Welcome To Sutter Health Supply Chain!

Supply Chain Management

Procurement — Operations & Logistics — Business Intelligence & Performance

Learning Objectives:

- Intro to Sutter Health
- Culture
- Strategic Plan
- Distribution Strategy
- Strategic Sourcing
- Measurement of Success
- Education and Training

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Sutter Health Supply Chain Operations

Sonja Grant, MBA

Area Director Supply Chain, Greater Sacramento Market

Dana Coates

Director Supply Chain, Sutter Medical Center Sacramento

Chris Soto

Director Supply Chain, Sutter Memorial Medical Center

Stacy Jones

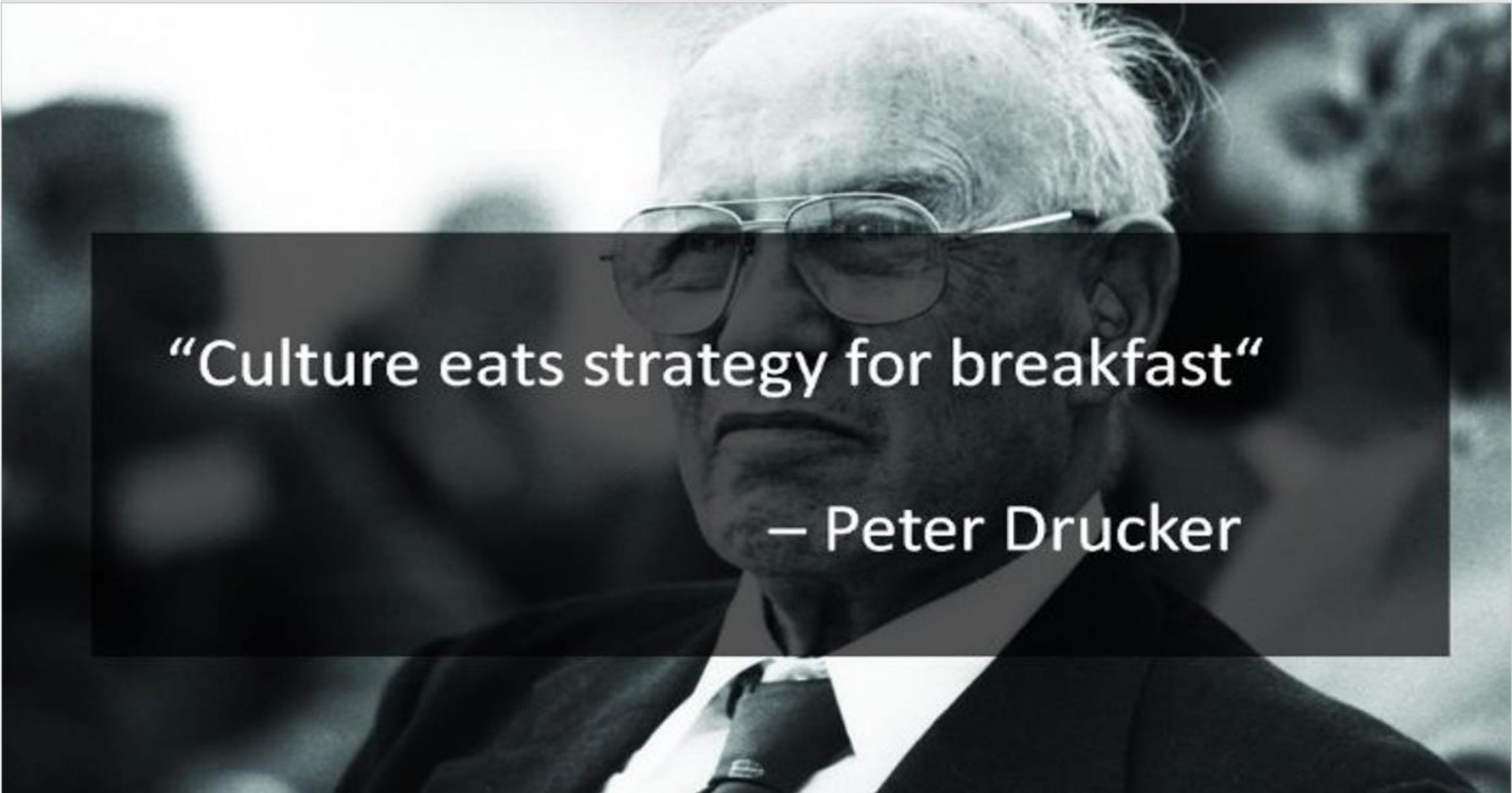Area Director Supply Chain, Greater Central Valley Market

Sutter Health at a Glance

- **$14.8B in operating revenue in 2022**

- **3.3M patients served in 2022 by:**
  - 12,000+ physicians; 4,500 with aligned medical groups and IPAs
  - 15,000+ nurses
  - 50,000+ employees

- **Extensive healthcare ecosystem**
  - 27 acute care campuses
  - 300+ clinics, ambulatory surgery centers and urgent care
  - 12th largest home health organization
  - Health Plan and global risk assets

- **13M population in primary markets**
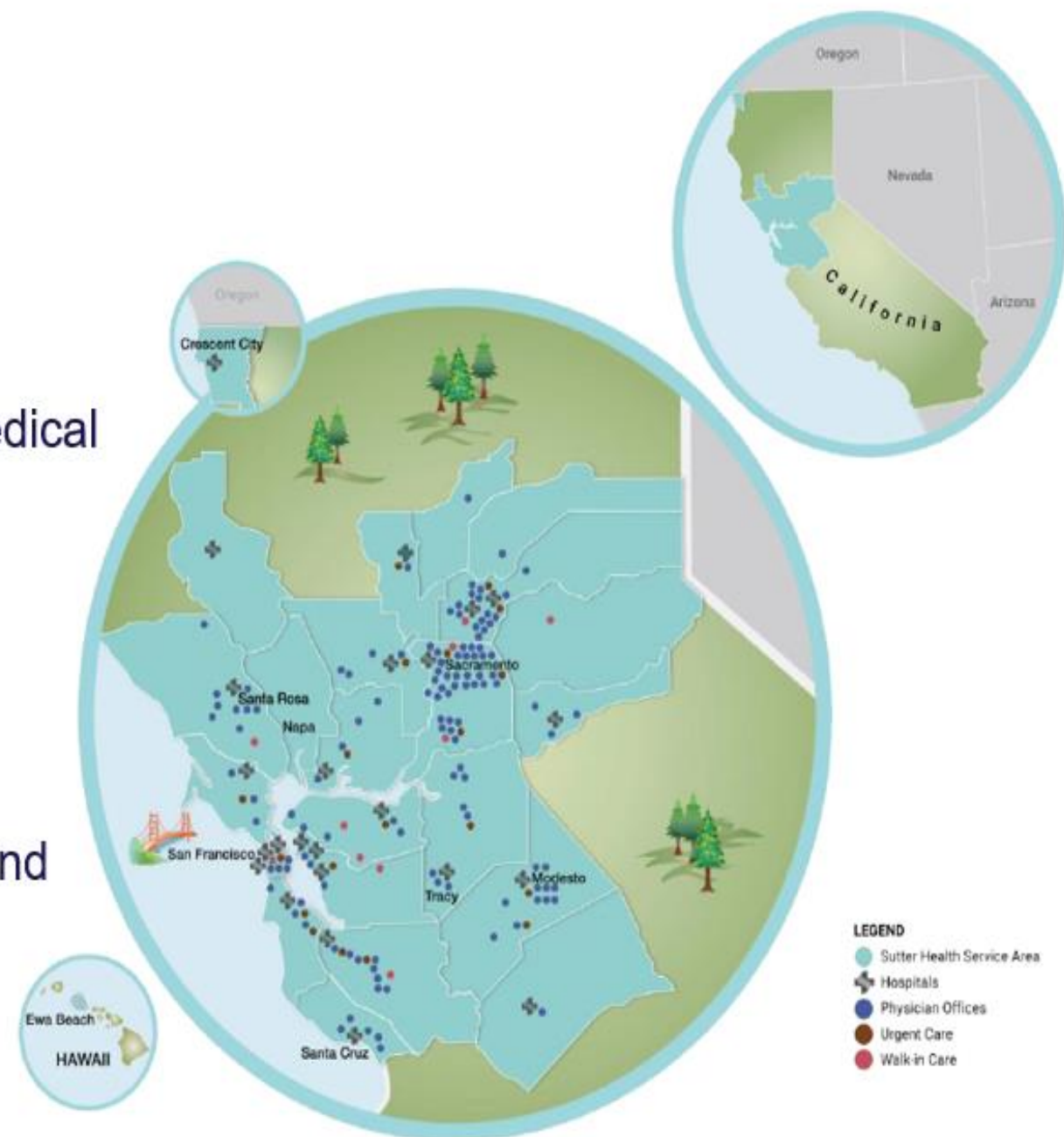
Awards and Distinctions

"Culture eats strategy for breakfast"

— Peter Drucker

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Sutter Cultural Beliefs and Values

Speak Up & Listen
I respectfully speak up, listen, follow through and expect others to do the same

Walk the Talk
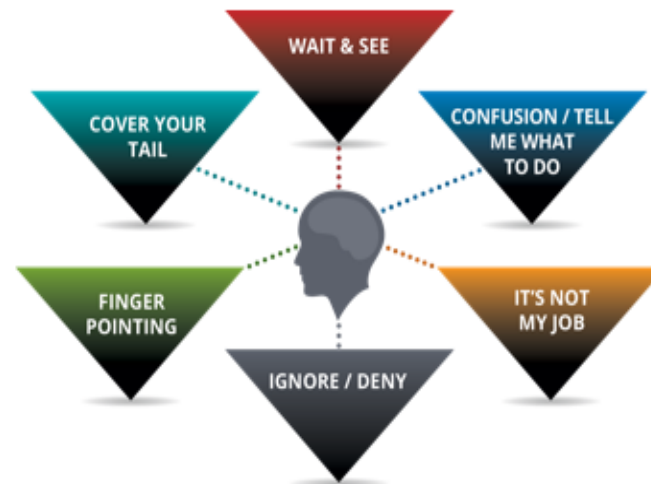I live the Sutter Values and immediately address contradictions in myself and others

Sutter Health

Community
We work to understand and best serve the diverse needs of our communities.

Excellence & Quality
We exceed customer expectations by delivering premier clinical quality and maintaining the highest levels of safety.

Compassion & Caring
We treat those we serve and one another with concern, kindness and respect.

Honesty & Integrity
We act openly and truthfully in everything we do.

Affordability
We deliver healthcare efficiently by using resources responsibly.

Teamwork
We recognize that the power of our combined efforts exceeds what we can accomplish individually, and we are accountable to each other and to our customers.

Innovation
We continually create, seek out and adopt new ways of providing value to our customers, rapidly moving from idea to execution.

The Results Pyramid®

Experiences create **Beliefs.**
Beliefs influence **Actions.**
Actions produce **Results.**

Results

Actions

Beliefs

Experiences

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The Steps To Accountability® Model

Sutter Health Supply Chain Services Strategy

SCSS Motto – *The patient is at the center of all we do...*

Vision
Delivering a nationally recognized and industry leading Supply Chain Shared Services organization, measured by its innovation, transformation, and top decile results in cost, quality, and outcomes.

Mission
We passionately steward the provision of safe, accessible, and affordable products and services, with a commitment to enhancing the health and well-being of those we serve.

Sutter Values
Affordability, Innovation, Teamwork, Compassion & Caring, Community, Excellence & Quality, Honesty & Integrity

Strategic Areas of Focus
People, Process & Programs, and Technology

SCS KPIs & Results (SMART)
Strategic Sourcing
Operations & Logistics
Health Technology Management
Business Intelligence and Performance

Cascaded Functional Area Goals & Projects
Clear alignment to Department's SMART KPIs, instilling results-focused actions to achieve SCS objectives.

SCSS Promise - *Delivering a Transformative and Affordable Supply Chain Shared Services CoE*

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SUPPLY CHAIN SERVICES MATURITY VISION

Performing (4) to Pervasive (5)

Traditional Supply Chain

Supply Chain Infrastructure: Develop talent, standardize processes, minimize shadow orgs, maximize efficiencies, leverage technology (e.g., benchmarking tools, item/vendor master data, ERP, Visual Management, cycle counts, inventory accuracy).

Supply Chain Analytics: Leverage a group of core analysts to drive fact and data-based sourcing and operational decisions to drive savings and process improvement.

Digital Ecosystem and Innovation

Digital Value Network

Digital Supply Chain Strategy

Improve Customer Experience

Digital Supply Chain Strategy

Reduce Costs

Integration with Clinical Effectiveness

Defined (3) to Performing (4)

Reactive (1) to Active (2)

Supply Chain Shared Services Governance

Empowered Sourcing

NextGen Supply Chain

Supply Chain Infrastructure

Supply Chain Analytics

Active (2) to Defined (3)

Digital Supply Chain Strategy: Create a centralized nerve center for the organization, continually advancing benchmarks, research, and leading practices. Leverage innovative technology (e.g, AI, robotics, machine learning) and analytical tools to drive decision-making.

Digital Value Network: Digitally orchestrate the end-to-end value chain from the customer upstream to suppliers to create an affordable and resilient supply chain that improves the customer experience.

Digital Ecosystem and Innovation: Fully connected orchestrated digital ecosystem that allows for new agile business model creation and level up collaboration and partnerships with all key stakeholders (e.g. self-distribution, commercialization, etc).

Clinically-Driven Supply Chain

Empowered Strategic Sourcing: Create a comprehensive strategy to manage sourcing of high value categories (e.g., PPI, Rx, services) and clinical commodities.

Supply Chain Governance and Value Analysis: Establish a comprehensive Value Analysis structure and governance model with executive support to drive vendor selection and consolidation

Integration with Clinical Effectiveness: Create an executive-championed and physician-driven infrastructure that systematically analyzes the impact of care decisions in regard to quality, cost and outcomes.

Gartner Maturity Level Target (1-5)

Product Delivery is Our #1 Priority
7 Principles of Sutter Supply Chain

Delivery of Supply (Product or Service) is the Priority

Commodity Variation Increases Costs

Centrally Managed Demand Reduces Uncertainty

Least Handling is Best Handling

SMART (Specific, Measurable, Actionable, Realistic, Timebound) Objectives Builds Effectiveness

Standard Work Creates Value & Reduces Waste

Measure Twice, Supply it Once

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What is an Orders Management Portal?

Web-based Communication Platform with Combined Data Elements

- Two-way Communication Portal
  - Requesters select from a consolidated list of "Actions"
  - Purchasing works requests and documents action taken in portal for review

CREATE visibility

IMPROVE communication

PRIORTIZE tasks

EMPOWER requesters

MASTER product disruption
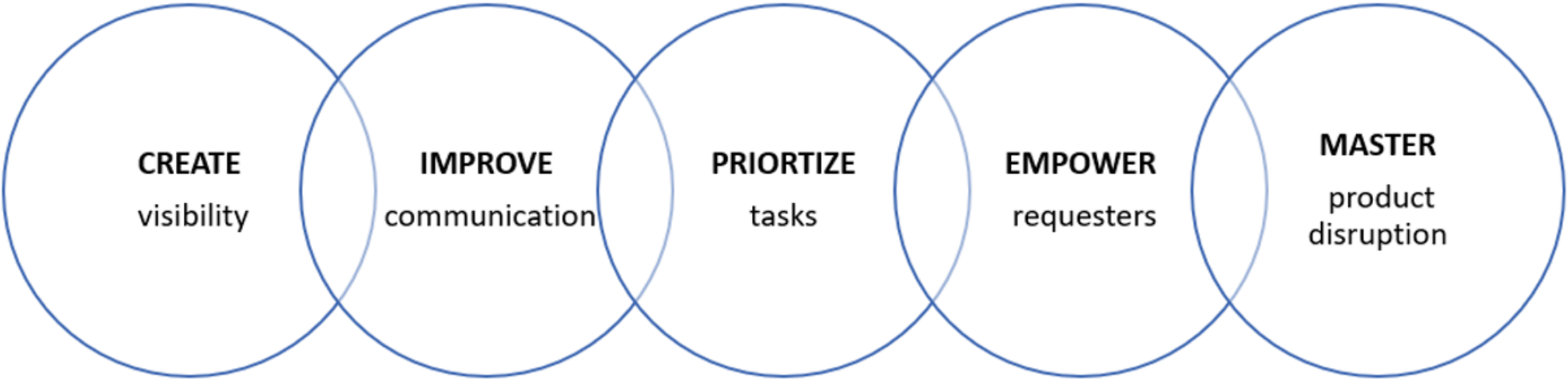
Order Management Portal

Actions submitted after 1pm will be reviewed the next business day.

LINK TO USER GUIDE ➡ View Job Aid | Download FAQ

USER FILTERS ➡

*System	*Company	Requested Action	Resolution	Chart Code(s)	Req Location	Location Type	Location Priority	Requester
All Medline Sy ∨	Select a Company ∨	All Actions ∨	All Resolution ∨			All Locations ∨	All Location Pri ∨	

Item(s)	PO	Reroute	Acct Unit	Surgery Center	Medline Order Type	Employee Type	Sort
		All Reroute Status ∨		All Facilities ∨	All Order Typ ∨	All Employee ∨	Description A-Z ∨

Go | Reset

SOH IN INVENTORY ⬇ ⬇ **VENDOR AND PURCHASING NOTES**

PO DATA ➡

Location	Order	Item	Qty	SOH	Notes	Action
Company-Location: 378-36SCL Req loc: 36153 PR-CS-INF ON HEM AME/PA Exception type: Rejected	Purchase Order: 37801286480 Line: 1 PO Created: 07/14/2023 Requisition:7872099 Line: 1 Requester: PEONE, NICOLE Contact Info: (916) 298-2045 PEONEN@SUTTERHEALTH.ORG	128303 SOL IV DEXT 5PCT 100ML Manufacturer: BAXTER MEDICATION DELIVERY Part Number: 2B0041 Vendor Item: BHL2B0041	Ordered: 6 PK Open: 0 PK	DED DED Alt UOM	MEDLINE INDUSTRIES INC Vendor #: 9982 Medline Comment- OTHER-ITEM ISSUE UPDATED, PLEASE REORDER **Proactive Action - 07/17 - ITEM REJECTED, REPLACED WITH L# 128303 FOR REQ LOC 36153 - NEW PO 37801286969 - (07-17-2023 13:53)** Possible Sub (needs review): 128321 SOL IV DEXT 5PCT 100ML (BAXTER MEDICATION DELIVERY 2B0082) 195416 SOL IV INJ 5PCT DEXT PAB 100ML (B BRAUN - MEDICAL INC S5104-5264)	Please review the Buyer comment prior to entering a new request. ☑ Check to enter new request Select Action for Save Buttons to Appear ∨ Select Action for Save Buttons to Appear Reroute Find Sub Order Direct Cancel Line **Sub with Item entered below (user selected)** Bulk Qty order into Inventory (LUM Only) No action for Stock Control
Company-Location: 378-36SCL Req loc: 36153 PR-CS-INF ON HEM AME/PA Exception type: Backorder	Purchase Order: 37801281413 Line: 7 PO Created: 06/30/2023 Est Delivery: 07/24/2023 Requisition:7825235 Line: 2 Requester: MOHAMMED, RAZIM Contact Info: (408) 524-5812 MohamR@pamf.org	195416 SOL IV INJ 5PCT DEXT PAB 100ML Manufacturer: B BRAUN - MEDICAL INC Part Number: S5104-5264 Vendor Item: BMGS51045264	Ordered: 25 EA Open: 25 EA	DED DED Alt UOM	MEDLINE INDUSTRIES INC Vendor #: 9982 Medline Comment- Backorder - ETA 07/24 **Action Needed - PLEASE REVIEW POSSIBLE SUB L# 128303/ BHL2B0041 (07-10-2023 14:22)** Possible Sub (needs review): 128303 SOL IV DEXT 5PCT 100ML (BAXTER MEDICATION DELIVERY 2B0041) Reroute: NO	Please review the Buyer comment prior to entering a new request. Requested Action: Find Sub Comment: Requested by: agredb : 07-10-2023 09:55 ☑ Check to enter new request Find Sub ∨ Save	Save All

ACTION SELECTIONS ⬅

SUB ITEM OPTIONS ➡

SAVE TO SUBMIT TO PUCHASING ⬅

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Initial Successes

Stock Control Buyers work impacted items prioritized by the requester

Stock Control Buyers proactively replace impacted items before requested

Direct access between Requesters and Stock Control Purchasing Team

Leverage technology to minimize manual work

Organize Stock Control Buyers by tasks

*Stock Control – Distribution Control Tower (industry best practice 2021)

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Order Management Portal (OMP) Kaizen Event

Highlights

- Survey sent out to Requesters, Supply Chain Staff and Buyers – 184 responses received
- Two day in person Kaizen Event – Included Buyers, End-users, Managers, and Directors
- Created a Project Plan
- Automated daily Distribution Partner data ingestion.
- Updated Portal availability to 7:00 a.m.
- Stock Control to work vendor directs daily.
- Develop new user training sessions

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System Supply Chain Huddles

Supply Chain Virtual Huddle Board

WE DELIVER HEALTHCARE THAT IS...

SAFE — Zero harm for our patients and workforce

PERSONAL — Providing exceptional experiences to the people we serve

AFFORDABLE — Delivering value for our patients and communities

ACCESSIBLE — Intuitive and human-centered

Supply Chain Vision
Delivering a nationally recognized and industry leading Supply Chain Shared Services organization, measured by its innovation, transformation, and top decile results in cost, quality, and outcomes.

Supply Chain Mission
We passionately steward the provision of safe, accessible, and affordable products and services, with a commitment to enhancing the health and well-being of those we serve.

Action Items

ISSUE	SUBMITTER	DATE	OWNER	F/U DATE	STATUS
Mattress Replacement Process		10.4.22	Jen and Team	9.14.23	Open
Sample Process (PO)		8.31.23	Terry	9.14.23	Open
Inventory Availability at Medline by Stocked UOM's		1.3.23	Medline/Susan	9.19.23	Open
System Supply Spend Training		7.6.23	Brian Kay	10.6.23	Open
RFP & Conversion Strategy/Calendar		8.24.23	Sourcing/Jen	10.6.23	Open

Quote of the Week

SOMETIMES YOU WIN SOMETIMES YOU LEARN

Tuesday Agenda

- **Stock Control**
- **Purchasing**
- **Pharmacy**
- **eQuip**
- **Vizient**
- **Medline**

Recognition/Wins

EMPLOYEE/SUBJECT	NOMINATOR	EMPLOYEE/SUBJECT	NOMINATOR
Josh & Candice – Inventory Numbers	Sonia		
Mitch Bottel (IS) & Ian/Lilianna – Server Upgrade	Brian		
Felicia – Team Cohesiveness	David		

SCSS Motto – *The patient is at the center of all we do...*

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Strategic Sourcing

Supply Chain Governance (SCG) The team is charged with the planning, coordination, implementation, and evaluation of Supply Chain initiatives to reduce the overall cost impact of Sutter's operations.

Stewardship Project Teams:

- Evaluates opportunities to reduce complexity

- Decreases non-labor expense.

- Delivers System Standards & Supply Conversions

- Establishes new systems standards for equipment, purchased services, and physician specialty supplies.

- Compliance to contract decisions & savings achieved are monitored and tracked on dashboards to ensure initiatives are fully implemented and maintained

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Compliance Dashboard

Value Analysis & Clinical Technology Assessment Council (CTAC)

A Physician lead decision making body that operates to ensure wise stewardship.

- Reviews clinician requests for new medical devices and technologies.
- Committed to excellence in patient care.

Service Lines:

- **Neuroscience Service Line Subcommittee** meets the 2nd Monday of every month.
- **Cardiovascular Service Line Subcommittee** meets the 2nd Friday of every month.
- **Perioperative Subcommittee** meets the 2nd Tuesday of every month.

Criteria for Approval

- **Safety** - Evidence based safety
- **Efficacy** - Evidence based outcomes
- **Affordability** - All costs including training, equipment, impact on LOS, follow up treatments, downstream complications, etc.

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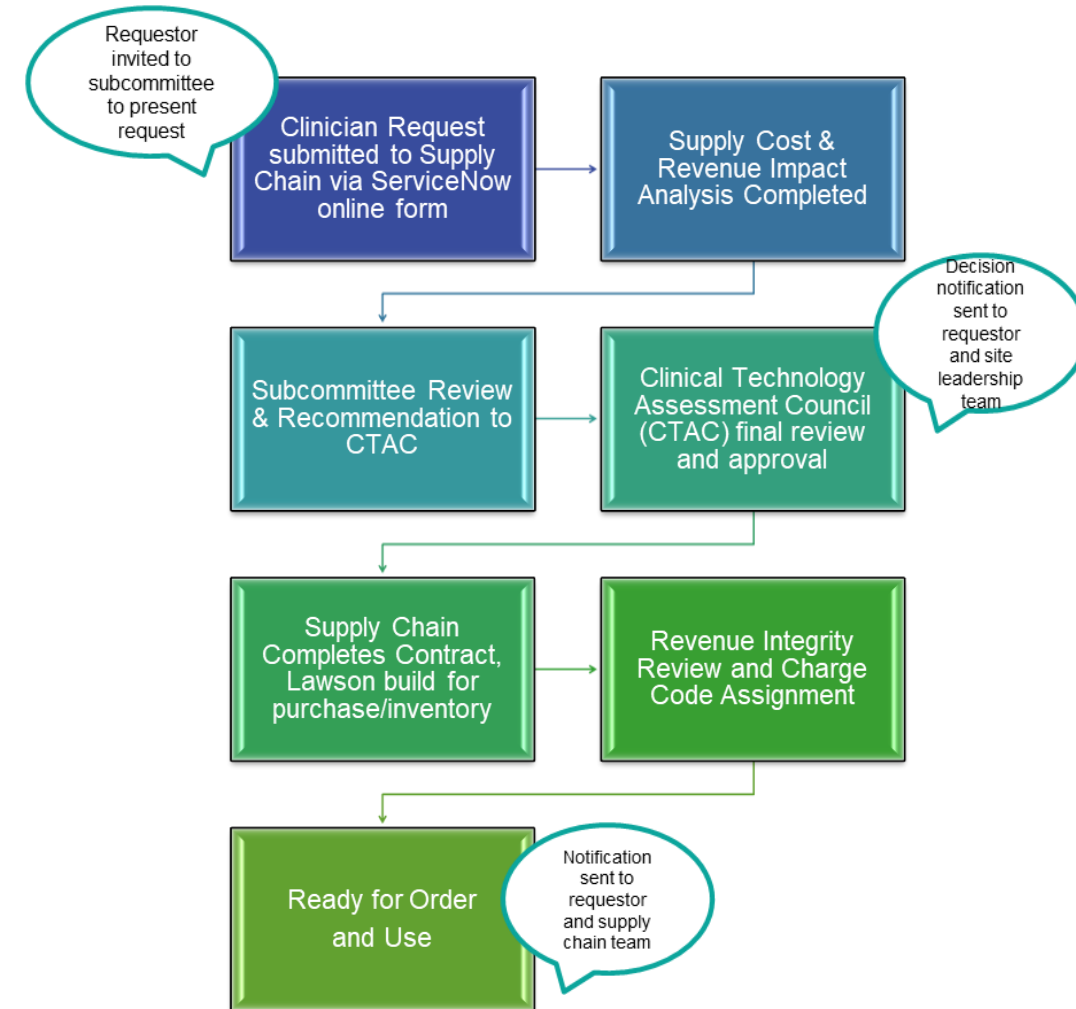
Measurement of Success

Key Performance Indicator (KPI's) Dashboards

- Created internal distribution metrics to increase confidence in product availability
- Right-sized inventory and maximize hand-held technology.
- Web-based reports were created to extract necessary data to positively impact the direction of the KPIs.

"What gets measured gets managed."

—Peter Drucker

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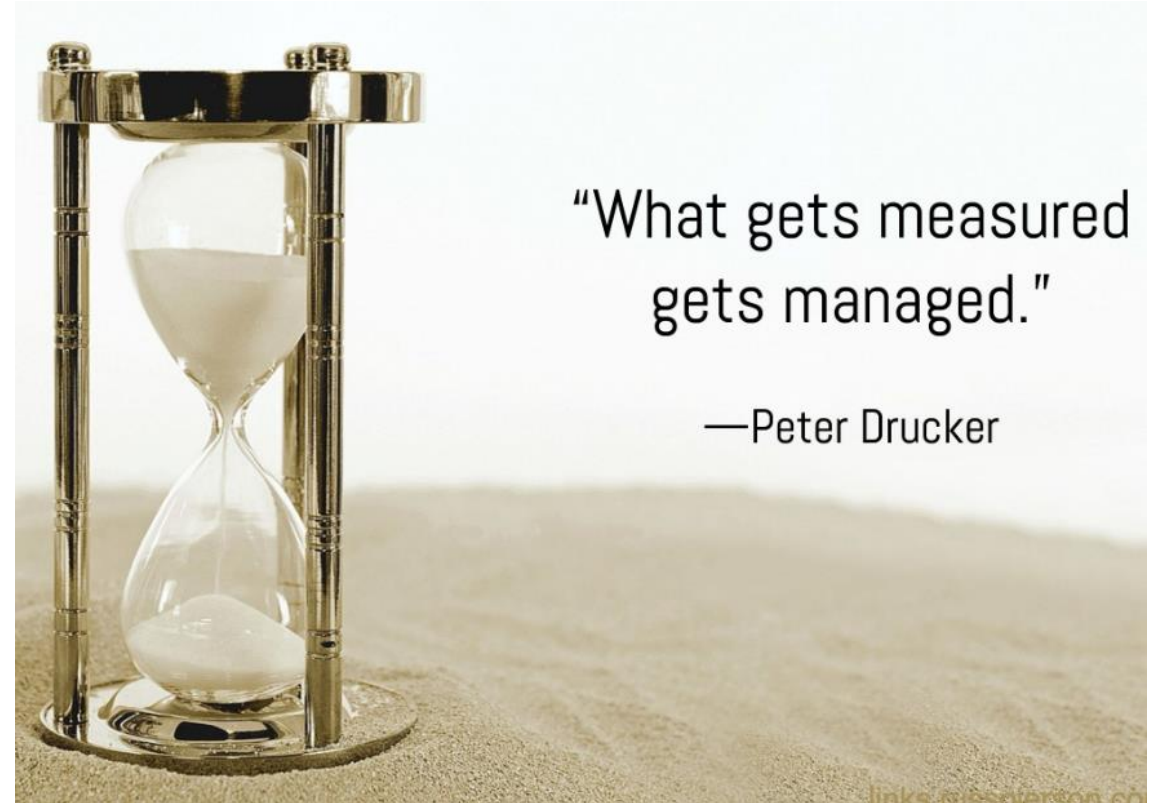
Ops Dashboard – KPI Breakdown

Perpetual	PARs	Efficiency	Disruption
Inventory Accuracy	Replenishment	HHT Usage	Active DEDs
Cycle Counting	Manual Issues	INRs	Open Orders
Storeroom Fast Movers	Multiple PAR/Req Spins	Preference Card Accuracy	Killed Lines
Storeroom Slow Movers	Zero PAR/Req Spins	Portal Traffic	Courier On-Time Delivery

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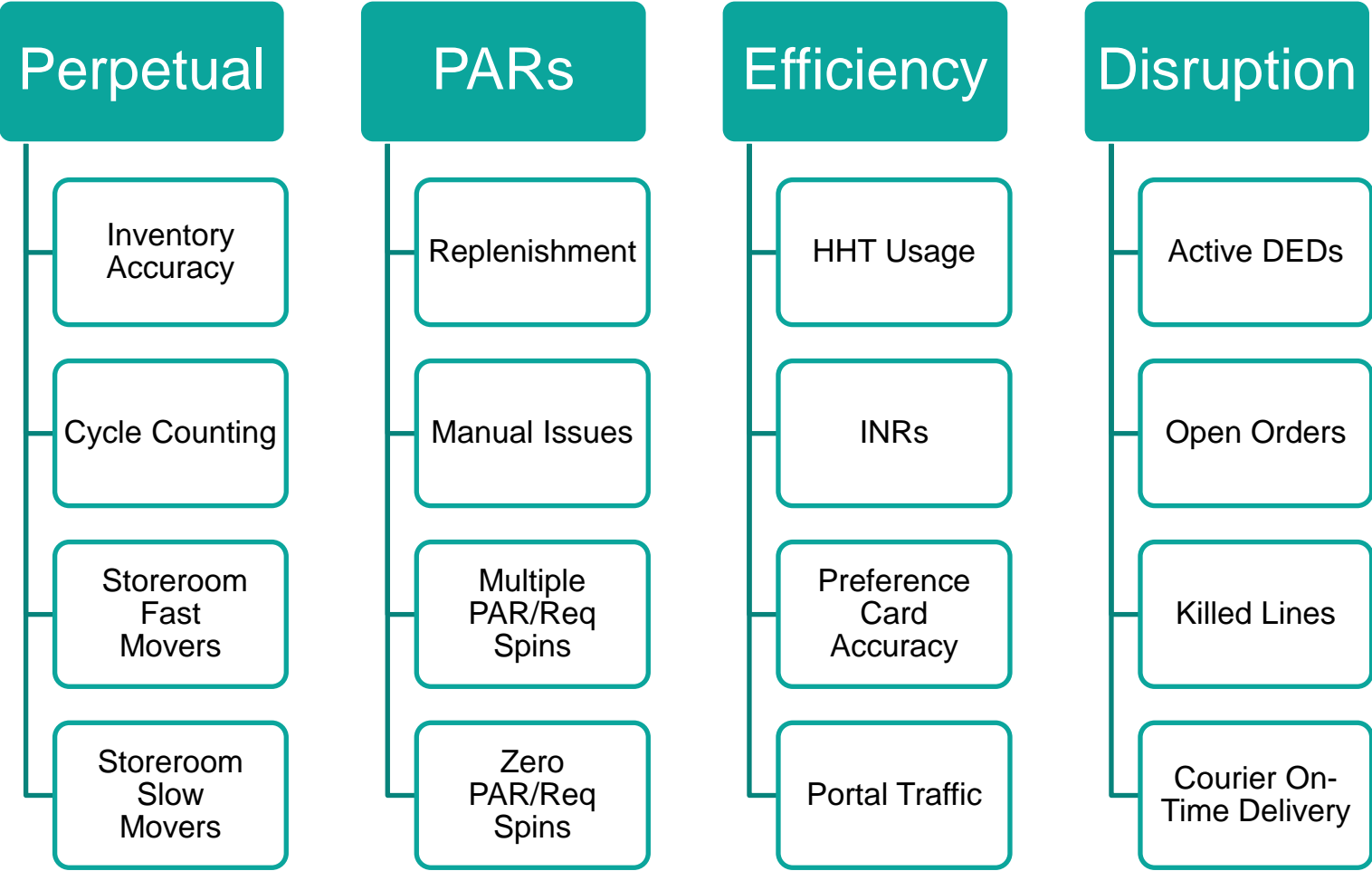
Supply Chains Ops Dashboard-Perpetual Inv
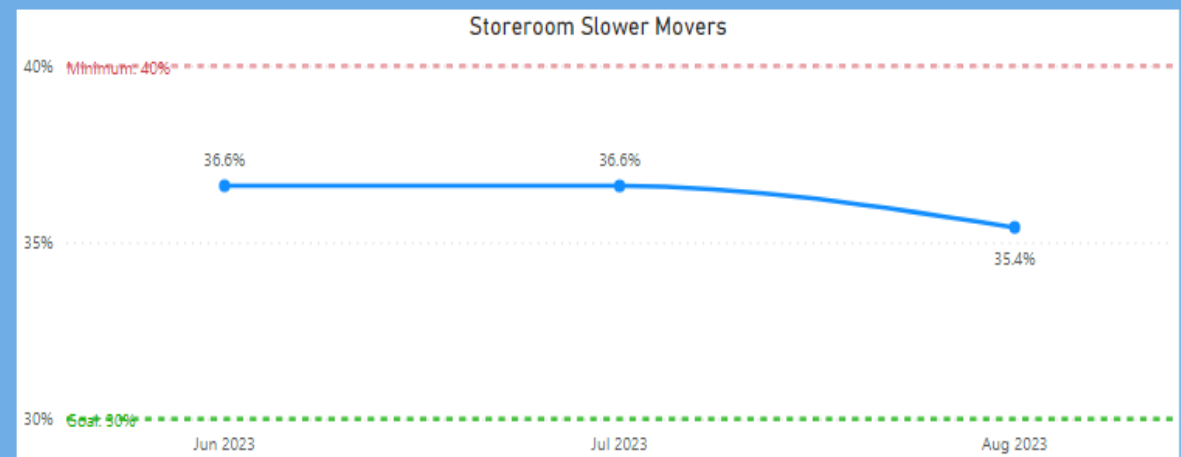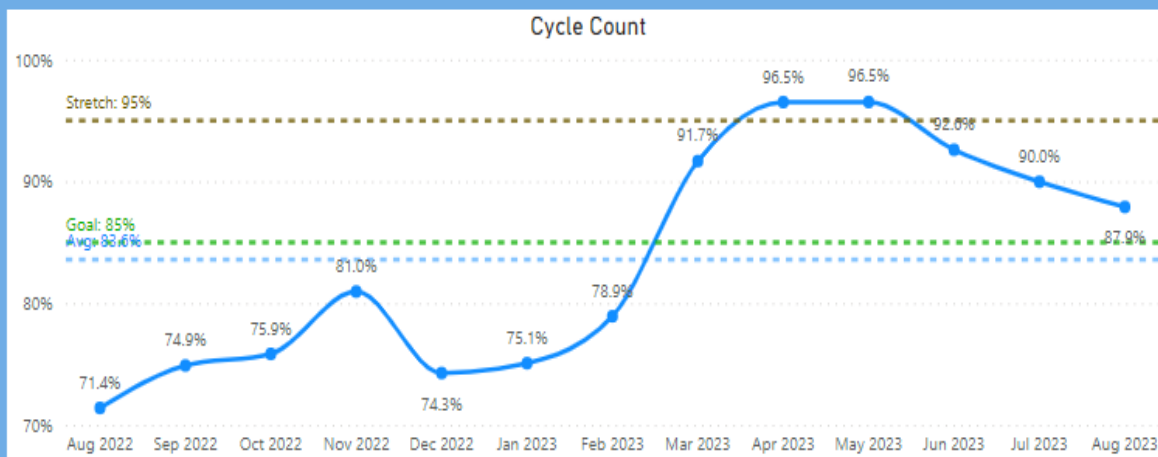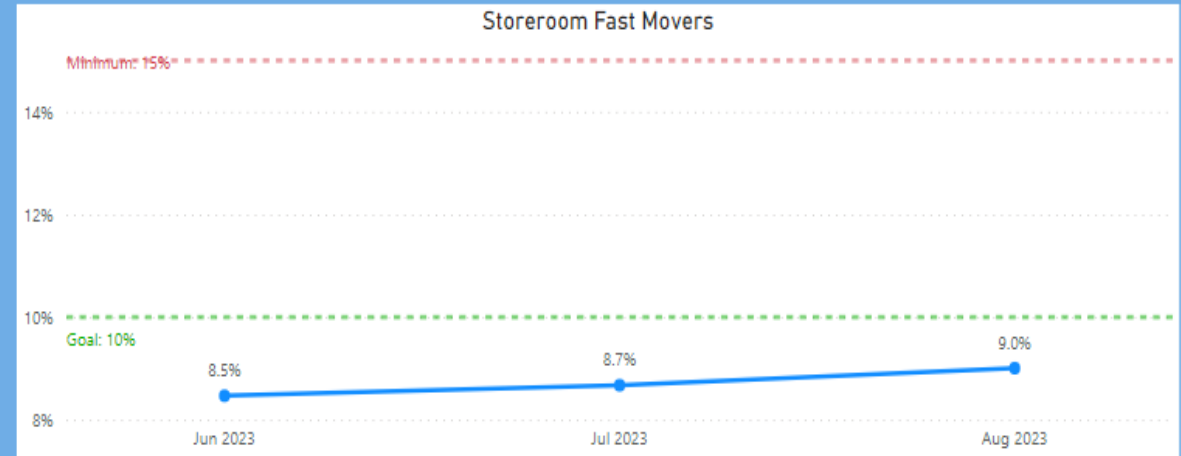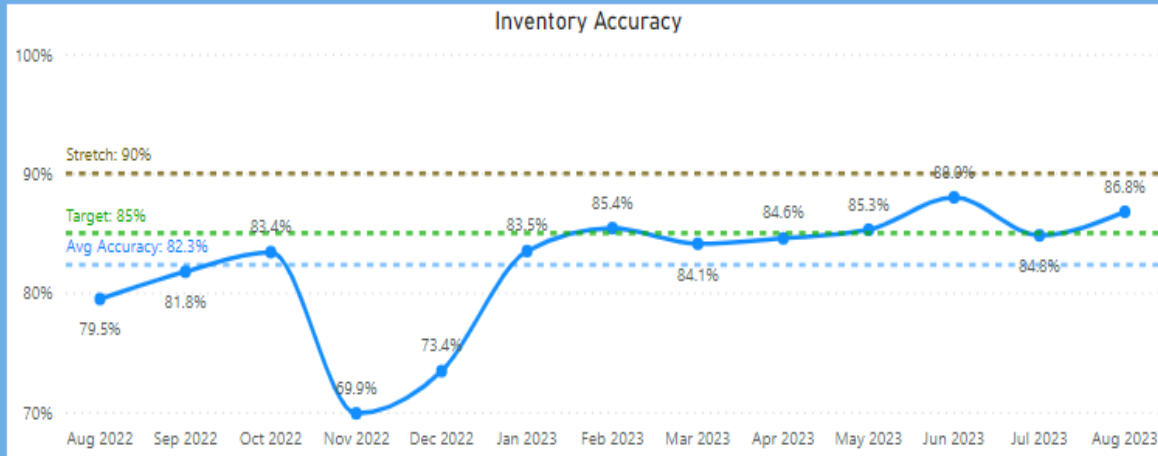
Supply Chains Ops Dashboard-PARS

PAR

Managed Replenishment

Multi PAR Item Order

Manual Issues

Zero PAR Spins

Build Relationships → Educate & Innovate → PAR Optimization

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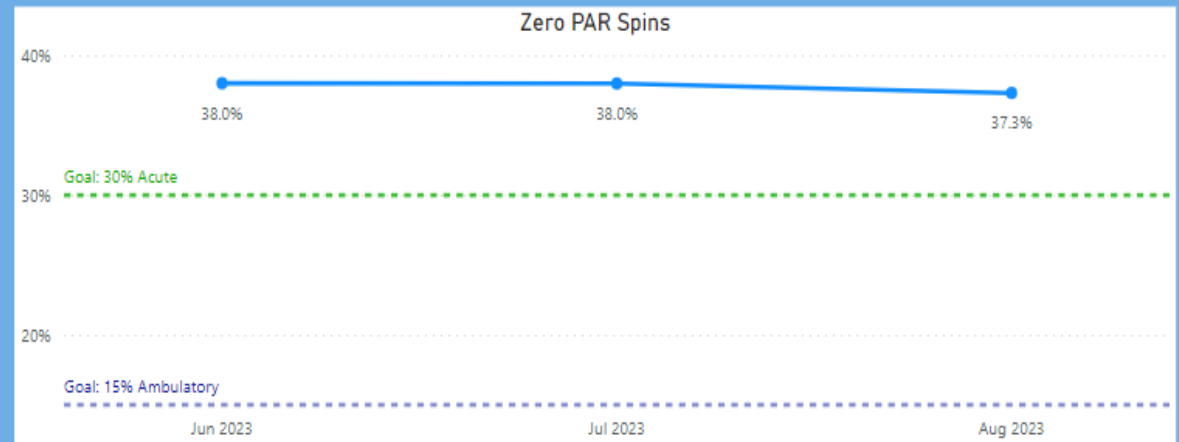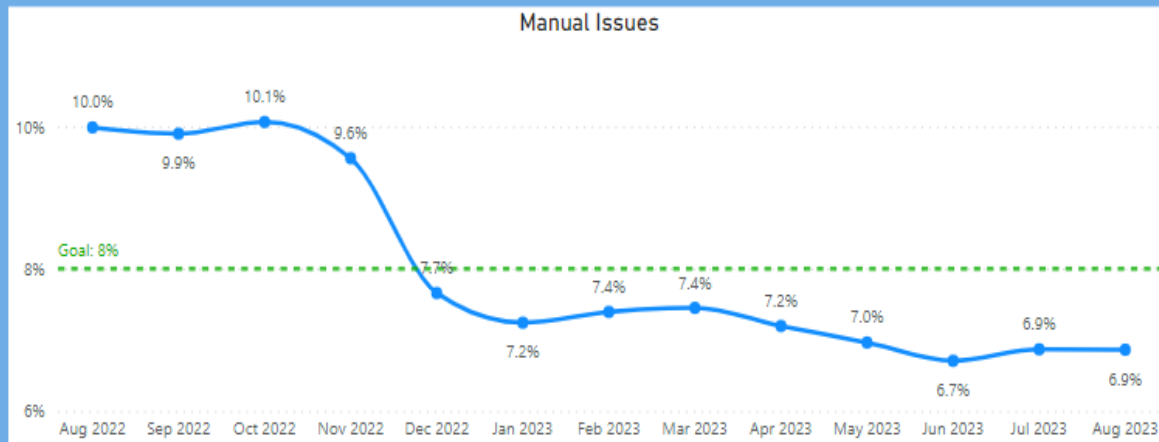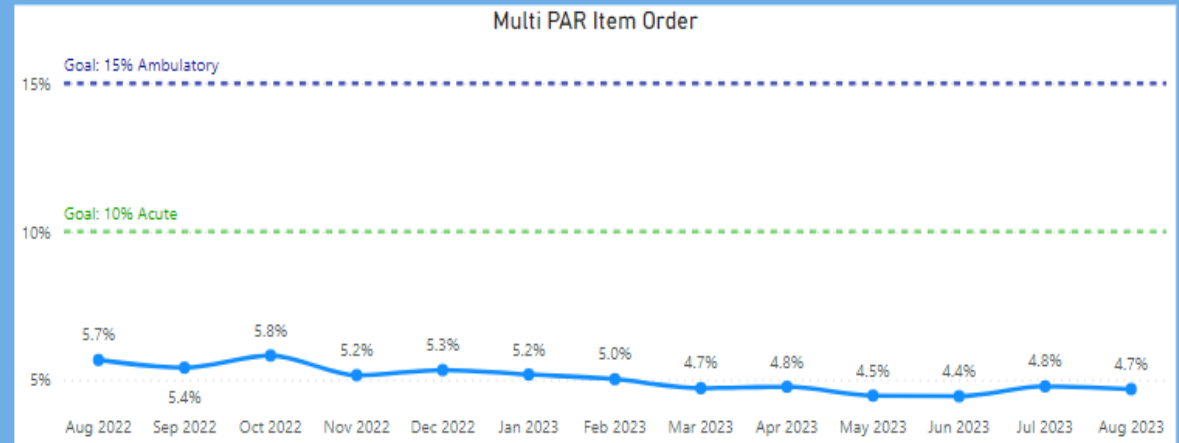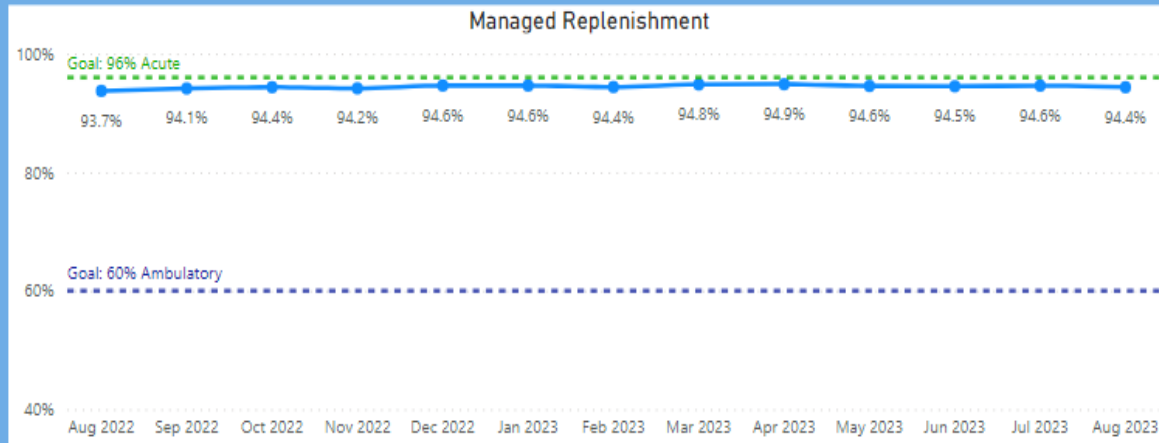
Supply Chains Ops Dashboard-Efficiency
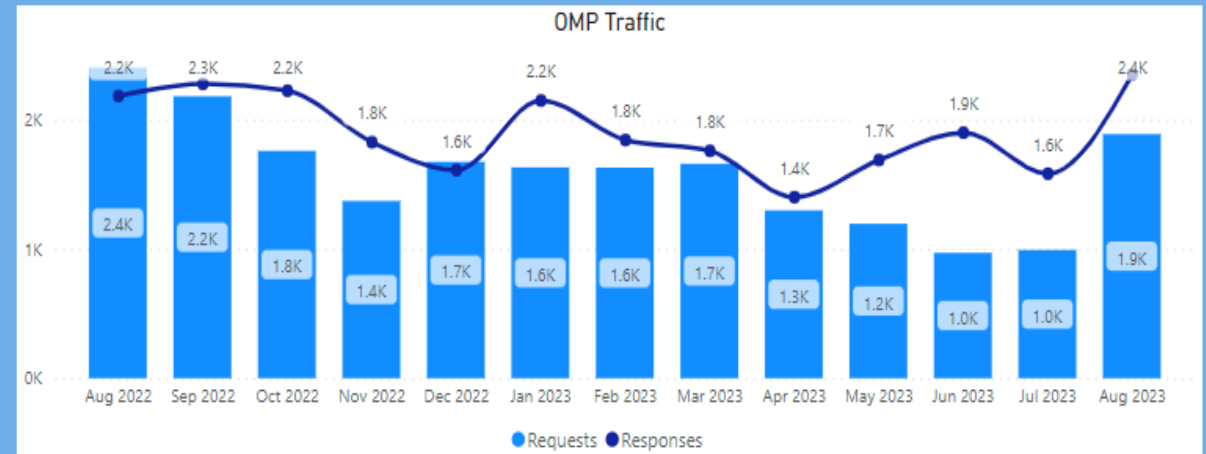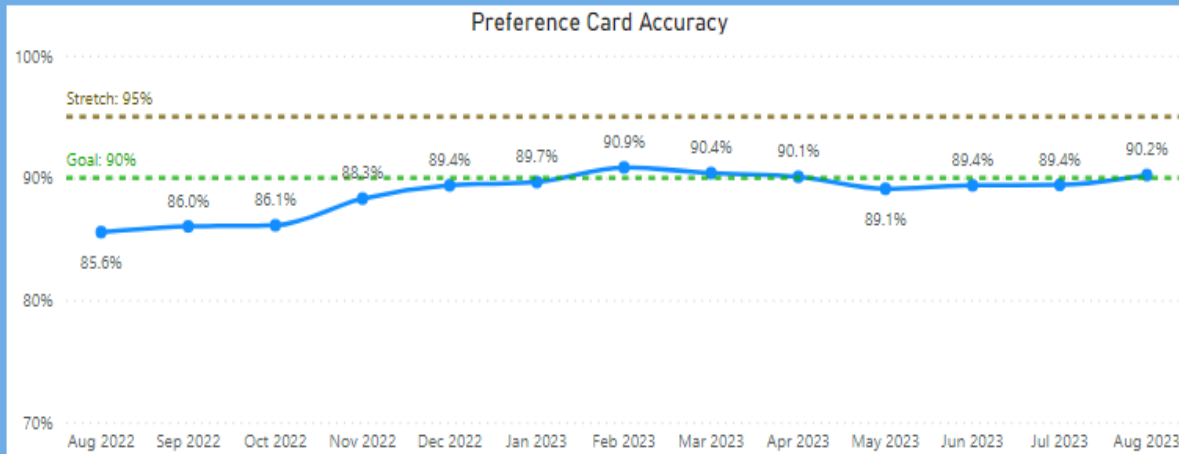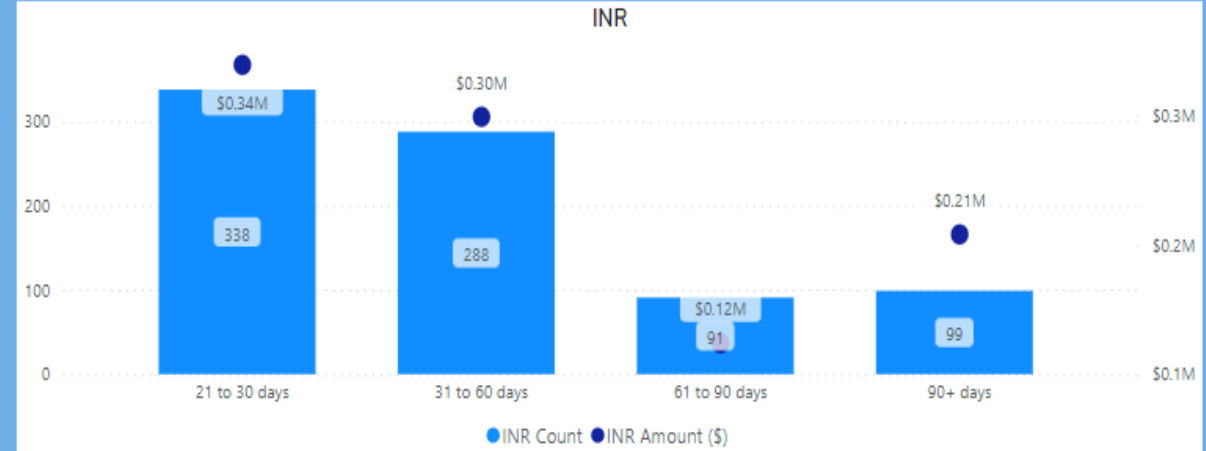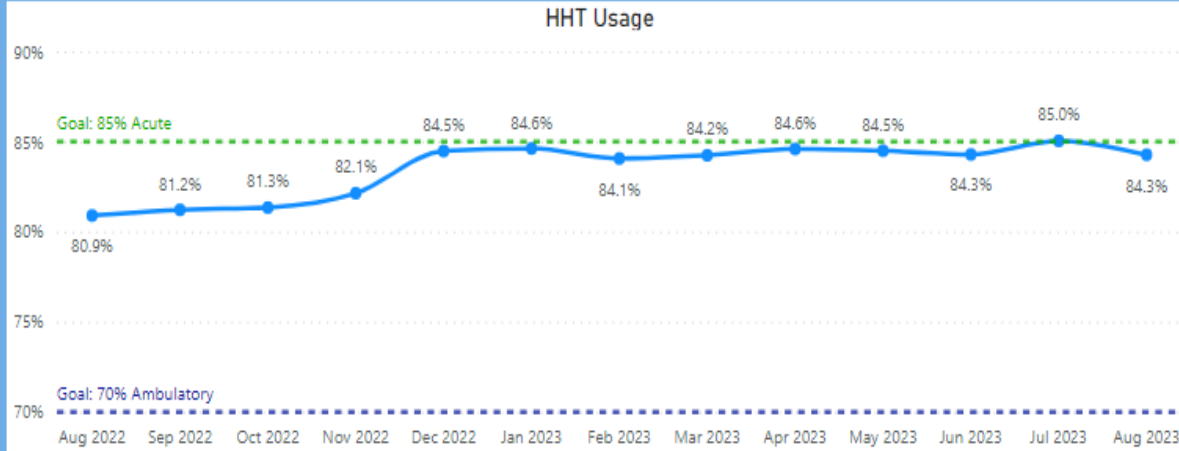
Supply Chains Ops Dashboard-Disruption
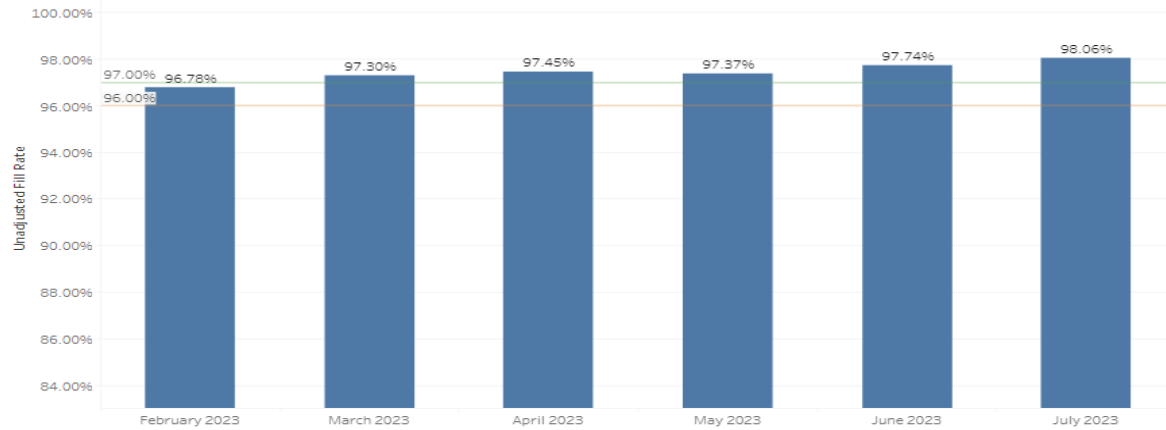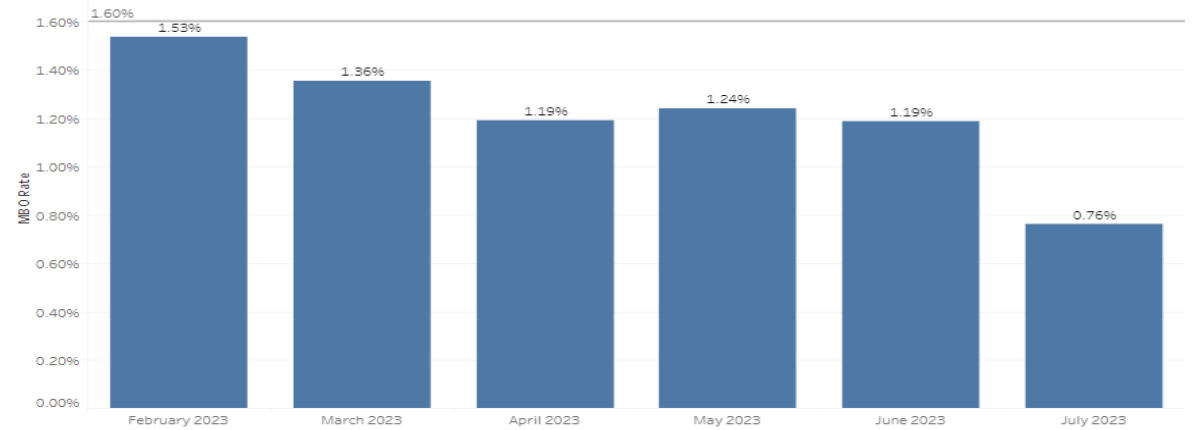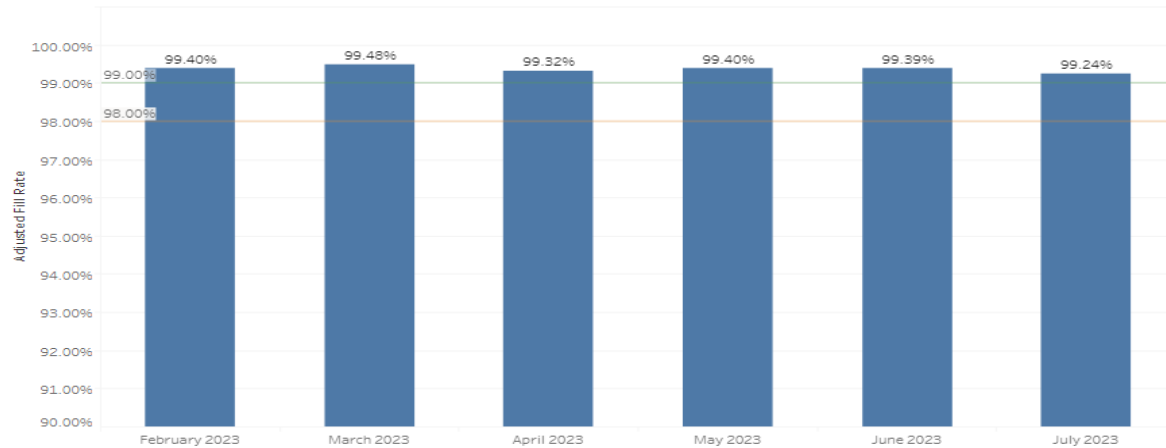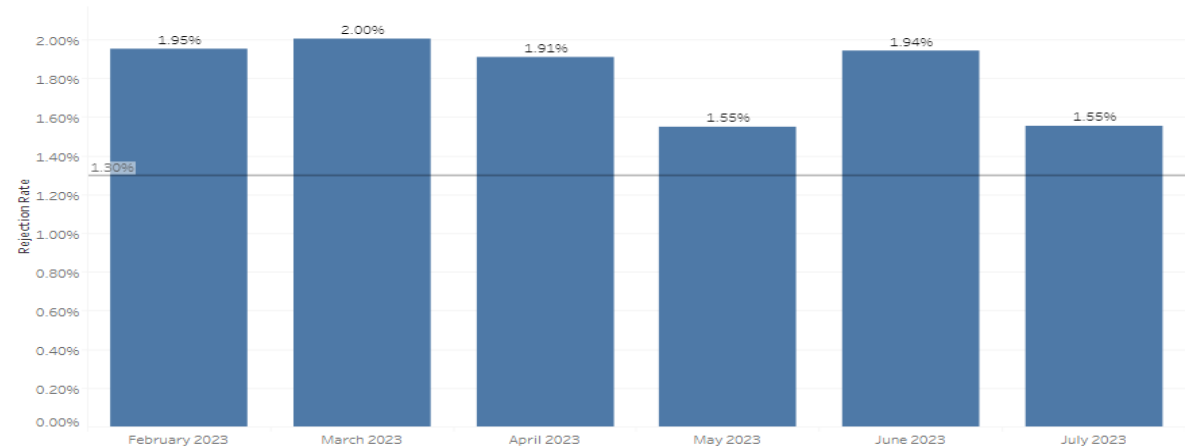
Distributor KPI's

Annual Experience of Work (EOW) & Culture of Safety Survey

- At Sutter Health we change and save lives by brining our collective best – our Power of One – to work every day by focusing on:
  - Diversity, equity & Inclusion
  - Hearing directly from staff
  - Asking if we are hitting the mark and how we can do better
  - How can we improve the work environment

Education &Training: Standard Work & Competencies

System Operating Procedures & Leader Handbooks

Mantra: *"One Team, One Dream"*

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Questions

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Thank You

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