



HAVING MY SAY

This is the time

by Tom Hughes

It can be helpful to occasionally pause, step off the speeding treadmill of professional life, take a deep breath, and reflect on what is happening. As an experienced veteran of the healthcare supply chain industry, when I recently reflected on the current events happening around us, I quickly realized that a significant forward shift is taking place in the healthcare supply chain business. I believe this shift can be attributed to a number of major factors that are simultaneously converging upon our industry.

Of course, healthcare reform has to be considered the greatest factor impacting healthcare today.

The Affordable Care Act is shifting healthcare's focus from volume to value, and we are all adjusting. Cost pressures on hospitals are severe; consolidation in every sector — hospitals, suppliers, distributors, insurers, etc. — is likely. The traditional hospital-centric approach to healthcare that we all grew up with might soon be a memory. This new approach is seen at places like Advocate Health Care, whose leaders are blazing a trail toward clinical integration across the continuum of care. Other new models of care that go beyond the traditional approach are emerging and supply chain professionals continue the search to determine both the short term and long term adjustments that are required.

Standardized supply data is another major factor impacting supply chain. After decades of discussion and debate, the supply chain data standards "movement" has finally gained traction and is reaching critical mass, largely due to the unrelenting support of visionary leaders from places like Mayo Clinic, Geisinger Health, BD, and others. This movement recently received a major thrust from the FDA's proposed unique device identification ruling. It is reasonable to believe that the exact UDI requirements of all supply chain stakeholders will become clear, and the foundation for continued industry advances in master data management will be demonstrated. The days of confusion identifying products and locations are numbered (excuse the pun!)

and the reliability and exchangeability of our supply data should improve significantly. With standardized care data and supply data in electronic health records, our nation's health and safety can be managed with a higher degree of intelligence.

Physician involvement in provider supply chain departments is growing rapidly. Not long ago, many materials managers had little desire to engage with physicians and some actually spent energy keeping doctors away from the supply business. Back then, supply chain managers were defined more by successfully dealing with suppliers (external) than by successfully dealing with physicians (internal). The addition of nursing professionals in the mid-1980's to both provider and supplier teams may have actually served as the "bridge" to today's new organizational models where physicians are part of the team, much like Cleveland Clinic who today has a surgeon as an integral member of their progressive supply chain team.

Senior management support for supply chain was something many professionals simply dreamed about in the past. But today, Sr. Vice Presidents and VPs of Supply Chain are common in integrated delivery networks, and Chief Supply Chain Officer (CSCO) is an emerging title at progressive provider organizations like UPMC, Intermountain Healthcare, and others. Recent increases in supply chain executive salaries and packages reveal the strategic imperative that supply chain has become in healthcare.

The explosion of technology at every level of this business began many years ago, and is accelerating.

The technological progress and new digitized features in medical products over the last decade have resulted in enormous patient care advances. Today's same-day surgeries were often hospital stays just a few years ago. Improved technology continues to drive positive changes, and the promise of more product advances in the next decade will certainly help to continue this trend. Just as in other industries, technology has

changed the way business is conducted in healthcare. Who remembers when purchase orders were routinely "called in" to a supplier or when physical inventories were conducted with clipboards and pencils? That has all changed. RFID tags, bar codes, sensing technologies, and other technical advances helped end the age of "box kicking" while ushering in the modern-day era of supply chain professionals as "high tech" practitioners.

Another factor impacting our industry today is the contribution by academia. Not that long ago, universities paid little attention to the profession of supply chain, but now their interest is growing rapidly. We already have many programs across the country — such as the Center for Innovation in Healthcare Logistics at the University of Arkansas, the Health Sector Supply Chain Research Consortium at Arizona State University, and the Wharton Business School's healthcare supply chain program. Academia now recognizes, studies, and contributes to the rapid evolution of healthcare supply chain.

There is an old saying "Be careful what you wish for." For decades we have simultaneously craved C-suite attention and status, we have dreamed about having clean data, hoped for physician support, and been envious of other industries with their scanners and technology. The hopes and dreams of the past are becoming reality, albeit at different times in different organizations. Now is the time for supply chain professionals — on all sides of every table — to recognize this opportunity, to work together to propel our nation's health system forward in positive ways both clinically and financially, and to help shape the future of our industry and profession by embracing and properly implementing these new tools and resources. **HPN**

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