

July 2010

## Making the Most of the Surgical Instrument Purchasing Process

How can healthcare facilities obtain enough instrument sets, buy instruments that will last, maintain the quality of the surgical instruments they purchase, satisfy surgeons, and lower costs? Reaching these critical goals can sometimes prove challenging, but rest assured, success is possible.

The following best practice tips — developed by Millennium Surgical Corp.'s president Rob Edelstein, and based on the company's more than 22 years experience in surgical instrument sourcing and customer service -- can help facilities large and small manage their instrumentation-related spending more effectively and efficiently.

### Expert Tip 1

Maintain accurate expectations of instrument utilization. If you hear of new surgeons or new procedures coming to your facility, ensure that you will be getting a strong return on investment before filling an instrument "wish list."

### Expert Tip 2

Selectively invest in quality. Certain instruments, such as Needle Holders and Scissors, are more likely to breed surgeon contention than others if quality or maintenance is subpar. Purchase the highest grade of these and similar instruments, and your surgeon and staff satisfaction will rise.

### Expert Tip 3

With surgeons, old habits die hard, and they'll often ask for a specific instrument based solely on brand name. It's important to determine if the requested item must come from a specific vendor. If the vendor name or part number was for reference only, then you have an opportunity to compare cost.

### Expert Tip 4

Most of the surgical instrument suppliers in the United States do not manufacture the instruments they sell — instead, they outsource to a number of companies. This results in an identical instrument being multi-branded, and thus sold at varying costs. Comparing costs across different companies will create an opportunity to save on instrument purchases. Your surgical instrument source should have relationships with many quality manufacturers to ensure you get the quality instrument your operation requires.

### Expert Tip 5

As the ambulatory surgery center industry grows, so does the number of qualified surgical instrument suppliers required to support these centers. This translates into more options, thereby, driving down cost while promoting quality manufacturing. Be sure you work with a company that specializes in providing surgical instruments to ASCs.

**Expert Tip 6**

Always have a back-up plan and try to identify at least two suppliers for each item on your list. If your supplier can't find your specific instrument, ask them to recommend another supplier. If they can't, or won't, consider another supplier.

**Expert Tip 7**

Knowing where to trim and where to spend comes from experience and paying careful attention to results. Intelligent purchasing promotes overall satisfaction.

**Expert Tip 8**

Cost-cut intelligently. Cutting costs on the purchase of handheld retractors, sponge forceps, towel clips, dressing, tissue forceps and basic hemostats will not directly affect surgeon satisfaction. Identify target areas to help your facility's bottom line.

**Expert Tip 9**

Streamline purchasing. You can save thousands of dollars by focusing only on the instruments you need. Sets are often designed by instrument companies and may include unnecessary parts. For example, when buying a bookwalter-type ring, target only the necessary components and avoid complete sets.

**Expert Tip 10**

Verify discounts when placing contracted instrument orders. Many times, vendors sell products at list price and then mix them in with your contracted order -- without making it clear on your quote which items are discounted and which are not. If you're not sure, give your vendor a call and ask them directly.

**Expert Tip 11**

Your contracts must be current and in effect, with proper discount grading levels, before proceeding with surgical instrument purchases. All paperwork must be completed by you and filed by your vendor before purchasing. Even after paperwork has been filed, pricing must still be loaded against your account. All of the above must occur to ensure savings, or you may be paying too much for your instruments.

**Expert Tip 12**

Compare the invoice with the purchase order on every order placed to ensure accuracy and minimize risk. As companies have grown, systems have become more complex, creating increased possibility for error.

**Expert Tip 13**

Instrument returns are a process that often does not receive adequate attention or follow-up. Process and track returned items directly through the vendor, instead of your sales representative, within 30 to 60 days of purchase. Follow up on credits that have not been posted to your account within 15 days of their return.

**Expert Tip 14**

Many times, companies "discontinue" items each year as a cost-cutting measure. These items are still available via special order, but at a significant premium. Research other vendors, as they may work with the same instrument manufacturer and offer a duplicate item without the premium.

**Expert Tip 15**

With highly specialized instruments and sets come significant handling responsibility. Only necessary, highly qualified personnel should handle these types of instruments to ensure proper use and maintenance.

**Expert Tip 16**

“Non-repairable” instruments can often be fixed by third party services at a significant savings compared to working with the original vendor. Investigate your options before resorting to a new purchase.

**Expert Tip 17**

Building smart trays from the start helps avoid the need to flash sterilize instruments. By keeping the selection and quantity to a minimum, you can use the base tray as a test to determine what needs to be added and what can be removed. Maintain instrument stock at a volume that anticipates days with high amounts of cases.

**Expert Tip 18**

Market the benefits of high-level sterilization to surgeons and patients as a means of competitively differentiating your facility from others.

**Expert Tip 19**

Rightsizing your existing trays allows for fast processing time, less work and lower cost. Carefully list all items in a tray, have a scrub tech track use for each item, and create new set lists, when appropriate. Surgeons should review all updated trays, and unused items should be removed. Only add to a tray when you are sure the instrument will be utilized in the majority of cases.

**Expert Tip 20**

Create and maintain a detailed list of instruments in an electronic format, such as Excel. Include a complete instrument inventory, including specifics such as tray details and peel pack items.

*Source: Rob Edelstein, president, Millennium Surgical Corp.*