Better visibility, improved transparency with JumpStock™

Name: Chesapeake Regional Healthcare
Location: Virginia and North Carolina
Hospitals: 2
Specialty facilities: 23

Pride in innovation

Chesapeake Regional Healthcare and its unified family of providers offers a broad range of care to the people of southeast Virginia and northeast North Carolina. A local, independent, community-focused organization, Chesapeake offers high-quality, technologically-advanced healthcare delivered by compassionate people.

Chesapeake takes pride in its innovative technologies, state-of-the-art facilities, breakthrough clinical protocols, leading-edge information systems, and powerful wellness initiatives, that make patient care faster, safer, and more effective. The result is better patient outcomes, higher satisfaction, more holistic treatment, and fewer complications.

Better visibility, improved transparency

Chesapeake Regional Healthcare is recognized for its primary focus on advancing patient care, while simultaneously improving its business processes in support of high-quality, cost-effective healthcare delivery.

With new Electronic Medical Records (EMR) and Enterprise Resource Planning (ERP) systems in place, Seth Larson, CMRP, Chesapeake's director of supply chain management, wanted to tie product consumption to patient care in order to build a foundational understanding of cost, quality and outcomes. Chesapeake Regional Medical Center had experienced PAR-level issues, with some items moving slower than expected and others moving faster. Larson approached Jump Technologies looking for a technology infrastructure that would provide visibility into those levels so supply chain staff could produce actionable reports at a moment's notice to show what was being used in a specific department.

"We implemented the JumpStock solution in our cancer treatment center and we were able to do just this," Larson said. "In this small sample area, we reduced inventory by 70 percent and we identified items that had not moved at all."

Chesapeake's main objective was to track products consumed at the specific patient level throughout an inpatient stay in order to:

• Help build a greater understanding of the cost of care, even in areas where bundled payments occur;
• Help provide patients with greater transparency and accurate billings; and
• Support efforts to better understand cost, quality, and outcomes.

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> **– Seth Larson, CMRP, Director, Supply Chain Management, Chesapeake Regional Healthcare**

An integrated, intuitive solution

Chesapeake worked with Jump Technologies to implement an integrated solution that connects the company's JumpStock solution with Chesapeake's ADT (Admit, Discharge, Transfer) and Charge Capture Systems, as well as its new PeopleSoft ERP. Implementation goals included: reducing costs through better supply management, providing more complete and accurate data about episodes of care to the cost accounting team, and improving the automation and accuracy of patient billing.

As a result of implementing JumpStock, products removed from inventory and used in patient care are now assigned directly to a patient. This technology partnership connects supply chain management with patient records and patient billing. As clinicians remove products from inventory, they select the specific patient's name on a secure, smart, handheld device. This assigns the supply to the patient and automatically records it to the episode of care, allowing greater visibility to consumed supplies.

Creating an accurate, aggregate view of supplies used throughout the system helps reduce costs through better supply management. Most important for Chesapeake, tying products directly to patients fosters more transparent and accurate patient billing, ultimately increasing patient satisfaction. In addition, providing better visibility to all consumed supplies will support cost accounting efforts, build a longer-term view of financial and quality outcomes, and enable a more accurate understanding of cost of care.

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"Because most of our supply areas have been managed with a PAR approach to inventory replenishment, the valuation of supplies in an area has always been a

challenge," Larson said. "Now we can see the value of a PAR level on a floor or for a specific area. For example, in Labor & Delivery, where we have two operating rooms and approximately a dozen labor rooms, our on-hand inventory was at $6,400. Since implementing JumpStock, we've brought on-hand supplies down to $3,800. Now, we can get daily use and dollar value by unit, and we can tie supplies to patients and episodes of care for a more accurate understanding of cost."

Initial training with JumpStock included both the nurses and supply chain team members. Nurses scan products they use and attach them to individual patients and episodes of care. Nurses capture supplies at the point of use in several areas currently, and Chesapeake expects to have JumpStock live for inventory management in up to 20 areas in the next few months.

The process is quick and easy for nurses, and the data it creates feeds into Chesapeake's cost accounting team and patient billing systems to help build more accurate views of procedure costs. It also creates more transparency in patient billing.

Accurate data improves outcomes

Larson wanted a supply chain that is both cost-effective and highly visible to the supply chain team and to end users, and he believes it won't take long to get there. The implementation of JumpStock has made it possible to provide a wide range of information.

Since implementing JumpStock, Chesapeake Regional Healthcare has seen results that include:

• Business process improvements based on higher levels of automation, which eliminate manual, error-prone processes;

• Improved accuracy in patient billing, helping improve patient satisfaction through transparency in billing and driving patient revenue;

• Improved inventory management using real-time velocity data, reducing costs by helping eliminate overstocking, stock-outs, hoarding, maverick spending and waste; and

• Better visibility to all supplies consumed, reducing costs by accurately setting inventory levels; building a greater understanding of supply use for cost accounting

Implementation began in the Cancer Treatment Center and Labor & Delivery. A new area — Antepartum — came online recently and the charging process is working well.

"We've found that data is essential. The data has to be accurate in every system. We've had a few challenges with our ERP system supporting different units of measure (UOM) as products are procured, but then used in different UOMs, such as boxes versus eaches," Larson said. "Working to standardize has been a big project, and doing everything we can to ensure data integrity has been the most important lesson."

Chesapeake is currently looking at expanding the use of JumpStock. Current targets include the OR, where Larson hopes to commodity supplies that aren't usually covered by preference cards — like shoe covers, hair nets, and other items — to start building visibility and understanding velocity. Larson also plans to implement a 2Bin approach to inventory management in some areas, likely starting with the ER.

"What I like most is that, when I think of something, Jump Technologies can usually help me test it out," Larson said. "With JumpStock being a cloud-based solution, I'm continually getting updates and enhancements to the software so that we can keep improving."

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RESULTS/TAKEAWAYS
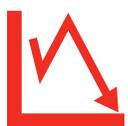
JumpStock reduced inventory by as much as **70 percent** in some areas.

Creating an accurate, aggregated view of supplies helped **reduce costs.**

Connecting products directly to patients fostered **more transparent and accurate billing.**