The LUM Project

A New Medical-Surgical Supply Distribution Model
What is LUM?

- Logical Unit of Measure (LUM) is an alternate supply distribution model
- MS staff will continue to inventory PAR supply rooms with handheld devices
  - The counts on those devices are used to create POs to Owens & Minor (O&M)
  - O&M picks and packs the orders
  - Orders are delivered and the product put away at the respective UH units
- This enables us to tap into distributor’s greater inventory and national distribution sites
- A reduced inventory remains in the UH B2 Warehouse for urgent needs
- Disaster plans have been developed
Why a New Distribution Model?

The Vision
To create and implement a more efficient and service-oriented method for medical product distribution at the University of Michigan Health System

Why is this needed?
- It provides a leaner business model
- $1.8 M in inventory is reduced by $1.1 M

Other objectives
- Improve fill rates (currently +98%)
- Ensure transparency
- Implement process improvements
Current Bulk Process

• Consolidated orders are placed with the vendor
• Product is delivered & entered into the B2 Warehouse inventory
• Product is removed from inventory to fill individual unit needs
• Individual orders are placed with the vendor for each unit’s needs
• Product is delivered & taken directly to the unit
The LUM system is a collaborative effort between various groups to efficiently obtain and deliver medical-surgical supplies to UH units. Ultimately, it is to assure that medical-surgical supplies are available for our patients when needed.
LUM will be phased in over the next two years

Phase 1A: October – December 2009
  - **Units:** ED, UH and Mott Pharmacy, UMH 8B and UMH 7A, and 7 Mott-Pediatric

Phase 1B: January – June 2010
  - **Units:** All Inpatient and Observation areas in CVC, Taubman, UH and Mott/ MCHC not completed in Phase1A
Phase 2 will take place summer and fall 2010

- **Units:** All specialty areas and clinics in UMH, Mott/ MCHC/ CVC/ CC/ Taubman/ and Med Inn

Phase 3 will take place winter and spring 2011

- **Units:** All Ambulatory Care clinics and other off-site Custom Requisition (CRQ) customers
Questions?

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