Zero Hassle, Maximum Control

RFID enables real-time tracking
of high-value healthcare
consumables

The Challenge:

Finance directors know the cost of medical supplies can account for 30-40% of their cost base[1], making it one of the greatest expenses for health systems.

What is the total cost of consumables used for a given surgical procedure? This is a typical detail healthcare finance leaders need to know, and which traditional inventory management systems are unable to accurately measure and monitor.

As hospital leaders implement value-based care models and procedure costing, optimizing hospital inventory and procurement of medical supplies is vital to providing high-quality, cost-efficient care, which RFID-based technology solutions are helping healthcare leaders deliver.

A leading Australian healthcare provider identified significant inefficiencies related to single-use surgical equipment and medical implantables. A traditional manual approach to stock control and replenishment was leading to frequent mistakes, missing and misplaced inventory, billing inaccuracies, procedure delays, and an unnecessarily slow and cumbersome process of stocktaking. Staff effectiveness, patient care, supplier relationships, and inventory costs were all suffering.

A solution was needed to provide hospital leadership with instant visibility on inventory status and to measure and monitor the costs of certain procedures. For example in surgery, what is the cost of all implants, surgical tools, IV solutions, gauze, and other high-value consumables used during the procedure?

[1]Sheri Berg, Connor Smith, and William Weinstein (2023, April 13). How health systems can effectively engage clinicians on procurement. McKinsey & Company. https://www.mckinsey.com/industries/health-care/our-insights/how-health-systems-can-effectively-engage-clinicians-on-procurement

The Solution:

Adilam, in partnership with Avery Dennison, delivered an item-level tracking solution using RFID technology. Every high-value consumable packaging is now tagged with an RFID label encoded with a unique serialized identity. Serialization allows for FIFO utilization of inventory, significantly reducing write-offs due to expiry.

Using hand-held and installed readers placed at strategic points in the hospital, managers can now track in real time every high-value item in the hospital inventory, including its location and status.

When a consumable is used, its packaging is discarded into procedure costing bins that automatically scan and allocate utilized stock to the correct patient procedures. Furthermore, inventory replenishment is triggered by predefined Periodic Automatic Replenishment (PAR) levels.

This integrated solution of RFID tags, software, and hardware provides immediate, real-time visibility of high-value inventory. Now management and leadership can develop value-based strategies based on accurate data.

The Result:

Rapid stocktaking, automated procedure costing, billing, and replenishment streamlined operations.

Cost reduction, no need for high PAR level buffering, reduction in write-offs due to unaccounted stock and product expiry.

Improved safety, better availability, and traceability of products and equipment.

Procedure costing accuracy, resulting in dispute reduction on consigned stock, as well as precise healthcare funding claims on consumables that would otherwise be borne by the hospital.

Enhanced patient care thanks to automated inventory management that enables healthcare staff to free up time and focus on caregiving.

The Conclusion:

Implementing value-based care models at scale requires digitizing and automating inventory management. Solutions leveraging RFID technology are eradicating laborsome manual processes and, without disrupting operations, provide accurate, real-time inventory visibility. This allows management to make informed decisions to improve operational performance, and staff to allocate more time to patient care.

Contact our experts to learn more about our RFID solution:

rfid.averydennison.com/en/home/contact.html

rfid.averydennison.com

#MakingPossible

AVERY DENNISON

MAKING POSSIBLE™