

INSIDER



The Insider focuses on hospital success stories from the customer perspective. Do you have a success story to share? Please call 818.897.1111 ext. 1340 today!

Saint Thomas Health Saves 22% and Streamlines Label Purchases through PowerPlus™ Program

Challenge: Saint Thomas Health Services lacked a standardized purchasing program for labels. Multiple departments outsourced hundreds of labels from up to 20 vendors, paying different prices for the same labels.

Consultative Solution: Through its PowerPlus auditing system, PDC-TimeMed documented label type, volume, and overall investment, while identifying products for standardization and stocking levels. An aggregate cost savings using PDC-TimeMed labels was furnished.

Results: St. Thomas achieved a **22% cost savings**, or **\$73,000**, through a single source solution for the majority of its labels. Standardizing product usage through all departments saved additional time and resources.



In today's healthcare supply chain, many providers are challenged to come up with standardized systems for buying supplies. While hospitals may scrutinize big ticket purchases, small items like labels and wristbands don't make the radar. Many facilities lack the systems to prevent staff from buying the same labels from multiple vendors at different prices. As a result, employees can unknowingly order expensive custom labels over low-price stock labels. This reality of *Purchasing in a Vacuum* creates an accounting and supply chain dilemma, which costs hospitals up to millions of dollars per year in labels!

Like many healthcare organizations, Saint Thomas Health Services, a family of four facilities in Middle Tennessee, lacked a centralized and streamlined purchasing program for labels. Numerous departments separately managed their own vendor relationships, purchasing custom and stock labels on demand by roll, sheet, or pallet. "Most organizations have no idea what they are spending on labels," said Roger Larkin, Director of Purchasing at Saint Thomas. "They are much more worried about the high dollar items because those numbers stand out. At Saint Thomas, we were guilty of the same thing."

Saint Thomas needed a clear understanding of **(1)** the type and quantity of labels purchased, **(2)** how much it was spending, and **(3)** a process for consolidating and standardizing purchases across the organization. The hospital turned to the PowerPlus Purchasing Program from PDC-TimeMed, the leading supplier of wristband and labeling systems. "PDC-TimeMed was the first company that was willing to help us go department-by-department to create an audit report, which ended up saving us months of time," said Larkin.

With an overall aggregate savings rate of up to 30%, the PowerPlus Program consists of two phases:

PHASE ONE: First, Saint Thomas provided its annual label expenditures, including product numbers, descriptions, annual volume, total spend, and existing commitments. PDC-TimeMed performed a system-wide label audit, identifying products for standardization, stocking levels, while documenting the types and volume of labels used. Based on the assessment, PDC-TimeMed provided Saint Thomas with an aggregate savings in exchange for a commitment to purchase 80% of its labels from its company.



(Continued from front)



Saint Thomas Health Services is a family of four hospitals throughout Middle Tennessee with more than 8,000 employees.

- Includes Saint Thomas and Baptist Hospitals in Nashville; Middle Tennessee Medical Center, Murfreesboro; and Hickman Community Hospital, Centerville.
- In 2008, Baptist Hospital became the first Tennessee hospital to earn a certificate of distinction from The Joint Commission for Advanced Inpatient Diabetes Care.
- HealthGrades named Saint Thomas as the number one heart program in Nashville for the second year in a row.



After completing the initial collections process, Saint Thomas discovered that it was using **more than 800 labels from up to 20 vendors**. Some were purchased by the pallet, others by the roll. Some cost \$3 a roll, others \$1. Of its \$300,000 in aggregate label costs, Saint Thomas committed to a purchase volume of \$220,000 using PDC-TimeMed labels. As a result, an **aggregate savings of 22%, or \$73,000**, was documented by converting to the PowerPlus Program.

PHASE TWO: The second part of the PowerPlus Program included a clear timeline for the conversion process to PDC-TimeMed labels. Working side-by-side with PDC-TimeMed representatives, Saint Thomas staff loaded item codes and ordering information into their systems. When the conversion was completed, Saint Thomas was able to say goodbye to its former inefficient system and hello to a smart, single-source solution with PowerPlus.

Hospital staffers no longer have to research for label providers; instead they use their purchasing system or the PDC-TimeMed Catalog. Purchasing no longer issues multiple purchasing orders for the same labels to the same or multiple vendors, but rather uses the hospital's streamlined database, which is no longer convoluted with hundreds of duplicate and irrelevant SKUs.

Saint Thomas was thrilled with the results. "PDC-TimeMed provided documentation that gave us a clear picture of everything that we were buying, proving that we were unnecessarily spending tens of thousands of dollars on duplicate and custom labels," said Larkin. "Not only do we save money across the board on labels, we also have a much more efficient, streamlined process that

eliminates congestion, random vendors and ordering. On our own, we would probably still be working on the labels inventory. In partnering with PDC-TimeMed, not a whole lot needs to be done to keep our system running efficiently and cost-effectively."

"Typically, when you standardize, you can expect up to 10 percent savings," Larkin added. "The actual savings was better than expected, and when you add the level of support we've received from PDC-TimeMed, reality has truly exceeded expectations."

Put PowerPlus to Work for Your Healthcare Organization

Changing the way labels and wristbands are purchased with healthcare organizations is more than a simple shift in philosophy. It's a culture change that requires major time and resources that in many cases don't exist. Fortunately, hospitals no longer have to attack the challenge alone. PowerPlus provides a powerful combination of cost savings and consolidation with a seamless conversion process to centralize your label and wristband purchases.

Your organization will reap the following benefits from PowerPlus™ :

- 1) Increase GPO compliance
- 2) Consolidate vendors and orders
- 3) Standardize product usage within all departments
- 4) Reduce supply cost by optimizing purchasing volume
- 5) Option of thousands of stock, off-the-shelf solutions
- 6) Customized ordering programs
- 7) HIPAA readiness and Joint Commission compliance



"PDC-TimeMed proved that we were unnecessarily spending tens of thousands of dollars on duplicate and custom labels.

Not only do we save money...we also have a much more efficient, streamlined process that eliminates congestion, random vendors and ordering. On our own, we would probably still be working on the labels inventory. In partnering with PDC-TimeMed, not a whole lot needs to be done to keep our system running efficiently and cost-effectively."

Roger Larkin, Director of Purchasing
Saint Thomas Health Services

See how Your Organization can
achieve Savings
of up to **30%** through the

POWER Plus+
purchasing program

Call PDC-TimeMed Today
800.323.4840



San Fernando, CA
13880 Del Sur Street
San Fernando, CA 91340-3490 USA



Burr Ridge, IL
144 Tower Drive
Burr Ridge, IL 60527 USA



For questions and input please call
800.323.4840 or 630.986.1800
Email: info@pdcorp.com