



Healthcare

Solving Service and Cost Issues Together

Healthcare Technology Management

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Executive Summary

Hospitals and healthcare systems can answer the challenge of constant change with a stable cost avoidance strategy. Healthcare Technology Management delivers clear benefits to the bottom line while also improving the patient experience and protecting patient safety.

The keys to locking in these benefits for healthcare systems are outlined in this short paper, and the benefits shown through the successful implementation of HTM for Memorial Healthcare System.

Turn a List of Risks into Opportunities to Protect Operating Margins

Healthcare systems face the constant challenge of change. Effectively and efficiently putting the patient experience first demands strategic answers to complex issues from financial disruption to talent retention.

Every opportunity for stable savings and cost avoidance helps, and Healthcare Technology Management offers unique opportunities to build margin while protecting and improving patient experience. Operational savings from Healthcare Technology Management depend on a holistic approach beyond a narrow focus on equipment service.

A few variables can radically change the cost of owning and operating equipment over a long life cycle, so it is extremely important that HTM departments have a voice in medical equipment purchasing. Influencing those variables as early as possible allows an HTM team to create tremendous value over the entire life cycle of that equipment.

Consider these key variables where the HTM team can make a difference before an equipment selection is made:

- Equipment Standardization enables you to leverage the purchasing power of your organization, your partners, and your HTM provider
- Needs Assessments prevent excessive spending on under-utilized technology
- Service Terms and Conditions can be favorably negotiated with a technical focus on long-term value
- Training and Warranties can be properly compared to in-house and third-party options

Promote HTM to Exercise Efficiency Across Your Organization

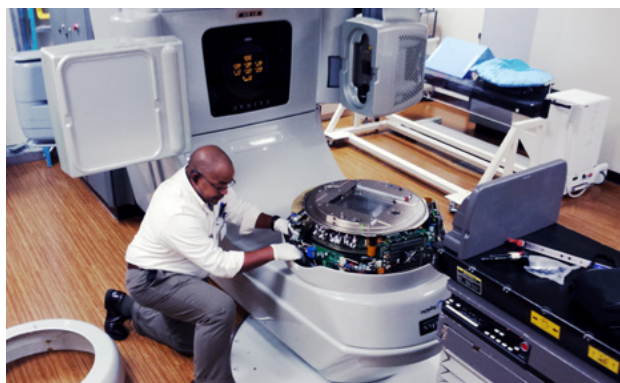
If each clinical department or imaging area has their own maintenance account to manage, effort is being duplicated and resources wasted. Healthcare Technology Management can best manage and negotiate strategies for service when empowered to do so for multiple departments.



Vendors can develop stronger working relations with a central team focused on HTM. It's easier to manage expectations and drill down on procedures or adjustments needed to meet requirements. A central HTM team improves accountability and responsiveness to field reports and is in a better position to help you change the culture of a facility.

Organizational cultures factor into many aspects of HTM, and bringing equipment services in-house raises the expectations of service quality above an OEM service baseline. An HTM department is well-placed to answer those expectations as a part of your team, integrating with and improving a service culture. Best practices that look beyond vendors to industry standard service metrics, productivity, and efficiency help everyone protect and improve the patient experience.

A central HTM department can also help you retain and best utilize specialist expertise. For instance, a field service imaging engineer need not be contained to one facility, where that expertise might be inefficiently used. Expert HTM empowers specialty modalities, for such things as sterilizers and anesthesia equipment, maximizing the benefit of technical expertise for your staff and patients.



Case Study: Healthcare System Starts New HTM



Facing service and cost issues, Memorial Healthcare System needed to change their medical equipment management. Upgrading to an HTM mode would have to help reduce cost and improve service. To achieve these goals, ABM worked with MHS leadership to create a clinical engineering steering committee tasked to oversee implementation of the new program and track performance.

The committee started by collecting concrete data on the current state, building out understanding of service expectations and the impact of equipment uptime, response times, service spending, total cost of ownership, customer service, and strategic planning. With data in hand, ABM and MHS could collaborate on an internal service business plan that could clearly and demonstrably exceed the performance of the current model.

It was crucial that the team build an HTM plan that delivered high-quality service in a financially responsible manner. By focusing on clear outputs, ABM was able to build trust at every level, with end-users, front-line staff, and executive leadership. The CE steering committee focused on identifying milestones and key metrics to measure success for implementation and ongoing management. The committee developed a 5-year plan with a clear outline for manpower projections, equipment transitions, and service level KPIs, with benefits clear to all parties.

To ensure a successful transition from service contracts to an in-house support, an open dialogue with department heads, organizational leaders, and current service providers drove buy-in from the key players needed for such a collaborative effort. Going forward, the newly formed HTM department prioritized relationships with clinical departments to build trust in service.

Specific solutions were spun up for detailed needs, such as service for imaging equipment glassware and other critical equipment components. For instance, new glassware purchase and delivery options were negotiated. Meeting these needs efficiently reduced downtime and costs by more than 50%.

Three Clear Advantages of an HTM Partner

1. Unbound by full-service agreements, an HTM department can negotiate options to better meet service escalation needs, holistically manage and improve response time, and efficiently prioritize services based on criticality or importance set by hospital leadership.
2. The delays inherent in first-look contracts or shared agreements can be avoided. A first-look contract may provide a little discount on a full-service contract, but it increases downtime. HTM reduces process and avoids cost with a more holistic approach to financials.
3. Volatility in healthcare is a given, especially in technology. An HTM department is positioned to keep your organization proactive, avoiding the cost and risk of reactive strategy, and keeping solutions focused on protecting and improving the patient experience.



Conclusion

If you think about how much revenue is needed for even a small margin in healthcare businesses today, the ratio between actual revenue and the margin that revenue generates might be 20 to 1. If an HTM department can save \$4 million in operational costs, that's the equivalent impact of \$80 million dollars in revenue. Talk to a provider with the experience and capability to help you improve clinical quality and patient experience scores while delivering meaningful, stable cost avoidance.

About ABM

ABM (NYSE: ABM) is a leading provider of facility services in the United States and various international locations. ABM's comprehensive capabilities include janitorial, electrical & lighting, energy solutions, facilities engineering, HVAC & mechanical, landscape & turf, mission critical solutions and parking, provided through stand-alone or integrated solutions. ABM provides custom facility solutions in urban, suburban and rural areas to properties of all sizes - from schools and commercial buildings to hospitals, data centers, manufacturing plants and airports. ABM Industries Incorporated, which operates through its subsidiaries, was founded in 1909. For more information, visit ABM.com.



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