion, Cloud-based applications are usually more intuitive in their design making them easier to use and to train new staff."

He'd eventually like to see the setup migrate to the cloud. "It's such great technology and so easy to use that from an implementation standpoint a cloud-based system would be very helpful on the IT side," he indicated.

Because the initial set-up requires "a lot more hands" a cloud-hosted product might accelerate implementation and allow for expanded tools to monitor scale outages, internal supply PAR issues and feedback on lost charges, for example, according to Hazen.

> **"**
> *Adopting PAR Excellence is a decision to optimize your resources. Automation like PAR provides tremendous opportunity to realign your team towards higher value activities like clinical support, logistic optimization, etc."*

"PAR Vision provides a lot of information," he continued. "There's a lot of reporting, and in-depth training is really helpful to isolate critical areas for managers to understand."

In addition to the volume of information presented, healthcare organizations then have to decide how they want the information presented, which takes time to learn, Hazen indicated. "For instance, making sure you have date ranges right, or how you want to see the information, like chargeable or all materials, a single location or multiple locations, etc. Those decisions are

important because having that information is so helpful, but at the same time, it does seem to be a lot for new users," he added.

CLINICAL/CRITICAL RECEPTION

PAR Excellence customers may not fully appreciate the most obvious benefit from implementing the technology, which also may be the most overt, according to Hazen.

"One of the most overlooked, and under appreciated aspects of PAR Excellence is the aesthetics of the room after implementation is done," he observed. "The rooms are so much cleaner, the look is so much more organized. It takes adjustment by staff, but it's very clean, and the staff appreciate that aspect. Most staff find the tool very easy to use, and we almost always have a few that step up to be super users who help out other staff.

"It's a mixed-bag, of course," he continued. "Some people love new tech, new ideas and embrace it. The staff who have been here a long time reflect the wide range on the reaction chart for sure. There's been some very positive transitions to the system and some who have struggled. Many of them see how easy it is, and it grows on them. The way they used to handle the charging, if it was even done, they knew there had to be a better way."

In fact, a new nursing hire with nearly 20 years of experience with other organizations really appreciated the tool, Hazen said. "As time has gone on, our nursing leaders and our administration has seen the value. We've had a lot of positive feedback," he added.

"The C-suite was supportive, otherwise we wouldn't have the dollars to implement, but was skeptical about the pace I thought we could see dollar recovery," he continued. "So far we've been in good shape in [terms of] dollar recovery. It's been mentioned by our CEO in his communications with Leadership staff, so I know the profile for our executive team is pretty good. The customers are mostly positive. Change is always tough, so new nurses coming on-site are usually very happy with the tool, and some of our more seasoned staff have adjusted over time."

Hazen classifies a PAR Excellence implementation as something like "an event when a room goes up." They try to avoid creating a stir as staff see a room being

built. They may ask questions of Supply Chain or IT staff based on natural curiosity about what is going up on the walls. "Our first day [of implementation] we usually have several nurses waiting to learn," he added.

A 'NO-BRAINER'

Hazen questions why anyone would question evaluating the PAR Excellence technology for their organization, calling it a "no-brainer."

"Even if you're not charging supplies to patients, its' worth it," he enthused. "The room is in better shape, the replenishment is so much easier, the supply staff workflows are easy, and the maintenance is simple. If you are charging back supplies, rather than using a supply spread, it's so easy for staff to manage, it absolutely cannot be any simpler. Make sure your key leadership buys in. Clinical areas, Facilities Leadership, IT, Supply Chain, and I would also include the Patient Financial staff so they can understand what the project is and what the goals are."

Hazen dismisses those critics of patient charging being a fiscal afterthought and redirects interested customers to consider the scale of their organization to help influence decision-making.

"If cost recovery is the only consideration, you probably have a harder sell, but it's still possible," he encouraged. "Look at the amount of [full-time equivalent] time in the replenishment process, and the productivity time that can be saved by engaging in this. Supply cost still will be impacted. Having a streamlined PAR process that reduces on hand inventory is a cost savings, right? So is lost materials, out-of-date materials, and helping to ease the 'stash everywhere' mentality."

Hazen recommends scaling the tool just to prove the concept.

"Take a room with a lot of traffic that has been a mess traditionally, and put the technology in," he advises. "Study the impact over a period of time. See the improved replenishment, the time savings for staff, the room itself, and judge the impact from there. I'm confident [there's] enough in the technology to believe anyone who sees it in action will see the benefits, even if you use supply spread to account for the cost of supplies. Finally, I know there are some health systems using the tool that are supply spread-based, so they don't charge for supplies directly to the patient. They are bigger systems, but the savings in the staff productivity were part of what drove their ROI. Ask the PAR Excellence account rep to set up a site visit to see the tool in action in that environment before simply dismissing it. I think it's eye opening."

PAR EXCELLENCE HIGHLIGHTS

Founded:
1993

Headquarters:
CINCINNATI, OH

Employees:
109

317
Client hospitals and networks

7,000
Departments including:
Surgery, Pharmacy, Nursing, Storerooms ,Central Sterile, Ambulatory, Non-acute

1.5 MILLION
scales installed

Perfect for
COUNTLESS
products including: catheters, CPTs, drapes, forceps, gloves, gowns, linens, medication, respiratory, shampoo, stents, sutures, trocars, wires ***...and more!***