

What's Going On? Seven Trends On Healthcare Supply Chain Professionals' Radar



No one is immune to the post-COVID, geopolitical, and economic impacts to supply chain. In healthcare, everyone has been hit hard. Identifying the problems and trends are only half the battle, but most agree that effective solutions come from valuable and strategic partnerships.

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Wanted: Materials Manager, Supply Chain Director, etc.

Healthcare employee retention has been especially challenging. In addition to post-COVID clinical staffing issues, “there has been a tremendous reduction in supply chain staff,” observed Kevin Goos, Area Vice President of Enterprise Solutions at Olympus and lifetime member of the Association for Health Care Resource and Materials Management (AHRMM). “Not surprisingly, there’s an increase in workload for supply chain professionals.” Tasked with balancing cost and inventory, “It’s a tough battle, and they’re fatigued dealing with more and more backorders.”

American Hospital Association (AHA) members are experiencing workforce shortages for all healthcare related jobs, from entry-level positions to the most specialized roles, according to Michelle Hood, Executive Vice President, and Chief Operating Officer of AHA. “The forecasts that are out there are pretty scary as far as the supply expected over the next five to 10 years,” she said in a July 2022 [webinar](#) hosted by *U.S. News & World Report*.¹ Some healthcare systems are launching recruitment initiatives in education and housing for clinical staff, offering scholarships and “live near your work” programs with forgivable loans, according to AHA’s [Workforce Solutions](#) paper.²



Finger on the Pulse of Quality Metrics

Quality metrics have been on hospitals’ radar from a reimbursement perspective for quite some time, according to Olympus’ Goos. The Centers for Medicare and Medicaid Services (CMS) [announced](#) \$1.66 billion in savings in 2021 resulting from doctors, hospitals, and other healthcare providers who participate in its Shared Savings Program as part of Accountable Care Organizations focused on delivering “the right care at the right time while avoiding unnecessary services” using quality benchmarks.³

Tracking quality metrics for shared risk arrangements has made its way to healthcare contracting. Operational and financial performance are big measures in value analysis, according to Goos. Value analysis committees often have quality and reimbursement representation at the table when vetting technology for investment.

From the vendor’s perspective: “You come in and present your widget, and the first question might be, ‘Does it save money?’” Goos says. “Does it replace something? Do I have to carry additional SKUs? Does it improve quality?” He said that quality indicators can include patient satisfaction, reduced length of stay, reduction in readmissions, and standardization of care, the last point earning its own place in this list.

A 2021 case study [published](#) in the *Journal of Healthcare Contracting* details how Lehigh Valley Physicians Group, part of the Lehigh Valley Health Network (LVHN) in Pennsylvania, implemented a physician-led, supply-chain supported approach to value/risk based contracts. Through clinical integration, LVHN supply chain professionals were able to lean on their clinical partners to recommend products that met clinical and financial metrics.⁴

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This Is How We Do It—Standardization of Care

The concept of standardized work to create efficiencies is not a new one.⁵ Historically, one can find lively debates on standardization vs personalization in healthcare (a little of both where appropriate, please!), but there is a post-COVID argument to be made for the former in the name of efficiencies and patient outcomes.

“Standardization of care has been really important due to the tight staffing census,” according to Goos. “Nurses and doctors have been floating from hospital to hospital.” The thinking is: “If I’m using product X here, I need to be using product X in the sister hospital so there’s no lack of continuity of care, because a lack of continuity of care can translate into poor patient outcomes if there is a lack of familiarity with a product. Olympus can [help](#) systems looking to standardize with technologies that can help clinicians to see, treat, and connect, optimizing workflow and maximizing operational efficiency both inside and outside the procedure room or surgical suite.



Breadcrumbs Along the Care Path

Tangentially, clinical care pathways, or clinical pathways—and standardization of care are sometimes discussed in the same circles as a strategy to achieve quality. Clinical care pathways are tools used to guide evidence-based healthcare. Health systems have used disease-specific pathways to improve care quality and reduce costs, using various metrics to measure success.⁶

In broad terms, a care pathway can start from screenings and checkups, move to diagnosis and on to treatment. In the case of long-term or chronic conditions, the pathway extends with follow-up care and support. It is sometimes discussed as a mechanism of clinical decision support, and is also seen as a set of treatment recommendations aimed to reduce unnecessary variation in care.⁷

In December 2021, Olympus [announced](#) a clarified direction of its medical business in an effort to elevate the standard of care in specific disease states, including gastrointestinal, urological, and respiratory care, supported by next-generation technologies with a focus to enhance the patient care pathway from screening to diagnosis and treatment.

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Supply and DEI

“An increasing number of organizations are embracing diversity, equity, and inclusion (DEI) as critical and integral components of their corporate culture,” according to Joey Dickson, Supplier Diversity Officer and Assistant Vice President of Strategic Sourcing at HealthTrust Performance Group. This approach emphasizes “minority, woman and service-disabled veteran enterprises to provide goods to hospitals and non-acute healthcare settings,” he [wrote](#) in the *Journal of Healthcare Contracting*.⁸

Typically, these organizations are “often smaller companies [and] can also become more ingrained in the businesses they serve,” Dickson says in the article. “They grow to know their clients’ organizations as if they were their own.” In theory, “these suppliers can both identify opportunities for innovation and/or business efficiencies and help implement these challenges” from “finding new ways to use everyday products,” to “upgrading technology, or automating processes.” He adds, “These recommendations can strengthen business operations and set new standards for reliable service.”⁸ SMI, a unique nonprofit member-driven community of providers, suppliers, and distributors, offers a [Diversity & Inclusion](#) Toolkit with tips to foster more diverse and inclusive teams.⁹



How Green Is Your Supply Chain?

Sustainability is an increasingly hot topic in supply chain circles as climate-related disruptions from flooding, wildfires, and other extreme weather patterns threaten the global economy.¹⁰ The issue can be viewed from outside threats, or more proactively in terms of what strategic practices can be developed toward sustainability. It’s no secret that the healthcare industry contributes to the carbon footprint, according to the Association for Healthcare Resources & Materials Management (AHRMM). AHRMM is offering [Environmental Sustainability 101: The Health Care Supply Chain Imperative](#), as an eLearning course. The organization calls it an “increasingly important aspect of the supply chain professional role.”¹¹

The course draws in part on materials from [Health Care Without Harm](#), a global nonprofit organization that works to raise awareness on medical waste, toxic materials, green building and energy, sustainable procurement and more.¹²

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Innovations to Bolster Therapeutic Options

Supply chain professionals are attuned to innovative interventions with the potential to serve a wider swath of patients, according to Goos. “Revolutionary products that could check boxes for patient satisfaction and clinical satisfaction” would be optimal, he offered. Minimally invasive procedures that reduce hospital stay and improve patient quality of life are worthy investments for all concerned. Goos points to two fairly recent additions to the Olympus product portfolio that he considers innovative and potentially worth the investment for the right centers: the [iTind™](#) procedure for BPH designed to reshape the prostate, and the [Spiration™ Valve System](#) for minimally invasive bronchoscopic lung volume reduction indicated for patients with severe emphysema.

Implantation of the iTind™ device may cause urinary urgency, pelvic discomfort, dysuria or hematuria. In rare cases, the iTind procedure may cause a urinary tract infection or acute urinary retention.

Potential complications which may be associated with the use of the Spiration™ Valve System may include, but are not limited to, pneumothorax, worsening of COPD symptoms, pneumonia, and dyspnea. Prior to using the Spiration Valve System, please review the full list of prescriptive information at <https://spirationvalve.com/potential-risks-complications> for additional information on indications, contraindications, warnings, precautions and potential complications.

Conclusion

As trends emerge, it's important to partner with the right solutions provider – one who goes beyond the transaction. The [Olympus Enterprise Solutions](#) team manages the entire Olympus comprehensive product portfolio, offers customized contracting for value-based customer solutions, and fosters strategic relationships with the nation's leading group purchasing organizations to help our customers leverage group purchasing power. And while we can't promise to solve all the prevailing issues of the day, we can commit to working together to meet the unique needs of each of our customers.

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