

AUTOMATED IMAGE RECOGNITION more accurately captures usage data at point-of-use which can save hospitals up to \$7.2M in the first year and \$5.1M in the second year and beyond.



Scanning Barcodes



-\$2.07M	25%	ONE-TIME INVENTORY REDUCTION Initial optimization of inventory	0%	\$0
-\$62.2K	1%	WASTE & INEFFICIENCIES Expiring items, manual counting and emergency shipments	5%	-\$2.5M
-\$1.49M	4%	WORKING CAPITAL Calculation of capital based on annual interest	4%	-\$2M
\$0	0%	POOR CHARGE-CAPTURE Loss of annual net revenue due to inability to capture and document all costs at point-of-use	1%	-\$1.5M
\$0	0%	ANNUAL ITEM MASTER MAINTENANCE Based on 25 mins (average time) to correct barcode breakdowns and clean bad data and manpower salaries saved (\$38K)	100%	-\$137K
-\$24.4K	17%	ANNUAL NURSING LABOR SAVINGS 2 Hours saved daily based on nurse administrative hours per case and an average salary of 30 nurses (\$65K)	0%	\$0
-\$40K	100%	ANNUAL MATERIALS & PROCUREMENT MANAGERS LABOR SAVINGS Based on average salary of \$40K	0%	\$0
-\$480K	10%	EXACT COST PER DOCTOR / SURGERY ANALYSIS Differentiate between evidence-based clinical product and physician preferences affects overall supply cost	0%	\$0

\$367 Estimated value per unit	\$7.61 Cost of fixing SKU	10 Operating rooms	400 Items used a day	2.8 Surgical cases a day per room
\$146.8K Value of consumed items a day	\$4.8M Annual operating stock expenses per room	\$8.3M Annual stock value on shelves	11 Total staff hours per case	18K Annual data integrity issues

- [The Gold Standard for Item Master Management](#), 2018 Vizient
- [Unique Device Identification \(UDI\) Barcode Scanning at the Point of Care Work Group Report](#), AHRMM 2019. Association for Health Care Resource & Materials Management, the Association of periOperative Registered Nurses (AORN), Healthcare Purchasing News (HPN), and a number of GPO's
- [100 Surgery Center Benchmarks](#), 2015 Becker's Hospital Review
- [Understanding Costs of Care in the Operating Room](#), 2018 Christopher P. Childers, MD1; Melinda Maggard-Gibbons, MD, MSHS1
- [The Healthcare Imperative: Lowering Costs and Improving Outcomes](#); Workshop Series Summary. 2010 Institute of Medicine (US) Roundtable on Evidence-Based Medicine; Editors: Pierre L Yong, Robert S Saunders, and LeighAnne Olsen. Washington (DC): National Academies Press (US).
- [Excess Administrative Costs Burden the U.S. Health Care System](#), 2019 Center of American Progress
- [The Critical Link Between Cost, Quality, and Outcomes \(CQO\) and Unique Device Identification \(UDI\)](#), 2019 AHRMM a professional membership group of the American Hospital Association (AHA)
- [How sourcing excellence can lower hospital costs](#). Health International 2010