



HSS CASE STUDY

**KEEPING HOSPITALS
HEALTHY:**

**SERVICE AGREEMENT
VALUE REVIEW (SAVR)
IDENTIFIES AND ENDS
WASTEFUL SPENDING**

hss
TECHNOLOGY SERVICES



JUST SAY “SAVER”
THE SERVICE AGREEMENT
VALUE REVIEW (SAVR –
PRONOUNCED “SAVER”)
PROGRAM GUARANTEES
HOSPITALS A COMPLETE
CONTRACT MANAGEMENT
SOLUTION.

EXECUTIVE SUMMARY

INTRODUCTION: For many hospitals, monitoring costs means a lot more than saving money. It means staying in business. With HSS SAVR, these hospitals can enjoy a guaranteed savings of at least \$2 for every \$1 that they spend on the program. This case study focuses on Aspen Valley Hospital (AVH), a 25-bed Critical Access Hospital in Aspen, Colorado.

AVH combines the warmth and friendliness of a small town and the technical expertise of a major medical center. Because of its proximity to the Aspen Snowmass ski and snowboarding resort, AVH has earned an international reputation for excellence in orthopedics and sports medicine. It also is the only hospital for miles around. That’s why the staff takes pride in their ability to handle anything that comes through the door, whether it’s an injured rancher, a teenager with a high fever, or a baby who decides that 3 a.m. is the perfect time to be born.

PROBLEM: About half of American hospitals lose money every year. The reasons vary from dwindling population to mismanagement, but they can lead to an unfortunate end: The hospital shuts down.

When small towns lose their hospital, they also lose the businesses that go along with them – the clinics, pharmacies, home health care, emergency medical services, and more. When these businesses go away, the jobs do too.

Patient care also is compromised. With no local hospital, patients may be forced to travel for several hours to receive the care that used to be provided nearby. In some cases, delays in care can be life-threatening – or fatal according to Mark Holmes, a University of North Carolina professor of health policy and management.

SOLUTION: All hospitals have multiple service agreements, but it may not have the time or in-house expertise that’s needed to review them. Which means that the hospital might be overspending without knowing it – and that could jeopardize its very existence.

That’s where HSS comes in. Since 1994, HSS has been reviewing service agreements and helping its hospital clients save millions of dollars. Designed to be customized for a variety of hospital sizes, the HSS Service Agreement Value Review (SAVR) program helps hospitals identify – and end – wasteful spending.

RESULT: SAVR guarantees hospitals a savings ranging from \$2 for every \$1 to 30% annual shared savings over the life of the program. The actual amount saved is the total saved, across all contracts, all vendors, and all departments.

HSS began working with AVH in 2014. During the five-year period spanning 2014-18, the hospital’s savings totaled \$936,930, and the hospital is on track to save more than \$1 Million by the end of 2019.

Source of Mark Holmes’ information: Included in CBS Sunday Morning story, “Critical condition: The crisis of rural medical care,” March 10, 2019.
Link: <https://www.cbsnews.com/news/critical-condition-the-crisis-of-rural-medical-care/>

CASE STUDY: ASPEN VALLEY HOSPITAL

Home to some of the best skiing and snowboarding in the world, Aspen, Colorado combines exquisite mountain scenery with small-town friendliness. This ambiance extends to the 25-bed Aspen Valley Hospital (AVH), where it's impossible to walk down the halls without saying hello to everyone.

FAST FACTS: ASPEN, COLORADO



- Elevation: 7,908 feet
- Population: 6,658



- Minutes away from the Aspen Snowmass resort, which offers skiing and snowboarding on four mountains
- Home of the internationally renowned Aspen Music Festival and School, the Aspen Institute, the Aspen Center for Physics, and the X Games

THE OPPORTUNITIES

The good news: Aspen Valley Hospital enjoys tremendous good will in the community and among its patients and staff. Even better: The hospital is on solid financial ground.

Like many small-town hospitals, AVH has multiple service agreements. But it doesn't have the time or in-house expertise that's needed to review them. Given its history -- the hospital was founded in 1891, but was nearly broke by 1933 -- AVH keeps a close watch on revenues and expenses. And, like a good doctor, it knows when it's time to call in a specialist. **To ensure its financial wellness, AVH relies on the HSS SAVR program.**

ASPEN VALLEY HOSPITAL

Fast Facts

- 25 Licensed Beds
- Fully Accredited by The Joint Commission
- Level III trauma center
- Critical Access Hospital
- Board-Certified Specialists in 25 Fields
- Total Employment: 500 in the hospital and its 6 satellite clinics

Services Offered

- Acute and chronic pain management
- Cardiac care and rehabilitation
- Comprehensive diagnostic imaging and laboratory testing
- Diabetes education and care
- Oncology and chemotherapy
- Orthopedics, with emphasis on sports medicine, trauma, knees, foot/ankle, and hip
- Prenatal and maternity care
- Physical and occupational therapy
- Surgical services

HONORS AND AWARDS: ASPEN VALLEY HOSPITAL

- ▶ 5-star patient experience rating from Medicare
- ▶ 8 awards in patient experience from Avatar Solutions, including Best Performer, Overall Rating, Small Hospitals

97TH PERCENTILE
FOR INPATIENT
SATISFACTION

94TH PERCENTILE
FOR AFTER-
HOURS CARE

93RD PERCENTILE FOR
EMERGENCY CARE

- ▶ Breakthrough Award in patient experience
- ▶ Healthcare Service Excellence Conference: Hospital of Choice
- ▶ Healthgrades: 2016 Outstanding Patient Experience Award
- ▶ Press Ganey Guardian of Excellence Award for Clinic Quality

Source: <http://www.avhcareers.com/who-we-are.php#awards>



“The SAVR program helped me get everything [in my department] back on track with an appropriate service strategy. Having the right service coverage for our equipment has a direct impact on patient care”

- Director of Imaging

SAVR PROGRAM BENEFITS

SAVR PROGRAM GOAL RIGHT SERVICE, RIGHT PRICE, RIGHT SOURCE

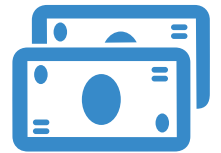
1 TIME SAVINGS
For Directors, Clinicians, and Support Staff

4 COLLABORATIVE DECISION MAKING
From Pre-Purchase to End-of-Life Assessments



2 COST SAVINGS
Across a Wide Range of Contracts

5 VENDOR MANAGEMENT
Managing relationships, negotiations, and contract performance



3 SINGLE SOURCE
For Contract Management

6 CENTRALIZED TRACKING
For regulatory documents



THE APPROACH

An Experienced Partner. In 1994, HSS began reviewing service agreements for its health care clientele. Since then, HSS has compiled a database with more than 20,000 documents from OEM and non-OEM service providers. It's the SAVR benchmark for what things should cost.

Relationships Matter. A SAVR partnership is just that, a partnership. Although he officially works for HSS, SAVR managers are considered part of the staff at Aspen Valley Hospital. Or, as the AVH staff puts it, they are embedded.

SAVR IN ACTION

Avoiding Lost CT Scanning Revenue

When asked how SAVR has assisted AVH Director of Imaging JoDee Russel and her staff with decision making, Russel tells the tale of the troublesome CT scanner:

"We had been having issues with the unit, with the repeated failure of a very expensive part (Over \$150K) and our SAVR manager helped me make the crucial decision to stay with the manufacturer. Had we have gone with the other vendor, we would have suffered a considerable amount of downtime, resulting in thousands of dollars in lost revenue. The decision was guided by the SAVR program's expertise regarding our unique service situation, patient volumes and equipment replacement strategy."

A Proactive, Trusted Partner

Julie Mathias, AVH Director of Laboratory notes, "I cannot say enough about the value that our SAVR manager, provides to us. He serves as a trusted partner and we value his recommendations as we know they are in the best interest of our department/institution."

Mathias also praises their SAVR manager's proactive approach,

saying, "He keeps me on track - in fact, follows up with us and the vendors before we even think about it!"

Tracking Everything

Aside from financial savings, what value has SAVR provided to the AVH imaging department? Director JoDee Russel replies, "The SAVR program keeps track of everything for me, such as service reports and contract timing. I also utilize the program keeping track of critical documents for regulatory bodies, such as the Joint Commission. Another area that the SAVR program is so important is the management of vendor/manufacturer relationships."

Improving Patient Care

How has SAVR impacted the imaging department's ability to provide patient care? Director JoDee Russell says, "The SAVR program has allowed my department and hospital to make clinical decisions on equipment replacement strategies. Additionally, the SAVR manager serves as an intermediary in the management of the vendor relationships. He manages emergency service situations for me, impacting patient care through minimization of downtime for the department." Laboratory Director Julie Mathias adds, "Having the right service coverage for our equipment has a direct impact on patient care."

SAVR GOES WELL BEYOND A SIMPLE PRICE COMPARISON. IT INCLUDES:

- ▶ A large service agreement cost database – with more than 20,000 documents from OEM and non-OEM service providers – that facilitates data-driven decision making
- ▶ Billing forensics that allows clients to catch and correct errors
- ▶ Dedicated on-site SAVR program manager
- ▶ Assistance with regulatory record keeping and historical information
- ▶ Involvement of hospital staff to determine departmental needs
- ▶ Support for contract negotiations
- ▶ Assistance with contract terminations



**DATABASE
WITH 20,000+
HISTORICAL
REFERENCE
DOCUMENTS**

THE APPROACH

SAVR USES A 4-STEP APPROACH TO SERVICE AGREEMENT REVIEW:



Investigating

the current contract coverage details and evaluating them through the lens of hospital needs and industry standards to ensure maximum efficiency.



Acknowledging

what is working in the agreement. And identifying areas for improvement with particular attention to patient care, operational efficiency, and cost savings.



Modifying

This goes well beyond a simple price comparison. The modification process includes an evaluation to ensure the best fit between the hospital and its vendors, and a forensic billing analysis.



Execution

Once the potential savings have been found, it's time to make them a reality. In addition to a guaranteed 2:1 cost savings, SAVR enables staff to spend less time on managing service agreements – and more time on patient care.



“The SAVR manager serves as an intermediary in the management of the vendor relationships. He manages emergency service situations for me, impacting patient care through minimization of downtime for the department.”

– Director of Imaging

SAVR REVIEWS AGREEMENTS IN THESE KEY AREAS:



Diagnostic imaging



Sterilization



Anesthesia



Facilities, HVAC, elevator



Laboratory

SAVR DECISION MAKING WORKFLOW



SAVING TIME AND MONEY

In addition to a significant savings and cost avoidance, SAVR enables staff to spend less time on managing service agreements – and more time on patient care.



SAVR

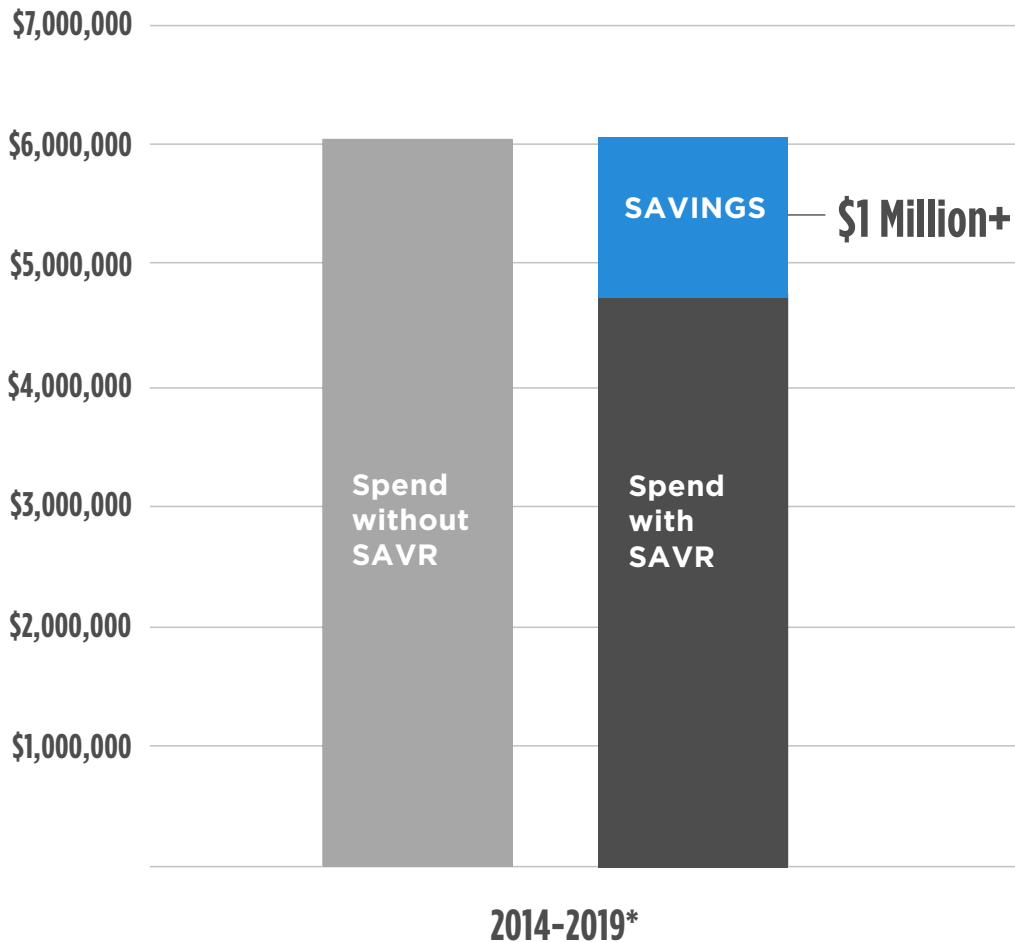
RESULTS

Since 2014, the HSS SAVR partnership with Aspen Valley Hospital has saved the hospital \$936,930. HSS is projecting a cumulative savings total of more than \$1 million by the end of 2019.

“Our SAVR manager serves as an intermediary in the management of the vendor relationships and negotiates on our behalf. Additionally, he manages critical services events for me, saving me time and impacting patient care through minimization of downtime for the department”

- Hospital Administrator

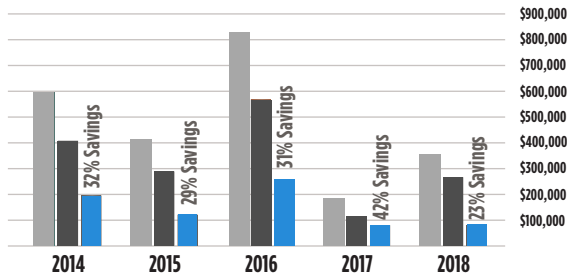
Aspen Valley Hospital



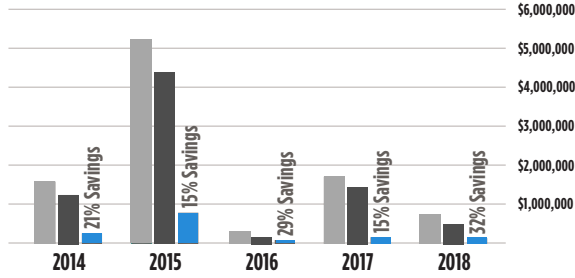
*2019 Estimated

SMALL HOSPITAL, BIG SAVINGS

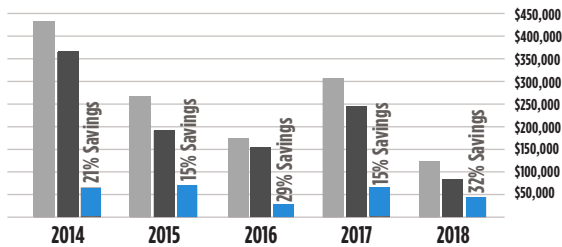
Health System #1



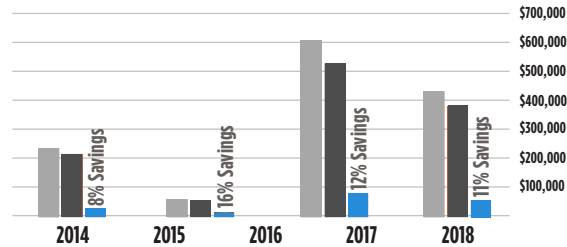
Health System #2



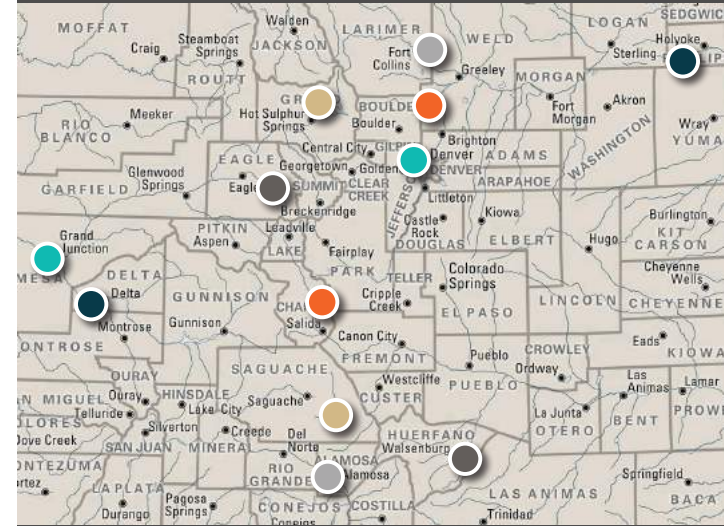
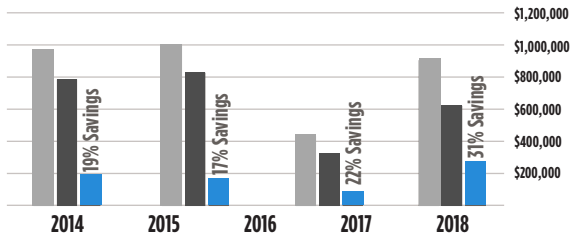
Health System #3



Health System #4



Health System #5



Colorado SAVR Hospitals

- Alamosa Delta
- Denver
- Fort Collins
- Granby Grand Junction
- Holyoke La Jara
- Loveland
- Salida Vail
- Walsenburg

ABOUT HSS AND SAVR

For more than 35 years, HSS provided comprehensive medical equipment support services to health care facilities across the nation. We are informed by the wisdom of experience and place a great value on smart and informed decision making.

Most important, we are deeply committed to serving as a trusted partner – providing independent, reliable and cost-effective solutions that enable our customers to consistently maintain the highest patient care standards.

Since 1994, HSS has been reviewing our customers' vendor service agreements. We help them identify – and eliminate – wasteful spending. Our SAVR program enables staff to spend less time on managing service agreements – and more time on patient care.

Best of all, SAVR guarantees a savings of \$2 for every \$1 spent on the program.

TO LEARN MORE ABOUT SAVR

Visit hss-us.com/savr
or call us at HSS 800.846.0096.



ABOUT HSS

HSS Inc. is America's premier specialized security partner. HSS is the nation's leading security partner and has been raising the industry standard since 1967. We are the premiere security leaders in two high risk industries: healthcare and aviation. Healthcare is our company heritage and we are proud to be the only security services provider founded by hospitals. We offer turnkey security solutions with a full array of value-added services that are innovative, cost-effective and patient- focused for today's most pressing healthcare security issues

What sets us apart from our competitors is our continual drive at enriching our client partnership. We create world class customer experiences to enhance the value of our clients' organizations. No other firm can rival the experience, expertise and specialized training of the HSS team. After 45+ years all of our founding member hospitals remain HSS customers. We work to maintain an unprecedented 95%+ retention rate and we succeed because we care - our partnerships speak volumes about our integrity and commitment. We strive to see ourselves through our clients' eyes and to anticipate their every need, every time.

FOR INFORMATION, VISIT US AT WWW.HSS-US.COM OR CALL US AT 877-791-3080

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**SAVING HOSPITALS
MILLIONS.
THAT'S THE SAVR WAY.**