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Today's HR Challenge

Developing a training strategy
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Warehouse management

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> **Also:** *How RFID is changing health care*

RFID in the E.R.

Radio frequency I.D. tags offer unique solutions to logistics challenges in the health care sector.

BY NICOLAS HIEN



Whether in Canada, the U.S. or other developed countries, the health care system represents one of the cornerstones of modern society because of its economic, social, and political importance.

At the same time, however, as public expenditures continue to increase, the level of service in this important sector has tended to stagnate and even deteriorate.

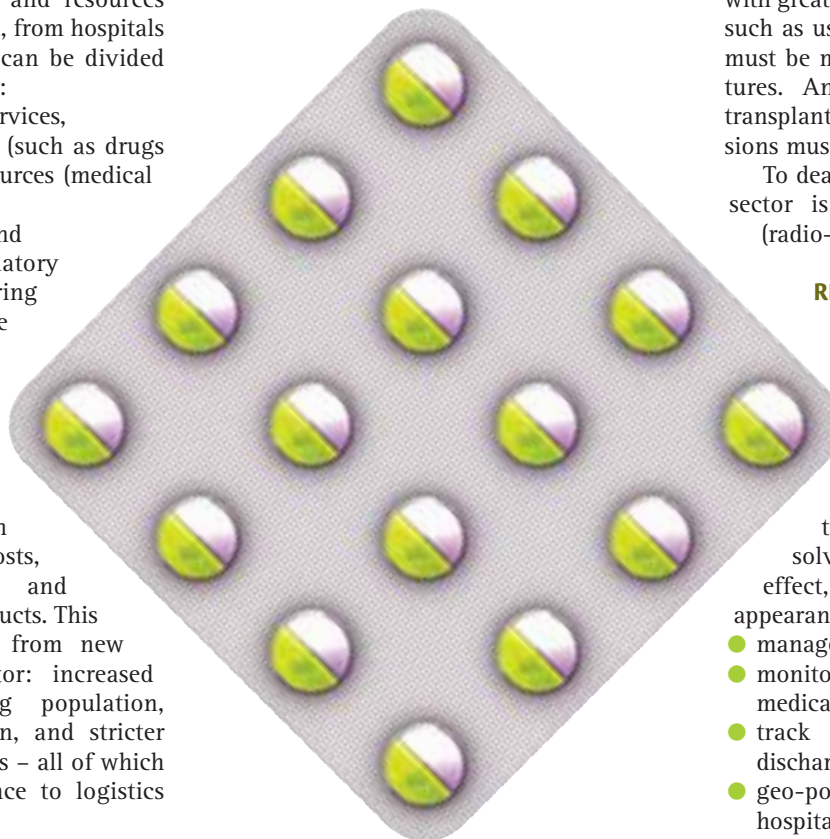
As cost efficiency becomes more critical to the health care system, it is inevitable that administrators will start to take a good, hard look at logistics costs – estimated by some studies to make up as much as 45% of the costs of health care institutions.

The health sector – including all of the institutions, organizations, and resources involved in the medical field, from hospitals to clinics to pharmacies – can be divided into four essential functions:

- delivery of health care services,
- management of supplies (such as drugs and equipment) and resources (medical personnel),
- financial management, and
- political and regulatory administration. Considering these functions, adequate logistics is vital to the achievement of sector objectives.

Long considered a necessary evil, logistics is now seen in the health sector as a golden opportunity for reducing costs, improving processes, and increasing control over products. This change in attitude stems from new pressures facing the sector: increased demand from an aging population, omnipresence of legislation, and stricter controls on medical products – all of which have given new significance to logistics solutions.

The first challenge is undoubtedly the traceability of the different actors and



products throughout the supply chain. For example, to deal with the influx of counterfeit drug products (now constituting 10 per cent of the drug sales market according to the U.S. Food and Drug Administration), American government authorities have adopted regulations obliging organizations to track drugs. And, going beyond the new pharmaceutical regulations, health care organizations must also be able to trace patients through their treatments, as well as medical personnel in controlled access areas.

Another constant challenge for the health sector is the minimizing the risk of contamination. For example, work garments in hospitals and clinics need to be handled with great caution, as do hazardous products such as used syringes. Many drug products must be maintained at controlled temperatures. And organs being preserved for transplants, and bags of blood for transfusions must be carefully stored.

To deal with such challenges, the health sector is turning increasingly to RFID (radio-frequency identification).

RFID APPLICATIONS

RFID can be defined as a means of storing and retrieving data remotely, using tags that can be stuck on objects or even planted on (or implanted in) living beings. As a result, many traceability challenges, can be solved with RFID technology. In effect, RFID is slowly making an appearance in hospitals to:

- manage inventory of medical supplies;
- monitor patients by integrating tags with medical equipment;
- track patients from admission to discharge;
- geo-position personnel within the hospital;
- locate medical equipment; and
- track bags of blood.

Long considered a necessary evil, today logistics is seen in the health sector as an opportunity to reduce costs, improve processes, and increase levels of control.

In the area of drug tracking, from the supplier to point of sale, RFID can help pinpoint location, monitor temperatures, and track expiration dates.



A recent study of the research and development institute of the Canadian Defence Department has shown that the implementation of RFID technology in health care institutions has made it possible to increase the level of treatment security, prevent identity theft, decrease costs and reduce activities without added value. Specifically, the report shows that RFID reduced errors, improved service provided to patients, reduced the time required to locate equipment and personnel, maximized the use of equipment, improved inventory management, and prevented counterfeit drugs from entering the system.

In addition, the report mentions that the technology should also be deployed for the management of "incidents with massive losses" in order to increase the effectiveness of the dispatching of patients to hospitals and their transport.

Can RFID solve all the troubles of our embattled health care system? Of course not, but it is an increasingly viable option for managing its logistics challenges. ■

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