New Service Creates Needed Marketplace for Hospitals to Buy and Sell Excess Inventory

MDLMedical.com

There is a new solution of materials managers dealing with excess inventory. MDLMedical.com is a members-only, on-line exchange that helps hospitals and surgical centers buy and sell unused, new medical devices and implants; purchase needed inventory at market-determined prices and recover some of the costs of their idle surgical inventory.

“The average hospital has between $500,000 and $1 million tied up in inventory that doesn’t heal patients; doesn’t meet the current needs of their surgeons and does do serious damage to the hospital’s bottom line,” says Carl Hillegass, a founding partner in Medical Device Logistics, LLC. “And that’s only part of the problem. Carrying that much surplus can cost an institution up to 40 percent of its original purchase price.”

MDLMedical.com is a members-only network helps hospitals and surgical centers recoup money from their idle inventory and acquire other hospitals’ excess inventory for market-determined price. It’s an on-line exchange, developed in consultation with material managers, to help member hospitals and surgical centers buy and sell their unused, new medical devices and implants and recover some of the costs of that idle inventory. There is no cost for qualified institutions to join and no initial listing fee. “When I tell materials managers about this they say, ‘why didn’t someone think of this before? We’ve been doing this informally for years with nearby hospitals.’ This just expands their neighborhood by offering an open exchange web-based platform for member hospitals to trade idle inventory countrywide. It uses the power of the web to match one member’s excess inventory with another institution’s needs. Both members win – the seller recovers lost funds and the buyer gets new inventory for a lower price,” says Hillegass.

MDLMedical.com offers an alternative to the current ways of dealing with excess inventory: throwing it away once it expires (the most common solution); donating it to a charitable medical mission; attempting to return it (which is often at a severely reduced amount relative to the cost) or going to a liquidator (which offers a low return). “We created MDLMedical.com so member hospitals could offer these new devices to other hospitals at a fair market rate as determined by the members,” says Hillegass, an 18 year veteran of medical device sales. “During my career in medical device sales, I’d often meet with materials managers in hospitals and surgical centers who really wanted to take advantage of the advances in devices I offered them, but they often couldn’t do so because they had a large stock of existing devices. It became clear that what they needed was an avenue to recover some of the cost of their existing, idle inventory in order to move forward.”

Excess and idle inventory poses a serious threat to cost containment efforts.

Hospitals end up with excess or surplus inventory for a number of reasons: wanting to meet the changing needs of physicians; keeping up with new technology, and carrying a full spectrum of devices in anticipation of patient needs. In addition, manufacturers package devices in specific quantities. Manufacturers sometimes package implants in quantities that a hospital may not fully use in a given year. Those excess implants sit on the shelf and, if they're not used before expiration, they end up in the trash.

MDLMedical.com has already entered a partnership with the Yankee Alliance to serve their 90 member hospitals, as well as several individual New England hospitals. They are already trading on the MDLMedical.com website.

The service makes its official debut at the Association for Healthcare Resource and Materials Management (AAHRM) meeting Aug. 6 to 8 in San Antonio, TX where participants will be able to sign up to activate their accounts and begin trading immediately.

For more information about MDLMedical.com or to activate an account for a hospital or surgical center, go to www.mdlmedical.com [1].

About MDLMedical.com
MDLMedical.com is a members-only, on-line exchange that helps hospitals and surgical centers buy and sell unused, new medical devices and implants; purchase needed inventory at market-determined prices and recover some of the costs of their idle surgical inventory. Members trade only new devices, in their original packaging and ship them to each other with no intervention by non-medical handlers. For more information see www.mdlmedical.com [1]

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