Intalere Member Summit Pacific Medical Center Gets Strategic About Supply Chain, Bringing Big Savings and Process Improvements

THE CHALLENGE
Summit Pacific Medical Center (SPMC) in northwest Washington, like many other critical access hospitals, is continually faced with challenges including keeping supply costs down, competitively negotiating with local vendors when access and availability are limited, and creatively collaborating with strategic partners to help achieve a better bottom line. Growing and moving from a small 10,000 sq. ft. facility, to a newly constructed 45,000 sq. ft. building, SPMC realized they needed an entirely new approach to supply chain and the process in which they engaged with vendors. “We were still functioning with outdated purchasing methods with department managers essentially making decisions in silos for product changes, capital equipment and services contracts,” said Carrie Wetzel, purchasing manager, SPMC. “This approach left little room for further negotiations or to ensure Intalere’s group purchasing organization (GPO) contracts were utilized. We needed to make sure we maximized that partnership, in addition to engaging staff and working with our rural hospital neighbors.”

THE SOLUTION
The SPMC team realized they needed to change the purchasing culture throughout the organization. Tactically, this meant things like centralized purchasing, implementing just-in-time (JIT) inventory management and empowering managers to work directly with Intalere field experts, as well as networking with their rural hospital colleagues. To ensure this was not only achievable, but also supported at the leadership level, they included the work required to improve purchasing workflows and methodology into their annual strategic plan. This helped to ensure buy-in and support from the board and leadership level all the way through to front-line staff. In all, there were 22 tactical measures surrounding purchasing processes and collaboration added to the plan.

The objectives were strategically vetted by SPMC’s management team and included:

- Implementation of an inventory/stocking plan.
- Training for all management staff on Intalere services and solutions.
- Utilization of yourIntalere contract management resources.
- Implementation of an electronic ordering system.
- Completion of quarterly formulary reviews with department managers.
- Creation of a purchasing manager group for the Washington Rural Health Collaborative (WRHC), a network of 13 critical access hospitals, predominantly serving the rural areas of Washington State.
“Utilization of strategic planning software gave us the tools to add specific measurable tactics, along with timelines, to ensure we could achieve each objective chosen,” said Wetzel. “Another vital resource was the support team from Intalere that took an ‘all hands on deck’ approach to the goals we set to achieve during the year. From IT support, to on-site education and meetings, their support was a vital and necessary component for us to succeed.”

THE OUTCOME

SPMC’s internal processes changed to include centralized purchasing workflows, Intalere contract utilization and review as a required step, and quarterly Intalere on-site meetings with department managers.

“A savings worksheet was created to help us track the savings our management team was able to achieve by using the tools and workflows resulting from this change,” said Wetzel. The worksheet highlighted significant annual savings of:

- 49 percent in facility service contracts.
- 38 percent in lab reagent agreements.
- 12 percent in lab equipment purchases.
- 10-15 percent on IT purchases (through utilization of an Intalere contracted vendor for IT smallwares and licensing).

In addition, implementing the JIT stocking plan at three offsite clinics allowed for the reallocation of several thousand dollars in supplies to other areas of the hospital. “Our process improvements have had amazing effects throughout the organization, providing much needed efficiencies, and staff availability of supplies for patient care in a systematic and trusted way,” said Wetzel. “Due to our strategic plan incorporation. We have a great platform to share these successes with the community we serve in our ongoing efforts to provide cost effective, quality healthcare.”

The purchasing managers group of the Washington Rural Health Collaborative (WRHC) also presented an excellent opportunity to work together to create solutions surrounding GPO involvement, as well as a platform for presenting joint contracting opportunities to the WRHC board. Recognizing several Intalere partners and a fairly high percentage of vendor matches among the collaborative members, the purchasing managers group reached out to Intalere to explore the option of creating an Intalere purchasing umbrella within the collaborative for the members to aggregate volume. Intalere memberships for the WRHC and the seven participating facilities were established. The WRHC group’s first joint savings roadmap was subsequently completed, highlighting 52 percent annualized savings opportunities.

Intalere’s flexibility and willingness to work on developing tailored solutions was also instrumental to this part of the process as well. “Without their assistance and access to industry experts we would have not been able to achieve our goals in the timeframes set by our team,” said Wetzel. “Their representation was phenomenal. It allowed our financial leaders to ask crucial questions regarding facility savings and how to navigate the data presented.”