

# KNOWHOW: THE FDB BLOG

## Medical Device Data Transparency Could Help Health Systems Hit the Elusive Supply Chain "Sweet Spot"



[Corporate Perspective](#), [Transformational Change](#), [Information Systems](#)

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Any baseball player will tell you how difficult it is to ensure that the ball hits the “sweet spot” on the bat. But their troubles pale in comparison to those of the health system supply chain or value analysis committees. To hit their proverbial sweet spots, these committees need to keep clinicians happy while supplying them with the devices and supplies necessary to carry out their life-saving duties. At the same time, they are faced with the industry’s unrelenting edict to lower costs.

Therein lies the frustrating rub. These purchasing committees – which often consist of clinicians, supply chain personnel and executives – often miss the mark, as they try to simultaneously give clinicians what they want while also lowering organizational costs. In fact, according [research conducted by Swisslog Healthcare](#), in collaboration with the Journal of Healthcare Contracting, when trying to hit this sweet spot, health systems are often thrown off by challenges such as:

- Tying costs and outcomes to specific supplies or devices
- Managing physician preference items
- Keeping up with data management – specifically as it relates to item attributes

In alignment of the reported challenges, the respondents selected their top supply chain initiatives as:

- Standardization of product selection (80%)
- Developing a cost, quality and outcomes (CQO) initiative (68%)
- Data management/item master management (64%)

With more than six million medical devices on the market, keeping up with these challenges often turns into an exercise in frustration. The fact that information about these devices is often difficult for healthcare organizations to access, manage, and maintain in a complete and comprehensive manner, compounds the challenge.

What's needed is better insight. Indeed, according to the study, health care organizations of all sizes need greater visibility and control of item selection, usage and performance outcomes. The problem: medical device information within information systems currently is unstructured, incomplete, and in many cases unavailable. And, even though unique device identifiers (UDIs) enable providers to track device safety and efficacy, healthcare organizations need much more to optimally manage medical supply utilization – and to ultimately keep clinicians happy while lowering costs.

To this end, First Databank has developed [FDB Prizm™, a medical device knowledge platform](#) that serves as the “source of truth” for medical devices by providing structured, complete, and readily available information through web service APIs. Medical device knowledge in FDB Prizm covers products that are implanted in patients such as hip replacements, pacemakers, and stents; surgical instruments and medical supplies such as catheters, forceps, gloves, gauze and syringes; hospital and durable medical equipment (DME) such as imaging systems, patient monitors, wheelchairs, and diabetic supplies.

Just like every professional baseball team doing “Moneyball,” healthcare providers are using data analytics to make better decisions, optimize outcomes and lower costs. Designated value analysis committees (VACs) review purchasing decisions including medical devices and supplies. These multi-disciplinary groups are represented by physicians, hospital administrators, nurses, technicians, and supply chain management. The VACs have become more sophisticated and very data driven, analytical and outcomes-focused.

Leveraging healthcare information systems, VACs may have more insight but only if the data is available. FDB Prizm may enable healthcare information systems to help their users determine the costs and outcomes for specific supplies and devices. The platform provides the ability to identify and document all the necessary clinical, operational, and financial device attributes and codes. Also, users can drill down to very granular categorization levels, making it easier for purchasing committees to swiftly search and review functionally-equivalent products – and analyze medical device utilization, cost and effectiveness.

In addition, VACs can help to better manage physician preference items. Instead of simply recommending less expensive products to clinicians, VACs can provide data to help standardize medical devices based on their clinical efficacy, safety, and cost by evaluating less expensive products that perform equivalently or better than some of the products that clinicians seek to keep on their preference lists. And, the more detailed information provides more specific information about products, making it possible for these value analysis teams to not only identify products but to assess their unique features and attributes.

As a result, with FDB Prizm, VACs have the “transparency” that enables them to ultimately make the best value decisions. And, with this type of insight, they are much more likely to knock the supply chain ball right out of the park.

#### About Lee Ann McWhorter

*Lee Ann McWhorter is the Strategic Alliances Director for FDB Prizm, responsible for developing strategic alliances and sales for this groundbreaking medical device knowledge platform. Lee Ann has more than 18 years' experience working with multiple stakeholders in the hospital supply chain including GPOs, distributors, manufacturers and providers. Lee Ann's passion is taking unstructured and undifferentiated data and turning it into actionable knowledge. Connect with Lee Ann via [LinkedIn](#).*