

Process / Product Standardization Maternity Custom Packs

A 22-hospital health system faced inconsistencies in the Bill of Materials (BoM) for custom maternity kits used across Labor & Delivery (L&D) departments. These inconsistencies led to process inefficiencies, product waste, and unnecessary costs. The lack of standardization in kit components, coupled with multiple suppliers providing custom packs, resulted in pricing variations and operational challenges. Additionally, practices differed across facilities, with some using custom packs while others relied on individually sourced items.

Standardize the BoM for Maternity kits to reduce costs and improve operational consistency across facilities

Process Review & Analysis

- Initial analysis focused on detailed spend analysis & demand utilization trends across facilities.
- Observed the actual process for a month at the sites in order to determine frequently used items.
- Partnered with the stakeholders to determine the standardized list of components that would go into the kits.
- Eliminated low usage/low volume maternity kits & custom packs.
- Evaluation of clinical need and the impact on clinical outcomes with/without the kits.
- Financial analysis and Total Cost of Ownership modelling of different scenarios.

Change Management

- Worked with L&D leaders to roll out the proposed standardized process change across the organization.

Business Outcomes

- Total Est. Annual Savings: ~\$171K
 - Standardization of Components: Cost Savings ~\$71K
 - Eliminated 4 kits: Cost Avoidance of ~\$46K
 - Volume Discount / Rebates: Price Savings of ~\$54K
- Reduction of waste of components in the custom packs
- Improved contract management
 - Firm pricing for the contract term of 3 years
 - Value add by reducing multiple contracts to single contract