THE CHALLENGE

Waste disposal (including regulated medical, hazardous and municipal waste) expenses are on the rise for healthcare facilities throughout the country. Since many organizations consider waste disposal a regular cost of doing business, it is often an overlooked area for reducing expenses.

In the United States, businesses account for approximately 45 percent of the nearly 200 billion tons of solid waste produced each year. As the industry evolves, waste disposal costs have increased dramatically and with additional regulatory compliance requirements, many organizations are overpaying for waste disposal services by as much as 60 percent.

Most healthcare facilities don’t realize they may be over-serviced and over-paying for waste disposal. With all of today’s challenges in healthcare, this is one expense that can be easily overlooked. “Waste disposal and recycling contracts should be evaluated and analyzed monthly to ensure the services you are receiving are appropriate for the waste your facility is producing,” said Tom Visgarda, director of waste services for Edge Insights and Certified Waste Analyst.

“It’s not unusual to find that facilities’ accounts payable departments simply pay their monthly waste disposal invoices without question.” Visgarda understands that scrutinizing medical waste, garbage, recycling, trash bins, compactors and pick-up dates can get confusing. But while spending time analyzing the expense of waste disposal is not an exciting task, it can be very rewarding. “Through an audit of all waste streams, many long-term care facilities can expect to reduce their waste disposal expenses by up to 50 percent,” said Visgarda.

THE SOLUTION

Such was the case with Diakon Lutheran Social Ministries (Diakon), a long-term care provider headquartered in Central Pennsylvania with 35 locations throughout Maryland and Pennsylvania. With the elderly population increasing, there is also an increase of residents in long-term care facilities. Organizations like Diakon must constantly search for ways to reduce expenses while continuing to provide efficient, high-quality services.

Edge Insights was engaged to conduct an in-depth review of Diakon’s waste disposal and recycling usage expenses on a contingency-fee basis. “For most long-term care facilities, the savings can result in thousands of dollars back onto the bottom line – monthly. Additionally, we have found savings for 98 percent of our clients,” said Visgarda. “It makes perfect sense to look at your

A SHORT TAKE ON SUCCESS

The Challenge:
• Waste disposal expenses are on the rise.
• Most healthcare facilities don’t realize they may be over-serviced or over-paying for waste disposal.

The Solution:
• Engagement of Intalere supplier Edge Insights to undertake a holistic view of organization’s entire waste process including contracts, service delivery and billing.

The Outcome:
• Edge Insights was able to reduce the Intalere member’s monthly waste expenses by $16,000 and secure more than $5,000 in refunds.
waste disposal spending and determine where there are opportunities to save money or even receive a refund.”

Waste disposal and recycling savings and refunds generally are found in three areas:

- Billing errors – As with any utility expense, billing errors can be a common occurrence. It is important to review your waste disposal contracts monthly to ensure the rates and services promised match the rates you are paying. Many times billing errors can result in a refund for your facility.

- Optimizing service – It is not unusual to find that waste disposal containers are the wrong size for the facility. It is also common to find that the waste disposal hauler is coming to a location too many times in a week for the output of waste being generated. Further, with today’s technology, it is a good idea to take a fresh look at recycling effectiveness on a regular basis.

- Competition – After a complete analysis of the entire waste stream, it may be a good idea to re-bid the service agreement. Your waste hauler’s competitors may be able to offer a better rate, better service and better technology.

THE OUTCOME

After a forensic bill analysis, contract compliance audit, competitive market analysis and an on-site survey to assess the waste and recycling process at each location, Edge Insights was able to reduce Diakon’s monthly waste expenses by $16,000. In addition, Diakon received a $5,000 refund for billing errors found during the audit. Edge Insights implemented all savings opportunities, secured the refunds and continues to monitor these expenses each month, allowing Diakon’s management team to focus on other important operating tasks.

“We couldn’t be more pleased with the effort that they put into this project and the results they were able to achieve.”

David Fralick ∙ Executive, Facility Management ∙ Diakon Lutheran Social Ministries

“Edge Insights was the first company to approach us with this type of service offering. Given the fact that the agreement was contingency-fee based and that Edge Insights bore all of the expenses, we were eager for Edge Insights to complete their review,” said David Fralick, executive, facility management, at Diakon. We couldn’t be more pleased with the effort that they put into this project and the results they were able to achieve.”

Intalere Facility Management Solutions

Experienced practical and managerial guidance to aid in building challenges, including product sourcing, product specifications, contractor relationships and more.

About Intalere

Intalere’s mission focuses on elevating the operational health of America’s healthcare providers by designing tailored, smart solutions that deliver optimal cost, quality and clinical outcomes. We strive to be the essential partner for operational excellence in healthcare through customized solutions that address customers’ individual needs. We assist our customers in managing their entire non-labor spend, providing innovative technologies, products and services, and leveraging the best practices of a provider-led model.

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