

Keep Vendors and Their Surprises Out of Your ORs and Your Contracts

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Executive Summary:

Ambulatory surgery programs often find they have various unexpected expenses due to vendor activities. Vendor reps might enter your ORs with “surprise” devices, and they might saddle you with high charges to maintain and repair equipment.

- You can control dispensing of scrubs to vendors by keeping vendor scrubs at a control station where they must be signed out.
- You can make a rent-to-own arrangement for a scrub dispensing machine.
- A biomed technician can be trained to maintain and repair equipment, as well as handle duties not related to technology.

The Story:

You're doing all you can to reduce your expenses, but then a vendor shows up in the operating room with a “surprise” implant. Or an expensive piece of technology breaks down, and you have to call in the vendor to repair it. Ambulatory surgery programs are getting creative in how to address these problems, which can blow up your budget before your year has barely begun.

At Belmont/Harlem Surgery Center in Chicago, staff members lay out scrubs for staff and physicians the night before. Each set of scrubs has the name of the staff member or physician on it. No other scrubs are available in the locker room, but extra scrubs are at a control station and must be signed out. This system prevents a sales representative from going into the operating room without first signing in and obtaining advance approval from the administrator or the surgical director/nurse.

“Since implementation we have cut down on the number of reps, we have a controlled process for the implants, and I definitely do not have to hear the surgeons complaining about ‘always being out of scrubs,’” says **Faith McHale**, administrator. While the center can’t afford to have a vending machine with scrubs, “with this process we can keep tabs on scrubs being taken out of the facility, and we can ensure the scrubs are being laundered with a list we receive back from our laundry vendor.” The laundry vendor is ImageFIRST Healthcare Laundry Specialists in King of Prussia, PA.

The center keeps only par levels, per size, “not per reps’ preferences,” McHale says. The facility has saved about \$6,000 to \$10,000 per year.

At Day Surgery Center (DSC) at Northwest Community Healthcare in Arlington Heights, IL, the surgical hallways are locked with identification access. The physicians and staff members obtain their scrubs from a machine. The center had a rent-to-own contract with the vendor, so now it owns the dispensing and return machines, says **Roxanne Matias**, director of the center. The machine is stocked by the hospital linen staff, but it easily could be stocked by anyone in charge of receiving the linen, Matias says.

“The MDs and staff are given a max of three credits,” she says. “If they don’t return their scrubs, they have to justify why they do not have any credits. This, for the most part, solved the lost scrub issue.”

Vendor representatives who visit the center are required to check in via a kiosk from Flower Mound, TX-based Reprax, which is in the lobby. *(For more information on vendor credentialing, see the two-part series in December 2013 and January 2014 issues of Same-Day Surgery.)* The kiosk has a generic code for reps. Reprax generates a name tag sticker. “The sticker must be presented to the DSC staff before anyone will retrieve scrubs from the Scrub Avail dispensing machine,” Matias says. “The scrub dispensing machine is outside the locked areas, so once the rep receives their scrubs, the DSC staff member swipes them into the locker room.”

The reps also are required to sign in at the reception desk so that the staff easily can determine who is in the unit in the event of an evacuation, she says. “We identified the need for a sign-in board during one of our fire/evacuation drills,” Matias says. “In an emergency, no one has time to print a report from Reprax.”

When the reps gain access to the OR, they might bring similar devices to those already in stock but at a far higher price because the facility has not had the opportunity to “trial” the device or negotiate a fair pricing structure, says **Mark Mayo**, CASC, executive director of Golf Surgical Center, Des Plaines, IL. “Sometimes the rep has seen the surgeon at another facility or in the surgeon’s office and suggests trialing a new device, and the surgery center has been left out of the conversation and has not been provided with an opportunity to negotiate pricing

or to show the surgeon that a similar item is already in stock and is covered under a discounted group purchasing program that saves the surgery center and the patient money,” Mayo says.

Some ambulatory surgery programs reduce surprise devices by setting up committees that meet monthly to approve new devices, he says. At those centers, “there is a policy that no implant can be used unless it is already on the list of approved items,” Mayo says. “They look at costs, alternatives, and benefits.”

Save with a Biomed Tech:

Saving money with staff and vendors doesn’t have to be limited to scrubs. OA — Centers for Orthopaedics in Portland, ME, has placed a biomedical technician on the staff, which has freed the centers from expensive preventive maintenance contracts on their “big-ticket” items.

The biomed technician does service work on items ranging from mini C-arms to, beginning this year, autoclaves. The tech was trained by the vendors. Such training can be paid for by the facility, or it can be part of the contract when new technology is purchased, says **Linda Ruterbories**, adult nurse practitioner and director at OA.

The tech handles preventive maintenance, Ruterbories says. “You don’t have to call in the rep, pay travel expenses and hourly rates,” Ruterbories says. Preventive maintenance contracts can run as high as \$20,000 on a mini-C arm after the first year, she points out. As soon as you send the tech to training, “then you don’t have to pay any of that,” she says. The tech also can handle repairs. Otherwise, the center would have to call the vendors, wait for the reps to get there, and pay them \$150 an hour plus travel expenses, Ruterbories says. “Then they may get there, and it might be easy to fix, if it’s not critical, or if it is critical, they have to order parts. They have to spend the night,” which adds even more expense, she says.

Also, the tech is available to handle other duties in the current “technology-crazy” environment, Ruterbories says. He can maintain arthroscopic equipment, high def cameras, and LED light sources. “They’re very costly if they go down, and it may cost you an OR if you don’t have backup,” Ruterbories says.

Their “multi-faceted” employee handles other tasks that aren’t related to equipment, she says. “He can do any ‘construction’ we need done, such as putting in a desk,” Ruterbories says. If the tech is qualified to perform all high-level maintenance and repairs, the position pays \$60,000.

She describes hiring the tech as being a “phenomenal” experience. “You get an immediate fix and immediate cost savings,” Ruterbories says.

This month: Best cost-saving ideas

This month's issue is one of the most anticipated by our readers because it's full of cost-saving ideas. We tell you how to keep vendors and their "surprise" devices out of the ORs. We share how to control your equipment expenses. We tell you how one facility cut about \$10,000 worth of inventory at its bedsides. Columnist Steve Earnhart has 10 money-related ideas. We tell you how to save money by reprocessing single-use devices. We also share how to improve collections by moving financial counseling to the front end. Also, our publisher offers several discounts. Enjoy this special issue of *Same-Day Surgery!*



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