SCAN4SAFETY BUSINESS CASE ACUTE TRUSTS

- Annual Cost Saving for a Medium Acute Trust through operational efficiencies: £2.4m
- Additional one-off saving for an average Trust through stock reductions: £1.5m
- Time Released to Patient Care for an average Trust: equivalent to sixteen Band 5 nurses
- Delivers enhanced patient safety via Track-and-Trace
- Savings achieved through process efficiencies

ACCURATE DATA, TRANSFORMING HEALTHCARE

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SCAN4SAFETY BUSINESS CASE: ACUTE TRUSTS

1. CONTEXT

The Department of Health’s eProcurement strategy mandates that all goods and services procured by an NHS Trust must be compliant with GS1 and PEPPOL standards by 2019-20. Scan4Safety (S4S) fulfils these requirements by using barcodes to record and track:

- **Patients** – improving safety
- **Products** – everything recorded and accounted for
- **Place** – everything trackable
- **Processes** – simplifying processes and releasing time to care.

Scan4Safety is being implemented initially at six DH-selected Demonstrator Sites to prove capability in:

- **Inventory management and procedure costing** – driven by usage to maximise efficiency
- **Purchase to pay automation** – 60% of Purchase Orders and Invoices transmitted by PEPPOL to reduce costs and eliminate errors
- **Patient Safety by Track-and-Trace** - capture of Lot/Serial numbers and Expiry Dates for all relevant products (e.g. implants) which also simplifies and removes transcription errors.

The Scan4Safety programme requires Trusts to implement the following GS1 barcode standards: patient wrist band (GSRN), item code (GTIN), location code (GLN), and reusable assets such as surgical trays and scopes (GIAI).

Scan4Safety addresses Lord Carter’s Report recommendations by enabling for the first time an accurate, usage-generated comparison of the staff and product resources used by different Trusts for the same procedure. It also supports the NHS Improvement Cost Transformation Programme which requires Trusts to provide accurate, usage-generated costing across all procedures.

Secretary of State for Health Rt. Hon. Jeremy Hunt has highlighted Scan4Safety as being “a world first in healthcare – and a vital part of this government’s drive to make the NHS the safest and most transparent healthcare system in the world. Using simple barcodes that major industries rely on every day will help to transform standards of care – before, during and after patients have treatment, at the same time as freeing up resources for care by reducing waste.”

2. PROJECT DELIVERABLES

Healthlogistics’ managed service solution addresses all of these objectives and delivers:

- Reduced administrative and process costs to run the supply chain, allowing 40% lower stock levels and a reduction in urgent deliveries.
- 10% reduction in consumption of stock by and 90% lower wastage through stock going out of date.
- Reduction of management accounting costs and increased accuracy of PLICS reporting.
- Implementation of 100% track-and-trace functionality by product, lot/serial number and expiry date for each procedure, giving increased patient safety and improved clinical information.

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3. OUR SOLUTION

Healthlogistics’ solution is entirely web-based and in daily use at Derby Teaching Hospitals NHS Foundation Trust and in two multi-site London Trusts - London North West Healthcare NHS Trust and Chelsea and Westminster Hospital NHS Foundation Trust - by mid 2017. It enables a Trust to adopt and be compliant with GS1 and PEPPOL standards within 4-8 months, and make business efficiency and cost savings with a payback of less than one year and a ROI of >10:1. Healthlogistics’ solution comprise:

- A GS1 UK certified inventory management solution covering all theatres, wards and clinics.
- Fully automated stock replenishment.
- Full procedure level costing via barcode scanning that only takes minutes for theatre staff to carry out for each procedure.
- Comprehensive track-and-trace on all required implants.
- An electronic catalogue and contract management service (including GDSN and PIM links) that references our 1.4m item manufacturer barcode database.
- PEPPOL order-to-invoice transmission which results in a paperless order process from consumption through requisition and purchase order generation to receipt of the order by the supplier.
- Supplier invoices sent electronically direct to the Trust’s finance system to eliminate manual input, minimise query resolution and enable a three-way match of invoices to orders to receipt.

This solution delivers a fully electronic end-to-end P2P solution resulting in significant cost savings and process efficiencies.

4. ORDER AND INVOICE PROCESS - FULLY ELECTRONIC

Healthlogistics’ order and invoice processes are as follows:

- Scanning of consumption to the patient.
- Scanning of procedure, enabling accurate item costing.
- Track by lot / serial number with full audit trail to a patient.
- Automatic stock replenishment.
- Automated loan kit and consignment stock processes.
- Purchase-to-Pay automation.

All processes are fully integrated with existing Trust financial, theatre management and PLICS systems.
5. SAVINGS ACHIEVED EVERY MONTH IN OUR HOSPITAL IMPLEMENTATIONS

- **10% Reduction in stock consumption**: Based on experience across our demonstrator site: Derby Teaching Hospitals NHS Foundation Trust has seen a 5-12% reduction in stock consumption across all stock areas.

- **90% Reduction in Waste through obsolescence**: A minimum saving of £10,000 p.a. and mid-range saving of £150,000 p.a. These savings are based on an independent case study published by Austin Hospital, Victoria, Australia.

- **40% Reduction in inventory levels**: By ensuring that inventory is driven by usage, the correct stock levels can be set for each item and actively managed through our automated inventory replenishment approach.

- **Lower procurement cost**: Accurate data on usage by procedure enables procurement to negotiate improved pricing as a result of benefits to the supplier from improved process, more accurate data and better forecasts. We estimate savings of 5% of relevant clinical spend based on experience and benchmarking studies.

- **Management Accounts Savings**: For management reporting and decision making the PLICS system needs to be fed with monthly costings from theatre. Accurate procedure costing moves the cost base from apportionments to direct costs – with a resulting improvement in data quality and decrease in cost.

- **Reporting of data to third parties**: The patient number, product detail, Lot/Serial number and expiry date can be provided to all government bodies including National Joint Registry and the recent Breast and Cosmetic Implant Registry. The relevant information on staff assignment to procedures can also be used to support Continuing Professional Development reporting.

### SAVINGS FOR AN AVERAGE TRUST

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<thead>
<tr>
<th>Category</th>
<th>Savings Amount</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Inventory</td>
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<tr>
<td>Procurement</td>
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<tr>
<td>Wastage</td>
<td>£150,000</td>
<td>3%</td>
</tr>
<tr>
<td>Consumption</td>
<td>£2,400,000</td>
<td>57%</td>
</tr>
</tbody>
</table>

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The Scan4Safety programme has estimated the following savings for a typical Trust:

- **Time release to patient care** – equivalent to sixteen band five nurses per average Trust
- **A reduction of inventory** averaging £1.5 million per average Trust
- **Ongoing operational efficiencies** of £2.4 million per Trust p.a.

The cost of the solution is based on:

- **Implementation cost** – we project manage the implementation and provide the required data, business process review and set up by item by procedure by location. Implementation time is 4-8 months depending on Trust size. Implementation cost is per-theatre or equivalent, with payment based on achievement of defined milestones.
- **Software as a Service** - we support and upgrade the software and all of the underlying data for a cost per-theatre or equivalent per month.
- **Infrastructure and Transactional service** – we maintain all the necessary inventory management processes, systems interfaces and purchase to pay processes via PEPPOL.

For a typical Trust this gives a return on investment of greater than 10:1 and a payback of less than one year from start. This can be shown graphically as follows:
7. HEALTHLOGISTICS’ CREDENTIALS

Derby Teaching Hospitals NHS Foundation Trust is the only Scan4Safety demonstrator site to have completed all four stages of the S4S programme and is now awaiting final DH accreditation. 37% of orders are now sent via PEPPOL and over 91,000 procedures have been captured across all theatres and disciplines. Through the use of the Healthlogistics solution Derby has received several industry awards and excellent press coverage, including the following quote from the National Health Executive:

‘One of the biggest success stories to date can be found at Derby Teaching Hospitals NHS FT, who have made big strides in implementing GS1 standards in general surgery, imaging and cath labs... Since April 2014, they’ve saved at least £25,000 per month just in the consumables in these areas – that’s an overall saving of £700,000 so far.

Their goal was to electronically capture all equipment usage and implant information within theatre... when product recalls now take place, the trust can easily identify all products that are held within the trust and prevent their use. They can also identify all patients that may have been affected by the products... It’s saving them time, money and, most important of all, it’s improving patient safety.’

Healthlogistics provides a fully managed GS1 certified, web-based solution, with recoverable VAT, providing all software, hardware and critically, the manufacturer barcode data and supplier catalogue/contract data. These power the system together with the common processes and experience to integrate the solution into a Trust's existing IT infrastructure. Our global barcode database comprises 1.4 million items and is maintained centrally in Melbourne, Australia; whilst our supplier catalogue/contract data comprising 2.5 million items is maintained in Tring, Hertfordshire.

Our customers’ success results from the combined efficiencies of track-and-trace, supply chain efficiency and procedure costing. This is based upon 12 years’ delivery expertise in 500 theatres – with over 1.5 million procedures captured globally to-date. This expertise and proven capability is unsurpassed in the market place.

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