

CASE STUDY: HIGH VALUE CONTRACT WITH REMAINING TERM

► SITUATION:

A prestigious two-hospital system in Southern California mandated cost reduction in the area of equipment service. With six months remaining before the start of their new fiscal year, they set out to find guidance with evaluating their options.

CHALLENGES:

- Their equipment service portfolio had become fragmented, consisting of:
 1. A self-funded pool (devices formerly under a maintenance insurance provider, which was brought in-house).
 2. An eight-person outsourced labor pool for their biomedical department.
 3. A recently renegotiated imaging equipment portfolio making up half of their budget, locked in for many years.

OTHER QUICK FACTS:

- Hospital desired to retain their two highly skilled imaging service technicians.
- Service management was fragmented; equipment database uncertain.
- Executives already had a lot on their respective plates.
- It had been quite some time since the health system went to the equipment service marketplace, was not current with market suppliers.

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► SOLUTION:

Hired ESP to evaluate their resources, documentation, inventory, and service requirements through a comprehensive assessment. Quickly, ESP interviewed stakeholders, executives, supply chain, and operations personnel. Simultaneously, ESP evaluated expenditures including contract entitlements and availability. Within 30 days, working with the designated hospital team, a comprehensive RFP was developed, prospective suppliers were identified and a thorough process with timelines was in place.

► RESULTS:

With ESP guidance, from 10 comprehensive proposals, this health system selected an equipment service partner to consolidate their entire equipment service portfolio. Both the Biomed staff and two imaging technicians remain, overall management has been added, a comprehensive maintenance management software has been installed, and the cost of service will be reduced by 20%. Even the majority of items that were locked-in under long-term agreements have been reduced. From concept to implementation in less than 30 days, this is what can happen when driven healthcare executives collaborate with industry experts and best practices.

For more information about ESP Global services, call us at 888-404-4377.