

COST, QUALITY, AND OUTCOMES LEADING PRACTICE: Leading Home Health Organization Provides High Quality Ostomy Care, at a Minimum Average of 40 Percent Lower Cost, Through Product Formulary Standardization

Submitting Organization

Coloplast

Problem Statement

Post-operative complications from ostomy surgery are the second leading cause of readmissions in the U.S., at an average cost of \$9,000 per readmission.^{1,2} Furthermore, 76 percent of ostomy patients report regular leakage from their stomas, leading to skin complications and greater supply usage/costs.³

One of the nation's largest home health agencies had been using ostomy products from three different suppliers, which increased supply chain and clinical care complexity, as well as costs for the organization. A key driver behind this product disparity was patient preference. According to the director of materials management for the home health agency, patients who have used a particular ostomy product for an extended time period are often reluctant to change to a new product. On the other hand, patients newer to ostomy are typically more willing to explore various product options.

The organization recognized that ostomy product standardization had the potential to improve patient outcomes, simplify care for clinicians, and reduce the total cost of care per patient. The challenge was to standardize in a way that delivered clear benefit to all parties, without disrupting care delivery or patient satisfaction.

Method

The home health agency took a clinically driven approach, guided by supply chain's product knowledge and expertise. Together they decided to consolidate to an offering that would benefit the patients, the clinicians treating them, and the organization from a cost, quality, and outcomes perspective. They selected Coloplast and then collaboratively worked with the vendor on the transition.

Date Implemented

December 2017

¹ Weiss A, Elixhauser, A, Steiner, C. Readmissions to US hospitals by procedure, 2010. Statistical Brief #154. Healthcare cost and Utilization Project (HCUP). Agency for Healthcare Research and Quality. April 2013

² Wicks, EC, et al. Readmission rates and cost following colorectal surgery, *Diseases of the Colon & Rectum*, 2011 Dec; 54(12):1475

³ Claessens et al. The Ostomy Life Study: the everyday challenges faced by people living with a stoma in a snapshot, *Gastrointestinal Nursing*, 2015

Means

A Data-Driven Approach

At the onset of the project, the agency and the vendor reviewed the existing formulary and ostomy patient needs and used this information to help standardize on a single line of ostomy products. The team reviewed the recent outcome evidence data that was published in January/February 2018 edition of the Journal of the Wound, Ostomy and Continence Nursing (JWOCN) that showed a 30 percent reduction in 30-day readmittance for patients within the support program versus those not enrolled in the patient support program, and a 45 percent reduction in ER visits.⁴ They also partnered with a Wound, Ostomy, and Continence Nurses (WOCN) nurse on additional analysis to further align the standardized formulary with the clinical needs of both the agency and its patients.

Clinician Education

Educating the home health agency's clinicians across its 200+ facilities was essential to the success of the transition "to a standardized formulary." Working together, the vendor and the agency identified existing education and training ostomy care and product knowledge, and educational tools and materials to increase staff knowledge. Additional educational support used to assist in the transition to a standardized formulary included:

- **Cross-reference tool:** The vendor provided an electronic cross-reference tool that allowed clinicians to match products in the existing formulary to those within the new standardized formulary.
- **Access to a dedicated vendor product expert:** The vendor provides a dedicated phone line that clinicians can call with any questions about the ostomy products, or challenges that patients are facing in the process of living with a new ostomy.

The agency's director of materials management states: "Ostomy can be difficult. Sometimes clinicians see it as this black hole of so many different aspects, options, and variations. It can be particularly overwhelming for a routine nurse who has not dealt with this aspect of care. The vendor provided us with the training, knowledge, education, collateral materials, and support to help ease clinicians' concerns, fears, and questions."

Patient Education

Understanding how the transition to a standardized product formulary could be a concern to ostomy patients, particularly those who had been using a particular product for an extended time period, the vendor offers a patient support program, which includes educational resources, phone support from ostomy advisors, and product samples as appropriate.

The Role of Supply Chain

The home health agency's supply chain team played the critical role of bringing together all of the key stakeholders to form a multidisciplinary team tasked with assessing the various ostomy product options. This included the VP of clinical affairs, VPs of clinical for home health and hospice, and the physicians leading the wound care team. Supply chain provided them with information and product samples to help guide the decision making process. The director of materials management states:

⁴ USOC_Manuscript of Impact of a Readily Available Post Discharge Program for Ostomy Care_Document (v1.0) - Siri R. (p.4,11). Link to full article: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5757661/>

“Our senior clinical management team was involved in the decision to standardize from the very beginning. We are number one above all focused on outcomes, those that not only improve patient satisfaction but also reduce complications that lead to readmissions. Because our patients and their outcomes always come first we would never make a decision based strictly on economics – it must pass the clinical test.”

The director of materials management adds that the agency’s distributor was very supportive in the consolidation, stocking items appropriately to prevent any serious outages, backorders, or delays. The distributor benefitted from the transition as well, since it now stocks fewer products from a single vendor.

Outcomes

Through its ostomy product standardization initiative, the home health agency has achieved the following outcomes*:

- Consolidated 987 different ostomy items from three different suppliers down to 98 ostomy products from one supplier, with this simplified product line meeting 95 percent of the agency’s needs
- Achieved a minimum average product savings of 40 percent within the category of ostomy products**
- Simplified product selection and use for clinicians
- Provided patients with high quality products and care

Tools

- Ostomy product cross-reference tool
- Clinician support and product education, professional courses related to ostomy care, and access to vendor product experts via a dedicated phone line
- Patient support program and educational materials

How Does Your Example Address the Issue from a CQO Perspective?

- **Cost:** A minimum average of 40 percent reduction in ostomy product costs.
- **Quality:** Improved quality of care by offering clinicians and patients high quality products within a simplified formulary.
- **Outcomes:** The agency anticipates that total cost of care per ostomy patient will be reduced, including nursing time and supply costs, thereby generating improved financial outcomes. The organization and its vendor plan to measure these savings as well as patient outcome data in the future.

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