About Foothills Surgery Center

Foothills Surgery Center is an LLC owned by Boulder Community Health and Foothills Surgery Group, LLC. The surgeons of Foothills Surgery Center wanted to create a center of surgical excellence comprised of owners and non-owner physicians to provide surgical services across multiple specialties. In 2013, the facility opened and received Medicare certification and accreditation from The Joint Commission.

The staff at Foothills are experts in their fields. With four operating rooms, Foothills physicians perform ear, nose and throat, general surgery, neurosurgery, ophthalmology, orthopedic, pain management, urologic surgery and podiatry procedures, and consistently drive the highest patient satisfaction ratings. Foothills Surgery Center is a proud member of the Colorado Ambulatory Surgery Center Association and managed by Surgical Care Affiliates.

Challenges

Foothills Surgery Center was managing supplies manually, which meant members of the materials management team walked through the center to find supplies and identify inventory levels, writing down item codes and numbers of items on-hand. Stock and inventory areas were not well-labelled and items were often stored in various locations. Supplies weren't always in bins and when items were out, it was difficult to identify what was missing.

With a hand-written list, the materials team would then move to the patient accounting system and type in codes one by one. If information was missing, they would have to go back to the storage location and validate the item and find the detail needed to fix errors. Once created, orders were printed and faxed, or a second keying process took place on a vendor's e-commerce site. "We needed to find better ways to improve accuracy and free up time for my team," said Loren Anderson, CMRP, Materials Manager. "We didn't have a materials management system before Envi and our processes were slow and manual. With manual processes, we had no way to validate the accuracy of items and orders."

Setting Goals

Anderson and his team set goals to make their supply chain processes more accurate, including ensuring that all items in inventory were stored and labelled correctly, with correct item codes, descriptions and par levels. "In a smaller facility, storage space is at a premium. We created a specific location for every item, then worked to right size all the bins, and label everything with barcode labels and min/max levels."

The team recognized that once they had everything organized and properly identified, they would be prepared to address other areas of focus, including overall process automation, ordering accuracy and efficiency, data visibility and capture, back order management and greater supply chain resiliency.

Implementing Envi, Building Excellence

"As we considered a solution to support our supply chain efforts, we identified Envi based on both solution functionality and business relationships," said Anderson. "As a member of Provista, we liked the opportunity to closely link supply chain processes with GPO services and contracts, and second, we wanted to use a solution that integrated with our HST system, especially to help with case costing."

Anderson discussed specifics about how Foothills identified new processes to drive excellence throughout their supply chain.

"We started with the physical aspects of supplies and made sure everything was organized and labelled, then moved into data. We cleansed and normalized data to make sure product descriptions in our Envi item master were correct, then added classification codes so we could track and understand spend. We uploaded contract data first allowing us to confirm accurate pricing by comparing our purchase orders to supplier PO Acknowledgements, and second, to be sure we could manage contract expiration dates so we didn't inadvertently buy off-contract."

"Today we use barcode scanning to identify items for reordering. Barcode labels on product shelves let us instantly scan and enter quantities to be purchased, and with vendor codes, we can eliminate issues with the order or contract price. We invested in building lead times for every vendor. In Envi, we can enter vendor lead times, as well as our min/max supply levels, and when combined, we can better understand on-hand supply capacity, pending orders and risk of stock-outs. We're alerted of overdue inventory and can ensure backorders are followed up on quickly. With recent supply chain disruptions, this has been essential to helping ensure clinicians never run out of the supplies they rely on."

Building a More Resilient Supply Chain

2020 has undoubtedly tested the healthcare supply chain. Organizations have been challenged to maintain on-hand stock for even the most common items. "It's become clear that visibility to all available inventory, wherever it may be located, and understanding lead times and back orders, is vitally important to overall supply chain health," said Anderson.

"I run a back order report every week and can follow-up on what's overdue, or identify areas where I may need to source an alternate vendor. This year, I've seen back order reports that are four pages long and not just PPE – there are a lot supplies manufactured outside the U.S., as well as manufacturers that switched over to manufacturing priority supplies. Within a small facility, we have to continue managing with a just in time inventory approach and carefully managing our resources. The overall supply chain is pretty fragile and improving the way we manage our inventory. Building more visibility to supplies will be important for success in the future. And new facilities may want to think about increasing storage areas!"

Outcomes & Results

The team at Foothills has leveraged the powerful Envi reporting tools for data analysis. "We used this data to illuminate areas of potential improvement with information such as categorical spend, spend byvendor, and rep-delivered versus stock spend," said Anderson. "By identifying products with a classification hierarchy, we're able to see where our money goes, and if we have categories where spend isn't proportional to revenue, we identify red flags. Today, we do a better job of vendor management and can see where to allocate time and resources in

identifying new products. Ultimately our physicians need to buy in to new products, and now we're able to provide solid data."

On an ongoing basis, Foothills is recognizing improvements in labor through time savings and direct savings from on-contract purchasing. Anderson added, "The most important change for us has been having a real materials management system. Smaller facilities might think they don't need MMIS functionality, but it's important to our supply chain processes, and leveraging the full functionality is key. I know there will always be more ways for us to leverage the system and the data."

Summary of Best Practices

- Sending all orders through Envi to create full visibility to spend, complete data capture and intelligence-based planning and decision making

- Identifying price discrepancies by ensuring correct contract prices are utilized in purchase orders and confirmed in PO Acknowledgements

- Setting up Envi alerts to identify overdue orders

- Running a weekly back order report to follow up on overdue items

- Setting up vendor lead times to enable processes for proactive back order management

- Identifying resources for alternative products if needed

- Managing data accuracy on an on-going basis, limiting who can access, add or edit data to protect accuracy

- Using Envi reporting tools to provide leadership with business intelligence including overall spend, top 30 items, spend by vendor, rep-delivered items versus in-stock inventory

- Leveraging Envi to receive incoming supplies, matching POs to receiving and back order reports