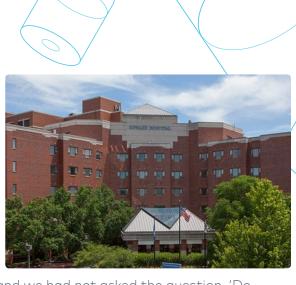
# Edward Hospital

## Cutting Inventory Costs with Analytics



#### **Situation** | Inefficiently Stocked Pharmacy Kits

Edward Hospital in Naperville, Illinois needed a solution to streamline replenishment for its 300 pharmacy kits and trays used throughout the hospital. The primary objective for the 352-bed hospital with 16 operating rooms was to cut pharmacist and technician time required to manually restock kits and to improve kit accuracy. However, the pharmacy team noticed another opportunity during the Kit Check implementation. The standard kits were bulky and overstocked with drugs that frequently expired before use.

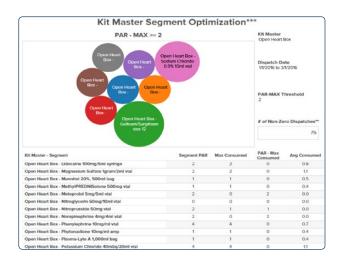


"We had not re-visited the question as to why par levels were set, and we had not asked the question, 'Do these items need to be in a particular tray or kit?'" said Huzefa Raja, the OR Pharmacy Supervisor at Edward Hospital. The pharmacy team realized they had not continuously monitored or evaluated the contents and parlevels within their 13 different kit types. As a result, the hospital had kits with too much inventory. The ripple effect on operations led to increased inventory cost, higher medication waste due to expiration and additional labor time spent checking kits.



#### **Solution** | Using Analytics to Optimize Kit Par-Levels & Reduce Drug Inventory

Kit Check's analytics capabilities provided the tool Edward Hospital needed to cut medication costs by optimizing their kitted medication inventory. The team's first focus was on the ten Open Heart Boxes in circulation. According to Raja, "both the pharmacy and anesthesia staff had commented this kit type was cluttered with too many items." Kit Check Analytics revealed that an average of only 18.3 of the 85 medications stocked in an Open Heart Box were consumed over the course of 75 dispatches. More specifically, the analytics dashboard enabled Raja to drill-down into each drug's par-level within the box to see both average and maximum historical usage for each medication.



Using this data, Raja used three criteria to identify which medications could be reduced or removed: 1) drugs that were slow movers; 2) drugs that were not used frequently and had high cost; 3) drugs that were easily accessible in other locations. Raja shared the data directly with the central and OR pharmacies and the cardiovascular anesthesia staff to collect feedback and sign-off before implementing changes. "The insights and data from Kit Check enabled pharmacy and anesthesia to work together in a more dynamic process," he said.



We are going to continue to use the analytics to look at all tray inventory. I think having the data is a great way to start the conversation about optimizing what truly needs to be in kits."





Huzefa Raja, PharmD. OR Pharmacy Supervisor



## Results | Saving \$1,000 Per Kit

With the data obtained from Kit Check Analytics, Raja was able to reduce the Open Heart Box inventory by 25%, from 85 to 64 items. That translated into a savings of \$900 -\$1000 per kit for a total savings of nearly \$10,000 just for the Open Heart Boxes. This reduction was largely driven by reducing Nitroprusside Sodium from 2 vials to 1 vial per box. Nitroprusside Sodium recently spiked to \$829 a vial and provides an example of how Kit Check Analytics can help hospital pharmacies adjust quickly to rapid drug price increases.

"By reducing the number of medications in the box, it gave us the opportunity to reallocate medications to an area where they are more likely to be used. For example, the nitroprusside sodium reduction alone equated to \$8,000 savings because they were only in open heart boxes for emergencies and often expired before use," explained Raja. The hospital also gained additional benefits by removing other excess items. Now the boxes are clean and organized, making it easier for the staff to identify individual items. They are also lighter which makes the kits easier to transport.

### Using Analytics

Kit Check Analytics has also enabled Edward Hospital to streamline the decision-making process for the pharmacy and anesthesia staff regarding kit medication par-levels. "The feedback from the CVOR anesthesia staff was very positive. We now have the ability to make suggestions with hard data behind it to justify our reasons," said Huzefa Raja, Edward Hospital OR Pharmacy Supervisor.

#### Edward Hospital by the Numbers

318



KITS IN CIRCUI ATION

39.1



KITS PROCESSED PER DAY

4,711



**AUTOMATED ITEM** CHECKS PER DAY

24.7%



REDUCTION IN OPEN **HEART KIT INVENTORY** 



HOSPITAL

