

Accurate item master data list is vital for sustainable healthcare organization

How one health system improved their overall spend management while focusing on patient health.



To achieve the balancing act between cost reductions and quality of patient care, providers are taking a hard look at how their system's supply chain is organized and managed. Uncovering inefficiencies and finding ways to reduce costs, without sacrificing quality of care, can be a daunting challenge.

In this case study, one healthcare system wanted to gain a deeper understanding of their operational weaknesses and clarity centered around products, outdated and inaccurate records and overall spend. The leaders had a mission and

understood that data integrity was crucial for supply chain optimization.

To gain clarity, a plan was created to make sure that the data used for requisitions, purchase orders (POs) and invoice payments was accurate and reliable. This strategy helped achieve the mission of delivering excellent results with clean and top-notch data. The Vizient Data Management Platform (DMP) was a significant part of that strategy, providing stakeholders with the relevant data needed to drive informed decisions.

Building a stronger foundation

The first step was to remove duplicate records so that the healthcare organization had an accurate item master list to review. From there, United States Nations Standard Products and Services Codes (UNSPSC), the standard for classification of products and services, were added to globally classify products and services and more easily analyze overall usage and spend. Additionally, the DMP captured items that were being purchased off-contract. A contract review was conducted to determine opportunities, reduce cost per unit and improve financial margins. Additionally, the DMP provides Global Trade Item Numbers (GTIN) which automates the updates to the item master with GTINs at the unit of measure level. This enhanced the ability of surgical procedures, by capturing implant data at the point of use, allowing it to be included in the medical record.



Cleaning the data

Cleaning the data is a collaborative approach. The benefits of clean data are apparent from every sector of the organization including the patient.

The advantages include:

- in-depth organizational reporting
- identification of recalled goods
- improve product standardization
- efficiently source alternative products
- minimize selection errors and returns
- provide high-quality information for contract negotiations
- increase overall productivity

Improving master accuracy

After implementing the DMP, the health system has improved their master accuracy by 41% and reduced their duplicates to less than 20 items to date. This more accurate list has led to a 53% improvement in overall spend.*

“With the data DMP has available, item master, PO detail, invoice, manufacturing and vendor master, this tool can provide a great deal of analytics, beyond helping us maintain a clean item master. Coupled with contracting tools, and patient procedure data, more reliable future demand forecasting can be achieved. Working with our manufacturers, together, we can take some of the financial risk out of stockpiling raw materials, thus reducing inventory shortfalls,” says one leader from the healthcare system.

The health system continues to collaborate with Vizient and is focusing on continued improvement efforts for their supply chain and organizational well-being.

** The findings are derived from data collected from a 6-month period post implementation. The metrics are determined by scorecard rankings and the percentage of each measured category over time.*



AI's role as a silent partner

“Using the AI (artificial intelligence) tools in DMP provides us with a silent partner, a highly skilled additional resource, tasked with keeping a critical eye on our item master — A ‘control tower’ enhancing visibility, which provides improved analytics and better decision making,” says a representative from the health system.



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