

Ross Memorial Hospital Pharmacy Services

Evidence for Purchasing/Inventory Technician Business Case

The Opportunity – Last June a business case to add a full time Pharmacy Technician for purchasing and inventory control was accepted by the VP of Finance and the VP of Patient Care, pending evidence that drug cost savings targets could be met. The data is now available to demonstrate a projected \$130,000 per year savings as a result of the efforts of the Pharmacy Purchasing and Inventory Lead Hand.

Proposal – This position is currently funded by using unspent pharmacist dollars. In order to restore this pharmacist funding, we must transfer 0.25 FTE from Purchasing to Pharmacy this fiscal year (effective November 1, 2007) and add a further 0.75 FTE for the next fiscal year (2008/09).

New Practice	Savings/Year	Evidence
Expired stock credits	\$30,000	\$23,537.49 received Mar 31/07 to Sept 30/07; must be returned within 6 mos for credit
TNK returns	\$2,500	\$1, 330 received in since Mar 31/07
Decreased carrying charges by decreasing inventory by \$120,000	\$7,200	Pharmacy Inventory was decreased by \$122,200 from Sept 2006 to Sept 2007. It will be further decreased in value by contract adherence.
Contract adherence	\$80,000	An audit of 27 selected line items demonstrated that \$45,368.41 was spent in excess by not adhering to Healthpro contracts over a 1 year period.
Rebates	\$20,000	\$11,502,25 in rebates received Mar 31/07 to Sept 30/07.
TOTAL	\$139,700	

Director of Pharmacy
October 16, 2007