



Lawson Healthcare Webinar Series

October 20-24, 2008

Webinar Series October 20 – October 24

▶ **Monday, October 20**

[Road to Budgeting & Planning 9.0](#)

10 am CST

▶ **Tuesday, October 21**

[Getting Everyone in the ACT Through Self Service HR](#)

10 am CST

▶ **Wednesday, October 22**

[Taking Inventory of Mobile Supply Chain Management](#)

10 am CST

Thursday, October 23

[Banner Savings With Employee and Manager Self Service](#)

10 am CST

[Increase Your IQ on Lawson Business Intelligence](#)

1 pm CST

Friday, October 24

[Getting on Solid Ground with Joint Commission Compliance](#)

10 am CST

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Karl Danielson is divisional director, MMIS for Norton Healthcare in Louisville, KY.

Karl has worked at Norton since 2001 with responsibility for the Materiel Management process within a Lawson ERP installation. He has been working with materiel management systems since 1985 and has worked for both hospitals and for MMIS vendors.

Prior to joining Norton Healthcare, he has worked at UCLA Medical Center, Sutter Healthcare, California Pacific Medical Center, and Baxter. He is a graduate with a BS degree from Indiana State University.



Streamline Inventory Process Using Mobile Supply Chain Management: The Norton Healthcare Story

Karl Danielson
Div. Director, MMIS
Materiel Management
Norton Healthcare, Inc.



Norton Healthcare Overview

- Norton Healthcare is located in Louisville, KY
- Norton Healthcare is an Integrated Delivery Network (IDN) consisting of the following:
 - 4 Primary Care Facilities
 - Norton Hospital
 - Kosair Children's Hospital
 - Audubon Hospital
 - Suburban Hospital
 - 10 Immediate Care Centers
 - 42 Norton Medical Associates (Physician Practices)
 - Currently in the process of building a 5th facility opening in 2009
- 3rd Largest employer in Louisville, KY



**NORTON
BROWNSBORO
HOSPITAL**
Opening 2009

CONFIDENTIAL



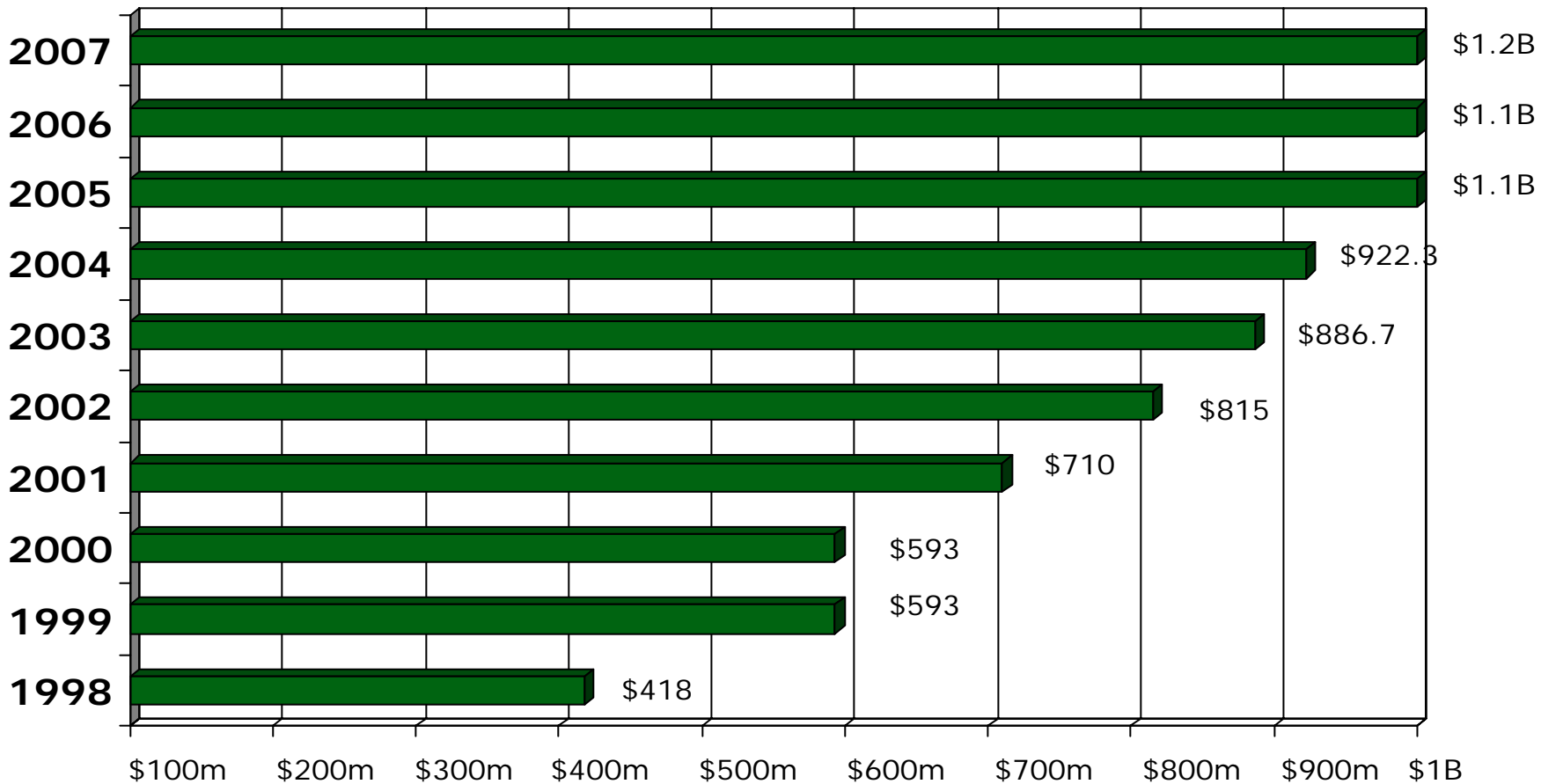
**NORTON
HEALTHCARE**



Norton Healthcare Financials (2007*)

Total assets	\$1.5 billion
Net revenues	\$1.2 billion
Cash reserves	\$540 million
Payroll	\$557 million
Medical supplies	\$161 million
Pharmaceuticals	\$69 million
Purchased services	\$65 million

*Unaudited



Total Net Revenue in Millions



Patient Volume Information

- Outpatient Visits (Excl ER and OP Surgery) – 280,709
- ER Visits – 161,114
- Outpatient Surgery – 29,065
- Inpatient Surgery – 19,328
- Deliveries – 8,236
- Clinic/Physician Visits – 657,377



Norton Hospital Surgery Statistics

- General 3,540
- Neuro/Spine 2,664
- Gynecology 1,256
- ENT 377
- Urology 365
- Plastics 358
- Gastric Lapband 357
- Vascular 353
- Interventional Procedures 343
- Open Hearts 230
- Thoracic 167
- Diagnostic 161
- All others 347
- Total 10,518



Norton Hospital Surgery Statistics

- Yearly Statistics

– Cases Picked	14,688
– Items Picked	346,132
– Avg Items per Case	23.6
– Items Returned from case	107,580
– Pct of items returned	31%
– Avg days to post Pick Ticket	1.9



Background

- In May 2003, Norton Healthcare implemented an interface to convert preference cards from our OR system (Meditech Client Server) to Lawson that would automatically create a pick ticket from that preference card for the next day's cases.
- We have a separate and controlled inventory area for picking of the preference cards outside Surgery. Surgery still maintains a small par level inventory of supplies for use during the case.
- Pick tickets are created hourly for any add-on cases during the day and at 1PM for the next day's cases.



Problem needing to be resolved

- Since Surgery returns a large percentage of items (30%+), the Lawson pick ticket is not released until the paperwork and items are sent back from Surgery to Central Supply.
- With this delay (average of 1.9 days) keeping accurate inventory levels and reorders is a very time consuming and difficult process.
- Additional staff time is needed to go back into each pick ticket and make the quantity corrections and post the pick ticket so the inventory is reduced.



Problem needing to be resolved

- This process has resulted in the following:
 - Inventory not being correct on the shelf due to
 - Pick tickets not being returned by Surgery
 - The correct amount not being charged on the pick ticket due to returns being skipped
 - Returns being sent without paperwork
 - Etc.
 - Items being overstocked due to manual orders being placed for items (stock out on shelf) and then returns being put away causing excess stock to be held.
 - Cycle counts are difficult to conduct due to multiple pick tickets being open when items counted. These open pick tickets have to be accounted for to get an accurate count in the system.



Possible solutions investigated

- Post the pick tickets each night and then do a manual credit when items returned
 - This would be a cumbersome process having to keep track of the items being returned and then doing a manual credit using the IC21.2 (Detailed Issues) program.
- Create an interface between Meditech and Lawson that would create the credits automatically from the items used in the case
 - This would be an expensive interface to create and we could not rely on inter-operative charging ensuring they captured every item being used (small, inexpensive items like gauze, etc.)



Possible solutions investigated

- Post the pick tickets each night and then do returns utilizing MSCM, barcode labels, and wireless technology
 - This would allow for accurate inventories to be maintained
 - Barcode and wireless technology would speed up the process of the returns
 - Users would have to remember to key a negative sign (-) before the quantity so it is marked as a return.
 - New labels would have to be created with bar codes for each item.



Final Solution

- It was decided to use the handhelds and the MSCM solution to help better control the inventory and gain efficiencies afforded by this technology.



Preparation for MSCM

- MSCM software had already been purchased for receiving and delivery.
- Had to establish wireless network in Central Supply area and Surgery since these areas were not included in the original wireless infrastructure project
- Ordering handheld devices – Symbol MC50
 - Full keyboard capability making it easier to key in the return quantities
 - Good reliability
 - Worked with current network settings



Preparation for MSCM

- Creating and labeling all items in the inventory location with bar code labels
 - This was difficult in some areas due to the amount of items contained in a small area
 - Had to download a font that would create bar code labels using MS Access/Excel/Word etc.
 - When creating the labels had to incorporate an asterisk (*) before and after the item number so it can be read by the scanner when converted to 3 of 9 (barcode) font.



New process

- The interface from Meditech to Lawson for preference card creation is still the same
- Once the pick ticket is printed supplies are pulled and sent to Surgery
- Any discrepancies between what was printed and pulled for the pick ticket are updated using Shipping Feedback (WH32)
- Each night at 11:30PM the pick tickets are released in Lawson using:
 - Batch Feedback (WH132) – for any pick tickets that did not have to be modified
 - Shipment Released (WH190)
- When the case is complete the unopened supplies are sent back to Central Supply



New process

- The returned supplies are placed in a holding area and sorted so the same items from multiple cases are placed together
- The supplies are returned to the shelves
- The bar code label is scanned and the data verified
- The return quantity is entered into the handheld



New process

- Once all items have been returned the information is sent to the Lawson system via a wireless connection
- At the end of the shift the release of the return batch is verified by using the Web Access tool for MSCM
- If a batch was not released the user signs into Lawson Portal and manually releases the batch using Issues (IC21) and corrects any errors that may be preventing the batch from releasing.



Efficiencies Realized

- Inventory is maintained more accurately due to the pick tickets being posted as soon as they are pulled.
- The process is now faster since Central Supply does not have to wait for the case to complete and then manually update and release the pick ticket.
- We no longer have to worry about lost pick tickets between Surgery and Central Supply for cases that have been completed.



Efficiencies Realized

- It is now easier to do cycle counts to make sure the inventory remains accurate. Also, it is easier to correct on-hand quantities when there is not enough quantity of an item to pull for a printed pick ticket.
- The problem with overstock has been reduced due to decreasing the number of manual replenishment orders sent to the warehouse.



Stumbling blocks to avoid

- Prior to using a wireless system have a site survey done to ensure that all areas have good wireless connectivity. If not, install additional wireless devices to ensure good coverage.
- When we first started, we had instances where data would not transmit between the hand held and the back end application. This was fixed by upgrading to a newer release of MSCM (4.1.0.11). Also, when there is connection problems we verify that the MSCM server is working by logging into MSCM through the web application. This has virtually eliminated all problems with data not being able to transmit.

Stumbling blocks to avoid

- We have run into problems where the incorrect bar code label is scanned due to the fact that many of our items are small and bar code tags are affixed close together or are similar to other items in the area. When this happens the incorrect item is returned which causes the on-hand on 2 items to be incorrect and indicates incorrect usage for surgery. This can cause additional downstream problems as we compare what items have been charged to patients and what items were expensed to Surgery. The solution to this problem is additional training of the staff to ensure they match the item being returned to the bar code label that is scanned and checking the information on the handheld to make sure it is correct before keying the returned amount.



Stumbling blocks to avoid

- Before implementing make sure to train the staff on the entire process using a training system if at all possible. This will allow the staff to practice with the hardware before it is actually implemented.
- One of the problems that still occurs is the staff forgets to enter a negative sign (-) when doing returns. This has the opposite impact to the on-hand value and actually expenses additional items to surgery. To help resolve this we run periodic audits to verify the returns are being done properly.



Stumbling blocks to avoid

- At times the issue batch will not post in Lawson back office (IC21.2) system due to a last issued price not being available. When this occurs the batch is not processed and remains unreleased. In order to alleviate this we have trained the staff to use the MSCM web application to make sure all batches are released. If the batch is not released they then go into the Lawson back office Issues (IC21 or IC21.2) program and correct the problem and release the batch.

Stumbling blocks to avoid

- This is an example of verification report

The screenshot shows a web browser window titled "Lawson Mobile SCM - Microsoft Internet Explorer provided by Norton Healthcare". The address bar shows "http://172.18.2.51:18080/mscm/home/portal.jsp". The page header includes the Lawson logo, "Mobile SCM", and a welcome message for "Karl Danielson" with a "[logout]" link.

The main content area displays a table titled "Requesting Location" with the following columns: Tracking No., Co. ID, Reg Loc, Description, Sync Time, User ID, Status, and Notes. The table contains 10 rows of data, each with a "View Detail" button to its right.

Tracking No.	Co. ID	Reg Loc	Description	Sync Time	User ID	Status	Notes
0000000000000000000000004368	1	NSOR	NORTON SURGERY	01/16/2008 08:30 PM	ahsn9936	Upload Complete	--
0000000000000000000000004367	1	NSOR	NORTON SURGERY	01/16/2008 08:29 PM	ahsn9936	Upload Complete	--
0000000000000000000000004366	1	NSOR	NORTON SURGERY	01/16/2008 08:22 PM	ahsn9936	Upload Complete	--
0000000000000000000000004365	1	NSOR	NORTON SURGERY	01/16/2008 08:19 PM	ahsn9936	Upload Complete	--
0000000000000000000000004364	1	NSOR	NORTON SURGERY	01/16/2008 08:17 PM	ahsn9936	Upload Complete	--
0000000000000000000000004363	1	NSOR	NORTON SURGERY	01/16/2008 07:16 PM	ahsn9936	Upload Complete	--
0000000000000000000000004362	1	NSOR	NORTON SURGERY	01/16/2008 07:03 PM	ahsn9936	Upload Complete	--
0000000000000000000000004361	1	NSOR	NORTON SURGERY	01/16/2008 06:58 PM	ahsn9936	Upload Complete	--
0000000000000000000000004350	1	NSOR	NORTON SURGERY	01/16/2008 01:23 PM	ahsn9936	Upload Complete - Unreleased	Line 000001 insufficient SOH for this item at this UOM
0000000000000000000000004349	1	NSOR	NORTON SURGERY	01/16/2008 12:01 PM	ahsn9936	Upload Complete	--

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Other MSCM Uses

- **Storeroom/Inventory Issues**
 - This is the same concept as the returns discussed already but this expenses Surgery or other nursing areas as they take supplies from the inventory location (walk-up and phone calls)
- **Dock Logging**
 - Scanning UPS and Fed-ex packages as they arrive on the dock.
 - This allows us to verify the number of packages delivered each day by these carriers.
 - Gives us a record of what was received from the carriers when working with proof of deliveries.



Other MSCM Uses

- Par level replenishment
 - Using the bar code labels and scanning items that need to be replenished adds efficiency to the replenishment process since all items do not need to be counted on a daily basis. Using the bar code labels, allows the inventory person to skip around on the par location which is a faster process then sequentially counting every item.
 - The MSCM process allows for doing over-stocks (set by parameter) which is useful for holidays.



Future applications for MSCM

- Receiving of purchase orders through MSCM
- Delivery of supplies to end users with signatures



Enhancements to make life easier

- Issues and par level replenishment
 - Ability to scan quantities instead of having to key them. This would be especially useful for the returns since rarely do we return a quantity greater than 20.
 - This would allow a sheet to be created and carried with quantities bar coded so the quantity could be scanned instead of keyed. This would reduce the errors when the negative (-) sign is not keyed for returns.



Enhancements to make life easier

- Dock logging
 - Ability to handle 2D bar codes – currently when a 2D bar code is scanned it will keep the data from being transmitted to the server. There is a PT open for this.
 - Stop the scanner when a duplicate UPS or Fed-ex number is scanned. Currently when a duplicate bar code is scanned the scanner displays that a duplicate bar code was scanned, however the scanner continues to scan additional bar codes. If the users are not looking at the screen then they will continue to scan items.



Enhancements to make life easier

- Dock logging
 - Add the ability to edit dock logs on the scanner in case a 2D bar code is scanned, it can be removed before the information is sent to the MSCM server.



Things to consider

- Type of hand held to be used
- Wireless infrastructure
- Training
- Testing
- 1D (line) or 2D scanner
- Scanner accessories (PPT88xx)
 - Trigger grip
 - Extended battery (will not work with trigger grip)
 - Chargers – different charger for extended battery and trigger grip



Key Lessons Learned

- How Norton Healthcare uses the MSCM application for returning product to inventory
- How MSCM can make operations more efficient
- The additional functionality of MSCM that can be expanded to find additional efficiencies in your facilities

Contact Information

Karl Danielson

Div. Director, MMIS

Materiel Management

Norton Healthcare, Inc.

315 East Broadway, M-22

Louisville, KY 40202

Office: (502) 629-7216

Fax: (502) 629-2165

Karl.Danielson@nortonhealthcare.org



Questions?

Thank you for attending

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