Automated and Standardized Order Confirmation with POA Managed Service Supports Patient Care and Growth

Highlights

Using the Purchase Order Acknowledgement (POA) Managed Service, a midwestern university medical center was able to increase its receipt of electronic POAs from email or fax suppliers to 99 percent. With a more holistic, standardized approach to the order confirmation process, the supply chain team has greater visibility into order status, helping them deliver the right products to the right places at the right times to help improve patient care.

Additionally, the efficiency gain from transitioning suppliers from fax and email confirmations to electronic POAs delivered through the GHX Exchange has freed up the equivalent of one full-time employee (FTE). The supply chain team has reallocated this resource to more strategic activities, including management of exceptions, backorders and rejected orders, which further supports accurate and timely supply delivery to the patient bedside.

Situation

A supplier POA confirms to the healthcare provider organization that the supplier has correctly received its purchase order (PO). When suppliers send POAs in disparate ways (e.g., email, fax) or don’t send them at all, the health system or hospital is left unsure about order receipt and status.

Suppliers not connected to the GHX Exchange may either fail to send POAs or they are sent to the wrong inbox or fax number. Even when faxed or emailed POAs are received, they require manual documentation in the provider’s enterprise resource planning (ERP) system.

For this organization, lack of visibility into order status created a significant waste of staff resources. Each time a POA was not received, a member of the purchasing team could spend valuable time, upwards of 20 minutes or more, attempting to confirm the order with the supplier. The cumulative effort cost the medical center the equivalent of one full-time employee’s (FTE’s) workload.

Order uncertainty had the potential to impact patient care. Without a POA, the supply chain team did not know if the order was received or the status of the order, which could result in the order not arriving in time for a scheduled procedure. The clinician might then substitute an equivalent item, or supply chain might scramble to try and find the item somewhere else in the facility.
Solution

This university medical center supply chain team worked with GHX on automating and standardizing the order confirmation process for all of its suppliers, even those not transacting through the GHX Exchange.

The POA Managed Service transitions a provider organization’s suppliers from manual to electronic POAs, thereby bringing greater visibility and efficiency to order processing. GHX tasks include:

- Communicating and educating suppliers on how to use the web portal to generate a POA
- Converting manual POAs that are sent via email or fax
- Calling suppliers to obtain POA information when a POA is not generated
- Reporting daily on unacknowledged POs
- Reporting weekly on trading partner compliance to the POA process

GHX captures POAs received from suppliers electronically or manually and presents them to the provider through the My Exchange dashboard. With a holistic view of acknowledgements, the purchasing team has greater visibility into order status and can more efficiently manage orders.

Support clinicians and their patients

The most significant impact POA Managed Service has had on this provider organization is helping clinicians get the products they need when they need them. With visibility into order status within the My Exchange dashboard, the purchasing team can more effectively track orders, identify problems (e.g., backorders, rejected orders) and intervene in a timely manner to support efficient and effective patient care delivery.

Work smarter not harder

The POA Managed Service uses technology to streamline the order confirmation process, providing scalability for the provider’s increasing number of PO lines.

Additionally, the provider saw an increase in “perfect orders” week over week after implementation because the team can manage exceptions proactively through the My Exchange dashboard.

Drive down days outstanding

With centralized access to POAs within My Exchange, the team can prioritize orders that have gone unconfirmed based on days outstanding. Focusing on the older orders first has resulted in a drastic reduction in the number of outstanding non-confirmed orders.
Results

Working with the service, this university medical center has achieved the following:

- **Supported** clinicians and their patients with accurate and timely product delivery
- **Automated** the POA process
- **Reallocated** one FTE to more strategic, value-added activities and support for organizational growth
- **Significantly reduced** outstanding non-confirmed orders and number of days outstanding for these orders
- **Increased** volume of EDI orders, including fax and email orders converted to EDI via the GHX Exchange
- **Increased** the number of perfect orders by proactively managing exceptions