

St. Peter's Hospital Reduces Overall Biomedical Department Costs by 20 Percent through Effective Service Maintenance of Assets

St. Peter's Hospital, Helena, Montana

In less than a decade, the number of assets per bed in hospitals has increased by about 70 percent. This means that a hospital's In House Clinical Services staff is responsible for tracking, maintaining and managing more assets now than ever before. Often overlooked however, are the service costs associated with maintaining these assets. After all, high-quality patient care requires equipment that functions to the manufacturer's specifications, so equipment servicing and maintenance are necessary costs of doing business in healthcare.

While the increased use of technology may help healthcare organizations provide better care to their patients, the increased number of assets also

presents a management and budget challenge for hospitals. As asset management costs continue to rise, revenue from patient care remains relatively flat, creating a discrepancy on hospital balance sheets.

In order to address this budget mismatch, and to ensure the highest return on investment, organizations like St. Peter's Hospital in Helena, Montana, have partnered with GE Healthcare's Services and Asset Management teams to find new ways to effectively and efficiently manage service maintenance on critical assets. Beyond essential maintenance and support, GE provides services to streamline processes, manage expenses, and promote productivity.



The Organization

St. Peter's Hospital is a sole provider, not-for-profit, licensed 123-bed facility. It provides healthcare services to an estimated 97,000 residents in and around Helena, Montana. The hospital employs approximately 1,180 staff members, including 110 physicians that represent about 30 different specialties, with significant strength in the primary care specialty areas.

"Like most hospitals, we wanted to be able to plan ahead so that we could allocate resources appropriately when it comes to the service, maintenance and purchasing of equipment for the hospital. We engaged with GE to provide an overall Cost and Service Structure assessment of the program for both our biomedical and radiology departments because we often did not have a clear picture of our service maintenance costs. As result, we could not accurately quantify the anticipated costs per month per department."

— Thom Kimbel, St. Peter's
Materials Management Director

Assessing Service Maintenance Assets

GE Healthcare conducted a Cost and Service Structure (CS&S) for St. Peter's, which provides an unbiased analysis of a hospital's service program and compares it against industry benchmarks and best practices. The comprehensive process includes interviews with senior leaders and close reviews of cost structure, capital planning, service team skill and responsiveness, and quality. The CS&S investigated current operations and sought strategic places for the hospital to improve efficiencies and cut costs.

The analysis found that St. Peter's had operational and service costs that were much higher than the industry average. In fact, the annual service costs per bed were averaging more than \$10,000—about 70 percent higher than the industry average.

There was also limited information on-hand to drive and support capital purchase decisions and lifecycle management, meaning department heads had no way to manage resources efficiently. The hospital also had high equipment inventories with low utilization rates, which created a perceived availability issue for some pieces of equipment

and resulted in higher operational and expenditure costs. High overall service costs driven by inefficiently used resources and large volumes of service contracts only compounded the problem.

Simplifying with CompreCare™

Instead of continuing to handle the biomed service function in-house, or trying to coordinate multiple vendors, St. Peter's turned to GE Healthcare's CompreCare™ service program. This solution enables hospitals to outsource the maintenance and management of all clinical engineering services. GE's scale, technology and expertise take the complexity out of managing clinical assets, and eliminate the headache of juggling multiple service contracts, multiple vendors and varying terms and conditions.

The first step was to achieve inventory accuracy. At the start of their engagement with GE, inventory accuracy at St. Peter's was between 50 and 60 percent. This meant the computer system was often not up to date. Retired pieces of equipment were not being deleted and new devices were not added. GE developed a communications process by which hospital staff across the organization can alert the biomed staff to new equipment or old equipment coming out of service. As a result, inventory accuracy has risen to between 95 percent and 100 percent.

Next the team looked for ways to consolidate or eliminate service contracts. It was decided early in the project that some staff would become GE Healthcare employees stationed at St. Peter's, with access to GE Healthcare training and productivity tools. By transitioning these employees to GE, the hospital could take full advantage of GE's scale, technology and expertise, while retaining historical knowledge and familiarity with hospital staff.

With the informatics-driven maintenance program delivered by CompreCare, St. Peter's gained visibility into its entire equipment inventory, as well as real-time data on the age, state and repair history of every asset. These metrics assist the biomed team in turning around repairs quicker, determining the reliability of a particular brand, leading to improved satisfaction among clinicians.

"The customer, who happens to be my former employer, is better serviced now. The biomed expertise St. Peter's has access to now cannot be matched. If I have a question about a new asset, or would like advice on the durability of a technology the hospital is considering acquiring, I simply tap into GE Healthcare's network of 450 modality specialists and more than 1,000 service engineers. I often have multiple answers in short order, providing me with the ability to guide purchasing decisions and more efficiently and effectively service the customer's assets."

— Tadd Schulenberg,
Biomedical Technician, GE Healthcare

"Our experience with GE has been a positive one and I now rely on their team 100 percent," said Kimbel. "GE has provided us with the foundation for better utilization, decision making and cost productivity, while improving uptime and quality. They provide the resources needed to properly manage the lifecycle of our clinical assets enabling our team to focus on providing outstanding patient care."

GE Healthcare helped St. Peter's Hospital achieve a 20 percent biomedical department cost reduction in the first year by quantifying equipment and biomedical department costs while investigating operations and strategic places for the department to improve efficiencies.

GE also helped the hospital implement PDA technology. Now biomed staff is able to use an iPad to fix a device or check in a piece of equipment wherever they are in a facility. This eliminates the need to log jobs and requests on paper, which can be lost and take time. Working in real time allows for more accurate management of inventory.

Improving PM Compliance

Preventative maintenance (PM) compliance rates have a direct impact on patient care. When PM rates are low, it may mean some hospital assets are not meeting required standards which could lead to safety concerns. When St. Peter's first engaged with GE, PM compliance numbers were around 67 percent, but the hospital felt there was room for improvement to ensure the utmost in patient care. GE Healthcare designed a program to help St. Peter's improve its compliance rates, and now the hospital's compliance numbers are regularly averaging at or above 98 percent, an important metric that contributes to patient safety.

About GE Healthcare

GE Healthcare provides transformational medical technologies and services that are shaping a new age of patient care. Our broad expertise in medical imaging and information technologies, medical diagnostics, patient monitoring systems, drug discovery, biopharmaceutical manufacturing technologies, performance improvement and performance solutions services helps our customers to deliver better care to more people around the world at a lower cost. In addition, we partner with healthcare leaders, striving to leverage the global policy change necessary to implement a successful shift to sustainable healthcare systems.

Our "healthymagination" vision for the future invites the world to join us on our journey as we continuously develop innovations focused on reducing costs, increasing access and improving quality around the world. Headquartered in the United Kingdom, GE Healthcare is a unit of General Electric Company (NYSE: GE). Worldwide, GE Healthcare employees are committed to serving healthcare professionals and their patients in more than 100 countries. For more information about GE Healthcare, visit our website at www.gehealthcare.com.

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