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# Proactive freight management helps put the brakes on high shipping costs

*by Julie E. Williamson*

In today's budget-conscious healthcare environment, it stands to reason that organizations are digging deeper to drive bigger savings. While focusing on high-dollar expenditures is certainly a valid cost-cutting approach, hospitals and integrated delivery networks that are willing to shift their attention to less obvious expenses will find their efforts paying big dividends.

One often overlooked savings opportunity lies in freight management. Historically, many facilities have paid little or no attention to the costs associated with shipping inbound and outbound goods, and as a result, have likely been paying more than necessary for the service, sources told *Healthcare Purchasing News.*

### Steering the process

Organizations committed to milking more value out of their freight process must decide whether they want to manage the function with the help of a third party logistics solutions provider.

Most would agree that targeting freight expenses in an organization-wide cost-cutting initiative isn't exactly an easy undertaking fo material managers. For starters, shipping and handling charges are frequently absent as a line item on invoices received from suppl those fees are embedded into the cost of the item), and it takes time and patience to go to each vendor or supplier to determine the and handling costs. Visit a material manager's office at any time and it becomes clear that time isn't exactly their most abundant re

For those reasons, among others, a growing number of hospitals and IDNs are seeking the services of a dedicated freight managem provider that can streamline the entire shipping and receiving process, deliver both short- and long-term savings organization-wide material managers to focus their attention on their core responsibilities.

### Shifting into high gear

Freight management experts are quick to point out that hospitals shouldn't just be setting their sights on aggregated volumes and th

proprietary shipping discounts their logistics partners provide. While those certainly are important benefits, and can garner nearly i savings, the best logistics partners are those that also provide service level and channel optimization, and flexible, customized solu their customers maximize productivity and efficiency in both the short- and long-term.

Staff training and organization-wide goal alignment plays a vital role. Because of the often urgent nature of healthcare delivery, sta inclined to select costly rush or priority shipping – even for items that could have been received in time under a less expensive ship For that reason, choosing a freight management partner that can assist with channel optimization is critical.

Of course, freight management solutions that provide instant shipping and receiving visibility, and quality controls, to allow mater to perform their jobs more efficiently are also garnering attention. UPS' QuantumView desktop application, for example, gives at a visibility into every shipment coming in to the facility through the carrier. Facilities can push their freight management capabilities through the implementation of UPS' Delivery Link and Trackpad solutions. With Delivery Link, any time a package is delivered t the driver's electronic clipboard (DIAD or Delivery Information Acquisition Device) that contains all the electronic information ab shipment can be connected and downloaded directly to the receiving dock's computer. If a hospital chooses to do so, that informat be downloaded onto a handheld Trackpad, so material managers and any other individual in charge of delivering items throughout can have an electronic record of the time and location of the delivery, as well as the name of the person who ultimately received it.

## Innovative transport solutions turn up heat on thermal shipping

In healthcare, freight shipments can truly be a matter of life and death – and there's no better example than when transporting blood, tissue, organs, vaccines, or any other pe products that require reliable thermal control.

In the past, healthcare organizations primarily relied on ice and inadequate insulation, such as Styrofoam, to protect shipping contents, and even then, there was no guarantee thermal qualities would be sufficient to preserve the precious cargo for an extended period of time. As a result, hospitals would have little option other than to rush-ship the p costly approach that still gave no iron-clad guarantee of adequate thermal protection.

Today, there are far better shipping solutions for perishable items. Thanks to innovative designs from Minnesota Thermal Science LLC, for example, contents can be effecti consistently preserved for longer durations, which helps ensure the safety and quality, while also cutting down on high shipping costs.

The Plymouth, MN-based company — which was founded in response to an industry-wide search by the Walter Reed Army Institute of Research for a more effective comba thermal container (existing solutions had failed to keep critical blood supplies safe for extended periods in extreme environments of the middle east) — has since become a r leader in the cold-chain industry. Minnesota Thermal Science offers solutions that can protect temperature-sensitive products from minus 50 to 22 degrees Celsius. Their pat pending designs feature a durable, reusable exterior packaging component and a Thermal Isolation Chamber (TIC) surrounded by Phase Change Material (PCM) that is cust the required temperature range. Vacuum Insulation Panels form a continuous barrier on all sides, which also helps ensure passive thermal control.

Unlike less reliable biologic transport options – such as an ice-filled cooler that can have a 20-25 degree temperature delta throughout the package, depending upon the level exposure that takes place during transport – MTS' newly-launched Credo Series solutions are designed to keep temperature consistent through the entire payload area. The C 50M, for example, will hold payloads at -50 degrees Celsius for three days, and the container will still be below -18 degrees after five days, which is still a viable temperatur frozen medical items, according to Karl Schlenker, vice president of Minnesota Thermal Science.

"All you have to do is open the lid, drop the TIC in, put the [perishable products] in, close it and ship it," said Schlenker, adding that because no other material, such as ice, i customers only pay to ship the payload.

Recently, MTS began collaborating with Igloo Products to retrofit their coolers, which are often used to transport life-saving blood products, tissue and organs to the OR and care areas of the hospital, with MTS' vacuum insulated panels.

Also helping healthcare organizations maximize their return on investment is the fact that MTS' shipping solutions are reusable, recyclable and environmentally-friendly. Cu expect between four to ten shipment before the corrugated outer shipping component breaks down, and the vacuum insulated panels will perform up to specification for two (compared to an average of three to six months for conventional ones). The thermal isolation chamber, which contains the phase change material, is warranted for five years.

"When you're able to combine a reusable shipping product with technology that allows for consistent thermal control of contents for an extended period of time, that's going significant and positive impact on [the bottom line]," noted Schlenker.