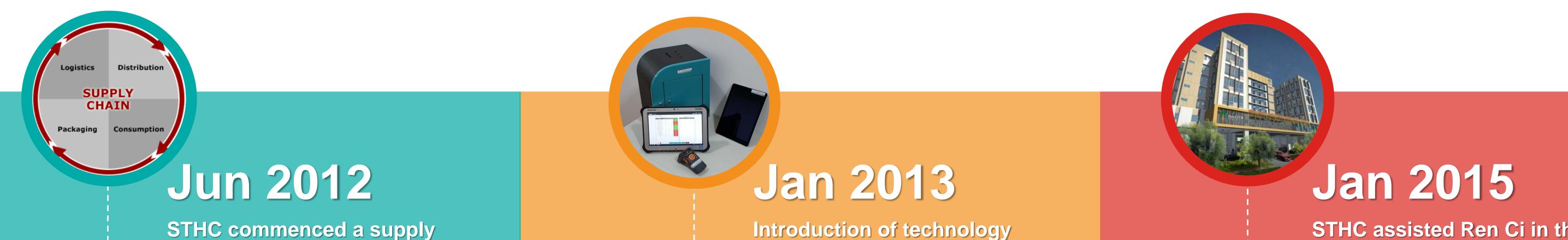Tan Siow Hwei, ST Healthcare
Jean Quak Jin Fen, Ren Ci Hospital

Singapore Healthcare Management 2015

PROOF OF CONCEPT – TRANSFORMING THE HEALTHCARE SUPPLY CHAIN MODEL

Approach

Jan 2012
STHC engaged Ren Ci Community Hospital

Jun 2012
STHC commenced a supply chain study to understand Ren Ci's requirements

Implementation

Nov 2012
Ren Ci out-sourced medical supplies & linen to STHC, allowing Ren Ci to focus on patient care

Jan 2013
Introduction of technology and process improvements

Growth

Jun 2014
Ren Ci transformed their office space into new wards, and their central store into office space

Jan 2015
STHC assisted Ren Ci in the setting up of Bukit Batok Nursing Home

Aim(s)

Medical Consumables

A Kanban 2-bin system is installed in all the wards to facilitate replenishment.
When a certain medical consumable is close to being depleted, nurses are merely required to remove the RFID card from the empty bin and place it in the RFID Trigger Box to start the replenishment process.

1. To evaluate the vendor-managed inventory model for the healthcare industry

2. To validate the viability of an off-site warehouse for both their medical and linen supplies

3. To create an semi-automated ward replenishment process

4. To deliver "Just Enough" linen and medical supplies on a timely basis through the deployment of RFID technology

Linen Leasing

Linen is being leased and also tagged with special RFID tags that can withstand high heat and pressure. Linen that are push through any gantry will allow the total amount of linen to be captured within a system. This ensures stock visibility and sufficient linen at any one point in time.

ACHIEVEMENTS

Central Store	Stocktake Items	Procurement Activities	Inventory Holding
200 sqm to **0** sqm	**432** SKUs to **20** SKUs	**2,400** PO to **720** PO / yr	**42** days to **14** days

- **Provision of a licenced off-site warehouse to store sufficient supplies & linen allows Ren Ci to eliminate the need for a central store.**
- **Vendors now deliver to ST Healthcare's warehouse; which allows consolidated deliveries and reduces PO and payment requirements.**
- **More visibility in consumption information at ward level, thus allowing better material planning.**
- **Ability to scale up to meet expansion of new sites.**
  E.g. Ren Ci Bukit Batok Nursing Home
- **Eliminates obsolescence, inventory holding, lost and damaged linen risks, allowing better cash flow and less financing costs.**
- **RFID tagged linen creates better accountability and optimisation of the linen life span.**