

# More Data, More Visibility, More Insights

The RFID solution from Cardinal Health gave Emory St. Joseph's Hospital what every provider needs in the new health care world: more control over supply costs.

## THE CHALLENGE

All over the country, health systems are pledging to cut billions of dollars in unnecessary costs in response to the Affordable Care Act's mandate to eliminate waste. Emory St. Joseph's Hospital in Atlanta, Georgia identified the medical-surgical supply chain as a potential source of savings and turned to Cardinal Health to help the health care provider improve its inventory management through automated tracking and utilization. "We're being careful with supply costs, so we don't have to look at reducing labor to control expenses," said Julie Swann, MBA, MHA, BSN, RN, Specialty Director/eICU for Emory St. Joseph's Hospital. "The Cardinal Health RFID solution is a solid way to help us do that. Now we have an up-to-date and live look at inventory."

## BACKGROUND

Founded in 1880, Emory St. Joseph's is Atlanta's oldest hospital. The 410-bed, acute-care facility—recognized as one of the top specialty-referral hospitals in the Southeast—offers its patients the latest procedures and treatments by providing its medical staff (comprised of more than 750 physicians) with research services and the most advanced technology available.

## SOLUTIONS

When St. Joseph's first decided to update its inventory management and usage tracking system, the plan was to implement barcoding in two high-volume procedure areas—Cardiac Catheterization and Electrophysiology labs. But the hospital switched course after realizing Cardinal Health's RFID solution required minimal investment of time and IT resources and offered an immediate return on investment. "There wouldn't be the year of transition that barcoding would require," said Lisa Stepps, Account Manager for Cardinal Health. St. Joseph's could simply replace the current wire shelving in the procedure areas with Cardinal Health Smart Cabinets.

What's more, RFID would provide St. Joseph with unprecedented visibility, giving the hospital an end-to-

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*Chuck Naylor  
Senior Business Manager,  
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end data-driven tool to optimize inventory while also improving patient safety and clinical satisfaction. "The true advantage of the Cardinal Health RFID solution is providing real-time supply chain visibility for the real world," said Carola Endicott, Vice President, Operations and Services for Cardinal Health. "This is the first end-to-end supply chain solution that can give St. Joseph's what every provider needs to succeed in the new healthcare world: more control over supply costs."

## RESULTS

The Cardinal Health RFID solution helps St. Joseph's effectively manage more than \$2.5 million in inventory, monitoring over 2,000 SKUs in seven Cardiac Catheterization labs and three Electrophysiology labs. In the first 18 to 24 months of the program, St. Joseph's steadily shrunk inventory to match utilization. "The problem in the procedure areas was that there was a lot of product in the storerooms," Swann said. "When we first started using the Cardinal Health RFID solution, we were able to do some 'spring cleaning' right away and save \$10,000 in inventory holding costs." With that baseline inventory level established, St. Joseph's was then able to adjust par levels to match utilization.

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The solution also improves revenues. “Cardinal Health RFID integrates with our charting and documentation system, which cuts down on manual errors and improves charge capture,” said Lisa Newton, Unit Director of the Electrophysiology (EP) Lab.

Other major improvements the hospital experienced

from 2012 to 2013:

- Saved 3 hours in labor every day ordering products
- Eliminated 100% of overnight shipping costs due to stockouts
- Improved EP inventory turns by 60%
- Recovered \$300,000 in chargeable product costs through active alerts
- Automated 100% of expiration and recall alerts to meet highest patient safety standards

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