

If it is the cost of doing business – why not lower it.

The cost of doing business- We make sure that it is only those costs directly associated with your support volume & complexity and none of the overhead or neon signs that you might never see. I've always expected that of myself, my team, and of course my vendors. The providers up on the unit are not interested in the weekend Finger Painting & Photography course you're taking; but they are interested in how long it will take you to get up there and fix their technology problem.

When the cost of doing business with your IT support vendor means they pass non-value-added costs on to you, it might be time to consider other business partners. We partner with industry leaders who understand that none of us want to pay for someone else's vacation retreat or "top-floor" deluxe, all glass, office space. If a vendor will not disclose their complete cost model to their customers, then they're hiding something that does not add value and then charging you for it. If you're paying for live call center support & resolution, you should not have to pay for the other lines of business that you don't want or need.

If a vendor can prove to me that each cost will actually improve their services, then I'd understand that cost of doing business. Don't ask us to make up for the losses they experience in other business dealings - again, that does not add value to our clients. Charge us for what we use; but not for your unchecked overhead and dormant staff who are collecting salaries even when not delivering direct service.

We embody LEAN principles and absolutely must partner with others who do the same. Failing to do so means creating non-value-added costs and passing them on to the end customer. That end customer in healthcare is ultimately you and I as well as our families.

Here is a simple example (leaving some details out so as not to bore anyone). These are avg. costs per item and per episode.

***Patient presents to ER with a complaint of excruciating arm pain. A common occurrence; but we cannot assume anything, so we go through the steps to identify the severity of the condition, any factors involved, assessments, testing, interpretation of results, and a plan of care.

Now for our line item costs(using "roundy-numbers"):

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| Hospital pays twenty-five cents to their supplier for a dose of Tylenol: | \$ 0.25 |
| How did that Tylenol get there? (Purchasing, Receiving/Stocking, Transport, Inventory, storage space..\$\$) | |

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| Can't order meds without triage/assessment so staff performs them: | \$90 |
| How do they perform these? (With medical instruments, consumable & reusable supplies, EMR, ... Ancillary services, and staff time) | |

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| Let's not forget the actual cost to build and maintain that ER, the room we treat patients in, the waiting room, the lights, heat/AC, housekeeping, technology/equipment, and EVERYTHING that is on stand-by just in case, etc. | \$500 |
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| Who ordered it after the assessment? Yeah, let's not forget we must have a Doctor on staff in our ED. Doctors utilize EMRs, instruments, transcription, consults, computers, phones, desks, subscription services, and of course – still working to pay off that enormous college loan that costs more than most mortgages. | \$200 |
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| CDC/Infection Control mandates that we maintain a sterile environment to treat patients and prevent the spread of infectious "organisms" on our equipment, our staff, and | \$125 |
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EVERYTHING within our entire facility. Oh, we are now required to also engage our patient's home environment for the reduction of risk factors there as well. Guess what? We do not receive reimbursement for that either. We're just required to do it.

Of course, we don't just throw a couple of Tylenol at you and tell you to beat-feet out the door. No sir, we will provide thorough documentation of the entire visit, tests, outcomes, prescriptions, home-medication reconciliation, post-visit care, follow-ups, provide educational materials and one-on-one specialized counseling from a licensed provider. We will also burn CDs or provide printed materials along with information regarding accessing your personal medical record on the local Health Information Exchange website, that we also have to fund. Of course, we are also required by our government to ask you dozens of personal questions that you might find peculiar or unrelated. After all, we are mandated to do so or face fines and/or loss of license. \$75

If our treatment rooms were already full when you arrived and we determined that your condition was not life threatening, you may have waited a while. If that happened to run a few hours and during a normal meal time, we offer a meal to help prevent other issues from surfacing – such as an angry - starving mob forming in the waiting room. OK, a little bit of humor there. This is the cost of ordering, preparing, delivering, clean up, and all ingredients/supplies). \$10 is a steal. \$10

Here is the zinger that seems to get most folks all tanked up - did we need to perform Radiology or Lab work? This can really add to the cost; but is often necessary to accurately diagnose. Most people have no idea how much it costs to not only lease/buy that Rad/Lab equipment; but the process of just getting the authorization from local government to pursue the purchase of one is very expensive. Not to mention the modifications to the facilities to place the equipment, the highly trained staff to run it, maintain it, provide the test, collect the specimens, interpret the results, report on it, and of course the constant cost of replacing all of the consumable supplies used in these tests. It seems that no one out there is giving away any of this, so we (Healthcare) pay for it. \$400

OK, trying to wrap this up here and wont bother with all of the ancillary support required to provide all of this to those directly involved in the care of our customers (the patients). Things like Coding, Billing, Registration, IT, Public Safety, Care Management, Central Sterile, Pharmacy, Engineering/Facilities, Volunteer Services, Quality, Medical Records, AP, HR, Transcription, Legal, Admin, Patient Advocates, Social Services, etc....etc.....etc..... \$55

A good deal of what we are forced to implement and maintain within Healthcare does not actually improve patient care; but we have no choice and must abide by the laws that govern this industry. These do little more than provide government agencies with additional information that is often used to deny payment for services, reduce reimbursement rates, dispute medical necessity, and in general help those issuing insurance make even more profit. I don't think profit is evil; but profit above all else is inexcusable. Especially when it comes to your personal health.

This is not an actual bill; but a simple representation of what it takes to deliver a very mild level of care to someone who presents in the ED with non-specific arm pain. The same visit that should have been conducted in a prompt care setting or with their primary care provider. Nope, these cases present in our EDs every day and compete for the same resources that were intended to provide EMERGENT- LIFE- SAVING care.

So, **our total cost** for this visit is in the neighborhood of **\$1,450.25**

That is our cost within the facility. This is not the amount on the claim that is sent to your insurance plan. That depends on the negotiated rates that they have agreed to pay, when they feel the service was necessary. That is another whole ball of wax called medical necessity.

You may present in our ED due to what you believe is life threatening or unbearable and we in turn will assess and treat to make sure you are OK before you leave. The disconnect is that those who deny payment for these services because they determined after the fact, that caring for you was not medically necessary, are working closely with those who mandate that we assess each patient who presents to our ER. Closely associated with those who also impose monetary penalties on us if we fail to deliver what the patient or those in power deem to be appropriate or sufficient. You could say that we really are stuck between a rock and a hard place.

How do you improve or even grow to support additional services needed in your community? You need to actually make a dollar on the services you currently provide. Even if you only make fifty cents on these services, that would be good. There's the rub.

If you are unable to collect all co-pays, you're writing off bad-debts, receiving denials for payment on claims submitted to insurance plans, getting hit with increased costs from your suppliers, experiencing increased labor costs, adding technology to meet government mandates, and getting anywhere from 40-70% reimbursement from government insurance programs, then you are about average.

So, where was I going with this? Right here.....We are healthcare IT. We totally get it.

We've been involved in every aspect of care and feeding that is necessary to provide our clinicians with the absolute best in services. Every department within most healthcare facilities has one or more forms of electronic method used in delivering their services. If you're like most of us, you could use a little help in caring for some of it. You're not likely to have an enormous budget to do so and you shouldn't have to. You should only have to pay for the service you are receiving and you should receive nothing short of stellar service from your partners.

We can help you reduce clinical systems support issues, increase systems performance, increase end-user satisfaction, and even play a role in improving patient outcomes through a reduction in systems hiccups. Just keeping it simple here and not throwing IT-heavy lingo around. On average, our cost to deliver IT service of equal or better quality is less than 25% of your cost to do so. Which by the way is about 10% of the cost of today's large and top-heavy support shops.

If you think this sounds too good to be true, don't close the door on opportunities that could positively change the way you deliver and receive service. Instead, take the safe approach and tip-toe in. You can always pull your foot back out and return to the old way of doing things. Good luck with that, there are plenty of people out there who will continue to do things that way, simply because that is the way they've always done it. Not very forward thinking or creative.

For everyone else, I think you'd agree that it is worth the 10 minutes to speak with us and share some ideas. I can guarantee you three things that will come of that conversation:

- 1- You'll learn about a few affordable options you have to address your common and biggest headaches.
- 2- You will have an opportunity to utilize one of our EMR solution's 60 day trials with no obligation except honest feedback.
- 3- You will meet someone who shares your passion for serving the needs of our communities, organizations, and the patients we serve.

If nothing else, reach out to some of our reference sites to hear first-hand from them. We'll be here when you're ready to discuss options or just learn about what we're doing next.

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