Supply Chain Transformation: Onwards and Upwards
A well-functioning plan-to-pay supply chain...

✔ frees up staff time to focus on patients’ needs, staff safety and other priorities

✔ helps reduce non-clinical healthcare spending

✔ improves staff productivity and morale, for example, by reducing paperwork

✔ helps healthcare service providers prepare for Auditor General visits and meet accountability obligations


Phase II comprehensively defines 20 of the metrics and 12 of the standards, and recommends specific steps towards implementation.

Immediate objective is to identify and work with 7-10 hospitals to assess and develop plans for implementation.
On March 25, 2008 (Budget Day), the Ontario Treasury Board issued the following direction:

- BPS Supply Chain Secretariat to develop a draft Supply Chain Guideline by September 30, 2008, setting out supply chain standards, metrics and a code of ethics to be followed by Broader Public Sector (BPS) institutional transfer payment recipients;

- Secretariat to consult broadly, and finalize the Supply Chain Guideline by March 31, 2009;

- As of April 1, 2009, MOHLTC (via LHINs), MTCU and MEDU to incorporate the Guideline into funding agreements with BPS institutions receiving more than $10 million per fiscal year.
Supply Chain Guideline

“Core of the Core”

Four Components:
1. Code of Ethics
2. Procurement Guideline
3. Standards
4. Metrics
• the Secretariat is developing standardized tendering and contracting documents in consultation with line ministries, LHINs, BPS stakeholders, suppliers and other Canadian jurisdictions.

• the documents - which could become national in their application - will establish standardized templates for healthcare tendering and contracting activities.

• if sufficient support, the template documents may be mandated for the Ontario healthcare sector during 2009.

• broad consensus: this is a major efficiency opportunity.
• underway: Ontario Internal Audit (OIA) review of selected supply chain processes at 20-30 hospitals

• ongoing: Office of the Auditor General (OAG) value-for-money audits of broader public sector institutions, including supply chain processes

• under consideration: “centre-led supply chains” are an emerging global leading practice
  • i.e. central coordination/local operations
  • as distinct from “centralized”
  • useful learnings for the Ontario context?
What Ontario BPS supply chain transformation means for you...

If you’re with a broader public sector institution:

• over time, improved supply chain performance, clearer BPS accountability and greater confidence by institution and system administrators - and the public - that BPS supply chains are efficient, effective and deliver high quality service.

• signed agreements in place between ministries (or LHINs) and transfer payment recipients of healthcare and education institutions receiving more than $10 million per fiscal year.

If you’re with a supplier to the broader public sector:

• standard templates, processes and rules will result in more efficient business practices for suppliers.

• a level supply chain playing field via common, transparent and specific rules understood by providers, suppliers and front-line service providers
**Problem** | **Solution**
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Nurses stressed on weekends | Monitor materials usage in patient care areas to ensure pre-weekend inventory levels are sufficient.
Nurses rushing to locate trauma case supplies | Adjust and organize trauma room supply carts to ensure goods are on-hand and can be quickly found.
Expired, obsolete or damaged product due to excessive inventory | Comprehensive electronic tracking of inventory, with stock location info available to clinicians on-line.
Idiosyncratic clinical product use | Improved patient care AND lower product costs through structured product evaluation and case costing.
“It’s crazy, but that’s the way we’ve always done it.” | Process redesigns (e.g. “lean”) that improve patient experiences, increase productivity and reduce costs.
“With good team work, anything can fly.”