

Healthcare Services and Need of Supply Chain Management in India: An Overview

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Abstract

Purpose– This paper tries to elaborate the need of Supply Chain Management in the area of Healthcare services. Health care organisations have recognized the importance of supply chain management practices and are adopting the techniques, methods for improvement.

Design/methodology/approach – This paper adopted an exploratory, qualitative approach based on an analysis of existing literature in the area of Supply Chain Management in Health Services.

Findings – Improvement can be established by transforming knowledge on continuous integration practices, lead time control, and the usage of information technology from an industrial setting to a health care setting. Relationships within the organizations and stakeholders plays important role in successful implementation of Supply Chain Management in a health care setting are defined. Additionally, it is concluded that next to studies with a mono-disciplinary focus, an interdisciplinary focus on Supply Chain Management issues in health services seems to be necessary.

Originality/value – This paper contributes to both the supply chain management literature and literature in the area of healthcare management by identifying some important research areas, which are linked to both fields. This paper helps both academics and managers to gain a better understanding of the complexity of supply chain management in health services.

Keywords: Health services, Research, Supply chain management, Literature, Health care

Introduction

The health care sector has experienced a radical change during the last decade. There is a large change in the focus of service delivered by hospitals due to the increasing influence of patient-associations. This change in the healthcare service system generated a necessity to deliver health services in a more effective and efficient manner. Many health care organisations have started projects in the area of patient logistics, clinical pathways, data interchange and vertical integration¹. The area of health service operations from a theoretical as well as a practical point of view has reformed considerably. A remarkable number of studies are published from different disciplines like economics, organisational behaviour and logistics, which have given new insights towards knowledge regarding the health care sector²⁻⁶. The health care sector still seems to be disintegrated from a supply chain management perspective. Many health care organisations have recognized the importance of supply chain management practices and are adopting the techniques, methods for improvement. Organisations are facing problems while implementing, integrating, planning and establishing partnership relationships with patients when adopting a supply chain management philosophy. The purpose of this article is to review the papers, which have been carefully selected to understand the emerging field of supply chain management in the context of healthcare services. To understand the need of Supply Chain Management (SCM) in healthcare services we need to understand and study today's scenario regarding both the fields.

Health care operations from a supply chain management perspective:

Supply chain management (SCM) is the flow of goods and services. It involves the active streamlining of a business's supply-side activities to maximize customer value and satisfaction. SCM implements supply chains that are as efficient and economical as far as possible. Supply chains have existed since ages, but most companies have recently paid attention to them as a value-add to their operations. SCM is highly effective in manufacturing units/ organizations and proved more beneficial. SCM is getting a new recognition in the field of Healthcare services since the last few years.

Healthcare has become India's one of the largest sectors - both in terms of revenue and employment. India is considered the economic sector for healthcare services in comparison to Western countries. This has given rise to medical tourism and increased burden of supplies of medicines, proper patient care facilities and management of all. Supply chain management in healthcare is a very complex and fragmented process. It involves various steps like obtaining resources, managing supplies, and delivering goods and services to patients. Healthcare supply chain management is unique because stakeholders have their own interests to protect.

Considerable amount of studies has emphasized the importance of supply chain management for companies in the last decade⁷. Core issues of implementation of SCM are relationships like trust between the Healthcare organizations, stakeholders and patients. Studies have suggested that many potential barriers relating to trust need to be levelled when implementing supply chain partnering^{8, 9}. SCM phenomenon is therefore, closely linked to issues of collaboration, trust and the relationship atmosphere.

Information and communication technologies nowadays play a significant role in improving healthcare supply chains¹⁰. SCM practices in healthcare services are not only related to physical goods like drugs, medical devices, etc., but also towards the flow of patients². In Operations and SCM, the area of patient logistics is an emerging field. Within the patient logistics area, emphasis is on improving performance through integrated healthcare supply chains.

However, how this integration can be best achieved is still a question. Intensive co-ordination and integration between operational processes might lead to a better health supply chain performance. Greater integration within the health care sector necessitates a shift in strategy, structure and control mechanisms.

Overview of the article

For this article 12 papers were selected after an intensive review of each paper. Meijboom *et al* discusses how supply chain management practices can be used to solve organisational problems that occur in situations that are complex because the treatment of patients requires input from multiple health care providers. Organisational problems can be addressed as problems related to communication, patient safety, waiting times and integration of all. They conclude that performance improvement can be established by transforming knowledge on continuous integration practices, lead time control, and the usage of information technology from an industrial setting to a health care setting¹¹. According to Aronsson *et al* supply chain management philosophy for healthcare sector is to handle unique processes in a structured and a flexible way.

Clearly, modelling patient flows and applying supply chain management concepts in a health care is important for future research in the area of supply chain management in health services.

Summary and conclusions

The collection of papers explore the complexity of supply chain management in health services which demands more and intense research work. The role information technology in supporting the management and control of supply chain practices needs to be further explored. To address the enablers and barriers when implementing information technology in a health service more research seems to be essential. Establishing supply chain management relationships both within as well as between different health service providers is the need of the hour. This will increase the influence of power and interest relationships between the stakeholders during the process of adopting, shaping and implementing supply chain management relationships. In depth studies of strengths and weakness of management philosophies to be conducted.

Due to the complexity of concepts like “quality of care” performance measurements in a health care setting seems to be more complicated.

It can be concluded that with a mono- disciplinary focus, an interdisciplinary focus on supply chain management issues in health services studies seems to be necessary. The complexity of the questions as well as the multi- dimensional scope of the problems requires knowledge from different disciplines.

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