

Materials Management

FUNCTIONALITY BRIEF



The Materials Management application in MEDITECH's Supply Chain Management solution helps users in a single- or multi-facility healthcare organization manage inventory, supplies, and equipment across departments and facilities. For improved daily workflow, Materials Management includes customizable roles-based desktops that facilitate purchase and receipt of supplies and equipment; assist with analyzing supply usage; help manage equipment maintenance; and maintain vendor contract details. Using ANSI X12 transaction sets, you will also be able to procure the best prices for supplies, as well as order and track those supplies. Materials Management provides your organization with the tools to achieve optimal stock levels to avoid stock-outs and overstocking, as well as increase cash flow through improved turnover.

Streamline Workflow through Roles-based Desktops

To help streamline workflow and increase efficiency, Materials Management includes roles-based desktops and automated routines that enable staff to view and sort daily task lists as well as drill down into report details. Standard desktops are available for Purchasing, Requisitioning, Item and Stock Processing, Equipment Management, and Financial Management, and provide your staff with:

- Centralized access to all of their most commonly used routines.
- Real-time reports on stock levels and item inquiries.
- Single screen review of purchase orders and their statuses.

Order and Receive Items with Greater Accuracy and Efficiency

Consolidated purchase order entry empowers purchasing staff by allowing them to quickly approve and send orders for quicker turnaround times. Features include user-defined templates for non-stock requisitions, automated routines to create purchase orders from requisitions, and the ability to create purchase orders from inventory levels. Materials Management combines all orders for a single vendor into one purchase order, while still designating separate shipping locations upon receipt. Procurement features allow staff to:

- View current items on purchase orders to prevent overstock.
- Establish four levels of verification based on user and price.
- Accommodate consignment purchases.
- Create organization-defined purchase order numbers.
- Add free text notes and instructions to purchase orders, receipts, or both.
- Capture additional non-standard information using customer-defined screens.
- Receive recommendations for order quantity based on current stock levels.

Based on receiving instructions, receivers have the option to accept the entire purchase order, accept all but selected lines, or accept only selected lines.

Maintain Sufficient Supply Levels across Multiple User-defined Inventories

Users can place ordered items into an unlimited number of user-defined inventories for organizational distribution and order for specific patients from a one-stop report. They can also view all stocked inventories and perform real-time stock functions, such as transfer, return, and adjust. Functionality includes:

- Identification of inventoried items by their item or stock numbers, descriptions, or colloquial or partial names — including any combination of words in the item description, in any order.
- Inventory valuation using Average Cost, First In/First Out, or Last In/First Out methods.
- Online inquiries, which display real-time information on receipts, issues, returns, adjustments, transfers, purchase order histories, or current inventory breakdowns.
- Identification and management of critical inventory items.
- Use of barcode readers to process and decrement supplies issued to patients and departments.
- Alerts for those items falling below PAR level and requiring reorder.

Review Requisitions, Purchase Orders, and Supplies through Robust Reporting

Materials Management includes a large selection of standard reports to help your organization analyze and track your purchases, supplies, and vendor performance. Some of the standard reports include:

- Online inquiry of any purchase order, in either summary or detail format.
- Single inquiry viewing of receipt and purchase order information.
- A worklist of all purchase orders not verified, as well as receipt/invoice discrepancies.
- Online inquiry of the current receipt status for any purchase requisition.
- Requisition lists provided in summary and detail formats by number or department.
- An Item Dictionary audit trail.
- Real-time inquiry of stock and items.

Purchase and Track Orders with e-Commerce

Materials Management provides access to a global marketplace of suppliers using ANSI X12 transaction sets. Our e-Commerce solution helps your organization to procure the best prices for supplies, as well as order and track those supplies in a paperless environment. MEDITECH supports the following EDI transaction sets:

- Electronic Price Catalog Update (832): Enables buyers to pull in large item cost update files from multiple vendors and facilities, review old and new pricing, and either mass-approve or line-by-line approve the item's new price, which can then update the Item Master.
- Send Purchase Order (850): Supports the electronic transmission of purchase orders.
- Purchase Order Acknowledgement (855): Validates vendor receipt of PO information, and lets purchasers confirm prices and make price changes directly to the PO line and/or to the Item Master file.
- Advanced Ship Notice (856): Informs sites of delivery intentions and automates the receipt process by allowing receivers to import an electronic packing list into the system, which upon request, populates the receiving screen.
- Electronic Invoice (810): Supports retrieval, auto-match, and transfer of a batch of 810s to Accounts Payable to ensure invoices are for valid POs in your system, and only apply to the items ordered. The software also prevents duplicate invoices and alerts users of substitute lower cost items invoiced at the ordered price.

- Electronic Funds Transfer (820): Automates the payment process through electronic funds transfer of vendor payments. NACHA format is also available.

Purchasing departments can also send standard protocol transaction sets using the Internet (FTP), traditional phone lines, and other third-party software packages.

Manage Equipment Usage and Maintenance

Our Equipment Management feature allows staff to easily schedule preventative maintenance on all pieces of equipment in your organization as well as view vital information, such as location, manufacturer, warranty expiration dates, and average use. An Equipment Management Desktop provides staff with the ability to:

- View detailed work orders, including descriptions, type, priority, and status.
- Evaluate purchase contracts to see expiration dates, statuses, and any additional notes.
- Run reports for equipment usage, preventative maintenance schedules, and work order details.

Evaluate Supply Chain Data using Business and Clinical Analytics

MEDITECH's Business and Clinical Analytics solution features several standard Supply Chain Management dashboard views designed for your organization's executives, operations directors and analysts, department directors, and practice managers. Using these interactive dashboards, you can assess key performance indicators for Supply Chain data – such as inventory, stock out rate, closing balance, and adjustments. By comparing and trending values to prior periods, you will be able to identify any operational inefficiencies, and make the appropriate adjustments to improve the efficiency and effectiveness of your inventory management processes. Additional user-defined dashboard views can also be created using the self-service analytics tool, Visual Insight, available within Business and Clinical Analytics.

Recognize the Benefits of Integration

Materials Management is a fully integrated component of MEDITECH Expanse, providing features and benefits to increase your organization's efficiency and introduce money saving options. Integration benefits include:

- Communication of patient issues and charges to Revenue Cycle, including support for HCPCS to simplify Medicare, Medicaid, and other insurance claims.
- Integration with General Ledger for departmental expensing and inventory valuation.
- The ability to assign different vendors and GL account numbers to specific purchasing facilities.
- The ability to send asset tag/serial numbers for all purchase order types to Fixed Assets for tracking.
- Invoice to purchase order matching to reduce payment errors and turnaround.
- Shared Vendor and Item Master dictionaries with Accounts Payable.
- Drill-down capability from General Ledger to view purchase order and invoice details.
- Additional levels of Supply Chain data analysis through Business and Clinical Analytics dashboards.

For more information, contact a MEDITECH Marketing Consultant.