

NAVIGATING PPI & PURCHASING CONSTRAINTS



INVENTORY MANAGEMENT EXPERT

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Beyond Clean Inventory Management Expert™:

Navigating PPI & Purchasing Constraints

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While physician preferences significantly influence healthcare facility purchases, financial constraints can sometimes prevent a physician from having the final say. This can cause tension between the medical and administration teams.

However, when physicians are empowered to be part of the physician preference items (PPI) process, it can be easier to initiate change by securing their buy-in from the outset. They can also more readily identify and endorse a secondary product if their primary choice is too costly.

There are a few steps that hospitals can take to help keep PPI in check:

- Form a multidisciplinary team to study difficult PPI for cost-reduction
- Involve Supply Chain, Finance, Clinical, and C-suite in the team to balance cost-effectiveness and product quality
- Share PPI utilization data, savings potential, and payment data with physicians to ensure their buy-in

What makes a physician choose one device over another? Typically, preference is influenced by technology, implant or device options, and sales/service. Physicians may be drawn to companies that:

- Continually innovate to offer new technology
- Offer new product components and features
- Demonstrate therapeutic efficiency
- Provide efficient sales and service

To preserve physician choice without sidelining cost reduction objectives, supply managers and directors can negotiate prices to save money. However, it takes time and effort to pursue new contracts or renegotiate existing ones.

To ease and speed these negotiations with manufacturers, leveraging specific cost, utilization, and outcome data can help. These insights can offer a benchmark of operations that helps highlight a facility's unique needs to strengthen negotiation power. It can also map out a procurement strategy for future inventory needs.

Additionally, standardizing processes and equipment while fostering information exchange within the hospital system can help facilitate cost savings. For example, by adopting a uniform brand or model of medical equipment across departments, hospitals might benefit from bulk purchase discounts and reduce maintenance complexities. Leveraging a physician champion internally can help to address skepticism and earn buy-in from other physicians who may not be on board initially. This can help strike the balance between honoring physician preference and resolving purchasing constraints.

Have more questions? Contact Debra at: debra.burns@aesculapusa.com

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Debra has 39 years of experience working in the Sterile Processing field, with 16 years in SPD consulting and 20 years in management. Debra maintains certifications such as CRCST, CIS, and CHL and is a certified instructor through HSPA. She also maintains certification as a Lean Black Belt Professional (LBBP). Her consulting experience includes interim management, process improvement, HSPA certification course instruction, new construction logistics, SPD assessments and asset management relating to instrument tracking systems.

Debra has managed four healthcare system SPDs, ranging from a multi-facility healthcare system in Saudi Arabia to a teaching medical center in the United States. Debra has served as President of the Nebraskaland Central Service Association. She was a member of the ASHCSP Education Committee.

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