Munroe Regional reduces costs and gives nurses more time for patient care using Pyxis® supply technologies

Pyxis® Perioperative Solutions case report



**Pyxis**<sup>®</sup>



# Munroe Regional Medical Center

Ocala, Florida http://www.munroeregional.com

Size: 421 beds, 19 procedure suites

Type: Regional medical center

Application: Catheterization laboratory,

pperating room, open heart





## Automating for financial rewards

Munroe Regional Medical Center (MRMC) has been delivering quality healthcare to the community for a century. Facilitating more than 27,000 procedures annually, the medical center must be efficient for continued success. After expanding the facility, MRMC knew they needed to significantly reduce supply costs to continue providing the quality of care patients had come to expect. They could no longer afford lost charges, excessive inventory fluctuation or manual charging processes.

MRMC executives charged a task force of operating room (OR) directors, nurse managers and the Director of Materials to address these growing concerns. Having achieved success with the Pyxis SupplyStation® system on its medical/surgical floors, the task force selected Pyxis supply technologies to cut costs and increase efficiency inside OR cores, case pick areas, ORs and catheterization laboratories (cath labs).

## Focusing on patient care

"Materials was responsible for supplies, but did not have control over them," explains Judi Proctor, Director of Materials. "Clinicians spent critical patient care time ordering and restocking items and manually documenting charges." With Pyxis supply technologies in place, clinicians are no longer involved in day-to-day supply orders. "One nurse told me that the day she stopped doing supply orders was her favorite day," comments Andreia Schotter, Inventory Specialist. Implementing Pyxis supply technologies allowed clinicians to shed these administrative responsibilities and focus more on patient care.

"We used to have a candy store concept... With automation, we put appropriate controls and accountability in place."

**Paul Clark,** MS, FACHE Health Administration. CEO

| Savings in first nine months            |             |  |
|---|-------------|--|
| Supply use reduction                    | \$1,696,994 |  |
| Net reimbursement increase <sup>†</sup> | \$791,608   |  |
| Inventory returned for cash or credit   | \$240,000   |  |
| Total savings                           | \$2,728,602 |  |

| † Results from four OR | suites. Tota | l amount substantially | greater. |
|------------------------|--------------|------------------------|----------|
|------------------------|--------------|------------------------|----------|

| Bottom-line improvements  |     |  |
|---|-----|--|
| Charge capture increase in OR suites<br>(Direct net revenue increase of 2.6%) | 38% |  |
| Inventory reduction, cath lab   | 33% |  |
| Supply use reduction, cath lab  | 21% |  |
| Supply use reduction, open heart  | 22% |  |

#### Redefining the inventory process

Automating inventory processes allowed MRMC to move to a perpetual inventory environment, reducing the annual three-weekend-long physical inventory process to a one-day automated task. "Inventory fluctuation has been replaced with the ability to report inventory at 10 a.m., down to a specific stent or catheter. The inventory value reported electronically by Pyxis supply technologies and the physical inventory value virtually matched—at 99.8%," stated Proctor. Inventory value by par location and individual line item is now available with a few keystrokes. Armed with this knowledge, clinicians know that needed supplies are always on hand. Off-contract buys, frequent stock-outs, lost charges, overstocking and product expiration are no longer concerns.

#### Making a financial impact

The system's unique Dynamic Order Point feature helped materials management identify usage trends to optimize par levels and return overstocked supplies for cash or credit. "With additional controls, we stopped the waste and leakage," explained Lanny Slaughter, Corporate Compliance Officer and Director of Internal Audit. These savings allow more investment in areas important to quality patient care, such as service-line expansion and facility improvements.

#### Partnering to improve workflow efficiency

Pyxis supply technologies helped MRMC achieve breakthrough results with a total financial impact of close to \$3 million after the first nine months. At month 17, MRMC broke the 20% mark in reduced supply spend as it continued to improve processes. MRMC also realized greatly enhanced materials management service levels and improved the lives of employees and patients alike. According to Proctor, nurses say that they would not think of opening a unit or OR without Pyxis supply automation. After experiencing these positive results, MRMC and CareFusion will continue working together to drive system-wide improvements with Pyxis supply technologies.

"Since the implementation of Pyxis products in the OR, we have seen less lost charges. The nurses also have more time for patient care, which was previously tied up with documenting patient charges on paper."

**Carol Floyd,** RN Director of CV Services



\* Munroe Regional Medical Center results reflect the facility's inventory management processes in combination with Pyxis technologies.

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