



COST CONTAINMENT *Strategies*

IMPLEMENTING A REPAIR REDUCTION PROGRAM

One significant way to help your facility in its cost containment efforts is to implement a repair reduction program. Understanding the nature, extent and costs of your overall repair efforts will arm you with the knowledge necessary to make effective decisions for your department. Here are a few guidelines for the type of information you can gather to help develop an effective repair reduction program:

An Ounce of Prevention

The first step is to prevent or minimize the number of repairs by ensuring everyone on staff coming in contact with the equipment understands and follows proper use, handling and reprocessing protocols established by the equipment manufacturer. These protocols are designed to reduce the incidence of repair while protecting patient safety.

Who's in Charge

While everyone should participate in repair reduction efforts, it is beneficial to have one person responsible for the overall repair reduction program—someone who can monitor the big picture to track and trend repairs and look for opportunities to reduce their occurrence. If that person is

you, you'll need ready access to repair records and budgets as well as the ability to interface with staff members and physicians who handle and use the equipment.

Tools of the Trade

A few of the tools you can use to track and trend repairs include:

Equipment Inventory

Maintaining an equipment inventory helps you monitor the size of your resource pool and the age of the equipment in it. You can track available resources against current and estimated procedural demands, and anticipate repair expenditures and capital equipment upgrades based on the age of the equipment.

Equipment Utilization

By tracking the activity level for each piece of equipment in your inventory, you can determine if it is being over- or under-utilized. You can also compare the equipment's utilization rate (rather than "elapsed time") against its repair costs for a truer evaluation of the efficacy and longevity of the repairs performed on that equipment.

Repair Logs

Keeping a repair log is important, but actually using it to track and trend repairs is invaluable. The log enables you to

analyze repair frequency by scope and repair type and determine if there is some sort of trend. Is one scope always breaking down? Does your repair frequency spike when equipment is handled by a particular staff member? Is there a high failure rate for a certain scope model? Not only does a repair log help you pinpoint problem areas, it also allows you to correlate repair data against utilization rates to assess true repair cost.

Repair Cost Per Case Worksheet

Another strategy is to track your "repair cost per case." This strategy analyzes repair costs against procedural type (laparoscopy, upper GI, etc.) to determine where the bulk of repair dollars are being spent and then focusing your repair reduction efforts in those areas. Repair costs can be a significant consideration when analyzing overall procedural profitability.



Equipment Evaluations

Periodic equipment evaluations can help you detect issues with your equipment before they escalate into a major repair issue. Detecting problems early on not only helps keep repair costs to a minimum, it also

ensures the ongoing reliability and safety of the equipment. For example, when angulation cables become stretched, the repair to adjust them is relatively easy and inexpensive. Left unchecked, however, the stretched cables cause the scope to lose some responsiveness which, in turn, may cause the doctor to apply additional force. The extra torque on the angulation system can eventually lead to broken wires and a more expensive repair.

Evaluating equipment immediately after every repair is also extremely important. In the case of endoscopes, be sure to perform leakage testing, reprocessing and functional checks before the equipment is put back into service.

Service Agreements

An Olympus service agreement is another excellent tool for ensuring cost containment on the repair of your Olympus equipment over a defined contract period. Even with a service agreement, however, it is important to adhere to a repair reduction program. Repair expenditures for servicing your equipment during the current contract period will help determine the contract amount for the next service agreement period.

More Information

For onsite consulting to help your organization identify opportunities for reducing cost and improving efficiency, contact Olympus about our new EndoSite™ onsite consulting solution.