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Park Ridge Health Hendersonville, NC



Everything Is Negotiable

Hendersonville, NC, is tucked into the Blue Ridge Mountains, a stunningly beautiful area of western North Carolina. It's a small community with about 15,000 people in Hendersonville and nearby Fletcher, and about 100,000 people in the county. Park Ridge Health is a vibrant hub, critical to the community's health. This full-range health services center encompasses maternity care, emergency, general practice, mental health, and specialties like cancer treatment. Part of Adventist Health System, it is a faith-based hospital, and its services not only look at physical needs—they look at mental, emotional, and spiritual needs as well. This appreciation for the whole person is reflected in overall HCAHPS satisfaction scores at 90%.

SEAMLESS PARTNER RELATIONSHIP

Crothall Healthcare, through its subsidiary BMSI, has been a part of the Park Ridge community since 1999. Rick Padgett, Crothall's Director of Clinical Equipment Services (CES), has been at Park Ridge since March 2000, and he's so ingrained at Park Ridge that people frequently do a double-take when he wears his Crothall shirt.

It's a deep partnership. "Rick is great at the biomed services and keeping things going," said Craig Lindsey, Chief of Nursing for Park Ridge. "If Rick is out, we have a person at Crothall that we can call, not just a number. Our support has been excellent."

Park Ridge has anywhere from \$100,000 to \$500,000 in equipment upgrades and replacements a year, depending

on equipment end-of-life, corporate requirements from Adventist, and wear. Crothall is usually able to save them between \$10,000 and \$20,000 a year on those costs.

Park Ridge, like many hospitals, has a corporate buying program for major equipment. The equipment specifications and the vendor are determined by Adventist Health, but the hospital has some flexibility in how it implements changes. In summer 2010, Adventist sent out a list of required equipment changes for the OR and ICU departments, including replacing all OR patient monitoring systems.

According to Lindsey, the hospital originally planned to begin upgrades in spring 2011 and to try to budget their changes according to their performance in the quarter.

But inspiration was about to strike.

With the OR upgrades, the savings are well over a quarter million dollars.

THE OPERATING ROOM PROJECT

In November 2010, one of the practices in Hendersonville asked Padgett to help price a new defibrillator. Rick asked the vendor about buying a demo unit to get a lower cost. On a hunch, Padgett asked if the vendor had any other demo units for sale, and the salesman said yes, they had twelve units. Park Ridge was already planning to replace their defibrillators. Buying demo units from the approved vendor gave them an additional 40% discount, after their corporate discounted price. Those twelve defibrillators cost \$46,000—versus a normal cost of \$119,000.

That gave Padgett an idea. “We decided to check on monitors that were available in demo units,” he said. “We’d get what we could in demo units and then buy the rest as normal.”

Adventist’s new standards required that the patient monitors be able to support an anesthesia reporting module that would tie automatically into the patient charts. There were five models from their vendor that fit the specs—and demo models were available. In fact, Padgett found a nicer model available than they’d originally planned to get. “We got a better selection of monitor that was a better product, offers more capabilities, and for far less money.”

That opportunity was golden to Park Ridge. “We’re going to add value and add a significant measure of patient safety,” Lindsey said.

Padgett, Park Ridge CFO Kelly Pettijohn, and CNO Craig Lindsey began planning the OR upgrades with a new strategy. “Rick kept going back to the vendor with our account manager,” Lindsey said. “He kept trying to find new ways to get the product. He was a strong negotiator. Rick was working with the vendor weekly to find deals.”

Certain pieces of equipment, like the patient monitors, had a predetermined corporate vendor, and Padgett was able to find more creative ways of lowering the price through two key tactics:

- Waiting for demo units
- Letting the vendor deliver on its own time schedule

Crothall was able to save money on other pieces of required equipment where Adventist’s corporate discount wasn’t available:

- A local vendor who can provide refurbished surgical tables with a two-year warranty for less than half the cost of new beds, saving \$16,000–\$22,000 per bed.
- A new vendor for MRI patient monitoring, saving \$10,000.
- A vendor who sells used, “like new” equipment for anesthesia machines with the same one-year warranty as the manufacturer.

A BETTER BOTTOM LINE

“It’s just part of working with the hospital, trying to save money wherever we can,” Padgett said.

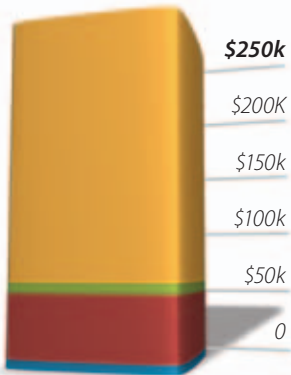
Because they got a jump start on ordering, the OR upgrades will be done in May 2011, giving them a full month of testing before their mandated transition date.

In normal equipment replacements in 2010, Crothall saved Park Ridge about \$17,000. With the OR upgrades, however, **the savings are well over a quarter million dollars:**

- Eight patient and anesthesia monitoring systems: over \$197,000
- Non-invasive blood pressure meters: \$7,740
- Defibrillators: \$47,200
- Medical/surgical client, adding telemetry monitoring to a new desk: \$6,700

“The timing of the delivery didn’t matter, but saving money did. Everything else is negotiable,” Lindsey said. “That’s the value that Crothall brought.”

Savings added up as Crothall identified ways to cut costs during the OR upgrade.



- Monitoring systems
- Blood pressure meters
- Defibrillators
- Telemetry monitoring