THE CHALLENGE

Trios Health, formerly Kennewick General Hospital, is a multi-faceted public healthcare system located in southeastern Washington, primarily serving the tri-cities—Kennewick, Pasco and Richland—and surrounding communities. Trios Health is one of eastern Washington’s largest multi-specialty medical groups, anchored by Trios Southridge Hospital (74 beds), and remains deeply connected to its community roots, but with the ability to offer a lifetime of care across a broad spectrum of healthcare specialties and services.

As part of their consistent and ongoing efforts to optimize cost reduction efforts, Steve Nyberg, CMRP, Director, Materials Management at Trios Health, and his team undertook an effort to focus on aspects of the system’s purchased services spend, specifically telecom and utilities.

Purchased services represent 40-50 percent of a health system’s non-labor spend making it a significant untapped opportunity to help healthcare providers meet their budgets in an era of declining reimbursements. To date, few healthcare organizations have treated purchased services with the same degree of focus as sourcing “goods” such as med-surg, commodities and physician preference items.

“Understanding the impact of purchased services on the bottom line, Trios wanted to reduce operating costs on select purchased services including telecom and utilities,” said Nyberg.

Trios engaged a trusted resource in cost reduction projects, Jim Hanley of Intalere affiliate Health Resource Services, to offer guidance and suggestions. Hanley immediately thought of Tryon Clear View Group, which offers customers sustainable cost reduction solutions in the areas of telecom and other utilities, waste and copiers. They have performed audits on more than 1,000 healthcare facilities and built a proprietary database of cost benchmarks of a national scale that allows them to evaluate bills, contracts, vendors and more based on facility class of trade, size, geography and other factors.

THE SOLUTION

According to Nyberg, after meeting with Tryon representatives, the decision to engage them in an initial telecom audit was a “no-brainer,” based on a number of factors including their contingency-based fee model. If Tryon’s audit does not uncover savings, the audit is free, although Tryon’s track record illustrates a 98 percent probability for savings and refunds.
“It made sense,” said Nyberg. “How often does perfect happen? We could at least understand the economics and then decide if we wanted to move forward.”

“I can’t stress enough how easy it was to do. We basically made the phone call, provided them the bills, contracts, etc. and they went to work. Knowing where to look to find the savings is what Tryon is all about. Their experience, once brought to bear on a member’s accounts, will pay off.”

*Steve Nyberg, CMRP, Director, Materials Management, Trios Health*

Tryon Clear View utilized their proprietary national database to compare what Trios Health’s existing vendors were charging other similar sized organizations – in every category and for every specific item that is priced. They analyzed every charge on every current invoice to ensure that it provided value to the member. Services that were not needed were recommended for removal. All contracts were audited as well. George Anne Muchnok, Tryon project lead on the telecom audit, who has more than 15 years of experience in the field is emphatic of the unmatched resources Tryon provides. “We do this all day, every day,” she said. “We know what to look for and have the expertise to dig deep.”

For example, telecom bills can have over 380 individual line items that are separately priced. Tryon Clear View auditors scrutinized each bill for the past three years to locate any billing errors.

This was all done in the Tryon Clear View Group offices, under a no obligation business model. Overall, the review took about 90 days to complete. “No one in most healthcare organizations has the kind of knowledge, experience and expertise that Tryon offers,” said Nyberg. “All we had to do was provide them access to our records and bills, and they took it from there.”

**THE OUTCOME**

The results were dramatic and represented significant savings for Trios. Savings of 12 percent were identified in electricity and the telecommunications audit offered more than 20 percent savings. Overall, the savings totaled more than $167,000 annually.

Another added benefit of engagement with Tryon Clear View is that presentation of the results often highlights ways providers can modify their planning, ordering, approval and review processes to better manage their utility and telecommunications services.

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