

The session
will begin at
11:45AM ET



Healthcare Supply Chain Management

QUISITIVE

Quisitive Technology Solutions

December 2021

Agenda





Who We Are

01



Winner Microsoft Partner of the Year

Healthcare



One Microsoft Cloud & Industry Partner



7,500 Global Customers



Over 400 Team Members

18 YEARS

Average Industry Experience

Microsoft Partner

2021 Partner of the Year Winner
Healthcare Award
2021 Partner of the Year Finalist
Community Response Award

2021/2022
INNERCIRCLE
for Microsoft Business Applications

Customers



Our Healthcare Solutions



Data and Insights

OnRamp to Azure
Data for Healthcare

Image Archiving

Patient Insights

RCM Insights

Integration
Connectors

FHIR CDM

Population
Management



Industry Solutions

Digital Front Door /
Patient Portal

Physician
Engagement

Virtual Telehealth

Patient Remote
Monitoring

Patient Engagement

Referral
Management

Care Coordination



Business Applications

Supply Chain
Management

Human Resource
Management

Financials
Management

Revenue Cycle
Management



Cloud Infrastructure

Data Center
Consolidation

Identity and Security
Management

Merger Acquisition
and Divestiture

Tenant Migrations

End Point
Management

M365 Migration

Speakers



Timothy Snowball, Director of Procurement, El Rio Community Health Center

Tim works with operational teams and senior leadership to create a cohesive, efficient environment to achieve the best customer experience. Do so through experience with a supportive Supply Chain and promoting positive process improvements through strategic leadership and implementation.



Pat Becker, Chief Strategy Officer Healthcare, Quisitive

Patricia Becker has served as an executive IT professional in healthcare for 25 years. She is a HIMSS Fellow, was CIO and VP of Information Systems at the University of Chicago Hospitals and Health Systems and served for a decade as VP of Technology Services, CIO and Chief Privacy Officer at the University Health System Consortium (UCH). As Quisitive's Chief Strategy Officer for Healthcare, Pat brings a wealth of industry knowledge to Quisitive's development efforts.



Kaushik Ramakrishna, Practice Director - ERP, Quisitive

Highly skilled Microsoft Dynamics 365 business applications evangelist with over 10 years of product development and implementation experience. Experienced thought leader for successful digital transformation in industries such as Manufacturing, Healthcare, Oil and Gas.

Customer Journey: El Rio Healthcare

02



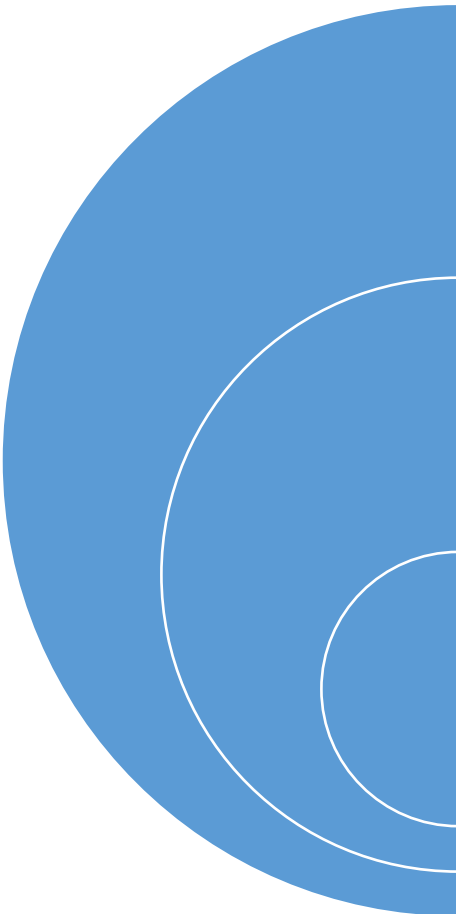
Quisitive Healthcare Technology Webinar Supply Chain

December 7th, 2021

Presented by: Tim Snowball, Director of Procurement



About El Rio Health



El Rio Health was founded in 1970 to provide affordable, high quality, and compassionate care in response to President Lyndon B. Johnson’s declaration of War on Poverty in 1964. El Rio is now one of the largest, most highly regarded Community Health Centers in the country serving 115,000 people at multiple locations throughout Tucson, AZ.

Service Lines Offered at El Rio:

Primary Care, Dental Care, Radiology, Lab Services, Pharmacy, Behavioral Health

As a not-for-profit organization El Rio financially supports ongoing operations with a trending 7-9% positive margin, managing revenues around \$250M per year, and reinvests into the ongoing growth and operations for the Tucson community.

Supply Chain and Purchasing at El Rio



History of Supply Chain



- For 45 years the purchasing needs for El Rio occurred under the umbrella of the Facilities Management team.

1970-2015



- Only 6 years ago did the Purchasing team gain their own leadership, department, and reporting structure.

2015-2020



- 1 year ago, El Rio invested in additional leadership talent, and moved from a singular Purchasing focus to a comprehensive Supply Chain focus.

2021



Why El Rio is Investing in Supply Chain?

Growth Over the Last 10 Years

- Volume of Patients and Encounters Increasing; Therefore, Supply Usage Increases as well
- Growing Organizational Leadership Team, with more Role Specific Business Accountability

Pandemic Identified Shortfalls

- Talent Inexperience
- Warehouse Inefficiencies
- Weak Vendor Partnerships than Needed

Lack of Transparency

- Systems Lacking Clear Line of Sight to Inventory
- Multiple Report Sources
- Distributor Partnerships Lacking Visibility to Forecasting

Steps to Supply Chain Improvement in 2021

Complete Reorganization of Central Supply Warehouse

- Modernize Space Requirements – Shelving
- 5S: Lean Methodologies
- Process Changes to Pull From & Use the Supply Effectively



Centralize Inventory Control

- Created Centralized Inventory Roles to Give Time Back to Clinical Staff
- Standardized Processes



Implement New ERP – MS Dynamics 365

- Item Master
- Requisitioning
- Purchasing
- Inventory
- Receiving
- Payment
- Fixed Assets
- General Ledger

Outcomes Moving Forward



Warehouse Items Now Have
Continual Movement



Automated Reorder Levels for
Warehouse



PO Confirmations to Take Timely
Action on Backorders



Sufficient Stock for 30+ Days on
Critical Items



5,250 Hours Annually Freed Up
for Clinical Leaders and Staff



Working Towards 95%+
Purchases Placed on PO's



Achieving Approval Hierarchy for
Requisitions to PO's



Ability to Process Orders and
Payments with 3-Way Match



Manage Inventory at Point of Use
with Min/Max



No More Stockouts or Overstock



Ability and Time to Plan for
Disruptions



Steps, Time, Paper, Money Saved

Questions

SUPPLY CHAIN

SCM STRATEGY PLAN MANAGE
Procurement DISTRIBUTION RESOURCES Logistics
Process
DELIVER PLANNING
ASSETS
PROCESS-LED PRODUCT MANUFACTURER BUSINESS PLAN STRATEGIC SYSTEM
PARTNER LIFECYCLE NETWORK DELIVERY Activites STRATEGY
DISTRIBUTE MANAGEMENT



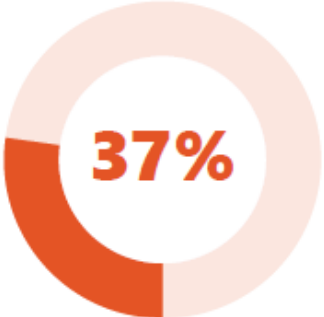
Importance of SCM in Healthcare

03

Healthcare Supply Chain Impacts



Supply chain costs consistently rank near the top for hospitals and healthcare systems, with predictions that they will finally surpass labor costs as its greatest expense in 2020¹



Supply chain costs for health systems average 37.3% of the total cost of patient care.²



Save an can average 17.7 percent or \$11 million per hospital annually by streamlining and standardizing their supply chain processes.³



In Nov. 2019, the average hospital spent \$12.1 million more than it needed to, an increase of 22.6% from just two years ago.⁴

1: The Association for Healthcare Resource & Materials Management 2: Source Gartner 2020. <https://www.gartner.com/en/supply-chain/insights/healthcare-supply-chain-management> 3: Source: Navigant Consulting 4: Source: <https://www.statnews.com/2019/11/19/hospital-supply-chain-overspending-too-many-choices/>

Supply Chain Components

Needs:

- Data for forecasting needs
- Contingency plans with supply needs and suppliers' sources
- AI based analytics which have algorithms for disruption
- Consumer's confidence that organization can have the supplies they need in an emergency

Data:

- Determine the data needed for demand forecasting
- Do your systems have the data
- Is it easy to access
- What was missing from your Covid forecast
- Where can you get it
- Do you have the necessary tools to analyze the data

Supply Chain Needs

Contingency Plans:

- Most plans in place prior to Covid were insufficient
- Plans need to be updated based on experience, determine where the shortfalls were and adjust
- Stockpiling
- Determine secondary and tertiary sources
- Form or strengthen alliances to allow for sharing

Consumer Confidence

- Everyday there are headlines about issues in the supply chain
- Ability to keep front line staff safe
- Lack of resources, both staff, supplies and equipment jeopardize patient safety
- Market what your organization is doing to keep these fears
- Intermountain Healthcare experience

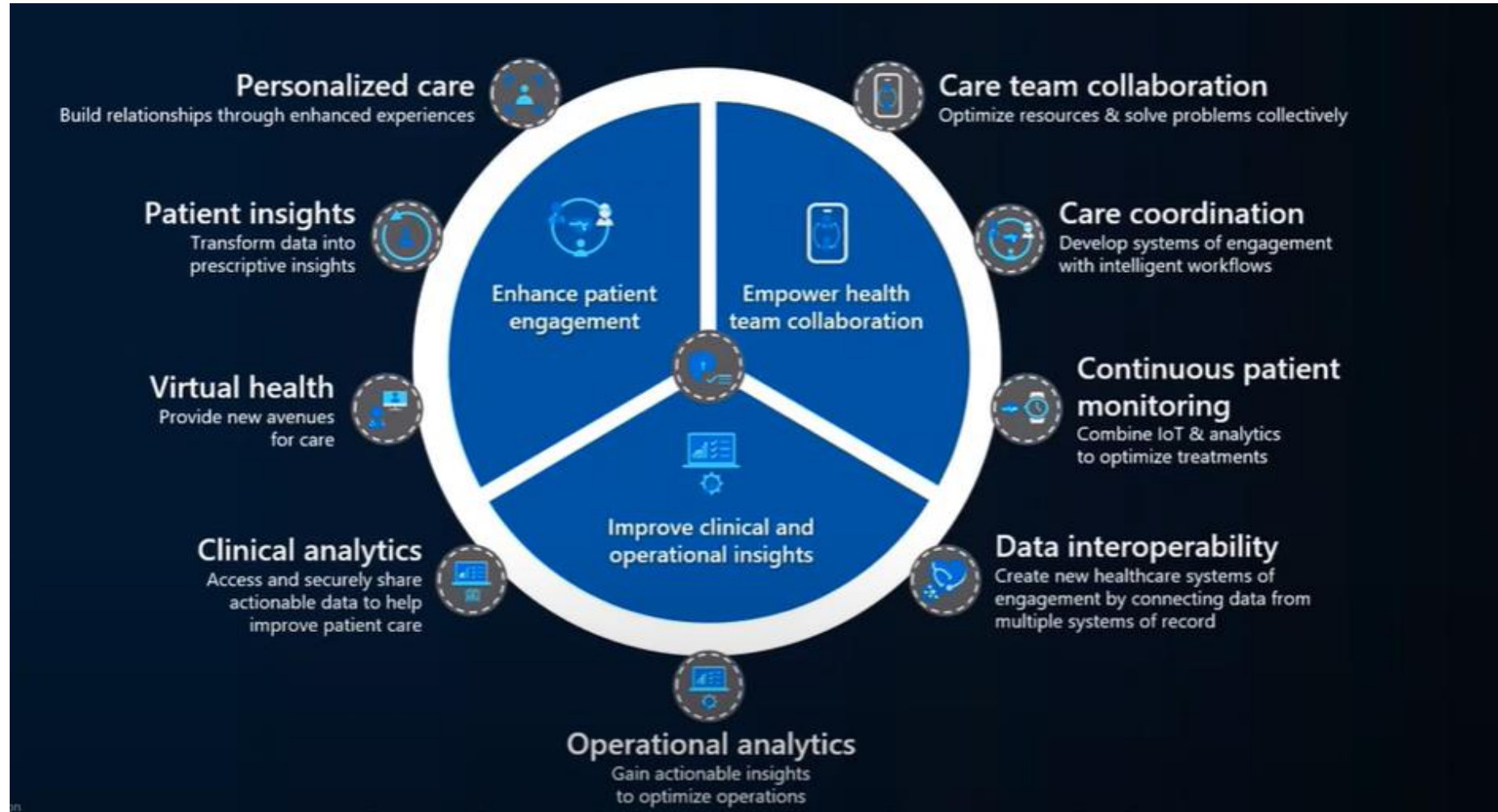
Supply Chain Needs

- Less than 15% of hospitals indicate they have the tools for do the analysis of what is needed when a disruption occurs
- Help determine what supplies and equipment is needed during a disruption (improve clinical inventory demand forecasting)
- AI based analytics which have algorithms for disruption

AI/ML Supports:

- Predictive analysis
- Demand matching
- Logistics optimization
- Supply continuity
- Task automation

Supply Chain Supports Patient Care





Challenges, Opportunities & Objectives

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Healthcare SCM Challenges

- PAR management
- Access to online portal
- Better supplier collaboration
- Updated processes for order management
- Lack of accurate and real-time data
- System integration
- Strain on providers and staff
- Decreased patient care and satisfaction
- Pandemic impact

For most institutions, navigating today's financial and operational challenges and positioning for future growth requires radical change that is achieved only with new thinking and partnerships. Now more than ever, hospitals need to build relationships with physician groups, insurers, retailers, vendors, and other providers. It's increasingly apparent that most organizations don't have the resources they need to evolve on their own.
- Source: *Medical Economics, Kaufman Hall 2021 State of Healthcare Performance Improvement Report*

Supply chain disruptions and shortages have driven up prices and forced a return to the costs of carrying larger inventories of needed supplies.
- Source: *Healthcare Finance Nov 24*

Nurses Say Supply Chain Problems Impact Safety, Hospital Margins
Four out of five nurses call for supply chain automation tools that would improve patient safety, reduce stress, and increase hospital revenue.


According to the survey, 65 percent of nurses reported that their hospital's supply documentation system is too time consuming.
- Source: <https://go.syftco.com/market-report/nurses-the-secret-factor-for-better-supply-chains>

Healthcare SCM Opportunities

- Phased approach
- Patient-centered IT
- Updated framework
- Purchasing volume to negotiate discounts
- API Interoperability
- Transform single services at a time
- Reduce strain on IT services
- Multi-touch access through mobile devices
- Access data points
- Microsoft Cloud for Healthcare: security, scalability, agility

Healthcare SCM Objectives

- Higher level of patient care and satisfaction
- Reduce manual processes/administrative redundancy
- Increased revenues and ROI
- Reduce risk of waste/expired materials
- Improved patient and staff safety
- Enhanced regulatory compliance
- Scalability
- Decrease administrative time
- Leverage benefits of Cloud environment
- Real-time reporting
- Improved clinician and supplier relationships
- Maximize inventory investment
- Mitigate impacts of future pandemics



Questions & Answers, Next Steps

05

How to Get Started Internally

1. Develop KPIs for Supply Chain Management*

- Supply expenses as a % of net revenue
- Spend Under Management
- Inventory turns
- Supply FTEs per 1 million total non labor supply expense
- Expired Products as a % of total on hand products in inventory
- % of items stored in the item master with Identified substitutes
- Primary distributor % rate
- % of items stored in the item master populated with a GTIN
- % of office supply expense comprised of ERP products

2. Identify a specific area for a phase 1 and outline potential impact on KPI

*Source: [AHRMM](#) suggestions

Next Steps

Microsoft Catalyst IDEA Framework

Build, plan, and execute business transformation strategies with a proven, innovative approach from Quisitive and Microsoft Catalyst – an envisioning and planning program that employs Microsoft Dynamics 365, the Microsoft Power Platform, and the Microsoft Cloud.

WHY MICROSOFT CATALYST?



Leverage a powerful and proven Microsoft approach for your digital transformation.



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Accelerate your journey and realize value faster.

Connect with us today: Ask@quisitive.com