



# ProviderWorks

Next generation expense-reduction for healthcare providers

## Hospital Cleans Up Its Laundry Costs

ProviderWorks' industry knowledge, benchmark analytics, and proprietary process lead to significant savings in non-labor operating expenses

### About Us

ProviderWorks is a professional advisory firm, deeply rooted in healthcare management and operations, with experience delivering effective strategies and implementing programs to address the industry's need for improved business performance. Services include:

- ✓ Strategic Planning & Plan Implementation
- ✓ Non-Labor Cost Reduction
- ✓ Business Process Improvement
- ✓ Strategic Sourcing
- ✓ Contract Management
- ✓ Organizational Alignment & Integration
- ✓ Revenue Enhancement

### Business Case

A Midwestern acute care hospital with multiple facilities and clinical locations engaged ProviderWorks to examine its laundry services expense. The results: savings of 16% identified while achieving equal or better quality and service.



### Client Business Challenges

- ✓ Reduced reimbursements
- ✓ Rising cost of purchased products and services
- ✓ Small internal support staff
- ✓ Inadequate and inconsistent internal processes
- ✓ No budget for outside consulting
- ✓ Lack of organizational alignment

### The ProviderWorks Approach

ProviderWorks initially examined the client's general ledger, invoices and contracts for its laundry service expense. With over \$5 million of service expenses under review, ProviderWorks identified 16% savings while improving the hospital's laundry service quality, delivery and contract terms.

### Expenses reviewed

- ✓ Medical cleaning service agreements
- ✓ Supplier and GPO rebates and incentive programs
- ✓ Linen and uniform purchase agreements
- ✓ Pre-built cart programs
- ✓ Supplier supported improvement programs
- ✓ Commodity and fuel price adjustments
- ✓ Loss and rewash factors and replacement costs
- ✓ Utilities, including energy

### Strategies Implemented

- ✓ Rationalized supply chain
- ✓ Aggregated facility spends
- ✓ Renegotiated vendor and GPO agreements
- ✓ Reduced sources of process variation
- ✓ Fostered lean supply chain methods, lowered par levels while improving on-time delivery
- ✓ Implemented common processes, improved metrics and controls
- ✓ Audited performance monthly for 24 months

***The ProviderWorks pledge:  
no savings, no fees.***