

CEC News

Supply Chain Operations Value Imperative: Both Purchasing and Accounts Payable Move to Shared Service Structure

The Supply Chain Operations Value Imperative is continuing to move forward in implementing two key outcomes for SJH—the creation of shared services for purchasing and accounts payable (AP). The purchasing phase is nearing completion, with the Southern California ministries transitioning their purchasing and procurement services to the new model on August 5th, joining the Northern California ministries, which transitioned in June. Texas transitioned on October 7th.

The AP phase is now underway with an initiative to centralize and automate AP processes through a shared service model that is expected to significantly improve efficiency, accuracy and cost-effectiveness of these functions system-wide. Texas will transition to the AP shared service on January 2nd, followed by Northern California on February 3rd and Southern California on June 2nd.

Under the new structure, any processing of medical staff invoices now handled by ministry AP departments will move to the shared service, according to the transition timeline. Medical staff who currently process their own invoices will continue to do so going forward.

Additional details will be shared in the coming weeks. Feedback is requested to ensure all questions and concerns are addressed. In the meantime, information can be provided by each ministry controller's office or by contacting Rosemary Egkan, Director of AP Shared Service, at Rosemary.Egkan@stjoe.org or (949)413-3155.

Pulse Oximetry

Spring 2012 the CEC began reviewing pulse oximetry. A RFP was distributed. Bids were received and analyzed. The Clinical Research team gathered literature and data from ECRI. Product fairs were held at the ministries. The CEC collected feedback from physicians and nurses. Based on these steps and the information gathered, the CEC voted to accept Masimo's bid.

Masimo has worked with Clinical Engineering, IT and Nursing to validate data, network and equipment needs. The request for conversion was submitted and approved by the system's Project Management Office. The conversion will begin in November 2013 and it will be completed by June 2014. The Department of Clinical Effectiveness is currently working with each ministry to determine ministry specific timelines.

The total anticipated savings for this initiative is \$625,000 per year, each year of the 7 year contract period. There is an additional savings opportunity for the ministries that elect to transition from disposable sensors to reusable sensors.

New Technology Request: Fore-Sight Cerebral Oximetry

Fore-Sight is a non-invasive cerebral oximetry monitoring system indicated for the continuous monitoring of regional hemoglobin oxygen saturation of blood in the brain and skeletal muscle. A review of the literature on cerebral oximetry monitoring revealed the following

- Cerebral ischemia can have devastating effects on neurological function
- General anesthesia has been associated with postoperative neurological complications
- Measuring cerebral oxygenation (rSO2) using near infrared spectroscopy (NIRS) before and during anesthesia may reduce the risk
- Neither the clinical value of trend rSO2 nor absolute rSO2 using NIRS has been demonstrated in disease states

After review and discussion, the CEC approved the use of Fore-Sight and requested that an agreement be secured with the manufacturer Casmed.

CEC Pending Approvals

Initiatives currently in process:

- Sports Medicine
- Pulse Oximetry
- Sequential Compression Device
- Adult Nutritionals
- EP Catheters

Did you know?

- CEC is the acronym used to refer to the "Clinical Effectiveness Committee"
- The CEC meets every other Friday to discuss clinical products and supply savings opportunity
- The Chief Medical Officer (CMO) from each ministry and one practicing physician makes up the CEC
- SJH has a process for reviewing request for new products. The CMO or the ministry's Materials Director can answer questions about the process.

Cost per Adjusted Discharge/CMI (8/2013)

	BASELINE	YTD
SJO	1,822	1,457
SJF	1,581	1,389
MHR	1,765	1,657
SMMC	1,284	1,093
QVMC	1,534	1,336
SRM	1,678	1,640
PVH	1,041	948
SJE	1,877	1,546
RMH	1,158	1,103
CHS	2,018	1,804
MCH	1,350	1,207
PLV	883	773
LEV	611	637
System	1,735	1,457

Supply cost per adjust discharge is a measure of each ministries' efforts to decrease costs. The ultimate goal is to reduce FY 2011 supply cost by 15% within 3 years, starting in FY 2012.