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Introduction

The demand for hospice care is growing at a steady rate.



The National Hospice and Palliative Care Organization (NHPCO) estimated that in 2014, hospice services were provided for more than 1.6 million patients, nearly double the number cared for in 2004. Nearly 60 percent of hospice patients were looked after in their own homes, a factor that increased the complexity of hospice inventory control.

As demand for hospice service grows, so does the need for innovative inventory control solutions. Patients' supplies are one of the leading costs with caregiving for hospice patients. While a hospice needs sufficient stock to ensure that patients' needs are taken care of, it is crucial that inventory levels are carefully controlled to limit stock holding costs. Unfortunately, hospice inventory control is made more difficult because a significant portion of care is provided in patients' homes by clinicians who must carry adequate supplies in their vehicles to meet their patients' requirements. Also, due to the decentralized nature of the work, clinicians may even need to obtain their supplies direct from medical distributors.

The need for careful control of hospice inventory costs is increased because over 85 percent of hospice expenses are paid under the Medicare program. This means hospices cannot afford excess inventory and administrators must exercise effective hospice inventory control to ensure that the cost per patient day is appropriately managed.

Hospice Inventory Control Challenges



Since most hospice clinicians care for patients in their homes, hospices face a number of inventory control challenges that are not shared by other healthcare facilities. The numerous patients a nurse may visit in a typical day may all have different conditions and different requirements. Consequently, the range of medical and other supplies they need varies considerably from patient to patient. According to information from the NHPCO, nearly 40 percent of hospice patients suffer from cancer while other major illnesses include heart disease, lung disease, stroke, comas and of course, dementia.

Specific inventory control issues include:

Provision of off-site care: Clinicians must ensure they have adequate supplies available to deal with a wide range of conditions. These include: advanced wound care, urologicals, briefs, patient hygiene and other medical supply items. These supplies are bulky and there's a limit to the quantity the clinician can fit into a vehicle given their patient load. Despite this, it's essential that clinicians have ready access to a comprehensive supply cache located in the vehicle or at the patient's bedside to ensure crucial supplies are available to deal with any situation.

Lack of a centralized location: In order for clinicians to replenish their supplies they must travel to the administrative office, which is usually a good distance from their home and their patients. This is time-consuming and, because it may need to be done every few days, it eats into the time clinicians can allocate to their patients. The collection and ordering of supplies represents an inefficient use of a highly-trained resource, reduces the time available for each patient and increases staffing needs. Because of this, it's imperative that hospice providers find ways to efficiently receive and distribute medical supplies to clinicians.

No primary purchasing department: More than half of all hospices are freestanding without links to a hospital, agency or nursing home. According to figures provided by the NHPCO, these hospices treat fewer than 100 patients per day. Consequently, they can ill afford the luxury of a primary purchasing department. Also, due to reimbursement challenges, the management structures of most hospices are comprised of a few key people. In these situations, hospice inventory control can be a nightmare. These difficulties radically affect the ability of the hospice to set, monitor and manage inventory costs and costs per patient per day.

Unique patient needs: Each patient has unique needs, and nurses must ensure that they have the appropriate supplies available for every patient. Ideally, these should be identified in advance with a formulary set up and monitored to ensure that budgets are not exceeded. There's also the need to account for the medical supplies that are used and to allocate the actual product charges to each specific patient. Moreover, there will always be a requirement to have additional supplies on hand to deal with the unexpected.

Managing and identifying inventory needs: It's essential that hospice inventory is managed by adopting effective hospice inventory control practices. Preferably, this process should be designed to be as seamless as possible with minimal duplication of effort. Naturally, this is difficult to achieve unless the person managing the hospice inventory has ready access to up-to-date information from the clinician. The dilemma here is that supplying that information takes time, is nonproductive and mistakes and errors lead to incorrect inventory control information.

Inventory Control with Web-based Solutions

Traditional on-premise inventory solutions do not adequately meet the needs of off-site clinicians.



Fortunately, the advent of cloud or web-based technology brings the possibility for decentralized control. A web-based system can be accessed from a variety of mobile devices, allowing the clinicians to remotely update records, track medical supplies by specific patients, and even track actual costs by diagnosis.

Additionally, web-based systems open up the possibility for direct reordering of medical supplies and, when needed, arranging for delivery to the patient's home. Furthermore, because everyone is working from the same database, it's possible for administrators to monitor actual costs as they occur and keep track of inventory levels.

The 4 Innovative Web-based Solutions Recognizing the benefits of web-based solutions, Concordance Healthcare Solutions developed four innovative hospice inventory management products designed to enhance hospice inventory control.

1. uCommand® - Ordering System

uCommand® is a web-based inventory management tool and is comprised of three modules.

- 1. uCommand® a comprehensive inventory management tool for all healthcare markets
- 2. uCommand[™] Stat a scaled down version of uCommand
- 3. uCommand[™] Mobile a mobile ordering system designed to meet the needs of hospice healthcare



uCommand™ Mobile can be used on laptops, tablets, and other mobile devices to place orders for supplies and to manage patient information. Additionally, the software seamlessly integrates with the major EMR (Electronic Medical Records) systems, simplifying patient record keeping and billing. Features of uCommand™ Mobile include:

- Place orders from anywhere using a mobile device
- Place patient-specific orders
- Ship orders to patients' homes or patient specific orders shipped to the office with the clinician and patient name labeled for easy pick up
- Managerial approval capability
- Control supply closet inventory and car stock
- Retain order history
- Access to multiple vendors
- Complete inventory control
- Patient per day cost (PPD)
- Multitude of reporting capabilities

2. Front Step™ Patient Direct Shipment

This is a direct shipping solution that uses uCommand™ Mobile. This flexible solution can be adapted to meet unique inventory needs of hospicebased care. Its attributes include:



- Shipping direct to patients' homes
- Potential for same-day service
- Utilization control features to manage supply costs
- Allows customized formularies and protocols



Front Step™ Patient Direct Shipment simplifies the chore of ordering supplies

Front Step™ Patient Direct Shipment feature means that supplies can be delivered directly to where they are needed. This reduces time lost collecting supplies and allows clinicians to increase their productivity by spending more time with their patients.

3. BeCompliant™

BeCompliant™ is a management tool that allows hospice administrators to monitor, track and compare spends.



The software is web-based, so it is accessible from anywhere there's an internet connection. Features include:

- **Spending limits:** Set and monitor spending limits per location, category or item, and control total spend per month
- Facility spend: Monitor total spend per facility or department
- PPD: Calculates usage and total cost per patient per day by product, product category or overall
- Category spend: Monitor spending per category
- **Formulary purchase**: Monitor spending as per the agreed formulary. Also, identify expenditure on any item that's not on the formulary communicated via email.
- Month to date: Monitor expenditure on a month-to-date basis
- Order history: Look up order history per department
- Trend analysis: Analyze trends

4. PPD Program

The PPD Program is a separate module that allows users to budget and track patient costs. Based on fifteen years of accumulated PPD experience, it is designed to identify actual costs in detail and generate cost savings.



The key feature of this program is that it allows hospices to obtain all medical supplies from Concordance for a fixed price per patient per day. The intention behind Concordance's PPD program is to reduce medical supply costs while offering enhanced customer support. It represents a unique partnership between your organization and Concordance, where we share the risk to help drive down costs. Quarterly Business Reviews are conducted showing the costs on a fee for service model allowing for adjusted per diem rates proving a true partnership.

Benefits of this approach consist of:

- Fixed cost per patient
- Reduction in internal expenses
- Improved cost tracking
- Easier budgeting
- Consolidated invoicing and monthly billing

Partnering with Concordance

Concordance Healthcare Solutions was born out of the merger between Kreisers, MMS and Seneca Medical to form one of the largest medical supply distributors in the U.S. Our goal is to deliver service beyond your expectations with the highest level of integrity, commitment and trust.



Concordance is the only medical distributor in the country offering a fully customized Hospice Supply Program. Billy Bindel, Concordance Corporate Director of Hospice Sales & Services states that, "Our team takes a consultative approach and understands the needs and philosophy of Hospice. We customize our program to best fit your organization so that your clinicians can provide quality care for your patients and their families in the last stages of life."

Our Provider Solutions encompass software solutions that help manage your supply chain, reduce costs and improve service levels using our exclusive hospice inventory control solutions.

To find out more about controlling your inventory costs, or to arrange for a free demonstration, contact us by phoning one of our legacy offices or by filling in the contact sheet on our **Contact Us** web page.

