

CASE STUDY

Supplylogix Pharmacy Inventory Management Solutions



A large health system gains valuable insights into pharmacy inventory management with supply-chain intelligence software.



Carrie Boeckelman, RPh, BCACP
Manager, Ambulatory Pharmacy Services
~ UW Health Pharmacy



Melissa Ngo, PharmD, BCACP
Manager, Ambulatory Pharmacy Services
~ UW Health Pharmacy

PRIMARY INTENDED OUTCOME

Hospitals and health care systems in the United States handle more than 35 million patients each year. These large operations are finding that the cost savings associated with effective pharmacy supply-chain management can have a big impact on the bottom line, as well as on patient care.

Supplylogix offers a suite of software products that enables pharmacies to gain competitive advantages. Pharmacies can leverage Supplylogix's supply-chain tools to optimize their inventory replenishment, manage potential losses from unsaleable returns, and monitor their product movement.

THE CHALLENGE

UW Health, an integrated health system associated with the University of Wisconsin-Madison, serves 600,000 patients each year in the Upper Midwest region of the country. With six hospitals and 15 dispensing sites, UW Health processes upwards of 44,000 prescriptions per month. A large portion of their services is related to specialty pharmacy items, including diabetes, transplant, and HIV care, making their inventory costs exceptionally high compared to standard retail pharmacy.

CASE STUDY

“In the first six months of using the software, we reduced our managed inventory dollars by 23%.”

Carrie Boeckelman, RPh, BCACP
Manager, Ambulatory Pharmacy Services
~ UW Health Pharmacy

THE DECISION

Until 2016, the pharmacy inventory management at UW Health was largely a manual process. “The pharmacy software we were using did not give the whole picture of what we needed to know for inventory management,” said Carrie Boeckelman, RPh, BCACP, Manager of Ambulatory Pharmacy Services for UW Health.

Staff members routinely made decisions regarding minimums and maximums, often ordering large amounts of a drug in response to running out of stock a single time. “They went for the worst-case scenario, and their choices contributed to overstocking,” said Melissa Ngo, PharmD, BCACPA, Manager of Ambulatory Pharmacy Services for UW Health. “As a result, we had a lot of inventory dollars on our shelves that we did not need to have there. We knew we had to dig deeper.”

Boeckelman attended a conference where she was introduced to Supplylogix and was able to learn more about the software. “It sounded like it made great sense for us,” she said. Supplylogix later provided a demo including an overview of the specific opportunity benefits to UW Health, and the decision was made. “We were doing the best we could manually, but Supplylogix really spoke to us,” Boeckelman said.

THE RESULTS

Among Supplylogix's software solutions, UW Health uses Pinpoint Order for replenishment management, Pinpoint Transfer for redistribution intelligence, Pinpoint Audit for assessing risk, and Pinpoint Monitor for tracking controlled substances.

“The Pinpoint Order software allows us to set maximums and minimums systematically based on industry best practices,” said Ngo. This control prevents unauthorized changes to ordering amounts and has seriously streamlined their inventory costs. “In the first six months of using the software, we reduced our managed inventory dollars by 23%,” Boeckelman said.

CASE STUDY

PINPOINT TRANSFER:

*Reducing Waste
Through Inventory
Redistribution*

TIME SPENT =
30 Minutes Per Week

**\$100,000 OF DRUGS
REDISTRIBUTED IN
FOUR WEEKS =**
*\$1.2M Redistributed
in One Year*

**90% INVENTORY SELL
THROUGH RATE**
(NOT GOING TO WASTE)

Even with a leaner inventory, UW Health distributes partial fills much less often than they had been before implementing Supplylogix. "What's interesting is that we had more inventory on hand before, but it wasn't the right inventory," Ngo said.

Pinpoint Transfer is another powerful technology tool that UW Health uses. "Prior to Pinpoint Transfer, each of our pharmacies used to send out emails to the other locations with a list of overstocked items to ask if they were in need," Ngo said. "The system now shows us which drugs should be sent to which site."

The cost savings involved in redistributing pharmacy stock are very significant. "When it was a manual process we had very few transfers because no one had time to run each drug code to see if their site was using a particular medication," said Boeckelman. "We now redistribute every week, and we sell through 90% of those drugs. Annualized, that's \$1.2 million not being lost to expirations."

Pinpoint Audit and Pinpoint Monitor offer UW Health a new level of security around sensitive drugs. "Our internal audit department conducts routine narcotic audits, and some drugs came back highlighted," Ngo said. "When we dug into the reports, we were able to explain the issue. We have a high number of pediatricians who treat ADHD, and those were the drugs that were flagged."

THE CONCLUSION

UW Health implemented Supplylogix in 2016. Compared to manually managing inventory for 15 sites, the new tools have completely changed the way UW Health runs its pharmacies. Inventory costs are down, redistribution and sell-through rates are up, and workflow is optimized through automatic ordering and analytics report generation.

The **POWER** of Predictive Intelligence



Right in *Your* Pharmacy

We've helped more than **12,000** pharmacies improve their profitability by optimizing inventory replenishment, minimizing potential losses from unsalable returns and better monitoring of product movement...*Your Pharmacy could be next.*

■ *Changing the Way Pharmacies Do Business.*



Pinpoint**Order**[®]
Replenishment Management



Pinpoint**Transfer**[®]
Redistribution Intelligence



Pinpoint**Performance**
Inventory Reporting



Pinpoint**Count**[™]
Inventory Cycle Counting



Pinpoint**Audit**[®]
&



Pinpoint**Monitor**
Regulatory Compliance

