



## ***Standardization Is Key to Maximizing Total Value of Patient Care Products***

***The right products and processes, used consistently, deliver the best results for patients and the bottom line***

**E**very hospital and health system aims to deliver the best possible patient care while at the same time managing the cost of care. But controlling costs has become more important than ever, since the COVID-19 pandemic has battered many health system budgets in recent months.

As healthcare organizations (HCOs) move to reduce costs, they sometimes inadvertently focus on per-unit costs rather than considering total value. “The ‘cost’ of a product generally refers to the raw cost or the line-item cost,” said Jacqueline Thiebe, Value Analysis Portfolio Manager, Surgical Services, UW Medicine. “But ‘value’ is more encompassing and considers the clinical benefit, along with the cost analysis. Value incorporates the quality of care, the quality of service, and the patient experience.”

One of the keys to realizing the total value of patient care products is to implement strategies that optimize value, such

as the standardization of products and processes. Consistency in the deployment of patient care products can result in financial benefits and better patient care.

### **Minimizing variation and costs through standardization initiatives**

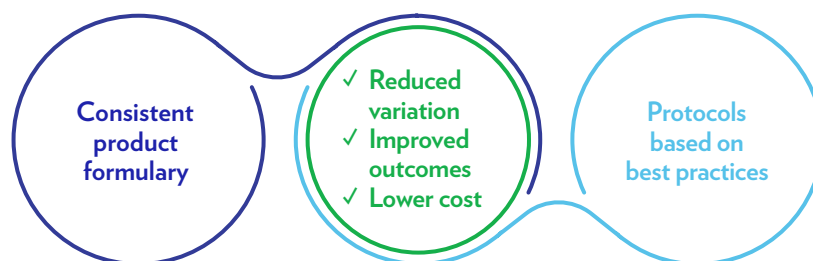
The way a patient care product is deployed can significantly impact the total value realized from its use. Standardizing specific patient care products across multiple lines of service, or multiple facilities, can simplify hospital supply chains and result in substantial savings.



*“Standardizing products also results in other types of savings due to reduced redundancy and increased efficiency. You have fewer SKUs to manage, more efficient contract management, and more efficient vendor relations.”*

Jacqueline Thiebe | Value Analysis Portfolio Manager, Surgical Services | UW Medicine

Figure 1. How product standardization can lower costs and increase total value



Source: Mölnlycke Health Care. <https://www.molnlycke.us/solutions/totalvalue/>

“When we purchase products as a healthcare system, rather than as individual entities, we have greater buying power because we can get better pricing with higher volume,” said Thiebe. “Standardizing products also results in other types of savings due to reduced redundancy and increased efficiency. You have fewer SKUs [stock keeping units] to manage, more efficient contract management, and more efficient vendor relations.”

Standardizing products can also reduce training time, increase clinician efficiency, and even alleviate some patient anxieties. “Clinicians can work more efficiently if they can count on using the same product no matter what area of the hospital or facility they are in,” said Pam Bracker, registered nurse (RN), MBA, Supply Chain Development Specialist, Loma Linda University Health. “If you are using multiple products in one area, sometimes even the patients notice and will question what’s happening, asking, ‘Well the last nurse used this item on me. Why are you using that one?’”

In addition, product standardization can reduce human error by minimizing variation that can lead to mistakes. It can also strengthen care standards by institutionalizing best practices. “Ask any nurse and they will tell you they are dealing with thousands of different products every day,” said Sam Sullivan, RN, CNOR, and a Lean expert at Strong Memorial Hospital in New York. “When it comes to human error, if you give someone one item to choose from, they will choose that item 100% of the time. But if you give them 25 items to choose from, it opens up a huge risk for error.” The key is to eliminate any duplicative or unnecessary SKUs that can lead to variation and errors, but ensure that the ones retained are of a quality level to promote the best outcomes.

Variation in products and processes can lead to confusion, mistakes, and added cost. When selecting products, institutions would be well-served to consider how to incorporate consistency in care – through consistent products and processes – as a means to lower costs and increase value (Figure 1).

Sullivan experienced the benefits of product standardization firsthand when he oversaw a practice change that standardized the use of latex-free surgical gloves across several lines of service at Strong Memorial Hospital. “As a result of that change, we were able to eliminate surgical set-up tear downs caused by latex contamination. We have also reduced the risk of exposure to latex and the possibility of an anaphylactic reaction in a patient or staff member,” he said. “We were able to use product standardization in a way that not only serves the hospital, but also serves the patient by providing the patient with a safer environment.”

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Sam Sullivan, RN, CNOR | Lean Expert | Strong Memorial Hospital



*“A low-quality product results in more time managing inventory, more nursing hours, and more times that you interrupt the patient to redo something.”*

Pam Bracker, RN, MBA | Supply Chain Development Specialist | Loma Linda University Health

## Product quality also affects total value

Of course, product and process standardization only works to increase total value if the patient care product in question delivers value in and of itself. The quality and performance of a patient care product has a direct impact on the overall organizational cost. Unfortunately, quality is sometimes an afterthought in bottom-line focused calculations. For example, a surgical glove that has a low per-unit cost, but which also tears easily, can end up costing an HCO more money if the volume of gloves used per OR case increases due to inferior quality.

“This is true for any kind of patient care product,” said Bracker. “For example, if you have a dressing that doesn’t work well, or an ECG [electrocardiogram] electrode that doesn’t adhere well, you will have to replace it more often. You can end up actually increasing your costs because you might use twice the amount of product.”

Inferior product quality also affects indirect costs. “If a nurse has to apply another product because it didn’t do its job the first time, then you are wasting nursing time,” said Bracker. “A low-quality product results in more time managing inventory, more nursing hours, and more times that you interrupt the patient to redo something.”

Another important aspect of product performance is clinical efficacy. When making purchasing decisions, it’s important to consider the clinical evidence that supports the use of a specific product.<sup>1</sup> An example of this is prophylactic dressings for pressure injury prevention.

Though there are many different brands on the market, not all of them are created equally. Even patient care products that seem as simple as a prophylactic dressing can have design differences that lead to differences in product performance and patient outcomes. For this reason, it’s important that clinicians and purchasing officers consider high-quality clinical evidence about the particular product in question when making decisions about the value of specific patient care products.<sup>2</sup>

Product quality and clinical performance should both be considered when selecting a patient care product. The total value received is not only a factor of simple, direct, and measurable factors, but also the more complex, indirect, and harder-to-measure implications of their use.

## Moving toward a total value approach

HCOs can realize better patient outcomes and an enhanced bottom line by considering ways to get the best total value from the use of their products. Assessing how broadly patient care products can be implemented, how well a manufacturer/supplier can support standardization initiatives, and the direct and indirect savings that can result from a product’s quality should all be considered in addition to looking at per-unit cost. The following strategies can help HCOs move to a total value approach.

1. **Involve clinicians in the purchasing process.** “It is really important to get someone clinical involved in the decision-making process from the get-go,” said Bracker, “then you don’t waste your time on something that isn’t going to work in the clinical setting.”

Clinician involvement can be as informal as getting a clinician and a businessperson in the same room to discuss a potential purchase. Or it can be a formal process. In 2018, UW Medicine implemented a physician-led committee structure that is set up so “clinical stakeholders are responsible for making product decisions with collaborative support from administration, supply chain, finance, and operations,” said Thiebe. Clinicians can help determine how extensively the products can be implemented and whether initiatives to standardize protocols are warranted.

2. **Educate clinicians and staff.** “Nobody wants change for change’s sake,” said Sullivan. “When you are moving to a value-based versus a per-unit cost-based system, you have to explain to people why you are doing it and how it benefits patients as well as the organization.” Clinicians and staff can make or break product and protocol standardization initiatives; teamwork is required to gain the most benefit possible from any implementation. Sometimes important clinical/process considerations aren’t obvious prior to the standardization implementation. Therefore, it’s also important to suggest, rather than mandate, product and process standardization.

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Pam Bracker, RN, MBA



**3. Work with a vendor partner who is committed to total value.** A vendor partner who understands the total value approach can be a helpful resource. The right partner can help educate clinicians and staff on the proper use and value of a specific product. The right partner can also help HCOs manage the total value equation by promoting both clinical and financial objectives. For example, a vendor partner might be able to bundle pricing and services in a way that helps meet financial goals. Importantly, a vendor should be able to help you track the patient outcomes and cost implications. Their commitment to helping an HCO achieve its goals should drive selected metrics.

“Our motto at Strong Memorial Hospital is ‘Ever Better,’” said Sullivan. “Every day, we strive to be ‘ever better’ clinically and, at the same time, we strive to be ‘ever better’ when it comes

to fiscal responsibility. The way to achieve both of these goals is by constantly researching and evaluating new avenues of patient care, but it starts by looking at value.”

Every institution should make it a goal to achieve the best possible total value with each step – from product selection to patient care and outcomes. Consistency in care – with quality products, processes guided by best practices, and a focus on total value – can help HCOs achieve their own “ever better.”

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**To learn more about optimizing the value of patient care products, visit [molnlycke.us/solutions/totalvalue/](https://molnlycke.us/solutions/totalvalue/).**

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#### References

1. Gefen, A., Santamaria, N., Creehan, S., and Black, J. 2018. Extrapolation of evidence related to dressings for pressure ulcer prevention may compromise patient safety. *Wounds International* 9:10–17. May 2. <https://www.woundsinternational.com/resources/details/extrapolation-of-evidence-related-to-dressings-for-pressure-ulcer-prevention-may-compromise-patient-safety>.
2. Ibid.



#### About Mölnlycke Health Care

Mölnlycke Health Care, a world-leading medical solutions company, develops innovative products backed by strong clinical evidence and exceptional implementation support. Our focus on “total value” helps facilities reduce risk and costs while supporting quality goals. Mölnlycke’s advanced wound care dressings, surgical gloves, pressure injury prevention and patient bathing solutions are designed to improve outcomes at every point in the care continuum.