2-BIN KANBAN SUPPLY REPLENISHMENT SYSTEM

TONY SWART
SUPPLY CHAIN PROCESS IMPROVEMENT MANAGER
AT
SAINT ALPHONSUS HEALTH SYSTEM
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- 4 hospitals
- 2 standalone ER departments
- 3 Major Health Plaza’s
- 69+ SAMG clinics
- 613 licensed beds
- Affiliation with two hospitals
- Serve over 700,000 people in two states
- SARMC-Level II Trauma center
  - CV, Neuroscience, Oncology, Orthopedics, Trauma & ER and Women’s and Children’s Centers of Excellence
- 4,000+ associates
- 300+ employed providers
- 1,000+ medical staff
TRINITY HEALTH

OUR DIVERSIFIED NETWORK EXTENDS ACROSS THE FULL CONTINUUM OF CARE

- 86* HOSPITALS IN 21 STATES
- 128 LONG-TERM CARE, ASSISTED, INDEPENDENT LIVING AND AFFORDABLE HOUSING COMMUNITIES
  - 44 HOME CARE AGENCIES
  - 14 PACE CENTERS
  - 70 OTHER CONTINUING CARE FACILITIES
- NEARLY 2.8 MILLION HOME HEALTH/ HOSPICE VISITS
- $13.6 billion in revenue
- Almost $900 million in community benefit ministry
- 89,000 full-time employees
- 3,300 employed physicians
- 22,890 affiliated physicians
TRINITY HEALTH STRATEGY: SELF-DISTRIBUTION

- GPO COMPLIANCE
- BUILD ENTERPRISE FORMULARY
- ESTABLISH LUM/STAT ROOMS
- IMPLEMENT 2-BIN KANBAN
- DECREASE DISTRIBUTOR/DISC DELIVERIES TO 3 DAYS/WEEK
- OR INVENTORY: *P.O.U
- 3PL

Four Dedicated Integrated Service Centers (DISC)
- Distributed spend of ~$245 million
- Additional direct spend of ~$360 million
- Total throughput: ~$600 million
- 7.5 million transaction lines annually
- Locations not directly serviced by DISC's:
  - Florida, Georgia and California
  - Alternate/hybrid distributor to support
2-Bin Kanban is:
A two bin supplies delivery system that uses visual triggers to deliver the right supplies, to the right place, at the right cost

2-Bin Kanban objective:
To remove the end-user from the supplies management business, while optimizing supply availability, eliminating supplies lead time, and reducing cost
2-BIN SUPPLY LOCATIONS
# 2-Bin Kanban Advantages

## Reduce Nursing Time Accessing Supplies
- Each supply is clearly labeled
- Linear design
- Product crosswalk and item locator
- Standardized clinical language
- Takes clinician out of requisition process
- Decreases dependency on storeroom by reducing frequent phone calls

## Increase Productivity
- Eliminates counting and decrease replenishment cycle time
- Creates standard work
- Staging process
- Virtual dashboard to monitor 2-bin program
- Scorecards evaluate and audit supply locations
- Increase nursing time for patient care

## Reduce Supply Expense
- Optimize existing inventory
- Eliminate obsolete inventory
- Reduce slow moving inventory
- Supply standardization
- Reduce stockouts
- Decrease expired product