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EBOOK

Advancing Healthcare IT

Three cost-cutting strategies for clinics and senior care facilities

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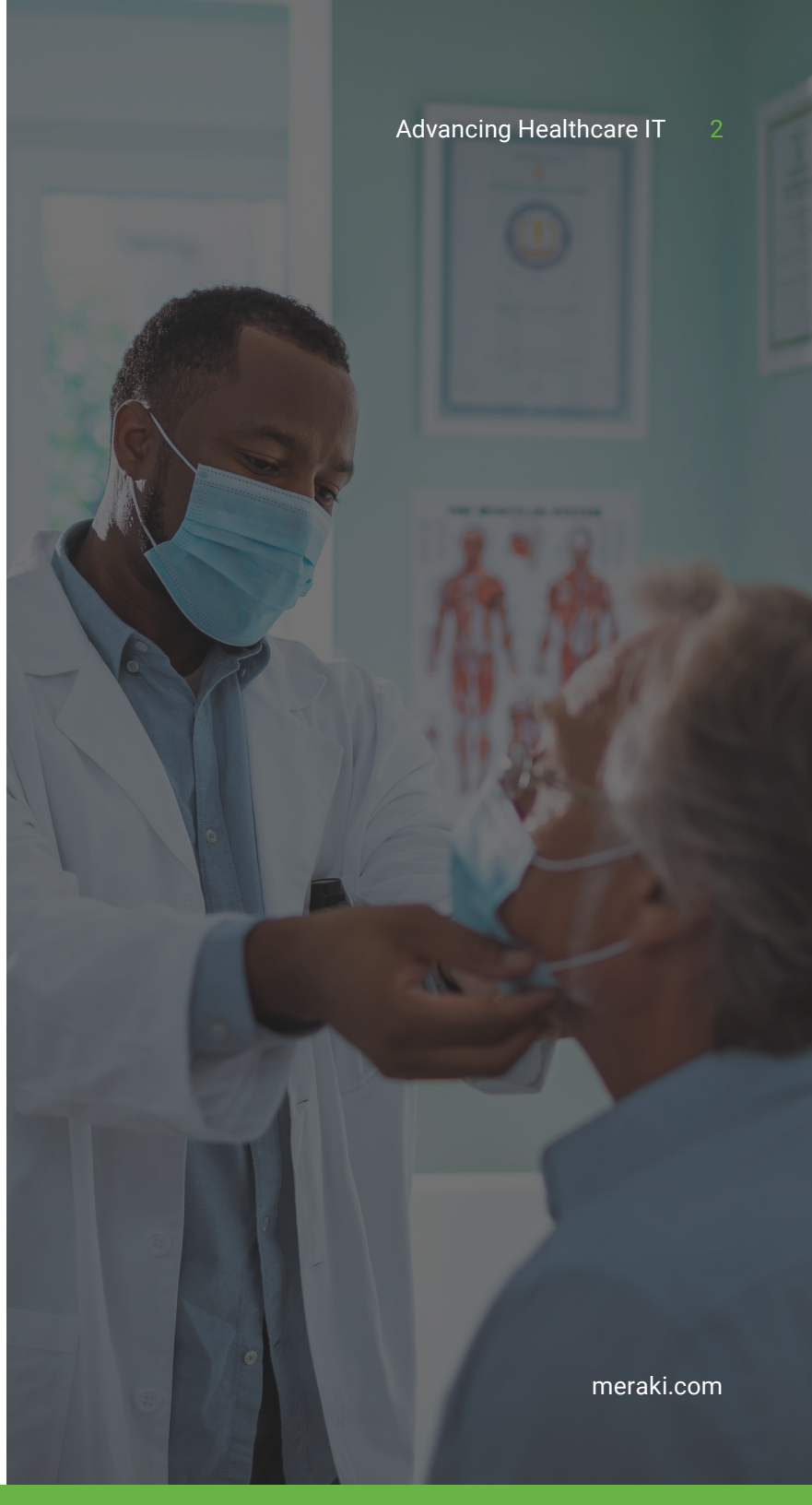
Healthcare providers are spread thin, now more than ever.

Multiple trends and crises—from the rapid push toward digitalization to the COVID-19 pandemic—have emerged in recent years that are causing clinics and senior care facilities to feel the pinch. The realities of today have created a renewed urgency around cutting costs while improving efficiency and maintaining or exceeding excellence of care.

This e-book introduces three potential strategies that leverage an advanced cloud-based IT platform to help clinics and senior living facilities cut costs without sacrificing care. These include:

- Improving asset management
- Modernizing operations
- Ensuring data security and safety



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STRATEGY 1

Improve asset management

In the busy world of healthcare clinics, senior living facilities, and hospice care, time means far more than money. Saving time often means improving or saving lives, yet when it comes to managing physical assets, much time is spent replacing lost or stolen equipment, purchasing redundant supplies, or searching for misplaced items.

This results not only in wasted time and resources, but also in reduced care. After all, if medical staff cannot locate the correct devices or equipment, like IV pumps, oxygen tanks, monitors, and gurneys, patients suffer. In addition to human pain or even loss of life, missing devices add up to billions of dollars in wasted assets each year.

Additionally, some healthcare providers discard medical supplies and devices, including gauze, surgical masks, and catheters, even though the items are usable and nowhere near the expiration date. One California hospital estimated a single department wasted about $3 million in supplies in 12 months.

A large percentage of the $765 billion the healthcare industry loses annually is attributable to waste[1].

[1] ProPublica, "What Hospitals Waste"

Managing medical devices

Controlling assets such as IV pumps, gurneys, monitors, and wheelchairs—which might be hoarded, stolen, lost, or simply left in the wrong department—eliminates the need for costly or unnecessary replacement. It also curtails the amount of time spent searching for misappropriated devices.

Adopting technologies such as real-time location systems (RTLS) or asset-management solutions enable facilities to keep tabs on vital and expensive assets as they move about within a given building or campus, and can send an immediate alert if those assets go where they're not supposed to. With RTLS, healthcare providers are not only able to better manage assets, they also garner insight into asset usage and efficiency, helping medical institutions and long-term residential care operators budget and plan.

Controlling assets eliminates the need for costly or unnecessary replacement.

For example, it would be possible to know what percentage of gurneys are in use and at what times of the day. If the gurneys need to be sterilized before the next patient can use them, knowing how much time the gurneys spend waiting to get cleaned and how long they are in cleaning can help identify inefficiencies and extra costs.

Real-time solutions allow healthcare providers to keep tabs on vital, expensive assets as staff and patients use them.

Savvy clinics are choosing not to deploy one-off location systems or asset-management solutions. They approach this critical transformative solution as part of a holistic, cloud-based platform deployment that integrates complementary capabilities under one dashboard, with one true set of data.

Wheelchairs rolling away

Up to one-quarter of wheelchairs disappear from healthcare facilities each year. For a provider with 500 wheelchairs, that can add up to nearly $25,000 in unnecessary replacement costs annually. Staff spend about 20 minutes of each shift trying to locate assets like wheelchairs, oxygen tanks, and personal protective equipment (PPE), one report said[2].

Wheelchairs are just one example of devices that disappear from healthcare providers' closets and hallways. On average, supplies represent 15% of total hospital expenses in the U.S., a study found[3]. Working with slim (and steadily shrinking) operating margins, "even a 10% reduction in supply expense could significantly impact net revenue," Health Management, Policy & Innovation reported.

25%

of wheelchairs go missing from healthcare facilities every year

$25K

Annual replacement cost for missing wheelchairs

20 minutes

Time wasted per shift searching for wheelchairs and other missing items

[2] Pittsburgh Post-Gazette, "Hospitals seek to stop wheelchair theft"
[3] Health Management, Policy & Innovation, "How Much Do U.S. Hospitals Spend on Medical Supplies?"

STRATEGY 2

Modernize operations

Healthcare organizations face many parallel challenges—including an aging population, difficulty recruiting and retaining staff for the growing number of facilities serving the sick and elderly, and now a pandemic that has been particularly pernicious for senior care facilities. Even before the pandemic, clinics were looking to technology for ways to expand care with limited resources.

These technologies include:

- Sensors
- Virtual reality and augmented reality
- Connectivity tools and videoconferencing
- Electronic health records (EHRs) and electronic medical records (EMRs)
- Telemedicine
- Wearables

These solutions provide more ways to deliver care to people at home or support those in residential care with a smaller staff. While these solutions tap different technologies, they all require a secure, robust IT backbone to operate.

Connect to the cloud

Using a cloud-based network, healthcare providers can also leverage smart devices like RFID bracelets to send alerts if residents wander away from the grounds or if patients move near the edge of a bed, endangering themselves.

These networks also allow secure, ongoing communication among remote staff. Rather than using cell phones or text messaging, which are not necessarily secure or private, network-based communications identify and prioritize traffic from work-related apps to connect patients, seniors, and medical staff, ensuring always-on virtual contact.

Healthcare providers require a solution that encompasses not only a secure network border, but also one that incorporates virtual private networks (VPNs) to allow the transmission of EHRs, images, and other patient data. This approach replaces time-consuming, inherently insecure faxing or expensive overnight mailing of patient information. Finally, healthcare networks must rapidly adapt to encompass myriad endpoints—smart cameras, medical devices, tablets, smartphones, laptops, and more—as an organization extends its usage of connected products to serve seniors living at home, telemedicine patients, and the ever-changing healthcare market.

Huge savings can be realized by streamlining bureaucracy, payment models, and administrative tasks. Technologies such as connected devices, platform-based integrated solutions, and advanced analytics will enhance understanding of patients, empowering individualized care and generating up to $450 billion in annual value by 2025, McKinsey & Co. predicted[4].

[4] McKinsey & Co., "The era of exponential improvement in healthcare?"

The rise of telemedicine

Telemedicine saw a huge surge in adoption in 2020, largely in response to the pandemic. In the U.S., 46% of consumers used telemedicine in 2020 vs. 11% the prior year, a *McKinsey & Co.* study found[5]. *Yale New Haven Health System* saw televisits grow to 30% of patient encounters by mid-June 2020 from less than 2% of patient visits before the pandemic[6]. Industry groups are lobbying to allow hospital outpatients to be treated via remote technology, allow telehealth to count toward health insurance network requirements, and eliminate geographic barriers to enhance insurance plan flexibility, the *Healthcare Financial Management Association* reported.

"Almost one-third of consumers want to continue using virtual visits to doctors and other healthcare facilities post-COVID-19," IDC said[7]. This indicates that the pivot to remote care will continue even after the pandemic fades.

[5] McKinsey & Co., "Telehealth: A quarter-trillion-dollar post-COVID-19 reality?"
[6] Healthcare Financial Management Association, "Consumers expect expanded telehealth to remain post-COVID-19, survey says"
[7] IDC, "Consumer Experiences report"

46%

of consumers used telemedicine in 2020 versus 11% the prior year

76%

of consumer respondents are now interested in using telehealth going forward

50–175x

Reported telehealth visits relative to pre-COVID-19

STRATEGY 3

Ensure data security

2020 was the worst year for healthcare cybersecurity, with 616 breaches compromising 500 or more records—exceeding a threshold that requires reporting to the Department of Health and Human Services' (HHS) Office for Civil Rights[8]. As a result, almost 29 million healthcare records were exposed, compromised, or shared without permission—putting patients at risk for insurance fraud, denied care, fake bills, and more. Breached companies face penalties from HHS as well as distrust, anger, and legal actions from patients and partners.

Perhaps unsurprisingly, given the regulations and attacks on healthcare, these topics are top-of-mind for industry executives.

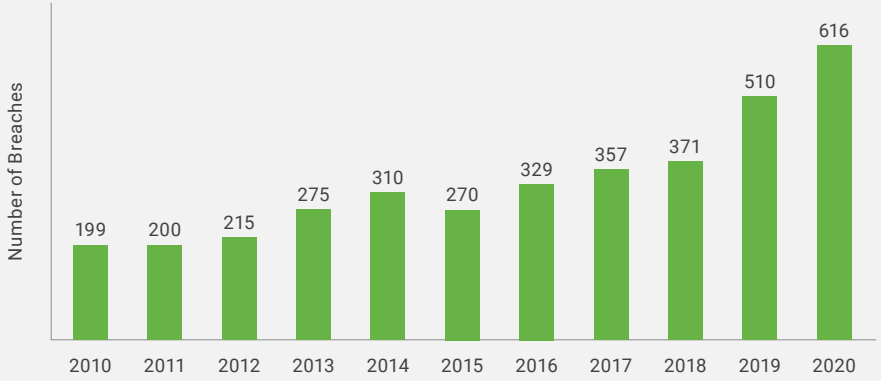
29 million

healthcare records were exposed, compromised, or shared without permission in 2020

55%

of executives surveyed by Xtelligent Healthcare Media cited HIPAA compliance as their main concern

[8] HIPAA Journal, "Largest Healthcare Data Breaches in 2020"
[9] Insights by Xtelligent Healthcare Media, "Security and Privacy Challenges to Connected Health"



Healthcare data breaches of 500 or more records

2020 was the worst year for healthcare industry data breaches, with 616 data breaches of 500 or more records reported to the HHS' Office for Civil Rights[10].

A powerful network stands guard

Providers need a sophisticated and powerful security strategy for data and networks. Basic functionality—like bulletproof firewalls, an ability to always be running the latest patches with security updates, and data encryption—isn't enough. Healthcare organizations need to work with solutions that do not keep or store end user data, can be deployed to create HIPAA-compliant IT infrastructures, and protect from known threats while also providing early visibility of developing or unknown threats.

[10] HIPAA Journal, "Largest Healthcare Data Breaches in 2020"

That said, budgets are not necessarily keeping pace, *Health IT Security* reported[11]. Healthcare facilities must do more with less—or reconsider established approaches to networks and security. Those facilities relying on T1 or leased lines might well find that a wireless network is faster, more reliable, and less costly.

After all, security is not only an expense. Cloud-based infrastructure saves money beyond HIPAA fines and lost revenue from exposed patients, and because a robust, secure network empowers healthcare providers to add or expand services—like telemedicine—it can help improve care while boosting revenues.

To accomplish improved security and expanded services, best practices suggest healthcare IT professionals reduce cybersecurity exposure and time spent on updates and patches, and minimize other risks by selecting a cloud-based platform as the foundation of their next-generation network[12].

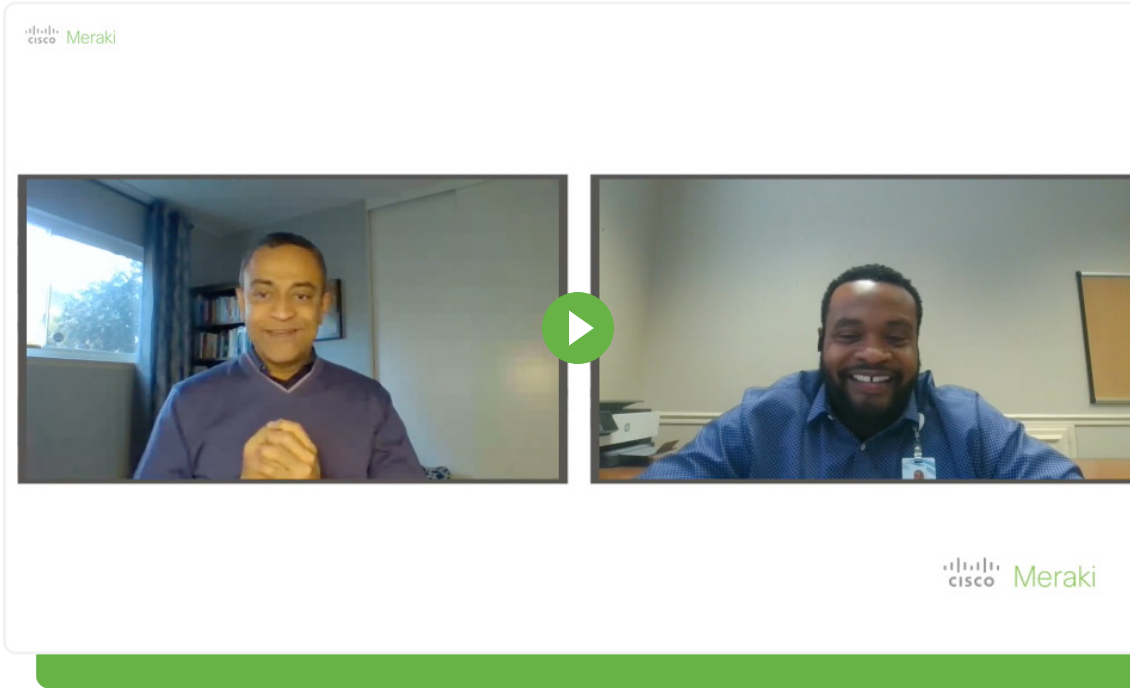
[11] Health IT Security, "Limited Security, Privacy Budgets Impede Connected Health Growth"
[12] Jack Henry, "COVID-19 Motivates Vendor Consolidation"

CUSTOMER SPOTLIGHT

Tandem Health

Tandem Health operates a small network of clinics serving the local communities of Sumter county, South Carolina. The pandemic presented some unique challenges for Shawn Polk, Tandem's IT Director. Leveraging Meraki, Shawn and his team were able to quickly scale the technology solutions they needed to meet patient and staff needs without missing a beat. Hear more about Tandem Health's story in our fireside chat with Shawn.

WATCH NOW



Conclusion

Clinics and senior care facilities face many diverse and unique challenges in today's world. Chronic frustrations—including missing equipment, outdated technology, and lacking security—have come under renewed focus as areas for improvement. Fortunately, advancements in cloud-based networking provide clinics with an end-to-end platform that can serve as a foundation for a myriad of advanced solutions.

Request a demo to learn more about cloud-based IT for your healthcare facility.

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