

Evaluating Scope Repair Services: More Than Meets the Eye

By Brian Newton

Most third-party scope repair companies face a major challenge today – overcoming a bad reputation, which can be well-deserved if they don't use and install quality parts and perform quality workmanship. While original equipment manufacturers (OEMs) may have a legitimate interest in addressing how third-party repair services work with their products, they unfairly label and lump all third-party scope repair companies together, condemning an entire industry, which is just plain wrong.

Unfortunately, for that very reason it's difficult – if not impossible – to defend or generate favor for all third-party repair companies. The key word is “all.” Scare tactics, smear campaigns, disinformation and continuing arrogance cloud an otherwise important issue among cost-conscious healthcare providers that must make educated decisions to not only protect their property but their patients, as well.

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There are more than 100 third-party scope repair companies in the United States. Some are wholesalers who perform repairs for dealers working out of their garage, barn or house. Some are ISO-approved and some are very large organizations with great marketing departments and GPO contracts. Some advertise they own their own facility while brokering to many different repair facilities. Some brokers and repair facilities don't know the value of a quality repair nor do they care. One advertises they have multiple repair facilities scattered across the country when actually they have one repair facility with multiple sales reps in the field. Essentially, there's no standard for parts and workmanship between all third-party scope repair companies. The only standards are ones that are self-imposed by the individual company.

In selecting a third-party repair company, it's essential to evaluate the company on criteria other than price. While true cost is a key factor, the lowest price should never be an issue. Quality of parts and workmanship are directly related to true cost. This is the core of the issue. It's easy to look at price and it's easy to trust individuals representing a company, but it's sometimes hard to delineate the true criteria. The bottom line: It's worth every bit of time spent to evaluate prospective repair companies, including the OEM.

Here are a few tips to consider and questions to ask to help you select a repair service.

Location, Location, Location

Who's actually doing the repairs and where are they performed? It's important that a customer be able to visit the repair facility, speak with the technicians, view the quality of parts and the repair process. Unfortunately, there are quite a few companies who solicit repairs and send products to a variety of different companies to perform the actual work. Customers who aren't familiar with the actual repair facility risk inconsistent quality, lack of communication, increased repair costs and decreased patient care.

One way to overcome this is to request your repair vendor to put in writing each specific facility where each respective repair will be performed. You, as the customer, should be notified in writing about any change of facility. If any items are sent to another facility without your being properly notified or authorization, you will not be responsible for the repair costs. This way the repair vendor cannot pull a switcharoo – showing you their flagship or “partner” facility and then sending their repairs to whomever they please.

Follow the Money

What type of insurance does the company provide to their customers? Ask for a copy. Does the policy list the “local” facility? If a repair company's sales/service representative picks up a scope from your institution and delivers it back the same or next day and/or they don't have a repair facility that you can visit, you have to question how and where the repairs took place. Are the repairs performed in a quality facility or are they performed in

a barn, garage or using the bathtub and kitchen table? The same holds true if they're sending the scopes out for repair. If you cannot visit the facility, then something isn't right. Also, it's important the insurance policy states that it covers endoscope repairs. If not, it's possible for the insurance company to cancel their insurance after the first claim if the repair company wasn't upfront in purchasing the insurance. Be sure to request a copy of each respective repair company's insurance policy. If they don't have insurance, select another vendor.

Check out the Parts

What type and quality of parts are being used to repair the endoscope? Is a three-part channel (garden hose) being installed? Does this channel create an environment for bacterial growth due to its different layers? If you puncture the inner lining, will the channel register positive on a leak test? Are the channels being spliced? How does the repair service's channel compare to the OEM's? The same holds true for other channels within the scope. Ask for a material composition/specification sheet for all of the channels, the bending rubber and bending rubber glue. Does the BSR (bending section sheath) contain latex? Do they use Teflon tape on the bending section? These are just a few of the questions that you should ask. For more information, Olympus America provides a good online reference point for these types of questions so click on the company's Web site at www.olympusamerica.com/msg_section/img/misc/Olympus_white_paper.pdf.

In support of the OEM, quality parts and workmanship do reduce long-term costs. By the same token, poor quality parts and workmanship increase long-term costs. One way to figure out if your third-party repair vendor is installing quality parts and providing quality workmanship is to look at your annual repair costs divided by your annual number of procedures. A good benchmark is \$15 or less. Some accounts have averaged more than \$40 per procedure. Unfortunately, these accounts were using very unqualified third-party repair companies. In quite a few of those accounts, the customer was under the impression it was the OEM's fault for the high repair costs. This wasn't the case. The repair costs were specifically related to poor workmanship and pathetic parts. As a result, keep in mind that the following factors play a major part in the overall repair costs: Care and handling, age of the endoscopes and the type of disinfectant used to clean them.

Avoid the Traps

There are some not-so-obvious traps that hospitals can fall victim to when deciding whether to use a third-party repair company or the OEM. One not-so-obvious trap involves looking at line item pricing with no qualifications or criteria for the bid process. One technique being used is when repair companies include creative descriptions for each level of repair. Customers unknowingly think they're receiving an apples-to-apples quote, but the company will sneak a basic repair into a higher level of repair. It's quite common for some companies to charge \$50 to \$70 for such repairs as "tighten light guide prong," which should be performed at no charge. Customers think they're getting a good deal or a no-freight agreement, but they find that the costs actually are much higher on a per-scope basis if they compare them to quotes from an upfront and ethical third-party company.

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Another trap involves companies that advertise they are FDA-approved and/or registered or ISO-certified. Just because they may be either doesn't guarantee consistent quality parts and workmanship. It could easily mean they consistently do a terrible job! Remember that all parts and workmanship are not created equal.

Just the Facts

Scopes have been around for more than three decades and with them scope repairs. Unfortunately, this selection process sometimes can be a problem for hospitals. That's because hospital decision-makers may lack technical knowledge and assume everything is an apples-to-apples comparison. For this reason, repairs can be an emotional issue. But it's not that the scopes and instruments are emotional; it's that nurses and technicians care deeply about delivering quality care to their patients. They care about all aspects of procedures from start to finish. When a scope isn't available for a procedure or it doesn't perform properly, the surgeon isn't happy and that's relayed to the nursing staff and on down the line. This is why the selection of a qualified repair service is an emotional issue. Another reason stems from any personal relationships with vendor sales

representatives. It's sometimes tough to be impartial when dealing with people you know and trust. But what if the people you know and trust may not know the truth about the parts and workmanship they're selling?

Scope the Scope

Knowing the quality of repairs is an excellent way to evaluate third-party repair vendors, but without disassembling the scope, it's almost impossible to inspect workmanship. However, you can scope a scope in such a way that enables customers to look through a flexible endoscope viewing the biopsy and suction channels to see if their third-party repair service is splicing the channels and attaching them properly. Shy of that, you should visit the facility where your repairs are performed, be able to observe all of the repairs and speak freely with technicians while viewing their techniques and the parts installed. If you aren't allowed to speak with the staff or you're funneled in a planned direction, you may want to find another repair company. There are no secrets in this industry if you're dealing with a good third-party repair company. Another suggestion is to ask to see the vendor's repair manual.

Make sure your vendor isn't using inferior parts. I cannot emphasize enough how important it is to create bid specifications that are specific to certain repairs and not look at line item pricing. One way to ensure that your vendor isn't using inferior parts is to request a breakdown of parts and their material make-up. If your repair vendor deviates from this composition, put a penalty in their agreement. Inspecting the repair facility is still the No. 1 method to gauge parts and their quality.

Be concerned if your repair vendor is farming work out to other vendors. I mentioned the barn, bathroom sink and kitchen table. I am not kidding. This takes place. A couple of smaller repair brokers send their rigid scopes to be repaired in a barn! There are other rigid and flexible scope repair companies working out of their houses. How can you be assured the broker absolutely and positively knows what parts are being installed if its repair facility is not 100 percent legitimate?

'Incentivise' Your Choice

Find a repair company that is incentivised to do quality work. Although this comes from within the vendor you, too, can incentivise your repair company. By doing a site visit and meeting the employees, you should be able to gain a feeling about their corporate culture and be able to gauge whether they focus on repair quality or simply make it part of their marketing campaign. A good third-party company should be glad to give you full access to repair history reports and show you the invoices at any point and time. They're not afraid to look at the average cost-per-procedure and frequency of repair.

OEMs claim that because third-party repair companies aren't audited by the FDA and don't have to follow the FDA QSRs they aren't incentivised to do quality work. While some third-party repair companies have no incentive because they may be out for the short-term buck, the good third-party repair companies strive to deliver better service than the OEM, so they can retain customers and make a long-term living. Supply and demand always correct each other.

Meet OEM Standards

It's important to meet OEM standards. This includes parts and workmanship. This is what separates the good third-party repair companies from the bad ones. Look at requiring your OEMs to work with your third-party repair company as a term of doing business. One of the OEMs overhauls a scope if it has been touched by a third-party repair company simply because it doesn't trust the work. This makes perfect sense if the third-party repair company used inferior parts and poor quality workmanship, but what if such an overhaul is not truly warranted?

These actions seem to reflect more of a defensive reaction to third-party repair companies in order to limit their ability to do business, particularly if the OEMs don't sell their parts to third-party companies or list their standards on parts. Still, it's important for OEMs and third-party repair companies to remember why we're all in business in the first place – to serve our customers. ♦**FM**

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