Healthcare safety and supply management

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I was recently reading an article about class actions suits involving defective medical devices. Essentially, the lawsuits were made following the crisis caused by the announcement of the defect, but what I was thinking about was what it means for our organizations on the procedure level: finding a specific product, removing it, substituting it, as well as identifying all patients for whom this device was implanted. Is your institution ready for these types of situations? I was told of two cases in which institutions had the obligation, for prevention purposes, to validate the use of certain products within their organization and to identify which patients received this type of care. Just finding the information is enough to give me a headache – imagine them.

The food industry goes through this on a regular basis, and has adopted product code standards to simplify their processes. On the other hand, the healthcare sector seems to lag behind in the adoption of such standards. GS1 Canada, a not-for-profit organization specialized in the development and the distribution of product code standards and norms, comes to the same conclusion: an article on its website reads that "…it is easier to find and remove a water bottle than a defective medical device within the healthcare system".

Indeed, from the manufacturers to the wholesalers, to the distributers and finally to the end user, many stakeholders feel they need to replace the international product code (Global Trade Item Number, or GTIN) by codes that are exclusive to their company. By doing so, chances to trace back the product (not to mention finding its production date, batch number or serial number) decrease significantly. In the Netherlands, four hospitals decided to implement GTINs to improve care safety and to decrease their logistics costs. The initial (non-recurrent) investment of $236,000 and a yearly investment of $297,000 per hospital allowed each one to integrate the standards in their data management, ensure data integrity and merge global traceability standards in an efficient IT structure. They can now monitor their product use and trace items anywhere in their supply chain – and next time a product is recalled, they will be ready.

These standards are recognized by many organizations, for instance the Canadian Patient Safety Institute, the Public Health Agency of Canada and the Institute for Safe Medication Practices Canada. Also, the Canada Health Infoway (CHI) Standards Collaborative Steering Committee has also approved these standards, granting them the Canadian Approved Standards (CAS) status, which in turn allows them be interoperable with the electronic health record for medication accuracy as well as to identify the location for each step in which the medication is used.

Managing is also about making choices. Among all the projects submitted to management, which one should have priority? Fortunately, these four hospitals give us some direction. Aside from important matters like improving patient care safety and logistics chain optimization, this project contributed to achieve the following cost savings:

- Return on investment of $910,000 in the first year, and of $M3.4 in the third year;
- Ability to find products anywhere in the supply chain, and to reduce costs related to search for them;
- Decrease of 20% in stock levels, and of 80% in expiry-related losses;
- Decrease of 25% of handling fees related to resupply.

The US Food and Drug Administration and the European Commission have made healthcare safety a priority. They have adopted new identification requirements for medical devices (Unique Device Identifier, or UDI), and will be gradually applicable in 2015 to all logistics chain stakeholders, from the manufacturer, to organizations like GS1, to healthcare providing organizations.

So now, the two largest selling markets now require a unique product identification system from the manufacturers. This is a wonderful opportunity for group purchasing organizations and healthcare institutions to harmonize their processes to improve healthcare safety. I don't know about you, but I think I will take a closer look on this matter.