

Johnson & Johnson Medical Devices Companies (JJMDC), through its CareAdvantage approach, collaborates with Scripps Health to streamline suture inventory management to achieve significant savings

Large health systems find managing suture SKUs and inventory increasingly complex—in part because of the large number of product codes used across multiple clinical specialties. As health systems balance changing reimbursement models and increasing pressure to achieve Triple Aim goals, the need to improve efficiency and reduce costs - without impacting patient outcomes - continues to grow.

With these concerns in mind, the Scripps Health IDN with five acute care facilities partnered with JJMDC to streamline their Ethicon suture inventory and processes. By partnering with JJMDC, Scripps was able to reduce the variation and redundancy in their JJMDC suture inventory, resulting in fewer SKUs, fewer stocking locations, and significant cost savings.

To learn more please visit www.CareAdvantageJJMDC.com or email CareAdvantageJJMDC@its.jnj.com.

Reference

1. CareAdvantage Scripps Case Study, 2017. Johnson & Johnson Health Care Systems Inc.

Needs Identification

Like many large hospitals and systems, having nearly 2,000 individual suture SKUs in inventory with stocking locations in each OR, sterile core, and on a multitude of carts, the clinical teams were routinely experiencing costly operative delays and frustrations resulting from having to leave the room to go search for sutures. These challenges and frustrations resulting from an inefficient suture inventory management process led the health system to approach JJMDC for support in streamlining and optimizing their Ethicon suture usage.

Two primary drivers of the JJMDC CareAdvantage approach are a discussion of the needs of the health system, coupled with an emphasis on data driven recommendations. The JJMDC representatives worked closely with the clinical and administrative teams to understand the challenges and to work towards solutions supported by data. The team analyzed historical Ethicon purchasing data, along with industry benchmarks to determine optimal Ethicon inventory mix and levels. This in-depth analysis of historical purchases by a facility helped the JJMDC clinical teams identify potential "slow movers" and Ethicon products being purchased with similar attributes (e.g., sutures with the same material and needle, but different lengths). The JJMDC team completed a comprehensive analysis to include an assessment of current par levels for each code. In addition to the data analysis, the local JJMDC team conducted an on-site assessment of the Ethicon suture inventory, to include documentation of all suture stocking locations and inventory on hand. The team then worked with the clinical team at Scripps to build out a value stream map, which is a lean-management method to track the current state and design a future state for the series of events that take a box of Ethicon suture from initial order to usage or disposal. Early assessment revealed 1,920 suture codes in stock across the Scripps facilities. Further analysis showed that Scripps was writing off a significant amount of expired Ethicon suture product, and that many locations were overstocked with sutures.

The health system had overstock and inventory taking up valuable space in the OR and sterile core. At the same time, the OR was redesigning its case-picking process, providing an ideal opportunity to partner with JJMDC to tackle their suture inventory.

Following the assessment, the JJMDC and Scripps team aligned on the following goals related to Ethicon sutures:

- Reduce total number of SKUs
- Reduce total number of POs generated for suture
- Reduce Ethicon suture inventory
- Improve suture inventory turns
- Minimize waste, outdated product, and stock-outs

It is critical for IDN supply chains and their suppliers to work together to reduce inventory and SKUs, especially in cases where clinical staff preferences play a significant role.

Capabilities

1. Clinical Expertise

The JJMDC team leveraged clinical and product expertise to work with the clinicians throughout the process, ensuring alignment on codes that would be consolidated. The goal of driving efficiency without compromising clinical outcomes was kept as a primary focus. The team worked to identify and remove low or non-moving Ethicon suture codes, and to consolidate clinically similar codes across the entire portfolio to include absorbable and non-absorbable suture codes across each clinical specialty.

The combination of data analytics, on-site inventory assessment, and lean-management value stream mapping enabled the JJMDC team to identify areas of inefficiency that were adding complexity and causing costly delays in the operative processes specific to Ethicon suture inventory management.

2. Clinical and Administrative Communication

With a need for regular and timely communication with all stakeholders, the team used in-services, OR shift huddles and monthly staff meetings, a process control board visible in the OR, posters, flyers, and emails to provide real-time updates on goals, challenges, needs, timing, progress, and opportunity.

A daily display table allowed JJMDC employees to discuss with OR staff those suture SKUs that were being targeted for elimination.

An informed and engaged hospital administration was a critical driver of success. The JJMDC team provided regular updates to ensure progress towards the objectives and to quickly identify and resolve any challenges.

3. Strategic Centralization

JJMDC and the Scripps supply chain developed and implemented a plan to remove suture stocking from most ORs and install a centralized mobile suture cart in its place.

Each OR picked the location for its cart, and the carts were set up and stocked to meet demand—a key element in gaining trust from OR clinicians.

Each cart, shelf, and slot included easy-to-read signage for quick retrieval, enabling supply chain to easily identify holes and/or overflow in inventory. This visual management put in place at each cart was essential, not only for daily inventory management, but for continuous improvement in stocking only what is used.

Delivering Results*

By working collaboratively, JJMDC and Scripps achieved the following:

33%

Reduction in Ethicon suture SKUs stocked across the network[†]

34%

Reduction in Ethicon suture physical stocking locations[‡]

\$821,916

Total savings over 3 years^{††}

*These are examples that are specific to JJMDC/Ethicon products only and do not guarantee or predict future results, which will vary depending on individual circumstances

[†]Starting SKUs 2210 ending 1486 = 33% reduction

[‡]Results reported in years 2014-2017

“For years we carried 70-100 boxes of sutures in each of our 13 OR suites. After implementing the solution recommended by the CareAdvantage team, we were able to eliminate the room stock and were able to save thousands of dollars.”

- Federico Aguirre, OR Logistics Supervisor, Scripps Memorial Hospital - La Jolla.

Key Success Factors

1. Utilize analytics to define and measure specific goals
2. Secure clinical and administrative support
3. Consistent communication and realistic expectations based on inventory management and clinical need
4. Provide on-site support for facility's staff
5. Encourage efforts through regular progress updates and involvement of stakeholders

“This project was instrumental in cost reduction, control of expired sutures, improved manageability of sutures, departmental organization, and facilitating efficiency. Surely a worthwhile project and excellent collaboration with the company.”

- Bernadette Roberson, RN, MSN, CNOR, Director, Surgical Services, Scripps Memorial Hospital - La Jolla