



CASE STUDY



95% data accuracy
within its
item master

CLEAN SUPPLY DATA SUPPORTS VALUE-BASED HEALTHCARE FOR MEMORIAL GULFPORT

Memorial Hospital at Gulfport worked with GHX to implement a data management solution to improve data integrity, and operational and financial performance.

Memorial Hospital at Gulfport struggled with a challenge faced by many healthcare organizations — inaccurate, incomplete and duplicative item master data. This resulted in numerous operational and financial challenges, including a high rate of non-file purchases (60%) and off-contract purchases. The supply chain team spent countless hours resolving discrepancies and price exceptions, returning incorrect products and placing new orders for the correct ones.

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“We had a system that was basically doomed for failure from the beginning. Having so many people involved in the item master was causing a lot of problems for us. We didn’t have a system for validating the accuracy of the data being entered, including the manufacturer catalog descriptions, contract pricing, packaging and units of measure (UOM). There was no standardized way of entering items — there was nothing consistent at all.”

David Mimms

Director of Supply Chain and Logistical Services

SITUATION

Maintaining item master data is a tremendous challenge for healthcare organizations. Because product and pricing information is constantly changing, it is virtually impossible to manage the data manually. Most organizations find their item masters full of inaccurate, incomplete and duplicative data, and this problem is compounded when multiple individuals have access to the item master and are able to manipulate the data. In today’s value-based healthcare environment, hospitals need accurate product data flowing through its systems more than ever to simultaneously impact cost, quality and outcomes.

This was the case at Memorial Hospital at Gulfport, a 303-bed, not-for-profit hospital in Gulfport, Mississippi, jointly owned by the City of Gulfport and Harrison County. The hospital’s item master contained 12,000 items, many of which were duplicates, with some products recorded multiple times with different descriptions and information (e.g., manufacturer information, UOM, price). Numerous (20+) individuals had the ability to add items and change information, and there was no formal process around these changes.

RESULTS



95% data accuracy
within its item master



65% of orders purchased
on-catalog (up from 40%
prior to NuVia)



Buyers spend less time
addressing issues and
more time supporting
clinical departments in
procuring the products
needed for patient care



Captured the data
necessary for the value
analysis team to drive better
cost, quality and outcomes
for the organization

Because item master data drives the procure-to-pay process, Memorial Hospital at Gulfport experienced a number of operational and financial challenges. The hospital placed incorrect orders and received incorrect products. Requisitioners were often unsure if they were paying the correct contract price, resulting in invoice exceptions and overpayments. Furthermore, the hospital had no way of controlling rogue purchases. As a result, 60 percent of the purchase orders (POs) that the hospital generated were for non-catalog items. The supply chain team spent countless hours addressing these issues: resolving discrepancies, placing re-orders and making returns, and manually correcting item master data.

“The data in our item master was poor, with descriptions, UOM and manufacturer information all over the board. With so many people entering items, each with their own way of creating descriptions, some items were duplicated six or seven times.”

DeeDee Carter

*Item master specialist,
Memorial Hospital at Gulfport*



“From a financial perspective, our inaccurate item master file was causing several problems,” said Mimms. “We were unsure of price accuracy, and we were entering a lot of non-catalog items with every requisition, which risked more incorrect data and pricing. Everything that could go wrong, often would go wrong.”



“On the integrity of the item master for any new items or catalogs, I am able to run a couple of thousand items and get back a result in just 5-10 minutes. And, we are no longer loading duplicate items from the start.”

DeeDee Carter

Item master specialist, Memorial Hospital at Gulfport

SOLUTION

In 2013, when Memorial Hospital at Gulfport was converting from its McKesson materials management information system (MMIS) to PeopleSoft it presented the ideal time to address its item master data integrity issues. Mimms and his team engaged with GHX and developed a proposal to implement the NuVia data management solution. They then presented it to the hospital’s administration, as well as to clinical leaders in the surgery, cardiology and respiratory departments.

“We had to do something different to get an accurate and reliable item master,” said Mimms. “We were looking for an automated system that would help us achieve that. We knew NuVia was going to make dramatic changes.”

NuVia is a data management solution that keeps supply chain data up-to-date and synchronized. The solution continually cleans and standardizes data to feed accurate content into the MMIS. As a virtual item master, it also monitors this data for changes, updates and duplicates to help reduce transaction errors.

Mimms and his team extracted data from their item master and sent this file to the GHX team, who cleansed the data, correcting manufacturer information and product information, updating contract pricing, removing duplicates and standardizing descriptions based on a noun-first format developed by Memorial Hospital at Gulfport. NuVia also enriched the

“We presented the solution to leadership, noting the anticipated cost savings for our organization, and secured their buy-in. It was more of an organizational decision than a supply chain decision. Obtaining broad support was critical in making this happen.”

Billy Boudreaux

*Purchasing manager,
Memorial Hospital at Gulfport*

hospital's item master data with United Nations Standard Products and Services Codes (UNSPSC) and Healthcare Common Procedure Coding System (HCPCS) codes, which helps with revenue cycle reporting.

To maintain the integrity of its item master moving forward, Memorial Hospital at Gulfport assigned one individual — DeeDee Carter — as the item master manager, with another individual serving as back up when Carter is out of the office.

The initial data cleanse reduced the number of products within Memorial Hospital at Gulfport's item master from 12,000 to 8,000 items. This number was so low because the hospital's on-catalog spend had previously been less than 40 percent. The supply chain team needed to load those products into the item master that the hospital had been purchasing off-catalog. They extracted a file of POs generated within

the prior 18 to 24 months and used the GHX Power Sourcing tool to match these PO line items against the GHX database.

With Power Sourcing, Carter runs thousands of lines at a time against the database and returns into their item master complete and accurate information for matching products, including descriptions, UNSPSC and HCPCS codes. She can also use the GHX Catalog, containing upwards of 6 million enriched items, to search for individual items one at a time based on keywords (typically catalog number) and return the results.

Since the initial cleanse, Carter has loaded the item master with additional items for the operating room (OR), growing it from 8,000 items up to 30,000. She and Mimms note that the information is complete and accurate with no duplicates.

"I've been in supply chain for 25 years with several different entities and this is the first place where I can actually say the item master is around 95 percent clean. I have never seen the likes of what we currently have anywhere I've been. We had tried to do similar work on the item master in other places but here, everything that we did with GHX, has helped us accomplish what I think is a phenomenal task in an item master. Approximately 95 percent of our item master is completely reliable information."

David Mimms

Director of Supply Chain and Logistical Services

THE RIGHT PRODUCTS AT THE RIGHT PRICES

With 95 percent of its item master data accurate and complete, Memorial Hospital at Gulfport is procuring the right products at the right times for clinicians and patients and paying the correct prices for them. They are working to address the remaining 5 percent of data, which Mimms says is comprised of items for which they haven't yet loaded contracts, or with minor issues that must be addressed like UOM.

"With NuVia, our item master contains the correct manufacturers, pricing and contracts — everything we need in order to pay the right price and get the right product at the right time," said Mimms.

"NuVia saves us time and also saves us money when items fall off-contract because it catches those instances," said Carter. "When that happens, I give the information to the buyer and they contact the vendor to make sure we get on the right contract at the right tier."

GREATER ON-FILE SPEND

With clean and accurate item master data, and one individual tasked with maintaining it, Memorial Hospital at Gulfport has significantly increased its catalog compliance. Today, 65 percent of items are ordered on-catalog, up from 40 percent before the NuVia implementation.

"Now that we are sending out 65 percent of our orders with verified data, we have reduced our ordering, receiving and invoice match errors," said Mimms.

MORE STRATEGIC USE OF RESOURCES

Because their buyers are spending less time correcting errors and addressing issues related to poor data quality, Memorial Hospital at Gulfport has been able to reallocate Carter's time, previously spent as a buyer, exclusively to item master management.

"Before NuVia, DeeDee was more of a buyer and now she has been reallocated to the position of the prime item master specialist where her focus is on item master clean up," said Mimms. "This has helped the remaining buyers focus on their jobs rather than correcting problems."

PROCUREMENT SIMPLICITY AND EFFICIENCY

According to Mimms, standardized product descriptions have made it easier for clinical departments to find the products they need within the item master. He states:

"As long as they know the format is noun first, they are able to search for products by a specific noun instead of trying to figure out how it is listed in the system. That has made a substantial difference in the departments finding what they need."

SUPPORT OF VALUE-BASED CARE

Memorial Hospital at Gulfport recently established a value analysis team. Mimms says the team intends to leverage GHX NuVia data within the hospital's item master to drive value-based product decisions moving forward.

"The future is moving to using UNSPCS codes to track products and we feel well-positioned by having this information loaded into the system through NuVia," said Mimms.

