



Royal Devon and Exeter NHS Foundation Trust saves £421,000 with Advanced

Royal Devon and Exeter NHS Foundation Trust (RD&E) was experiencing issues with stock control. To solve these issues, the Trust invested in our Patient-level Resource Management (PRM) system. Since implementation, the system has considerably improved stock control in the theatres, has enabled £421,000 cost savings and is providing invaluable spending insight. By standardising on certain generic products used in surgery, this will also provide a further 3 per cent cost saving on the Trust's £5.5 million theatre budget.

Background

The Royal Devon and Exeter NHS Foundation Trust (RD&E) is an acute hospital that has developed over 250 years. It provides specialist and emergency hospital services to approximately 350,000 residents and visitors primarily in Exeter and East and Mid Devon. In 2004, RD&E became one of the first foundation trusts to be created in the country.

As a leading foundation trust, RD&E needed to ensure that excellence was being delivered in all areas. Stock control, especially in the theatres, was identified as an area in need of improvement as no standard, efficient means to manage stock existed. The budget management system in use also lacked sufficient detail and wasn't fit for purpose, with most stock items being assigned to the 'other sundries' category, resulting in

important information being lost. An IT solution that could deliver improved stock management and greater procurement control, clarity and insight, while having the ability to cost the whole patient pathway, was therefore required.

Selecting PRM

In 2009, RD&E tendered for a new procurement/stock management solution. The solution needed to be able to match budget against each surgeon and their specialities. It also needed to be able to align budget against the patient journey and ultimately support both service-line management and service-line reporting in line with the Trust's goals.

In September 2009, our solution Patient-level Resource Management (PRM) was selected as the Trust's preferred solution as it was known



Client >

Royal Devon and Exeter NHS Foundation Trust

Sector >

NHS

Project >

Product standardisation in theatres to deliver a further 3 per cent cost saving

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Fred Cock > Clinical Services Manager > Royal Devon and Exeter NHS Foundation Trust

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to integrate well with our eProcurement system. After a demonstration of PRM and a reference site visit to another acute NHS Trust, it was also clear that it could fulfil the Trust's needs.

RD&E's learning curve

The implementation process of PRM was a learning curve for the Trust.

The initial thinking was to pre-load PRM with a comprehensive 'ready-made' list of items that might be used in surgery. This list was then going to be the starting point for the surgeons and clinicians, enabling them to add items to the list and amend it accordingly. PRM would be able to record exactly which items of stock had been used, report on the results and identify when stock items were running low. Three theatres were up and running using this process in November 2009.

It was soon identified that having a comprehensive ready-made list of items already pre-loaded into PRM, was beginning to create more issues than it was solving. There were often numerous items on the PRM list that were not required during surgery and it was proving time-consuming to keep removing items from the list.

By April 2010, it was decided that they were trying to do too much too quickly and that a refined approach was needed.

Fred Cock Clinical Services Manager from Royal Devon and Exeter NHS Foundation Trust says, *"We had been approaching the implementation of PRM in a 'big bang' fashion which clearly wasn't working. We took a step back and identified that the set-up of PRM needed to be guided by the actual users of the system and so we invited input from clinical staff who would be using the system on a day-to-day basis and who understood all about billing materials. We recognised that obtaining their engagement and feedback would be key to success, even though we were requesting their involvement late in the project."*

Following a consultative process, it was decided that only core billing materials should be on the 'ready made' product list. This list would then be added to by the clinical staff using the 'workbooks' on PRM, which enables the quick identification of products and their associated

codes. This process would be less time-consuming for staff while delivering the level of stock control required.

In April/May 2010, the project targets were reset and the roll-out of PRM using the core billing materials approach commenced. By Nov 2010, PRM had been fully and successfully implemented across all 23 of the Trust's main theatres.

PRM in use

All items used are recorded (with product specific codes) against the patient's code and once the operation is over, all the recorded billing materials are checked for accuracy before being committed to PRM. This then records exactly which materials were used and the associated costs.

PRM automatically raises an order when items require replenishing (based upon pre-set stock levels). This order is automatically generated through the eProcurement system which is checked against PRM by the matrons, providing another layer of control. Once the order has been checked and approved, it is automatically sent out to the supplier. Before PRM, re-ordering stock was a far more manual and time-consuming process.

Delivering greater stock control

Using PRM, which provides a slicker and more automated stock management process, stock checks can now be done with a touch of a button. Before the system, staff had to be gathered at a weekend to count and record all stock items. This was very labour-intensive, open to errors and couldn't provide a real-time, holistic view of stock across the theatres.

Pre-set minimum and maximum stock levels can now be quickly and easily adjusted as required so that PRM knows when to replenish stock. With greater control over stock levels and improved inventory management, waste across all 23 theatres has been reduced.

£421,000 cost savings

RD&E has saved £421,000 as a direct result of using PRM. This breaks down to a saving of £230,000 from the inventory budget in the first year, an additional £191,000 savings in

"With intelligence about our products and their associated costs at our fingertips, we can investigate why one surgeon may be using products that are more expensive than another surgeon. We have the insight to ask questions and find answers so that we can make cost-conscious decisions."

Fred Cock > Clinical Services Manager >
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"There cannot be an unequivocal acceptance of the cost of products used by surgeons which is why intelligence is so important. By standardising on certain generic products used in surgery, this will provide a 3 per cent cost saving on our £5.5 million theatre budget, which equates to £150,000."

the second year. The RDE is projecting to save a further £150,000 this year as part of the standardisation work that PRM has enabled.

Cock says, "The £421,000 savings RD&E has so far achieved would not have been possible without Advanced's Patient-level Resource Management system. We have improved inventory management, thereby reducing our stock holding and cutting unnecessary waste, which has provided us with an instant cost saving."

The next steps

The insight delivered by PRM will be used to deliver further cost savings moving forward. For instance, RD&E intends to standardise on certain cost-effective products used in surgery, such as surgical mesh used in hernia operations.

Fred Cock > Clinical Services Manager > Royal Devon and Exeter NHS Foundation Trust

Product and spending insight

The improved inventory management has delivered the first stage of cost savings for RD&E with the next planned stage of savings coming from being smarter with the insight that PRM has delivered.

PRM now provides the intelligence around product spend and usage to enable meaningful supplier negotiations, enabling the procurement of more cost-effective products. With patient-level product detail available, this is also enabling an analysis of the products and product lines being used, how much they are costing and spend per surgeon.

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