



Cutting Costs, Boosting Efficiency

# Streamlining Healthcare Equipment Maintenance: Comprehensive Contract Management Approach

## AT A GLANCE



### Total Beds

- 451



### Ownership

- Not-for-profit



### Services

- Serving 440,000 residents within 32 towns

## KEY METRICS



# \$200,000+

Annual Savings



# 40-75%

Second-source parts savings



# 5%

Annual Credit



### Consistently favorable

### loss ratio

## BENEFITS



Vendor of Choice



Guaranteed Discounts



Loaner Coverage

## CHALLENGES

For most people, carrying insurance on their homes and cars is a given and not something we would even consider being without. That insurance protects the material things that are vital for us to function in our everyday lives. A growing number of hospitals and health systems are following that lead by purchasing equipment maintenance insurance to protect against increasing maintenance and parts costs on some of their most valuable equipment. Among them is The Valley Hospital, which first purchased equipment maintenance insurance in 2001. In the early years, the experience was less than ideal. Though the program started out well, things went downhill over time. The Valley Hospital had to fight for invoices to be paid, and denials became commonplace. An overall lack of support from the equipment maintenance insurance company was felt even at the departmental level.

## SOLUTION

The Valley Hospital searched for an equipment maintenance insurance company willing to “partner with us and make this program work,” according to Deevy. The facility chose Mediserve, a recognized leader in the field of correctional maintenance insurance for the health care industry since 1982. The Novation contracted supplier’s M-TEC program provides health care facilities with a proven process to effectively manage, reduce and control maintenance costs. As part of the agreement, Mediserve pays for the hospital’s biomedical engineering department employees to receive training to service and repair much of the facility’s insured equipment themselves. Mediserve then reimburses the hospital a set amount when The Valley Hospital chooses for its biomedical engineering department to service or repair the equipment instead of calling in the original equipment manufacturer, which often saves thousands of dollars per incident.

## RESULTS

The Valley Hospital’s switch to Mediserve’s M-TEC program resolved previous challenges with equipment maintenance insurance. By partnering with Mediserve, the hospital improved efficiency and cost management significantly. The program included training for their biomedical engineering team, enabling them to handle more repairs in-house and receive reimbursements for savings achieved by avoiding manufacturer service calls.

“Where we might spend \$20,000 for a part directly from the manufacturer, Mediserve might get it for us for \$6,000, for example, and that’s a huge savings for us.”

-Hospital Program Coordinators

## GET IN TOUCH



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