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Instrument management

Is outsourcing the right option for your surgical instruments?

Your capital budget is tight, but your volume is growing, and you need to upgrade your instrument sets to run the OR efficiently.

Should you look at outsourcing? How do you evaluate whether it's right for your situation?

Outsourcing has been a business trend for 10 or more years. The thinking is that companies can be most effective and efficient if they focus on their "core competencies"—the products and services closest to their mission—and outsource other functions. The main objectives are to reduce operating costs and free employees to do what they do best.

At first glance, instruments and instrument reprocessing seem like good candidates for outsourcing:

- Reprocessing is not the hospital's core mission, which is patient care.
- Reprocessing takes specialized skills.
- Capital funds for new instrumentation are scarce.
- Central service (CS) departments are difficult to manage.
- Repair costs can be high if instruments are not well cared for.

But outsourcing raises questions. Entrusting a critical service like instrument reprocessing to a third party is a big step.

Problems hospitals face

Unlike businesses in general, ORs don't necessarily outsource mainly to reduce operating costs. The decision may also be driven by lack of capital or surgeon dissatisfaction with the current quality of instruments. Instrument reprocessing problems often stem from difficulties managing the CS department, particularly:

- lack of well-trained staff
- difficulty in keeping staff up to date with changing instrument technology.

CS departments are tough to manage. Pay for CS staff is low, and turnover is often high. Yet ORs depend on timely and meticulous reprocessing of thousands of instruments, many of them complex.

"The more complex the instrumentation, the more chance instruments will not be processed correctly," comments Gerry Biala, an independent consultant based in Vero Beach, Fla. Too often, problems come to light only when a surgeon tries to use the instrument on a case.

Three hospitals that have outsourced made the decision for a combination of reasons.

For 500-bed Rex Healthcare, Raleigh, NC, it was lack of space for its growing surgical volume, a shortage of well-trained workers, and a troubled CS department. St Joseph Hospital in Orange, Calif, saw a clash between its rising volume of laparoscopic surgery and the capital budget. (See related articles.)

At Saint Joseph Mercy Hospital, a 529-bed facility in Ann Arbor, Mich, aging laparoscopic sets were a source of surgeon frustration.

"Surgeon dissatisfaction is hard to measure, but it's not hard to measure the impact," comments Suzette Bouchard-Isackson, RN, MSN, director of surgical services.

Who provides reprocessing services?

Though it might seem like a big business opportunity, outsourcing of reusable instrument reprocessing hasn't been growing rapidly. In fact, a couple of the most active companies are facing financial problems.

SRI/Surgical Express of Tampa, Fla, which provides procedure-based delivery of reusable and disposable supplies and instruments, including off-site reprocessing, reported in June it was having problems signing new customers, and revenues were below expectations for the first half of the year. The company is under investigation by the federal Securities and Exchange Commission over the way it stated financial results for the fourth quarter of 2001.

The company has the largest investment in off-site reprocessing with 12 plants and customers in 24 states and the District of Columbia.

The slow sales relate primarily to its case cart business, company executive Mike Lufkin told *OR Manager*. He says the instrument reprocessing segment has grown in the past year in revenue and the number of customers and currently serves about 40 clients. He argues that an advantage of off-site reprocessing plants is that they are regulated like a medical device company and must meet more stringent standards than hospital CS departments.

Originally known as Sterile Recoveries, the business was set up by AMSCO (later bought by Steris) to reprocess surgical textiles and became independent in 1998. Since then, SRI/Surgical Express has expanded into reusable linens, basins, and instruments supplemented with disposable products.

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SSI Surgical Services, based in Orlando, Fla, a unit of Teleflex, Inc, which also owns Pilling and Weck, has operated at a loss or small profit for its entire history, according to its SEC filings. The company had a net loss in fiscal 2000 and 2001. Revenues were up slightly for the first quarter of 2002. Founded as Endoscopy Specialists, Inc, it offers on-site and off-site programs for surgical linens, endoscopy, and other reusable instrumentation.

SSI has about 60 instrument reprocessing customers, most of which are in New York City and are serviced by an off-site plant. For the others, technicians process instruments at the hospital.

SSI's CEO Todd Riddell says the endoscopic and instrument part of the business is profitable. What is unprofitable is the linen, which is half of SSI's business.

The other hurdle is getting hospitals to trust in sending instruments off site.

Insourcing or outsourcing?

The model most companies are using might more accurately be called "insourcing." Rather than building off-site plants, the company technicians do instrument reprocessing at the hospital.

Insourcing seems to be growing in two directions. First, reprocessing is offered by large companies that have the deep pockets to support it. The other is small businesses that serve a group of clients on a regional basis.

Another model Riddell thinks might catch on is for a company to take over a hospital's CS and upgrade it into an industrial-type sterilization facility to serve a network. He says SSI is talking to several hospital networks and expects to close one or two such deals by the end of the year.

Finally, at least one GPO, Consorta, is planning a service center that would provide reprocessing and distribution for a group of its members in the Midwest.

Two large companies that provide instrument reprocessing are Allegiance and Stryker.

Perhaps the largest, claiming 125 to 140 customers, is Allegiance's OpEX unit, which offers instruments and on-site technicians. OpEX's director, Matt Kohut, says the number of customers has doubled in the past 2 years, and the unit is one of the company's fast growing businesses.

> **"Surgeon dissatisfaction is hard to measure, but it's not hard to measure the impact."**

Stryker has 85 technicians who provide insourcing for video equipment and reusable instruments for 65 clients nationally.

"For Stryker, this is a value added, though we actually are making a little on it," says Rick Barnett, national endoscopy services manager. "One of the benefits to us is that if our equipment runs well, chances are we will have a repeat customer."

Smaller businesses are nimble and can combine instrument insourcing with other services. Two are Lucent Surgical (formerly Lucent Medical), Dexter, Mich, and Instrument Outsourcing Service, Saxonburg, Pa, both of which have a handful of customers.

"I think this is a niche business. I believe the only people who are going to survive long term will be niche providers that don't have a huge infrastructure," says Lucent's David Bruno. Lucent owns the instruments and provides techs to reprocess them in the hospital.

"We use the hospital's on-site sterilization facility that is already paid for. We manage the instruments on site, so we are not beholden to a truck and to the weather."

Consorta sees the regional service center as another model that might help hospitals improve efficiency. The Rolling Meadows, Ill-based GPO, which serves Catholic facilities, is looking to partner with an outsourcing company to open such a center.

"We've been looking at effecting changes in the supply channel, and outsourcing is one of several strategies we are evaluating," says Consorta's John Kautzer, a former CS manager. "We believe if we put supply distribution and reprocessing in one center, there may be opportunities to spread the overhead cost."

Reaching a decision

Operational cost savings from outsourcing are predicated on:

- converting from disposable to reusable instrumentation
- saving on labor
- saving on instrument repairs.

A surgical services director, who recently retired as head of a 12-OR department, said her community hospital turned to insourcing 2 years ago.

"We did not have enough laparoscopic trays to keep up with our volume," she says. "We were having to Steris or flash sterilize them, and we constantly had cameras broken and scopes out for repair. We would open a tray and find the scissors were dull. We had replacements in peel packs, but there weren't enough."

She formed a committee, which worked closely with the OR's business manager to justify the decision to go with an outside vendor. The major factors in justifying the decision were:

- Documenting the increase in laparoscopic procedures
- Documenting the use of flash sterilization by reviewing sterilization logs
- Conducting a quality improvement project on instrument trays. The staff filled out a form when an instrument was missing or broken, and the director compiled the results.
- Tracking repair expenses, which totaled about $100,000 a year
- Not needing to fill three vacant FTE positions in the CS department, which had been hard to recruit for.

Outsourcing would require changing brands of trocars. The finance director questioned the impact on the hospital's GPO contract, which bundled trocars and other supplies for discounted pricing. But the committee learned the hospital used enough sutures that the trocars would not have a major impact on pricing.

A major selling point with the surgeons: The vendor would provide active electrode monitoring, which uses a special device to check for insulation

Considering outsourcing?

Some questions to ask if you're considering contracting with a third party for reprocessing of reusable instruments.

Questions for facility

- What is the age of your instrument sets, particularly laparoscopic sets? How do projected instrument replacement costs compare with your capital budget? Are there other options such as financing the purchase over time?
- How well managed is your CS department? Is the staff stable and are processes reasonably efficient? Or do you have high turnover and difficulty keeping staffs' skills up to date? Do you have the resources to provide on-going staff education?
- What is the impact of CS deficiencies on OR operations and surgeon satisfaction? Can you document the impact?
- How much of your instrumentation is disposable? How much could you expect to convert to reusables if you outsource?
- If you convert to reusable instrumentation, how will that affect pricing of other supplies that might be bundled into your current pricing for disposables? Will you end up paying more for these other supplies?
- If you buy disposables as part of outsourced trays, how much will the mark-up be?
- What will be the impact on FTEs? Will you be able to eliminate or transfer some positions if you outsource? Will this cause morale problems?
- What are the regulatory issues? How will this be regarded by your state licensing agency and accrediting bodies?
- What are the patient safety and risk management issues?
- What are the infection control issues?
- How will you measure the success of the outsourcing program?
- Will outsourcing affect your relationships with other vendors?
- What are your options if you need to exit the contract?

Questions about vendor

- Are qualified vendors available?
- What are the vendors' reputation and financial viability?
- If you will send instruments off site, does the reprocessing facility meet Food and Drug Adminstration regulations and infection control guidelines?
- What are your alternatives if the vendor defaults (eg, goes out of business)?
- Can the vendor keep up with your schedule and volume?
- What is the quality of supplies and equipment used?
- Are there add-on costs?
- Can you negotiate any fee increases upfront?
- Does the vendor provide a liaison to your organization?
- Could there be delays or disruptions to your program because of back orders or problems at the vendor's plant?
- Does the contract include service and maintenance?
- Does the contract include upgrades in technology?
- How strong is the vendor's quality control program?

Will you be insourcing?

If you use a company's technicians in your facility, consider these issues, suggests Jay Ticer of ECRI, a nonprofit organization in Plymouth Meeting, Pa, that evaluates health care technology:

- Find out the techs' educational background and how they are trained.
- Who orients the techs to the hospitals' policies and procedures, you or the company? They must have validated and documented competency.
- Be clear about techs' role. Beware of "mission creep," where techs begin to take on other responsibilities, such as plugging in other equipment or picking other supplies.
- How are the techs supervised? Is there a supervisor available 24 hours a day, 7 days a week if there is a problem? ❖

Source: BD Consulting & Services and attendees at the OR Business Management Conference, May 2002, Portland, Ore.

defects on laparoscopic instruments. Defective insulation can lead to current leaks that can cause patient burns.

A question that arose: Can the per-case fee the outside vendor charges for instruments be charged to the patient?

Because most reimbursement is based on flat or bundled rates, charging for a specific service won't make a difference in those payments.

"It depends on how much of your reimbursement from commercial payers is fee for service or discounted fee for service," comments Paul Doelling of BKD, a consulting firm based in St Louis.

"If it's 25% or 30%, you have to ask if it is worth it." Those who do decide to charge should try it for 6 to 9 months to see if it makes a difference, he suggests.

The hospital is in the second year of a three-year contract, and the director considers the service a success.

Turning over reprocessing to a vendor might seem like a good way to cure a headache, but experts advise that outsourcing, like any other purchasing decision, will only yield the desired results if there are systematic analysis, proper planning, and careful oversight. ❖

Reaching a decision to outsource instruments

St Joseph Hospital in Orange, Calif, decided to outsource reprocessing and care of its laparoscopic instrumentation in January 2001.

We began to consider outsourcing when we saw a clash between our rising volume of laparoscopic surgery and our capital budget.

St Joseph performs approximately 160 laparoscopic cases a month in its 13-room inpatient operating suite, which has a total surgical volume of about 1,000 procedures a month.

There were several reasons why we were concerned about our system for reprocessing laparoscopic equipment.

First, our instrumentation and camera systems were reaching the end of their life expectancy. The equipment was interfering with our efficiency, staff, and surgeon satisfaction. In addition, our laparoscopic cases were increasing in volume and complexity, making it challenging for one endoscopic technician to manage. We also wanted to have enough instrumentation to decrease the need to flash sterilize between cases.

The cost for replacing the laparoscopic equipment alone—cameras, instrument trays, and accessories—was approximately $500,000.

We began to consider leasing laparoscopic instrumentation. But we realized we wanted to go beyond that and look for a service that would not only provide the hardware but also the personnel to take care of it.

We learned there were several options for outsourcing:

- contracting for instrument trays at a per-case fee with service calls from a sales representative
- contracting for reprocessing service only for a per-case fee (this would include removing instruments from the facility, cleaning and processing them, and returning them daily).
- contracting for both instrument trays and on-site service technicians.

We developed a list of criteria for an outsourcing partner and a grid to help us to compare the companies and draft the request for proposal. Our criteria included:

> **"A key goal was providing better service to our physicians."**

- an endoscopic technician on site 24 hours a day, 7 days a week
- new instrumentation from vendors we specified
- new cameras and camera boxes that can be steam sterilized
- all reprocessing and maintenance services for laparoscopic instrumentation and equipment, including equipment we owned
- continuous updating of technology
- the best price.

Having brand-neutral instrumentation and equipment was important to us. Although our instrumentation is fairly standardized in pediatrics, gynecology, and general surgery, we wanted the surgeons to be able to choose what would be in their trays and have autoclavable cameras of their choice.

Justifying the plan

In electing to outsource, we had to justify the decision to our value analysis committee, materials management department, vice president, chief financial officer, and infection control committee. The keys to justifying the decision were:

- physician backing
- cost analysis showing savings
- criteria for quality monitoring.

A key goal was providing better service to our physicians. Therefore, we sought the backing of our surgical committee and key surgeons who use the laparoscopic instrumentation. They supported us in justifying the plan to the administration.

In our cost analysis, we showed that the potential cost savings would come from avoiding the capital outlay, converting to reusable trocars and Harmonic Scalpels, and reducing instrument repairs. We estimated that converting to reusable Harmonic Scalpels alone would save $250 a case, based on a 20-time reuse. We estimated our savings to be about $200,000 by converting to reusable trocars. The Harmonic Scalpel alone would save approximately $70,000 a year. Our goal was to achieve 100% conversion on both of these items. We also planned to convert to reusable clip appliers, scissors, and bipolar forceps.

The cost of instrument repairs was an eye opener. The annual cost of repairs with our current system was $85,000, including $30,000 for instruments, $45,000 for scopes, and $10,000 for cameras.

The infection control committee was interested in the policies and procedures for the outsourcing process. They wanted to know, for example, what methods would be used for cleaning and reprocessing each type of instrument and the qualifications for the endoscopic technician. Finally, the manager who would be responsible for this service in our facility was identified.

The outsourcing contract

Under the 3-year contract we signed with our outsourcing partner, the company provides:

- all laparoscopic instrumentation, light cords, electrical cords, and soft-tissue instruments
- all laparoscopic cameras and scopes
- maintenance of video towers, including maintaining the CO_2 supply, light source, printers, monitors, and slave towers
- endoscopic technicians 24 hours a day, 7 days a week
- checking of all endoscopic instruments for electrosurgical current leakage
- conversion to reusable trocars.

The technicians are responsible for pulling laparoscopic supplies for the cases and setting up the video equipment in the rooms. They troubleshoot the cameras, monitors, and other related equipment. They work with the OR

team to assist with turnover and preparation for every laparoscopic case or any case requiring a camera.

The company is responsible for hiring and paying the technicians. We are invited to participate in the interview process of the technicians who will be staffing our facility to make sure they meet our criteria. As with any other outsourced service, our facility must keep health records for the technicians as well as documentation of training they have received and up-to-date competencies.

The contract specifies that the company will drive the effort to convert to reusable trocars. They believe they can achieve a 100% conversion. If they cannot achieve this, they must offer the surgeon an alternative trocar.

We are responsible for providing:

- video towers
- terminal sterilization of laparoscopic instrument trays
- disposable supplies.

The company charges us a fee per procedure, which is an operational expense.

The company provides and pays for all repair of scopes and instruments unless there is gross negligence on the part of a staff member or surgeon. So far, this has not been a problem. In the past 10 months, we have not had to pay for a single instrument or scope repair. By having the technicians on site, they are able to observe how instruments and scopes are handled. They are trained to handle delicate instruments and scopes to keep them in pristine condition. They must always have a back-up sterile instrument in the event something is not to the surgeon's satisfaction.

If we wish to add new instrumentation, the contract specifies that we would come to an agreement on a per-case fee for this new technology.

One concern we had was what would happen if we found the service wasn't working after the contract went into effect. The contract specifies that we can cancel our agreement within the first 90 days. If this were to happen, we would either give up the instrumentation or pay for it at the time we withdrew from the contract. The instrumentation will depreciate, and after 3 years, we will own it. At this time, if we decided not to continue with the service, we would still have the instruments in good condition.

> **"The cost of instrument repairs was an eye opener."**

Plan implementation carefully

The work doesn't end when the contract is signed. A great deal of effort is needed by the facility to make sure the project is implemented successfully. Here is what we learned from the implementation process:

- Be specific in identifying to the OR staff and physicians what the endoscopic technician's duties entail. For example, will technicians be allowed to open sterile supplies? If so, how will you determine they are competent to do so?

Our clinical educator developed a complete checklist of duties and competencies, which each endoscopic technician must pass before working in our operating room. They do not provide patient care or connect the electrosurgery unit, but they can assist with connecting the cameras and light cords. All of our endo technicians are certified surgical technologists and well trained in the OR environment. Therefore, setting limits and being clear about this new addition to our team were important.

- Phase in the program a step at a time. It takes time to build trust. It isn't realistic to say to the physicians, "Now we will be using reusable trocars." Under our plan, we brought in the endo technicians and instrumentation first. Then we let the physicians trial the new cameras and gave them a time frame for choosing a camera system. When everything else was in place, we introduced the new trocars and discovered that we also had to do this in phases. In the beginning, they continued to use the disposable 5-mm entry port, which allowed them to become accustomed to the new feel of the reusable trocars. Then we introduced the reusable 10- and 12-mm trocars.
- Prior to introducing this new service, obtain a baseline measurement of staff and physician satisfaction. This will enable you to measure your success in stages.

So far, the implementation is proceeding as we expected. The technicians have blended well into our facility. They are independent and take care of their own scheduling. They also manage their own call system; they must be able to respond and be in the facility within 20 minutes. They must be as ready to set up for a lap appendectomy at 2 am as they would be at 2 pm.

Benefits we have seen

Among the benefits we have seen from outsourcing:

- more storage space from eliminating disposables
- shorter and smoother turnover time—0 to 15 minutes for back-to-back laparoscopic cases.
- CO_2 cylinders are always full.
- The printers always have paper.
- The picture is clear, enabling surgeons to perform their cases more efficiently.
- The circulating nurse can focus on patient care.
- Flash sterilization has decreased.
- We have the ability to provide a sterilized camera for all laparoscopic cases
- less regulated medical waste.

We have gathered feedback from the surgeons and found their satisfaction has increased 56% since the new service was implemented.

The physicians and the staff love the service. We would not dream of going back. ❖

—Lee Cuen, RN, CNOR
Manager, General, Gynecologic, and Urologic Surgery, Inpatient ORs

—Joanne Stermer, RN, MBA, CNOR
Director of Surgical Services
St Joseph Hospital, Orange, Calif

A more seamless process with outsourcing

Rex Healthcare in Raleigh, NC, decided to start outsourcing part of its supply chain in 1996.

Rex looked critically at its materials management process in surgery with the idea that steps could be eliminated, processes improved, and nurses better assigned to patient care rather than materials handling. The result is reduction of sterile storage space, addition of two operating rooms (from the available space), and a seamless materials management process.

Starting with generic procedure packs, outsourcing has grown to encompass reusable linen and basin packs as well as about 30% of instrument reprocessing.

Every day, Rex's surgery department receives per-case "totes" for about 85% of its cases from an outside vendor, which supplies both reusables and disposables. Per-patient preference lists with a purchase order are transmitted electronically to the vendor. Supplies are packaged into a recycle-bin type box and delivered on carts to the hospital. The only things not added are suture, medications, and implants. Rex's materials management staff remove the totes, place them on case carts, and transfer them to the operating room. Staff then open the case, retain unneeded items, and send the tote back to materials upon case completion. Unused items are returned to departmental stock to diminish reordering and replacement.

The OR's inventory value is now down to about $500,000 in backup supplies for the department, which performs 27,000 procedures a year in its 16 outpatient and 10 inpatient ORs. The same-day surgery unit is connected to the hospital by a corridor, and the departments are at least a football-field length apart.

Inventory turns are 52—supplies and instruments are delivered daily—compared with the average of 5 turns for ORs in general. (Inventory turns are calculated by dividing the value of annual purchases by the average on-hand inventory value).

The supply chain for the surgery department has gone from 32 steps to 11 steps because of decreased product handling. A process that used to involve sending stacks of paper from the OR to purchasing to the vendor and back through purchasing and accounts payable now goes from the OR to the vendor and back to accounts payable electronically. The surgery department controls and remains responsible for daily replenishment and transmission of orders, receipts, and charging. The business office provides oversight of billing and reconciliation through invoice matching, a process that is measured and maintained at 95% or greater.

> **"Our vision was a seamless, paperless process."**

Envisioning a seamless process

Rex decided to outsource for three reasons:

- a growing surgical volume without enough space to expand
- a workforce shortage
- service problems in central service (CS), purchasing, and finance.

"Our vision was a seamless, paperless process where we would order per patient for our specific case needs, " says Jayne Byrd, RN, MSN, director of surgical services. "We already had generic packs but were spending time adding other components. Everything we do—ordering, scheduling, and documenting care—is computer based. It made sense to be able to send our orders externally, using the tools available to us.

"Case picking is not difficult if you have good preference lists, and we did. And, in the bigger picture, why would we have three or four trucks pulling up to the dock when we could have one?

"Our goal was to find someone who could take much of our sterile reprocessing. Our CS department was poorly run and supported. Additionally, minimally invasive surgery tools were a huge challenge. When the process broke down, the only option was flash sterilizing.

"We just didn't feel like our quality to patients was as good as it should be," says Byrd. "Now that we've seen the outcome, it's a no-brainer."

Outsourcing instruments

Outsourcing of instrument reprocessing began in January 2001. Outsourced are trays for laparoscopic surgery, laparotomy, orthopedics, plastic surgery, and cesarean section. Soon to be added are gynecology; ear, nose, and throat surgery, and arthroscopy.

Tips for looking at outsourcing

Tips for looking at outsourcing as an option:

- If you plan to order electronically, keep your database tidy and monitor the vendor's prices. A key part is a good match between the hospital's and the distributor's items files. Rex's match rate is greater than 95%.
- Enlist help from your finance department in preparing your cost-benefit analysis and request for proposal. That will give you a chance to educate them about what your current process costs in repairs, delays, nursing time, and other inefficiencies.
- Research your vendor for profitability and stability.
- Include buyout and cancellation clauses for both parties.
- Include service delivery standards and backup plans.
- Propose buyout arrangements for your existing instruments.

Source: Jayne Byrd, RN, MSN, director of surgical services, Rex Healthcare, Raleigh, NC

The hospital works with two prime vendors: A distributor supplies disposable items to the outsourcing company, which adds reusables and instrument trays to make up the case-specific totes. Twice a day, the company picks up carts with soiled reusables so the hospital doesn't have to store them.

The hospital maintains a sterile storeroom in the surgery department with backup supplies. Rex is not a trauma center, so most of its caseload consists of the same types of cases. If a case is cancelled, supplies are placed back on the shelf where they are available for the next case of that type.

Unlike the hospital's CS department, the off-site reprocessing facility, which is 1 1/2 hours away, is set up like a manufacturing plant and must meet federal regulations.

"It's a beautiful thing—the quality, the standardization of sets, the uniformity. Our physician satisfaction is incredible," she says.

Regarding the cost of outsourcing, she says, "It was cost avoidance for us because as we added ORs, we would have had to add many people to support what was a repetitive process. Essentially, we started working smarter using the people we had and adding staff only to accommodate the increased cases. There also would have been a cost to upgrading the CS department, which would have been necessary otherwise."

Seeking a partner

Byrd is careful to say that finding an instrument outsourcing partner is a challenge that requires aligning business practices, goals, and service.

"Instrument selection can be problematic. Not all instrument companies make every instrument a hospital uses. Part of the challenge is identifying a prime vendor who can provide most of the items and be creative when they cannot.

> **"This process improves your operating room throughput and efficiency."**

"In our case, the vendor has a relationship with an established, reputable instrument company. The instrument prices were significantly less than anything we'd seen with GPOs, and the quality was superior.

"For the items they don't have, we work through it by selling what we have to them or asking them to go to another company. Because the vendor is focused on service to us, they make it work."

In this arrangement, the vendor purchases and reprocesses the instrument trays, and the teams agree on the number, type, and size of instruments. "This process, by far, is the hardest, particularly when the prior process was not well defined, and the trust was nonexistent between the OR and CS." The vendor has to prove its worth and demonstrate its service, before identifying cost-cutting opportunities.

"It is a wonderful lesson for the OR to be challenged by what is in trays and, more importantly, what is used. Once the OR realizes each addition may cost the hospital more money, it's easier to compromise."

The instrument trays and components are specific to the organization, and the customer is assured each tray will always be complete with identical instruments.

"It is this assurance that makes the physicians take notice and support the program," Byrd notes.

The hospital's own instruments are put to good use once outsourcing starts. Small-volume trays can have instruments that match, antiques can be retired, and poor quality can be eliminated.

Safeguards must be created to allow for transportation or weather problems. Orders are submitted 48 hours in advance to allow for case picking and delivery well in advance of case times.

"This timeframe forces good planning, internal preparation, and establishment of par levels for instrument backup," she says. The best example is open-heart procedures, which tend to be added to the schedule. Rex keeps several of those cases picked in advance.

"If the hospital is willing to work out the details and follow it through, the process can be immensely gratifying," Byrd comments. "This process improves your operating room throughput and efficiency, enhances customer relations, and ensures the end product to the patient is the highest quality available." ❖

Jayne Byrd's e-mail address is Jayne.Byrd@rexhealth.com

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