Intalere Engagement Brings Transformative Materials Management Changes to Columbia County Health System

Challenge
Antiquated materials management system and lack of support from group purchasing partners.

Solution
Materials management enhancement initiatives including engagement with Intalere as primary group purchasing partner.

Outcome
Modernization and efficiency of materials management functions as well as savings of up to 25% in some areas of spend.

“Changing our GPO to Intalere has helped us not only in Materials Management but across the organization as well. We are a small organization and Intalere’s help this past year and going forward has been transformative.”

Chris Davis, Purchasing Manager, Columbia County Health System

THE CHALLENGE
Columbia County Health System (CCHS) is located in Dayton, Wash., and serves a population of approximately 6,000 people. The system employs 159 persons and includes a critical access hospital offering wound care and hyperbaric services, a nursing home and two rural health clinics.

Over a number of years, materials management had become somewhat of a forgotten department at CCHS. The bulk of their materials inventory was located in a cavernous basement referred to as “the dungeon.” Old, cobbled together wooden shelving was squeezed into any available space. Supplies were not well-organized, and one item could be in several different places. This lack of organization caused frequent expiration of product and year end inventory count was challenging. Departments periodically experienced shortages of supplies and requested par level stocking. As explained further by Chris Davis, current Purchasing Manager at CCHS, “We were not optimizing the materials management component of our practice management software program and our four group purchasing (GPO) partners up until 2018 might as well have been non-existent,” he said. “We had had literally no contact from them for years and had no idea how a GPO could be providing support.”
THE SOLUTION
The modernization efforts for the Materials Management Department began in 2016, when Davis joined the organization. Even though he did not have a healthcare background, he brought exemplary organizational and space planning skills. He spent much of 2017 cleaning and organizing the existing materials management space. In late 2017, he presented a vision to redesign and reimagine the space. He drew a new floor plan to scale which optimized the limited area and dramatically improved the work flow. To implement the plan, he purchased new heavy metal shelving in early 2018 and stocked the “new” space. Items now are visible and easy to locate because of clearly defined and labeled shelves.

“PDSA (Plan-Do-Study-Act) models have been utilized through our Quality Improvement Department that have established baselines for inventory accuracy, unaccounted for inventory, expired product and reducing the number of email stock orders compared to supply requisitions. All of these areas have seen marked improvement,” said Davis.

In 2018, Davis also joined The Association for Healthcare Resources and Materials Management (AHRMM) and visited two regional hospitals’ purchasing departments and gained insight into other hospitals’ processes.

But perhaps the most impactful change the organization undertook was a partnership with Intalere as its sole group purchasing partner.

THE OUTCOME
“Changing our GPO to Intalere has helped us not only in Materials Management, but across the organization as well. We are a small organization and Intalere’s help this past year and going forward has been transformative,” said Davis. “They have helped us take Materials Management in our organization from a forgotten department that no one notices to a high-functioning, important member of this team that promotes the health and well-being of everyone in our community. The entire organization reaps the benefits of this transformation.”

Davis explained that many main suppliers did not change when CCHS made the switch to Intalere, but connecting with Intalere contracts did bring their pricing down significantly. “Jim Hanley, our Regional Manager, helps us source any major purchases. For example, we were able to purchase two steam tables at a much lower cost than we would have gained purchasing on our own. We did switch office suppliers and noticed a big decrease in office supply costs plus much-improved customer service.”

The savings included approximately 8% through the Intalere Nutrition program, nearly 10% in pharmacy through adjustments and rebates, and 25% in office supply costs. Davis explained the level of service has been exemplary. “Jim is in contact with the CFO and the Purchasing Manager regularly,” he said. “Emails and phone calls are returned promptly.”

Davis was also able to attend the Elevate 2019 Intalere Member Conference and came back with an expanded knowledge base in healthcare. “Prior to Intalere, we were on our own in unfamiliar territory and we now have immediate access to a great knowledge base,” he said, adding that they are working on further advancing the materials management function with par level stocking in several of the departments and program optimization with their software vendor.

About Intalere
Intalere’s mission focuses on elevating the health of healthcare by designing highly personalized solutions to improve our members’ financial, operational and clinical performance.