

# Finding More Time for Patients

Working with distribution gives the staff at New Lexington Clinic more time for care.

“Distribution with direct delivery to each site allows the best possible service with the least duplication of effort.”

**Cari Scordo, Purchasing Director, New Lexington Clinic, PSC, talks about her organization's reliance on distribution.**

“We've always had a primary distributor, a backup distributor for special circumstances, and a GPO affiliation. Years ago, we did more of the purchasing directly with manufacturers. As the distributors' breadth of product lines have grown, we have increased the percentage of business we do with them and decreased the amount of direct purchasing from manufacturers.

“Buying directly from so many different manufacturers was not as cost-effective – and it was a paperwork nightmare. Think of the time involved just to handle the purchase orders for so many vendors. On top of that, we spent more time tracking down orders, making sure the products were right, and all the other tasks that our distributor now does for us.

“We currently purchase more than 500 unique SKUs from our med/surg distributor per month for our ambulatory surgery center (ASC) and clinical departments. Without a distributor, the logistics would be complicated to say the least. We'd have dozens of manufacturers shipping individual orders to our 18 locations. The small order surcharges from the manufacturers would be prohibitive, and some manufacturers wouldn't even accept our

smaller orders. We'd have to buy a case minimum of everything – and for some products and departments it might take a year to use a case, so that certainly would not be not a good use of the budget. The work for our accounts payable department would also increase significantly.

“Contrast that with our current model. Through our distributor, we buy from more than 100 manufacturers in the quantities we need, and our distributor delivers the orders directly to our locations, bypassing the extra work for employees without increasing the cost of supplies. This provides our clinical staff more time to dedicate to patient care.”



Lexington Clinic

## Helping make the most of GPO contracts

“We find that our distributor adds a lot of value to the GPO arrangement. Our distributor works together with the GPO to help us take advantage of all possible contracts and provide options where a comparable product on contract can save us money. In addition, the manufacturer may have a GPO contract but not for the item we need. Our distributor helps us in getting those items on contract.

“This combination allows us to negotiate better pricing using GPO contracts and working with the distributor for local contracts when needed, based on the total volume of dollars spent. We have also standardized on product lines to better control rogue purchases. Our centralized purchasing staff orders office, lab, and radiology supplies in a similar manner. We have a small team of very dedicated buyers who purchase all supplies for better than 30 clinical specialties and all support departments including IT and Finance. They consistently monitor GPO and local contract pricing from the distributors and manufacturers to ensure we receive the best overall delivered cost for items.

“Sometimes our distributor will tell us ‘you’ve been buying a certain product from company X for years but we noticed that company Y just came out with a product that has all the specs you like and there’s a contract that offers a better price, so let us drop off a few samples and see what you think.’ That’s very helpful and it would be difficult to keep on top of all of those possibilities ourselves.

“We appreciate our distributor’s product knowledge. For example, if we needed to replace a type of glove, they have a complete cross-reference of equivalent product choices. There may be 100 manufacturers of gloves; they’ll know what types meet our needs without us having to do extensive research, and they have faster access to samples for us.

“Our distributor and our GPO rep meet frequently to guarantee we’re benefiting from every contract possible. By working together, they provide the smoothest, most cost-effective way to acquire products.”

## Providing better patient care

“The job of procurement in healthcare is to make sure that our providers have exactly what they need when they need it to give our patients receive the best possible care. Our distributor helps us do that job even better. With distribution involved, we minimize the number of “hands” in the process, which reduces the chance for mistakes.

“Distribution with direct delivery to each site allows the best possible service with the least duplication of effort. The result: when the provider is seeing a patient and reaches for the gloves or the tongue depressor or other necessary item, it is going to be there.

“The distribution arrangement becomes more valuable over time. They know what our needs are and what’s important to us. They are fully committed to serving Lexington Clinic as a partner. Distribution is key to us providing the best possible care for our patients.”

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*Cari Scordo has been purchasing director at Lexington Clinic for more than 13 years, leading centralized procurement efforts for the organization’s 18 diverse clinical locations as well as several administrative offices.*

## ABOUT NEW LEXINGTON CLINIC, PSC

- Central Kentucky’s oldest and largest multi-specialty medical group, founded in 1920
- 18 facilities including primary care services and specialty practices such as cardiology, orthopedics, oncology and ophthalmology
- Freestanding ambulatory surgery center with six operating rooms and four procedure rooms
- Network has been evolving to meet identified needs of the population, adding sleep center, additional breast health services and other programs in recent years
- 200 providers in more than 30 specialties treat more than 2,000 patients every day