



Fiscally Fit: Taking Your Purchasing Power Back Post Pandemic

Erin M. Havrilla MSN, RN, NE-BC, CLSSGB
erin.havrilla@childrenscolorado.org



Background

- In May of 2019, Children's Hospital Colorado's system of care opened their first free standing children's hospital in the southern region which includes a level III Neonatal Intensive Care Unit
- Specific items are needed to provide patient care in this patient population, some of these items are deemed exclusive to the NICU resulting in the need for specialty ordering.
- The risk of specialty ordering supplies results in a higher cost margin and has a higher likelihood of being backordered while PAR stock items are frequently more fiscally responsible, and levels of expected needs are met by suppliers.
- During the opening of this facility and the abrupt, unexpected disruption of supply chains due to COVID, special ordering of items became paramount in this facility to meet the needs of the patients we serve.

Problem Statement

From January – August 31, 2023, an average of 60 specialty items were ordered per month for patients in the NICU, with an average of 60 items per month resulting in an average cost of \$19,201 per month.

Project AIM

Reduce the number of line items ordered through specialty ordering for the NICU from an average of 60 items per month to 50 items per month by August of 2024.

Key Interventions

Using Lean Six Sigma tools such as 5S and DMAIC methodology to focus on improving efficiency, cost and reducing waste led to studying physical storage space, creating ordering/inventory limits and an actual specialty ordering supply chain process.

Root Cause Addressed	Intervention
No Space • Limitations of unit storage	5S of Physical Storage Space
No PAR/Optimum ordering levels set	Set Reorder Points and Inventory Limits
No Set PAR Conversion • Lack of best practice • No centralized ownership • Single point of failure	Convert Specialty Items to PAR
• Lack of Inventory Process	Create Inventory and Ordering Process

Project Results

Reduced to an average of 3 line items ordered more than 1.2 times per month (77% reduction).



Decrease the Average Monthly Dollar Amount Spent on Specialty Ordering Items



Reduced from \$19,201 to an average of \$8541 per month (56% reduction).

Performance Results

Key Measures	Definitions	Baseline Jan-Aug 2023	Goal Aug 2024	Results
Outcome	Monthly average of line items of specialty purchase orders for patients	60	50	22.67 62% reduction
Process	Number of products ordered on average more than 1.2 times per month	13	10	3 77% reduction
Balancing	Number of times a product is depleted without a usable substitution/alternative	No data	0	0
Financial	Average monthly dollar amount of specialty items ordered	\$19,201	decrease	\$8,541 56% reduction

Practical Takeaways

- You are never too busy to not improve
- Operate on Facts not Feelings
- Studying an organization or unit's ordering processes and understanding when a product should be converted to PAR is integral to successfully stepping away from post-pandemic ordering processes.
 - This work is translatable to any unit that had to rely on specialty ordering to meet unique needs during COVID.



Please Scan for References, Contact Information and Special Thanks

