

Health Care Industry White Paper
AUXILIO Solutions Team

Is Your Managed Print Services Sustainable?



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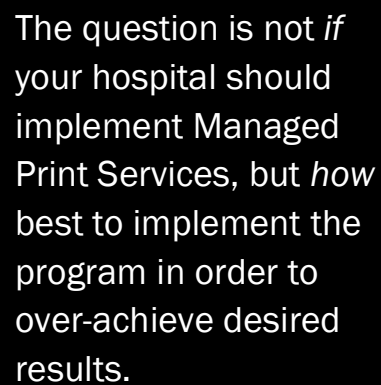
At the Core: Continuous Process Improvement

Managed Print Services [MPS] is no longer a buzz phrase or a short-term trend in health care. The reality is that hospitals today are spending an even higher portion of their annual budgets on printing and document handling – an estimated 9%, according to the National Health Service in 2010 – and are faced with a swelling array of printers, scanners, and multi-function devices, over-burdened staff, reactive decision-making, and inefficient workflow processes that adversely affect the quality of health care provided to patients.

Enterprising hospital executives, including Chief Executive Officers, Chief Financial Officers, Chief Technology Officers, Chief Operating Officers and Chief Information Officers across America are seeking best practices and change management techniques to be more accountable and transparent to their Boards, stakeholders and the public, and they are turning to MPS as one of the few remaining areas where they can capture considerable savings –

upwards of 30% - and efficiencies to improve workflow processes, as well as employee and patient satisfaction, all while making the transition to Electronic Health Records [EHR] less costly and painful.

The question today is not *if* your hospital should implement MPS, but *how* best to implement MPS in order to over-achieve desired results. Creating fundamental, sustainable transformation in workflow processes requires a comprehensive change in a hospital's operations and culture, and the right continuous improvement management philosophy and methodology to achieve standardization and desired results. How do you ensure those who serve, i.e. your hospital staff that are on the frontline of health care service delivery, will embrace your MPS program? Subsequently, does your MPS program have all the key elements to be sustainable and deliver a return on investment [ROI]?



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Demand nothing short of an end-to-end all-inclusive solution

A hospital's print infrastructure is multifaceted and includes hardware, break-fix contracts, toner and other supplies, help desk calls, management and IT support. All form part of the total cost of print management and are part of what can be a complex document supply chain. Many hospitals have little understanding of the total number of print devices in their entire fleet, their location, maintenance schedules, contracts, operating costs, volume of paper produced or environmental impact. Moreover, many hospitals cannot effectively track the periodic costs of their document output. And by design, most equipment vendors don't want you to know.

The services offered by an MPS company can vary dramatically. The problem is amplified as new kinds of MPS providers emerge, including most of the printer/copier manufacturers and dealers, and even office supplies wholesalers. Most MPS vendors approach a hospitals' print environment with a focus on hardware and variable costs per unit, rather than on process and how change affects employees. MPS is not simply about machines and it is certainly not about equipment vendors convincing you of the need for new equipment. The adoption of an integrated, all encompassing MPS solution goes way beyond just managing the fleet.


For optimum results and a maximum return on your investment, your MPS program must take a holistic approach that encompasses people, processes and technology to help assess, design, implement, and manage your print environment. In order to align senior leadership, department managers, IT and other key stakeholders toward the common goal, you need a MPS partner that seamlessly integrates into your hospital environment, immerses into your culture, and implements gradual and continuous change over time – all the while teaching, training, and communicating with staff.

Managed Print Services Evaluation Criteria	
1. Defined Strategy	YES
2. Capacity to Serve	YES
3. Comprehensive Assessment	YES
4. Communication	YES
5. True Partnership	YES
6. Scalability & Flexibility	YES
7. Sustainability	YES
8. Transparency & Adaptability	YES
9. Continuous Process Improvement (CPI) Methodology	YES
10. Contract Terms	YES
11. Full-time, On-site Team	YES
12. Service as the Single Focus	YES

Think “Lean”...Kaizen Lean

“Kaizen” is the Japanese word for ‘continuous improvement’. A literal translation of Kaizen is ‘to become good through change’. At its most basic level, the concept of Kaizen is one of restructuring and organizing every aspect of a system to ensure it operates at peak efficiency. Combined with “Lean” methodologies: a renowned process for eliminating waste to help maximize efficiencies, “Kaizen Lean” is a philosophical proof-positive approach used globally to improve business operations.

When implementing an MPS program, hospitals can benefit greatly from using principles of Kaizen Lean. The New York Times July 2010 article “Factory Efficiency Comes to the Hospital” highlighted dramatic success at several hospitals that leveraged Lean strategies to improve operations.



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The key to achieving success with your MPS program is to think evolutionary, not revolutionary. As the first and only nationwide MPS provider servicing the health care industry exclusively, AUXILIO is a firm believer in using Kaizen Lean methodologies to maximize ROI for its 100-plus hospitals and clinical and administrative customer facilities around the country.

For example, Saint Barnabas Health Care System (SBHCS) has six campuses, over 18,000 employees, 2,300 beds and nearly 5,000 physicians, treats more than two million patients annually and is the second largest employer in the State of New Jersey. Facing an annual 9% increase in print volume, a fragmented process of equipment use, multiple equipment vendors and no central management or strategy to control spend, the hospital recognized the need for a viable print management strategy. AUXILIO approached the hospital system’s challenges using Kaizen Lean to ensure gradual, continuous and sustained improvement.

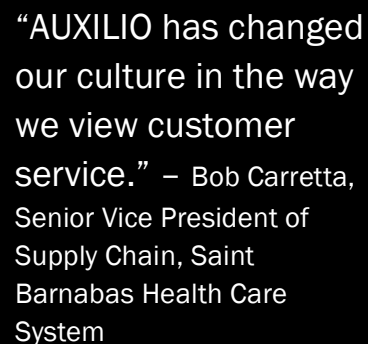
This included a comprehensive audit of the entire hospital, full evaluation of efficiency in operations, the creation of a detailed inventory of documentation, mapping the location of all equipment and delivering an in-depth financial analysis that uncovered waste and inefficiencies. A critical component

of AUXILIO's strategy was to seamlessly integrate its professional print strategy consultants into the hospital environment to ensure key hospital staff was included in all decision-making processes.

Managing culture is absolutely essential

Although MPS involves change, hospitals have the option of proceeding as rapidly or gradually as is necessary, or even as budgets allow. MPS is also flexible enough that it can be applied to an individual department, an entire hospital, or multiple facilities; however, culture is at the core and all constituency groups must be included in the change process.

Kaizen Lean is all about transformation, culturally and technically, of the whole end-to-end process in order to deliver ROI. The entire staff (doctors, nurses, technicians, and support staff) and the patients all 'see' and 'feel' the impact of implementing Kaizen Lean when it is done properly. There is a tremendous improvement to the culture and everyone begins to work as a team.



“AUXILIO has changed our culture in the way we view customer service.” – Bob Carretta, Senior Vice President of Supply Chain, Saint Barnabas Health Care System

Simplifying the transition to EHR

“We’ve got 21st century medical practices, but (a) 19th century paperwork system,” President Bush declared in a January 2005 speech at the National Institutes of Health in Bethesda, Maryland. That defining statement launched a health care information technology revolution that has more than 5,000 U.S. hospitals working overtime to transition to EHR.

The term ‘digital hospital’ is casting anxiety, uncertainty and doubt among hospital executives. Moreover, this term paints a misleading and inaccurate scenario. A study funded by the National Institutes of Health, National Library of Medicine and presented at the November 2009 American Medical Informatics Association Symposium concluded that paper is still ‘highly valued’ in all health care settings, there are new uses for paper, and because of psychological, technological, regulatory and legal factors, paper will never fully be replaced by EHR. Working from the premise that shifting to an electronic record system from a paper-based system would be widely expected to improve the efficiency, quality and safety of medical care, the research team found what they referred to as

‘unintended consequences’ at hospitals intending to shift to electronic means of information for clinical and administrative record-keeping. This ‘unintended consequence’ was called ‘persistent paper’ or ‘the continued use of substantial amounts of paper in organizations that had committed to the reduction or elimination of paper’.

However, the benefits of MPS has the intended results of simplifying the IT and operational function necessary to achieve EHR and prepares staff for the monumental changes occurring in their operating environment. Hospitals that have implemented MPS with a carefully selected partner have streamlined their budget, infrastructure and workflow utilizing a process that employees can embrace. Without regard for effective change management and a hospital’s culture, the detrimental effects are staggering. For example, Cedars-Sinai Medical Center in Los Angeles pulled the plug on its \$34 million electronic medical record (EMR) system after just three months because employees refused to use it.

MPS Elements for Sustainability and Success

- ✓ Depth of Service
- ✓ Customized Approach
- ✓ Scalability
- ✓ Communications
- ✓ Culture Management
- ✓ Collaboration

With the right partner and program in place, hospitals can implement effective change management and help their staff better handle the enormous amount of pressure to cut costs, improve workflow processes, evolve to EHR and deliver better outcomes.

People + Process + Technology = Sustainability

The constant quest to reduce operational costs without adversely affecting front line services is a fact of modern public health care. Coupled with the pressures of EHR compliance, it makes good business sense as to why hospitals are embracing MPS as a strategy that has the potential to deliver millions of dollars in cost savings, improved workflow processes and employee and patient satisfaction.

Working with an MPS company that is prepared for and aware of the unique culture of the health care workforce and has the experience of working as an integral member of the hospital team, rather than

simply fulfilling the role of supplier, will deliver increased value and a sustainable solution that is more able to adapt to changing business and operational requirements.

Most important, your MPS partner needs to deliver a high level of client engagement for continuous improvement and strategic planning based on the needs of the hospital. This is precisely why the only MPS company in the nation, working exclusively for health care, AUXILIO, provides its full-time, on-site resident teams with the tools to manage continuous process improvement change by its adopting the unpinning principals of Kaizen and Lean. In the end, this 'people + process + technology' philosophical methodology ensures hospital staff embraces the new culture paradigm and assures that each standardized and customized MPS program will generate maximum results.

With new players entering the game every day, it is critical that hospitals carefully select their MPS partners and their approach, so that culture remains at the forefront of all decisions. There is an absolute correlation between an MPS program that encompasses all three critical ingredients: people, processes and technology - and its ability to achieve your hospital's goals.



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