

QA IN MATERIALS MANAGEMENT

Bridging the Healthcare Performance Gap

BUILDING YOUR DEPARTMENT'S QUALITY CONTINUUM

A healthy quality program has three critical component. These include quality assurance, quality improvement and performance improvement. Together, these are collectively known as the quality continuum.

Just as every healthcare organization needs to have a healthy quality continuum if it is to be operationally and financially successful in meeting the needs of its patients and communities, every department needs to have an effective continuum if it is to be what it needs to be for the organization. A strong quality continuum helps an organization in living up to the expectations of the people who count on it to meet their needs for access to great patient care.

Historically, the healthcare team has been thought of as those clinically-oriented departments that are directly involved in the delivery of patient care. While they are key members of the team, it is important to recognize that they could not be as effective in their roles if it were not for the contributions of the non-clinical members of the team such as the materials management department. There would not be supplies or key equipment to support the delivery of safe patient care if it were not for the efforts of the people who organize the acquisition, accessibility and quality of the supplies and

equipment that support the delivery of safe, quality care.

The materials management department controls some important safety considerations for the patient today—the safety and quality of the supplies and equipment that support patient care in a technology-driven environment. control three critical encounters in the patient experience. While this department does not have direct patient contact, it plays a critical support role to those professionals who do. (See the on-line module titled *Building the Patient Experience*.)

Patient safety is a very important concern in today's healthcare environment. With the proliferation of clinical errors in a fast paced, very complex environment, that is only becoming more complex with each passing day, materials management has some pretty important responsibilities. Some of the important contributions made by this department include:

1. How competent the organization is in meeting patient needs.
2. How committed is the organization to the delivery of high

quality patient care.

3. How committed the organization is to ensuring patient safety.
4. How seriously the organization is about supporting its professional staff in meeting the needs of the patient in the delivery of high quality patient care .
5. How committed the organization is to making people feel well cared for and deeply cared about.

In addition to the acquisition and management of patient care supplies and equipment, the materials management department plays an important role in the consultation with other departments to ensure that patient care keeps pace with the changing healthcare environment and new technology that can advance that care. As you review the enclosed list of quality assurance activities for which materials management has primary responsibility, one can appreciate just how important this department's role is as a member of the healthcare team.

A healthy quality continuum allows our people to know that:

1. *they are in control of their futures;*
2. *their efforts make a difference, and*
3. *that they are part of creating something better for tomorrow than what already exists today.*

They come to appreciate the contributions they make in meeting the mission and creating the vision of the organization.



SO WHAT IS QUALITY!

Quality in healthcare encompasses the ability of an organization or provider to make patients feel very well cared for at the same time they are making them feel deeply cared about. When patients define quality, these are the two things that they repeatedly say they are looking for. For health care's customers, these seem like pretty easy requests and they are becoming less and less tolerant when providers don't get them right.

In today's healthcare environment, quality is about making people feel safe in an environment where they can also feel that they are receiving state-of-the-art care from people who are on top of those variables that could place them in harms way. Safety is a pretty broad term for patients as it ranges from a sense of feeling physically safe in the environment to feeling that they are receiving the very best care that can be delivered by people who genuinely care about the outcomes that their actions lead to. They also want to feel informed and in control of their

patient experience.

For the people in the materials management department, quality means supporting the delivery of approaches to patient care where patients feel that quality care is likely to live. Most people inside healthcare fail to understand the critical importance of the physical plant in creating healthy patient perceptions. The condition and appearance of the physical plant is one of the critical pseudo-measures that patients use to determine the likelihood that they will receive high quality patient care.

The average patient can not actually judge the quality of the patient care they receive to a level that creates a genuine level of comfort. They can not determine if the battery of tests being ordered by the physician are truly the best tests or if the treatment and drugs are truly the best interventions. Because they need some measures that help them to feel good about their choices, they tend to rely heavily on pseudo-measures of health-

care quality.

Pseudo-measures are measures that patients and family members can judge more easily because they are familiar with what they are and what they should look like if quality exists. The most common pseudo-measures in healthcare are cleanliness, friendliness, physical appearance, physical safety, quality of the food and the perception of teamwork. If these pseudo-measures convey a sense of quality, people assume that there is a pretty good chance that the quality of the clinical care is good also.

The measure of quality for people looking to health care is found in the attention to details that they observe. The more attention to details that they witness in pseudo-measures, the more comfortable they are that the same attention is given to the details of direct patient care. Great reputations are not built on being average. They are built on reaching well beyond average and paying close attention to the details that convey a message that providers take their roles in the delivery of great care seriously.

WORKING WITH YOUR QA CALENDAR

The quality assurance calendar is a tool that helps a department to organize and manage its compliance-related activities in a way that reduces resource consumption and the risk of falling behind (see the PACE Workbook on *Working with Your Quality Calendar*). Historically, healthcare organizations have not utilized highly structured systems to collectively organize and manage their quality assurance or compliance-related activities. The lack of such a system has been one of the major contributing factors in prompting healthcare organizations to find themselves in trouble on surveys and having to put an inordinately large number of resources into ongoing efforts to maintain compliance.

Quality and compliance inside health care does not just happen. They are activities that needs to be managed. As one looks at the list of compliance and quality assurance-related activities on the following pages, it is obvious how easy it would be to overlook something or get behind if you do not have a system that allows you to manage the activities.

As most of these activities are time sensitive, once they don't happen it is impossible to make them up. For example, if outdated supplies are used in the delivery of patient care, it is impossible to take it back once the care is delivered. If the hospital runs out of a critical patient care supply, there is no adequate explanation to the patient why his or her care is compromised.

As the healthcare industry continues to become more complex and more and more is asked of our people, systems like the quality calendar can help to better manage activities as it becomes increasingly necessary to find ways of doing more with fewer resources. The answer is not in working harder. It is in working smarter and the quality assurance calendar is a tool that can help department managers to do that.

Some important points in using your calendar are:

1. Only schedule activities that must be done on a Monday for that day. Mondays tend to be bad days in healthcare organizations because of the many issues that spill over from

the weekend. As most legal holidays fall on Mondays, it is the one day of the week that prompts people to more easily get behind because things from the holiday must be pushed to Tuesday.

2. Similarly, it is best if you minimize the number of flexible activities that need to be done on a Friday because that is generally the day that people are pushing to get things done for the weekend. It is also the most common day that people request off to have a long weekend.
3. Try to always set the schedule up so that compliance related activities never consume more than two hours in a given day for any one person. This is one of the reasons that a calendar is so helpful. It allows you to plan and balance things out. Most people can plan to commit up to two hours of the day to designated activities. They can also tend to find time to make those activities happen even on a day when there seems to be one crisis after another.
4. Try to always set the schedule so that

CREATING YOUR QA CALENDAR!

The topics in the tables on the next pages list out the common quality assurance or compliance type activities that could be found on a QA calendar for Materials Management. Some may not apply to all organizations and others may need to be added as compliance standards are dependent on the services offered. Please review these tables to determine which topics are important to your calendar and then follow the instructions in the PACE training workbook titled *Working with Your Quality Calendars* to build you calendar. Please note that health care is a very dynamic industry and constantly subject to change. The completeness of the list and frequency recommendations in these tables should be regularly checked against those established by federal, state and local regulatory agencies.

	QA Accountability	Frequency
1	Corporate compliance	Per plan with annual review
2	Conflict of interest	Per policy and procedure with annual review
3	Cost containment	Per budget
4	Gifts to organization and staff	Per policy and procedure
5	Disposal of supplies	Per policy and procedure
6	Disposition of assets/equipment	Per policy and procedure
7	Disposal of used equipment as gifts	Per policy and procedure
8	Par levels on patient care units	Daily per par level matrix
9	Inventory management	Per inventory plan with annual review
10	Purchase order management	Per policy and procedure
11	Invoice approval/discrepancy management	Per policy and procedure
12	Purchasing authorization	Per policy and procedure
13	Procurement	Per policy and procedure
14	Bid process/competitive pricing	Per policy and procedure
15	Catalog management	Continuous
16	Stock item purchase	Per policy and procedure
17	Nonstock item purchase	Per policy and procedure
18	Capital expenditures	Per policy and procedure
19	Ordering emergency items	Per policy and procedure
20	Petty cash purchases	Per policy and procedure
21	Substitutions	Per policy and procedure
22	Equipment loan/rental	Per policy and procedure
23	Repair approvals	Per policy and procedure
24	Tagging and control of broken equipment	Per policy and procedure
25	Returns	Per policy and procedure
26	Review of open purchase orders	Per protocol
27	Receiving log	Per policy and procedure
28	Service and maintenance agreements	Per agreement with annual review
29	Contract management	Annually or on term
30	Procurement of medications	Per policy and procedure
31	Procurement of non-formulary medications	Per policy and procedure
32	Group purchasing protocol	Per protocol
33	Property control	Per policy and procedure

CREATING YOUR QA CALENDAR!

	QA Accountability	Frequency
34	Product evaluation—routine	Per policy and procedure
35	Product evaluation—new product	Per policy and procedure
36	Product evaluation— in-use product	Per policy and procedure
37	Vendor evaluation	Per policy and procedure
38	Receiving control and distribution	Per policy and procedure
39	Receiving on off hours	Per policy and procedure
40	Items without purchase orders	Per policy and procedure
41	Lost purchase orders	Per policy and procedure
42	Back orders	Per policy and procedure
43	Damage claims	Per policy and procedure
44	Processing through electronics and bar codes	Per policy and procedure
45	Shipping services	Per policy and procedure
46	Packing and labeling	Per policy and procedure
47	Shipping log	Per policy and procedure
48	Vendor shipping errors	Per policy and procedure
49	Supply/stock rotation—FIFO	Continuous
50	Credits and returns to inventory	Per policy and procedure
51	Sterile manufactured supplies expiration process	Per policy and procedure
52	Year-end physical inventory	Annually
53	Inventory classification	Per policy and procedure
54	Copy machine management	Per policy and procedure
55	Copy machine maintenance/repairs	Per service contracts
56	Request for new forms—stock	Per policy and procedure
57	Request for new form—non-stock	Per policy and procedure
58	Revision of forms	Per policy and procedure
59	Deletion of forms	Per policy and procedure
60	Safe Medical Device Act compliance	Per Act
61	Manufacturer recalls and hazardous device notices	Per policy and procedure
62	Medical device recall	Per policy and procedure
63	Oxygen equipment standards	Per standards
64	Compressed gas record keeping	Per policy and procedure
65	Receiving procedure for liquid oxygen and high pressure gas cylinders	Per policy and procedure
66	Segregation/labeling of full and empty gas cylinders	Per policy and procedure
67	Compressed gas and oxygen storage	Per policy and procedure
68	Latex and non-latex alternatives management	Per policy and procedure
69	Event-related sterility maintenance (shelf life)	Per policy and procedure
70	Control of large bore corrugated boxes	Upon opening
71	Disposal of biohazardous waste	Per policy and procedure
72	New chemical training	Before use

CREATING YOUR QA CALENDAR!

	QA Accountability	Frequency
73	Secure MSDS and assure appropriate precautions	Before new chemical use
74	Employee right-to-know MSDS training	On orientation before chemical use and annually
75	Chemical labeling and storage	Daily
76	Segregation of patient care and other supplies	Per policy and procedure
77	Hazardous chemical storage	Daily
78	Bulk O2 tank integrity	Monthly and certify any time it is interrupted
79	Medical gas integrity	Monthly and certify any time it is interrupted
80	Ceiling integrity (tile and plaster integrity)	Monthly and repair immediately upon breach or penetration
81	Flooring integrity	Monthly and repair immediately upon breach, break or penetration
82	Baseboard integrity	Monthly and repair immediately upon breach
83	Surface washability	Daily and repair immediately upon breach
84	Pest control	Check high risk areas weekly and all other areas monthly with spraying as needed or on recommended schedule, whichever comes first
85	Annual fire safety training	Annually
86	Annual general safety training	Annually
87	Storage at least 18 inches from ceiling in sprinkler areas	Continuous
88	Annual infection control training	Annually
89	Annual policy and procedure review	Annually
90	Employee training on new/revised policies and procedure training	On creation of or revision policy or procedure
91	Ergonomics compliance	Continuous
92	PPE compliance	Continuous
93	Emergency response plan	Annually and on
94	Emergency water supply plan	Annually
95	Portable tank control & security	Check daily
96	Security camera integrity and management	Check daily
97	Security/limited access	Per policy and procedure
98	General trash management & disposal	Daily
99	Lighting Safety (no exposed light bulbs and lighting fixtures)	Daily
100	HIPAA compliance	Daily
101	Annual performance appraisals	Annually
102	Annual job description review	Annually

KEEPING PACE WITH TODAY'S STANDARDS

Quality assurance or compliance related activities are extremely important in a healthcare organization because they are generally related to patient and public safety. They frequently involve precautionary steps taken by an organization to prevent an untoward event and to be prepared in the event of a disaster or break in the routine that could place people in harm's way.

For example, while providers hope they will never need them, there are many precautionary activities that healthcare organizations need to be skilled at in the event there is a fire. They need to know that the generator will run in the event of a power outage. They need to know that we have a strong plan to protect people in the event of a natural disaster.

Healthcare organizations also need to know that the day-to-day risk is reduced for people who come into their buildings. They need to know that the elevators are in good working order; emergency call systems function properly and in-house systems for oxygen and medical gases delivery are what they need to be.

Too often healthcare organizations find themselves at risk because they become complacent about quality assurance related activities. As so many of the activities are precautionary in nature and many organizations may never actually have to enact them, it is very easy for an organization to elect to take short cuts or overlook striving for 100% compliance. The danger is in the fact that an organization can't make it up to a patient or a community member or employee when its failure to stay current negatively effects any one of them. If its reputation in the community is damaged, it may never recover.

Proactive compliance is significantly less resource intensive than running to catch up. Developing a corrective action plan in response to a Medicare Condition of Participation survey is never the best way to achieve compliance. Working to overcome the damage created by a negative outcome is definitely more expensive and resource intensive than ensuring the negative outcome could not happen. As the saying goes, "an ounce of prevention is more valuable than a pound of cure." This is particularly true in health care where the cost of a negative outcome can be particularly steep. A well structured quality assurance program inside the quality continuum can provide for that ounce of prevention to

protect an organization.

The majority of the compliance standards for the materials management department relate to supply acquisition and management along with the quality of those supplies. These are two very big areas of responsibility where compliance is critical. When any of these areas of responsibility fall out of compliance it is important

to bring them back into line as soon as possible.

Because of the magnitude of some of the responsibilities, retrospectively trying to fix them can be a nightmare in addition to placing the organization at risk because of non-compliance. For example, creating a system to account for all the inventory in a hospital can be very difficult to create after the fact. When managed proactively, inventory control and accountability can be pretty easy. Management of outdated supplies can be much easier when it is done inside a system that continuously monitors and pulls supplies prior to the actual date of expiration. It also reduces the risks to the patient. Proactively dealing with issues through prevention can reduce resource consumption by as much as 25-33%. Every minute appropriately spent on planning (such as the creation of a balanced QA calendar) can save 10 minutes in execution time.

Historically, healthcare organizations have had poor systems for managing and documenting quality assurance related activities. Too often those systems for managing these activities have existed in the minds of our managers. While the mind is a very powerful place, the stresses of today's healthcare environment make it a poor stand alone tool in creating the kind of efficiency and effectiveness we need. As a result, too many things end up being retrospectively repaired rather than proactively managed. The quality calendar system is an approach to proactive activity management. If the average maintenance department is able to reduce time and/or resource consumption by an average of 33% because it uses tools to improve its efficiency and effectiveness, it can find itself capable of managing more with less in a less stressful environment. This is

an important goal in today's healthcare environment. It also reduces the amount of time spent on crisis management which is one of the industry's greatest threats to resources.

When a quality assurance or compliance activity goes out of compliance, it is a department's responsibility to bring that activity back into compliance as quickly as

QA Calendar

	Frequency	Responsible Party	Jan	Feb	March	April	May	June
Water Temp	Weekly	Mark	MK OK	MK OK	MK QI	MK OK	MK OK	MK OK

possible in a way that will hold the compliance. The department needs to document the steps it took to achieve that compliance and the ongoing activities to monitor it.

The first step is to set up the quality assurance calendar with all of the compliance-oriented activities that are important to the organization. Once the list is complete, the manager, with the assistance of his or her departmental team, defines when each activity is to be completed along with who will be responsible for it. (Remember the stronger the team approach, the greater the potential for success and the more that can be achieved with fewer resources) As long as activities remain in compliance the only documentation that is necessary is to complete the required log for the activity and to indicate an OK on the calendar. When an activity moves out of compliance, a department should be able to demonstrate that it has quickly moved through the steps of the PACE cycle. Documentation should demonstrate that it quickly identified the issue (moving the issue to its quality improvement calendar), PLANNED to re-establish compliance, ACTED to initiate the plan, CHECKED to make sure that the plan achieved the designed results and ENHANCED the plan to achieve the best outcomes possible. Once compliance is re-established and a short period of more intensive monitoring demonstrates compliance, the department can return to its normal schedule of monitoring as defined by the calendar.

The calendar should be evaluated each year as part of the annual review of services to determine needed additions and revisions that would increase departmental efficiency in achieving continuous compliance.



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COURAGE, DETERMINATION,
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CONSISTENCY—doing the right
THING for the RIGHT REASONS and
not just when we feel like it.*

James B. Menton

The Future Starts with a Strong Today!

Building a strong reputation and future for a healthcare organization starts with building a strong today. In many ways it is like building a new building. If you don't start out with a sound foundation it becomes increasingly difficult to build a structure that can be as tall as you would like or that can withstand the various elements that place stress on it. When the foundation isn't strong, you frequently find yourself having to put additional resources into shoring it up and to apply patches where necessary. You also tend to find yourself having to monitor it more closely every time the structure is placed under stress to make sure it will hold up. A healthy quality assurance program is about making sure a healthcare organization has a strong foundation on which to build tomorrow and the future. If an organization is constantly struggling to maintain compliance with today's standards, the activities steal valuable time and resources away from efforts that could be used to build a healthier tomorrow. Given the strain on today's healthcare resources, providers need to ensure that they are getting the most they can from what they have. They need to make sure that quality lives today so it is easier to build a better tomorrow.

BRINGING IT ALL TOGETHER

A healthy quality program is about making sure that our organizations are being true to the business of health care. That business is the delivery of high quality patient care in an environment that makes our patients and communities feel well cared for and deeply cared about. It is about making sure that our organizations are healthy and strong for today, tomorrow and into the future.

The quality program creates the structure to support the creation and implementation of the many systems that (1) ensure that our organizations and patient care services are what they need to be to make our organizations strong for today, (2) continuously work to improve and meet the changing needs of tomorrow as technological advancements continue to reshape the delivery of patient care, and (3) bring the strategic plan and vision of an organization to life while holding true to the mission and values of the organiza-

tion. A healthy quality program is about much more than making sure that our organizations are meeting the expectations of outside regulators and the many external customers that enter our doors every day.

The mission defines why our healthcare organizations exist. The vision defines where we picture our organizations to be at some point in the future if the organization is to remain strategically positioned for success while it remains true to its mission and values. Our values define those behaviors we hold to be important to every day life if we are to remain true to our missions (who we are).

It can be very easy for these important messages to become fluff and pie-in-the-sky words that only raise more doubt and questions if people can not see the path that brings them to life. A healthy quality program provides that path by creating

the structures and systems that make proactive change possible.

The mission, vision and values of an organization come to life when they are successfully married together through the organization's quality program and strategic planning activities. These two activities create the environment for the creation of a culture for quality where patients feel well cared for and deeply cared about while healthcare providers have the potential to feel good about their contributions in improving the quality of life for the public that entrusts them with their care.

