

Memo

To: DHB BOARD

From: Nigel Trainor, General Manager Finance, IT & Commercial

Date: 13 January 2012

Re: **Efficiency & Savings**

This report on procurement savings is completed each month and submitted to Health benefits Ltd.

HEALTH PROCUREMENT & NON PROCUREMENT SAVINGS REPORT FOR : Dec / 2011							
Collaborative: Southern_Region		South Canterbury DHB					
Submitted By: <i>Derek Cooper</i>		Health Benefits: Please enter your name here.		31-Dec-11			
Savings Category ²	Description of Savings	Savings Achieved this Month ³	Annualised Savings Achieved this Month	Savings source: Collaborative or Individual ⁴	Cumulative Savings YTD ⁵	Projected Year End Savings (regardless of reporting date) ⁶	Comments
Baseline							NB Exclude national oral health care contract reporting
Unit cost	Consumables/Services	\$ 58,195	\$ -		\$ 345,834	\$ 695,003	
Capital		\$ -	\$ -		\$ -	\$ -	
Rebates/Volume Price Breaks	Consumables/Services	\$ -	\$ -		\$ 3,911	\$ 3,911	
"Free of charge" product		\$ -	\$ -		\$ -	\$ -	
Inventory		\$ -	\$ -		\$ -	\$ -	
Other (Reduces the overall operating cost)		\$ -	\$ -		\$ -	\$ -	
Baseline Total		\$ 58,195	\$ -		\$ 349,745	\$ 698,914	
Value Added		\$ -	\$ -		\$ -	\$ -	
Value Added Total		\$ -	\$ -		\$ -	\$ -	
Procurement Other							
Cash Releasing & Other Savings		\$ -	\$ -		\$ 4,610	\$ 4,610	
Cost Avoided		\$ -	\$ -		\$ -	\$ -	
Savings Opportunities		\$ -	\$ -		\$ -	\$ -	
Non Procurement							
Ineligible Patients		\$ -	\$ -		\$ -	\$ -	
Other		\$ -	\$ -		\$ -	\$ -	
Procurement Other & Non Procurement Total		\$ -	\$ -		\$ 4,610	\$ 4,610	
Savings Grand Total		\$ 58,195	\$ -		\$ 354,355	\$ 703,524	

This month has not seen any additional savings added to the report, however National Agreements for orthopaedic supplies is close to being rolled out by HBL and in January the Wireless contracts were agreed to .

Recommendation

That the Board:

- **Receives** this report
- **Endorses** year to date savings of \$354,355

NIGEL TRAINOR

Health Procurement savings Report December 2011

Month	Items	Manager	National/	Annual Savings	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	CPI/ Adj	YTD
Baseline - Unit Cost												
1/10/2011	SI Over-Arching Product Supply Medical Consumables	Commercial Manager	Regional	12752				1063	1064	1065	169	3360
1/07/2011	Medlab Contract	Commercial Manager	Regional	209000	17417	17417	17417	17417	17417	17417	5530	110030
1/07/2011	J&J Price Contract	Commercial Manager	Regional	4000	333	333	333	333	333	333	106	2106
1/06/2011	Laundry Chemicals Contract	Commercial Manager	Local	133445	11120	11120	11120	11120	11120	11120	3531	70254
1/06/2011	Printing contract	Commercial Manager	Collective	15147	1262	1262	1262	1262	1262	1262	401	7974
1/01/2011	Paper Dispenser change	Commercial Manager	Collective	17021	1418	1418	1418	1418	1418	1418	450	8961
13/09/2010	NZ Ostomy & Continence Tender	Commercial Manager	Collective	13636	1136	1136	1136	1136	1136	1136	361	7179
1/07/2010	Wound care	Commercial Manager	Local	24960	2080	2080	2080	2080	2080	2080	660	13140
1/07/2010	Stationery	Commercial Manager	Local	1092	91	91	91	91	91	91	29	575
1/07/2010	Sutures, Endo, Hygine	Commercial Manager	Local	23052	1921	1921	1921	1921	1921	1921	610	12136
1/07/2010	Inventory Reduction	Commercial Manager	Local	26172	2181	2181	2181	2181	2181	2181	693	13779
1/07/2010	Southern Alliance	Commercial Manager	Collective	89000	7417	7417	7417	7417	7417	7417	2355	46855
1/07/2010	Telecommunications	Commercial Manager	Local	24000	2000	2000	2000	2000	2000	2000	635	12635
1/07/2010	Contract Renewal	Commercial Manager	Local	69996	5833	5833	5833	5833	5833	5833	1852	36850
Sub Total				663273	54210	54210	54210	55273	55274	55275	17383	345834
Baseline - Rebates/Volume Price												
1/08/2011	Phonak Rebate Apr - Jun 2011	Secondary Services	Local	3911		3910.74	0	0	0	0		3911
												0
												0
Other - Cash Releasing & Other												
17/08/2010	Cardboard & Shrinkrap contract	Commercial Manager	Local	4610	384	384	384	384	384	384	2310	4610
Capital - Cost Avoided												
												0
Total Savings Reported				671794	54594	58505	54594	55657	55658	55659	19693	354355