

The hidden costs of inventory: How health systems can drive savings + resilience

Healthcare supply chains are under immense pressure, and the [stakes in 2025](#) are higher than ever.

Policy shifts, rising costs and tariff implications are compounding long-standing challenges around inventory management. For hospitals and health systems, this creates a delicate balancing act: clinical and pharmacy leaders must ensure uninterrupted access to essential supplies and medications for patient care; supply chain executives are contending with escalating costs and persistent disruptions; and CFOs, already navigating historic margin pressures, are pushing for smarter inventory strategies that better manage working capital and minimize waste.

Against this backdrop, Becker's Healthcare spoke with Executive Director of Inventory Count Operations for GHX, Scott Evans, to discuss how health systems can reimagine inventory management to build resilience, optimize performance and position themselves for long-term sustainability.

Common pain points in inventory management

Clinicians can't afford to be without critical supplies when patient care is on the line. At the same time, carrying excess inventory ties up valuable working capital and increases the risk of products expiring before they can be used – leading to unnecessary waste.

According to Mr. Evans, two issues consistently undermine effective inventory management. The first is a lack of visibility into what supplies an organization actually has on hand. This challenge is often magnified by inventory spread across multiple storage locations and by clinicians setting aside personal "safety stocks." In some cases, he noted, nurses have gone so far as to hide supplies to ensure they don't run out.

Collectively, these challenges underscore an imperative for systemwide visibility. "Providers need to understand the true value of their inventory and the working capital that is being tied up," Mr. Evans said.

Mr. Evans also pointed to inadequate planning for uncertainty as a common pitfall. With supply chain disruptions now a frequent reality, failing to plan ahead can leave providers vulnerable to shortages that jeopardize patient care – or conversely, saddle them with excess inventory that strains finances.

Why counts remain a persistent challenge

The starting point for effective inventory management is conducting a regular, high-quality inventory count, which Mr. Evans calls an "annual inventory checkup."

"Healthcare supply chain leaders should think of inventory services as an annual checkup that contributes to a healthier bottom line and healthier patients," Mr. Evans said.

However, he noted a common challenge here: many providers attempt to do these checkups internally, using clinical staff – something that tends to hurt staff morale, takes valuable team members away from delivering patient care and can increase costs if the provider has to pay overtime to conduct the inventory count.

"Clinical staff should be focused on taking care of patients and revenue-generating activities, versus administrative duties," Mr. Evans said.

Another challenge arises when healthcare organizations rely on unqualified third parties to count inventory, which can present a number of risks. Mr. Evans explained that providers frequently engage a third party that specializes in inventory management but lacks deep knowledge of healthcare, which has unique products, protocols and credentialing practices.

He shared an example of a generalist solution provider – one without a deep understanding of healthcare – that failed to recognize certain products were on consignment. As a result, the reports it generated were unreliable. "That can happen when they don't understand healthcare," Mr. Evans said.

A smarter approach to inventory management

GHX offers healthcare organizations a better approach for inventory counts and inventory management, providing an extensive solution with a team that includes professional, experienced and credentialed GHX employees – not contractors. GHX focuses on healthcare and has a deep understanding of the industry with decades of healthcare experience.

GHX's results include more accurate, reliable and comprehensive inventory data and reports that clinical, pharmacy, supply chain and financial leaders can trust. Importantly, this data is collected by GHX without distracting clinical staff members from patient care. "Our service addresses the most important issues that providers struggle with," Mr. Evans said. "It provides access to stock-level visibility, expired product, as well as inventory location."

Last year, GHX conducted over 700 inventories for healthcare providers, identifying over \$9 million in expired products. Greater visibility could have prevented these losses, enabling providers to better manage inventory and reinvest resources where they matter most.

From raw data to strategic insights.

While GHX specializes in performing inventory counts and providing greater inventory visibility, its value extends far beyond measurement. Mr. Evans described GHX as a strategic data analytics partner, transforming collected inventory data into actionable insights.

"We don't just tell providers what their inventory position is; we apply data analytics to spotlight potential problems before they occur," Mr. Evans said. "It's not about looking at the rearview mirror but seeing what's coming around the corner."

GHX offers clinical and pharmacy inventory count services exclusively for healthcare. [Learn more.](#)