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Norfolk Community Health and Care NHS Trust

GHX

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Transforming procurement across the geographically dispersed community trust (non-acute) healthcare delivery environment

"Using GHX we have centralised our procurement systems whilst empowering staff across multiple trust locations to manage their own stock. This has led to a significant reduction in stock held and is helping to reduce variance in products ordered"

Adam Fisher, Procurement Systems Manager, Norfolk Community Health and Care NHS Trust

Key achievements

Working with GHX, Norfolk Community Health and Care NHS Trust (NCH&C), with 10 wards spread across 9 geographically dispersed sites, now has a fully-automated procurement process that streamlines ordering via a standardised catalogue to 350 different delivery points.

While many procurement systems are only designed for the acute sector and a centralised procurement function, GHX's healthcare know-how has enabled its technology to be evolved to great effect, transforming procurement in non-acute settings too and helping trusts like NCH&C move towards the Scan4Safety GS1 model.

GHX's requisitioning and inventory management solutions have been designed to enable customers like NCH&C to empower non-specialist staff to do the ordering and stock control via easy-to-use technology such as hand-held barcode scanners and a browser-based remote requisitioning system that integrates into their ERP system finance modules.

GHX's solution highlights:

- A PEPPOL compliant and GS1 ready solution which has future proofed NCH&C for upcoming regulation.

- A fully-automated Procure-to-Pay (P2P) cycle has been achieved by integrating NCH&C's ERP with GHX Exchange.

- Remote requisitioning that has been customised to enable each cost centre to see a list of products they purchase regularly.

- The solution has been configured to make bulk acknowledgement of orders far quicker.

- Analysis of two years' procurement data has established how much stock is required for each ward and what the replenishment levels should be.

- A standardised list of products for non-clinical items has been developed.

- Stock has been counted using Android barcode scanners and unused items have been removed from auto-replenishment, significantly reducing stock held and freeing up shelf space.

- All items have been tracked to at least ward level, meaning items can be located and pulled from individual stock rooms more quickly in the event of a product recall.

About Norfolk Community Health and Care NHS Trust

NCH&C focuses on continually improving the quality of care it offers to local people and improving access to that care, helping people move seamlessly from one service to another.

The trust serves a population of nearly 900,000 people in Norfolk, providing community health and care services, as well as a specialist Early Supported Discharge service to stroke patients in Norfolk and Suffolk. It aims to constantly improve patients' lives by providing the best care, close to where they live.

Specialist teams provide personalised health and care services for everyone, from babies to the elderly.

NCH&C employ 2,230 members of staff (1,900 whole-time equivalent roles). Eighty percent of these staff are clinicians; health professionals like doctors, dentists, nurses and physiotherapists.

The challenge

The need to do more with less is shared across both acute and community trusts in the NHS. Increasing pressure on services due to demographic changes are magnified by continued constraints on budgets. Savings need to be found and one of the key areas that can be streamlined, as identified in the Lord Carter review, is procurement. However, stock visibility is critical to be able to control it.

This is where the distinction between acute and community trusts becomes apparent. Gaining visibility of stock for acute trusts, whilst still a considerable challenge, is made easier by the centralised structure of procurement teams. Acute trusts tend to have a materials management team that will receive stock and distribute it out across the trust. A complex e-procurement system can be implemented, and the specialist team trained. For community trusts the challenges are more complex.

Community trusts by their nature are integrated into the local community, with a number of sites spread across a geographically large area. Without a centralised procurement function, community trusts must rely on clinical staff to order and manage stock.

This makes realising the benefits of a centralised procurement system challenging – deliveries need to go directly to a large number of delivery points, non-specialist staff do the ordering and stock control, and budgets are split across multiple sites.

NCH&C is no exception. The hospital has 10 wards spread over nine sites across Norfolk. Each ward has its own housekeeper who manages their own budget. Each ward also had their own list of preferred suppliers and ordered supplies independently, removing any chance of economies of scale being achieved.

In total, the estate has around 60 different delivery points and over 450 transfer points. Each transfer point needs stock delivered direct so requires full postal details (name, address, delivery note). Each delivery goes to

Norfolk Community Health and Care NHS Trust vision:

"*To improve the quality of people's lives, in their homes and community, by providing the best in integrated health and social care.*"

The challenge at a glance:

- *NCH&C is a community trust with a number of sites over a large geographical area*
- *No centralised procurement system*
- *Relies on clinical staff to order and manage stock*
- *Very difficult to gain visibility of stock*
- *e-Procurement systems designed for acutes not non-acutes*

The solution at a glance:

- *Phase 1: Requisitioning*

- *GHX customised its remote requisitioning system*

- *Used as a bolt-on to their existing IT assets integrating with their ERP system*

- *Fully customised system to enable*

  – *each cost centre to see a list of regularly purchased products*

  – *bulk acknowledgement of orders faster*

- *Phase 2: Inventory Management*

- *GHX analysed 2 years of procurement data to establish stock requirements for each ward*

- *Developed a standardised list of products for non-clinical items*

- *Stock counted using android barcode scanners and items not used removed from auto-replenishment*

- *All items tracked to at least ward level*

a named individual, and with over 300 staff accessing the system, the logistics and practicalities of implementing an e-procurement solution are significant. In short, the challenge facing community trusts are significant, but then so are the potential cost savings.

NCH&C's old system required a cost centre to be assigned a physical delivery address. Costs had to be retrospectively mapped across to different departments – a time consuming exercise. The new system needed to meet GS1 and PEPPOL requirements for upcoming regulation, and it needed to connect into the existing ERP system.

The solution

NCH&C chose GHX's requisitioning and inventory management application to replace its existing procurement system. The work was split into two phases: requisitioning followed by inventory.

Phase 1 – requisitioning

By using the GHX requisitioning and inventory system, NCH&C could also connect to the GHX Exchange, enabling full EDI transaction capability with suppliers and integration with their ERP system.

GHX's remote requisitioning

Because the requisitioning system needed to be available across the trust (something a centralised on-premise install could not accommodate), NCH&C chose to use a browser-based remote requisitioning system as a bolt-on to the ERP system. This made it easier for non-specialist staff to access the requisitioning system and conveniently order stock from where they were based. As existing IT assets could be used there was no need to invest in new kit.

Engineered for ease-of-use

The end-users of the system are non-specialist staff and therefore it was important to simplify the interface as much as possible. The system had to be intuitive and make ordering straightforward. With this in mind, NCH&C worked with GHX to address GHX's remote requisitioning so that each cost centre would see a list of products they purchased regularly. For example, staff working in the inpatients ward can access a 'shopping list' of the hotel and catering services that make up the bulk of their purchasing.

Whilst these lists are initially created by the procurement team they can be customised by staff to create their own 'favourites' list. This makes the system more personal and efficient, enabling staff to easily find the items they order regularly. A 'recently viewed' list adds to the ease of use.

The system has also been configured to make bulk acknowledgement of orders far faster. Staff can enter the order number once for multiple item deliveries, and when they select the initial delivery product, all other products associated with the order become visible.

Integration with ERP systems

The system uses GHX Exchange to integrate with NCH&Cs ERP system. This provides three-way matching to fully automate the P2P cycle, freeing up time for the finance team to focus on other issues.

Phase 2 - inventory management

The next phase of the project was to use GHX to gain visibility and control over stock using inventory management. Initially two years' worth of procurement data were analysed to help identify how much stock was required for each ward and what the replenishment levels should be. The initial audit revealed that 74 lines hadn't been ordered in over seven months. The team worked with budget holders to get agreement on ward-specific product lists, including what standard stock levels should be, per individual line item. This was done in a collaborative fashion, taking into account their clinical expertise. A risk rating was developed to understand which items could put patient safety at risk if they were unavailable. For non-clinical items (for example, soap, cream, etc.) staff preference and expertise was sought to build a rationalised and agreed list of products.

Stock was counted using Android barcode scanners on a weekly basis and if items were not used for eight consecutive weeks, they were removed from auto replenishment. This process freed up shelf space for new items that would otherwise have had to be centrally held.

Using this process meant a significant reduction in stock held. One ward, Alder Ward, reduced the level of stock from £8,000 down to £5,200 – a 35% drop in the value of stock held.

The automated replenishment process required a high level of trust to address concerns about stock-outs. The team demonstrated the effectiveness of replenishment on non-critical items to ensure staff were comfortable with the transition. Staff needed to "trust the system" and have faith it wouldn't let them down.

Example:

Using the old system, cleaning staff always kept a spare box of floor cleaner (containing 40 sachets) 'just in case'. As a result, each ward was storing far more floor cleaner than was required, taking up considerable space. Auto replenishment means a new box is only ordered when the number of sachets fall below a certain level, so most of the time there is only a single box in the stock room. This required a considerable degree of faith in the system and a change of mindset from cleaning staff.

"GHX's specialist knowledge of healthcare meant they understood the importance of bringing our non-specialist procurement staff along with us on this journey - the success of the project hinged on our staff having faith in the system. In the first instance good will was more important than perfectly optimised stock rooms."

Mark Adeney, Ward Manager – Alder Ward, Norfolk Community Health and Care NHS Trust

Next roll out: Community nursing

The fact that community nurses typically control the stock they use can present further inventory challenges. It's not uncommon for a community nurse to pick up a box containing perhaps six months stock of a non-perishable item and store this at home for use on their rounds. This makes tracking inventory levels tricky, since boxes stored off-premise can make it appear as if they need to be replenished. Factors such as this need to be considered when setting stock levels.

The results

First and foremost, the trust now runs a P2P solution that automates purchases from key suppliers. This removes the manual generation of POs and invoice matching. Finance staff can now focus on other priorities. Automated three-way matching via the ERP system closes this loop entirely and makes the whole P2P process touchless.

A single product catalogue is available via GHX to drive purchasing of only approved items. This reduces variance in the product range and helps increase economies of scale.

Inventory management gives visibility of stock whilst scanners track usage. This enables analysis and rationalisation of stock and ultimately helps reduce the stock range down by a projected 50-70%. This is achieved by standardising on certain products and rationalising by e-Class (for example purchasing only a single brand of glove), which will also help simplify logistics and drive economies of scale. Having the data makes selling the new system to budget holders easier – they can see the benefits to their bottom line along with tidier store rooms which now contain only items that are actually used.

The logistics of purchasing and delivery have been streamlined. Now a single delivery of a standard item can be sent to one location and then distributed around the trust via the internal delivery round. This not only reduces delivery costs but also reduces the carbon footprint.

However, the benefits of implementing GHX are not just economic. Using GHX tools and scanners means all items are tracked to at least ward level. In the event of a product recall, items can be pulled from individual stockrooms because their location is known. This is far easier and more effective than sending out a mass email to every staff member in the trust. In addition, stock takes can be run quickly using the scanners to check current levels.

"Ultimately GHX has helped us, as a non-acute trust, to implement a technology-led approach to requisitioning and inventory management that has also brought with it huge benefits through fully automating our P2P cycle. We can now look to the future and introduce important advancements, such as patient-level costings for higher-value items like implants. The trust can also move forward with confidence towards the Scan4Safety GS1 model."

Adam Fisher, Procurement Systems Manager, Norfolk Community Health and Care NHS Trust

GHX

GHX connects thousands of healthcare suppliers, manufacturers and distributors with hospitals and GPOs - as well as working with Governments to advise on eCommerce legislation for healthcare. Our technology enables the right devices, equipment, services and medicines to flow efficiently through the European healthcare supply chain.

INTEGRATED HEALTHCARE eCOMMERCE

ACCURATE INSIGHTFUL HEALTHCARE DATA

GLOBAL HEALTHCARE COMMUNITY

FUTURE-PROOFED HEALTHCARE COMPLIANCE

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