

EMPLOYEE AWARDED FOR ADVANCING AFFORDABILITY

KP's chief supply chain and procurement officer and her team set out to change how the organization acquires, stores, and delivers the products that caregivers and patients need

By Omar Morales, Senior Communications Consultant, Finance and Enterprise Shared Services
September 11, 2015

Imagine a nurse or doctor going to a supply closet to reach for a medical supply to help treat a patient, only to find the product had run out. Until recently, this daily occurrence led to nurses creating secret stashes of supplies — hidden away in drawers, lockers, and dark corners of store rooms.

“Our nurses could be very inventive as to where they kept hoards of product,” said Laurel Junk, Kaiser Permanente’s chief supply chain and procurement officer. “We were amazed at where we found product stored, and how much of it we found.”

In 2012, Junk and her supply chain team set out to change that scenario and make a lasting impact in how Kaiser Permanente acquires, stores, and delivers the products that caregivers and patients need. She has been so successful that this year the supply chain transformation efforts will support almost \$20 million in annualized spend reductions in California alone.

As a result, Junk is being honored on September 11 with the University of Southern California’s Marshall School of Business Service Excellence Award. The honor is bestowed to those who demonstrate reputable customer service, integrity, and exceptional supply-chain practices in the pursuit of exceptional service reliability. The USC ceremony was attended by Junk and Cesar Villalpando, senior vice president of Enterprise Shared Services.

More time to deliver care

Improving Kaiser Permanente’s supply chain – a delivery system that buys, transports, and supplies goods to its facilities and offices – is critical to our affordability initiative. So when Junk looked at transforming the supply chain, the effort included many initiatives, such as reducing the variation of products used across the program, standardizing the supply management processes, and introducing bar codes and scanning to track products along every point in the chain.

The results of these award-winning improvements is allowing doctors and nurses more time to deliver care and spend less time managing supplies. Supply management is now the responsibility of the supply chain organization utilizing OneLink, our supply management system, and Kaiser Permanente HealthConnect®, our electronic health record system.

“We heard that a nurse could spend anywhere from 15 to 40 percent of their time during the day just trying to find supplies because they weren’t well organized,” Junk said. “Now, product is available, it costs less, and more attention is focused on the patient.”

“By understanding what products are used on what patients, by what physicians, and bringing in the clinical information, we can understand the total impact of the product,” Junk said. “That will help us to lower infection rates, lower surgical times, and ultimately improve quality and affordability.”

Right product at the right cost

Along with improving cost and quality, there are many benefits to the information collected by the evolving supply chain system. Product tracking information can now be tied to procedures and patient medical records, allowing Kaiser Permanente to identify what products and procedures benefit patients most. Another advantage of the supply chain overhaul is the ability to react quickly to product recalls by understanding how much, and where, recalled product is stored throughout the system. Since starting the supply chain improvements, inventories have been reduced by \$16 million while also improving the availability of supplies for our clinicians through improved safety stock levels and re-order points. The endeavor to improve and create supply efficiency isn't finished – there is more work underway to continue to tie together OneLink and KP HealthConnect with emerging technology that will provide even more information to drive better decision-making.

“The future state will bring all the information we need to the forefront,” Junk said. “Ensuring our patients get the best product at the most affordable cost is what it’s all about.”

Now, when a caregiver reaches into a supply closet and can find plenty of inventory of the right products for the right cost, they can thank an award-winning transformation led by Laurel Junk and the entire Kaiser Permanente Supply Chain organization.

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