

Supply Management Online Ordering

McKesson Health Systems

CASE STUDY

"Supply Management Online simplifies my job. It lets me concentrate on finding the best priced drugs, keeping inventories at the right level, and monitoring my budget."

Joe Virginio,
Materials Manager



CHALLENGES

- Provide pharmacy staff with easier ordering from any PC.
- Improve inventory control.
- Maximize contract compliance.
- Easily and accurately update acquisition prices in QS1 system.

SOLUTION

Adopt McKesson's Supply Management Online to provide easier user access and the tools to streamline ordering, price updates, and management of the accounts payable process.

RESULTS

- Better information provided at the point of ordering, resulting in a more empowered pharmacy staff.
- Easier management oversight of purchasing activities.
- Compressed ordering cycle times.
- Automated process to update prices in the QS1 pharmacy system.

MCKESSON
Empowering Healthcare

MEDISTAT PHARMACY SERVICES, INC. SUNRISE, FLORIDA

Item	NDC	Price	Unit Price	Price	Quantity	Analysis	Inventory	Item
SYM	00002871058	\$82.83	\$12.57					GE
SYM	00002871058	\$82.83	\$12.57					GE
	00002871051	\$22.13	\$66.40					GE
	00002871051	\$22.13	\$66.40					GE
	00002871051	\$22.13	\$66.40					GE

Powerful Item Search
Capabilities



Leverage Online Technologies
to Optimize Your Ordering

Medistat Leverages an Online Ordering Solution to Empower Pharmacy Staff

Customer Profile

Medistat Pharmacy Services, Inc., a for-profit company headquartered in Sunrise, Florida, is a provider of on-site pharmacy services to 18,000 residents in long term care and correctional facilities in the states of Florida and Texas. Medistat delivers added value to its customers through cost control, 7-day-a-week access, consultant pharmacy excellence, and a range of quality and patient safety initiatives.

A Closer Look

Prior to beginning operations in January 1999, Medistat compared pharmaceutical distributors and chose McKesson. Some of Medistat's senior partners had previous experience with McKesson and based their choice on McKesson's high service levels and overall value. According to Juan Guerra, Medistat's Director of Operations, McKesson's innovative technology was also a deciding factor. "McKesson had the ability to interface with our pharmacy system, QS1, and provide acquisition costs to that system. EconoLink® 2000 software for ordering was also a factor."

When McKesson launched Supply Management Online as their Web-based, integrated product procurement and materials management solution, Medistat responded enthusiastically. "Ordering online is very progressive," says Guerra.

"It has offered us the opportunity to check McKesson inventories in real time. We can make changes on the fly if a product is out of stock. All these features help us control our on-hand inventory. And by making better purchasing decisions, Supply Management Online offered us a marked improvement in contract compliance, too. It was a tremendous leap."

Technology Breakthrough. Joe Virginio, Materials Manager, worked extensively with EconoLink 2000 at Medistat before leaving temporarily to pursue a bachelor's degree in business administration. When he returned to the company, Medistat had converted its ordering processes to Supply Management Online. Virginio was enthused.

"With Supply Management Online," says Virginio, "I type in a drug, and all the manufacturers pop up. I can see my cost, and per-dose pricing, contract information ... everything I need to make the right decision. EconoLink provided a great deal of information," Virginio acknowledges, "but the Supply Management Online screen layout makes information easier to follow."

Virginio cites the Supply Management Online Catalog feature as one he uses frequently. As he checks real-time inventories and prices, items ordered previously are highlighted on the screen. "I really appre-

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"With Supply Management Online Ordering, we know what the price is right now and don't have to worry about downloads or updates. We realize efficiencies all the way around."

Joe Virginio,
Materials Manager

"Supply Management Online offers us the opportunity to check McKesson inventories in real time, and this system offers us a marked improvement in compliance, too."

Juan Guerra,
Director of Operations

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Virginio appreciates the confidence real-time information gives him. "If my McKesson DC is out of an item, I can see that at the moment rather than have to wait until evening when I place the order. I use the system to find a competitively priced alternative item and I always have the option of calling my customer representatives at the DC, and they locate the product I need."

Medistat also built a template order to be used "whenever we open a new facility," Virginio says, "I have a PO ready. Supply Management Online Ordering cuts three weeks off creating an opening order for a new pharmacy."

Virginio praises the flexibility of Web-based ordering for enabling him to extend his "reach" beyond the office. "On Sundays, I access Supply Management Online from home to make sure the day's orders are right and within budget." Accessing McKesson's systems online increases efficiency and productivity for Medistat's entire staff as well. "We dabbled with different purchasing methods, including a 'want book' for each staff member. Now, with Supply Management Online, we maintain an open purchase order online that everyone can add to." In addition to ordering on the Web, multiple Medistat staffers can also simultaneously log on to the McKesson system from their own terminals to conduct pricing research, process returns, look up pending credits, investigate purchase histories, and create management reports. They have all saved the time they used to spend waiting for a turn at the EconoLink PC.

Best practices. For Virginio, monitoring pharmacists — who do their own ordering at each Medistat customer facility and have their own McKesson accounts and Supply Management Online passwords — has also become easier. "I have greater control in knowing who's ordering what," Virginio states.

Moreover, Virginio has no security concerns since the Medistat staff working on Supply Management Online has their own user name and password. "No problems," he says succinctly. McKesson also allows Medistat's management team to designate user privileges — they set who can use the online catalog and who can submit an order.

Medistat is thankful for EDT, McKesson's Data Translator, which automates the time-consuming process of maintaining dose-level acquisition prices in their pharmacy system. With the transition from EconoLink to Supply Management Online, Virginio continued to utilize EDT as the conduit for these price updates to Medistat's QS1 system.

Medistat's management team also values McKesson's online Account Management capabilities which enable secure, paperless management of the payables process. "I look for unpaid invoices or missed credits towards the end of each pay period so we can pay on time. I can easily help my company avoid the fees associated with accidentally missing invoices," Virginio explains.

Managing more effectively. Virginio has been so enthused about managing Medistat's procurement on the Web that he wrote a term paper on it for his college course on e-business. "Supply Management Online simplifies my job," he discloses. "It lets me concentrate on finding the best priced drugs, keeping inventories at the right level, and monitoring my budget. And above all, it helps Medistat deliver better patient care."

McKesson has provided innovative technologies to Medistat in response to the company's desire to continuously improve. As Director of Operations Juan Guerra concludes, "We feel as though McKesson is a partner in our business, not just a supplier."