

A Midwest health system saves nearly \$1 million over five years with a managed print services agreement and MFP solution from Lexmark. Phased output strategy devised by Lexmark reduces devices by 43 percent, increases face time with patients and improves admissions process.

Midwest health system saves nearly \$1 million by outsourcing output operations to Lexmark

The Organization

Since its inception as a 10-bed charity hospital in 1888, this Midwest health system has grown into four major hospital facilities serving a diverse population. The system has a long and distinguished track record as a leader in the adoption of advanced technology.

The Challenge

The hospital system embarked on a mission to cut operating costs and improve patient services, initially with two separate programs to replace the aging and varied fleet of printers, copiers and fax machines. One effort, a printer replacement initiative, was led by the hospital's information technology group. The second project was a copier replacement program led by the hospital's materials management department. Concluding that two parallel modernization programs could neither achieve optimal savings nor improve workflow, hospital administrators consolidated them into a single initiative.

Undergoing constant expansion, the installation of additional printers, copiers and fax machines grew unchecked. The result was nearly 600 single-function devices representing dozens of models from several manufacturers that required multiple, different consumables.

Inkjet printers on individual user's desks required expensive ink cartridges, substantially raising the hospital's costs. The effort to keep track of and maintain these mostly non-networked devices became too much to bear. Administrators also knew that these single function devices were encouraging unnecessary, expensive printing.

In addition, hospital personnel had to endure long walks to use copy and fax equipment, reducing their face time with patients. Also, an antiquated "blue card" system in the admissions area was inefficient to use and expensive to maintain and operate. The hospital system

In the first year of the new program, the health system reduced its output costs by nearly \$190,000, funds that were reallocated to medical programs and the acquisition of new medical technology. Over the five-year term of its current lease and management agreement with Lexmark, the hospital expects to save more than \$950,000.

Director of IT
Midwest Health System

knew this embrosser system needed to be replaced. All this disparate equipment took up precious floor space and cramped nursing stations and admissions areas.

In total, the company knew it was spending nearly \$750,000 per year on document-related equipment, maintenance and supplies. The hospital's CIO knew there had to be a more affordable solution.



The Solution

The health system issued a request for proposal to a number of equipment manufacturers to try to find the best and most economical solution. “The intent was to lower overall operating costs through device consolidation, remove old printers and upgrade functionality,” said the CIO.

Most vendors, according to the system’s director of information technology, responded with a 1:1 replacement strategy of existing equipment.

Lexmark, however, responded with a comprehensive output strategy that centered around multifunction products that could print, copy, fax and scan. But, Lexmark’s answer for the hospital system was not only to replace its devices but also to replace its thought process and operational approach surrounding document output throughout the entire hospital.

Lexmark was among two vendors that were invited to conduct an assessment of the hospital’s environment in order to make specific recommendations about the type and placement of devices throughout the facility. Lexmark’s recommendation included three phases that the hospital system could implement over time to meet its objectives.

The first phase would replace the hospital’s copiers with Lexmark MFPs. Phase two would consolidate print, fax and copy processes by removing old devices and redirecting these functions to the scanners on the newly installed Lexmark MFPs. A final phase would remove any lingering stand-alone devices and retool the hospital’s admissions process.

In order to keep face time with patients high, Lexmark recommended that no employee should be more than 60 paces from a MFP, and they should never be forced to cross a major corridor when walking to the device. In addition, IT personnel knew that compatibility with the hospital’s existing applications, including the STAR 2000 hospital information system from McKesson, was essential for any new equipment or system to be successful.

The three phases of Lexmark’s solution were supported by a comprehensive managed print services contract that would outsource the installation, management and maintenance of all the devices to Lexmark and several on site personnel. This five-year contract would allow the hospital to pay for the pages printed on a monthly fee basis and not have to use capital funds to purchase the new equipment.

The choice to outsource was easy. The challenge was finding a partner with the right multifunction products, a flexible outsourced fleet-

management program with onsite maintenance, and expert medical-industry consultants. In the end, the other vendor could not integrate into the hospital’s McKesson system and came in with a bid at a much higher overall cost. Ultimately, this hospital system chose MFPs and a comprehensive output-management program from Lexmark.

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Lexmark replaced nearly 600 devices with just 341 Lexmark MFPs – a reduction of more than 250 devices throughout the facility. Connected to the network, the MFPs are centrally managed and continuously monitored by Lexmark as part of Lexmark’s managed print services agreement. These tools capture powerful data about the status of the equipment so that Lexmark can proactively monitor and maintain it and address issues before they impact employee productivity.

Two full-time onsite Lexmark engineers maintain peak operational effectiveness of all devices, balance the workload of output devices with the needs of the organization, and re-supply toner, paper and other output consumables as needed. Lexmark’s fleet-management team provides network-based monitoring and diagnostic services at regular intervals to expedite corrective actions, reduce support costs and minimize help desk calls.

“Leasing the equipment and outsourcing management and maintenance to Lexmark allowed us to reallocate staff and budget to areas directly impacting healthcare,” said the Director of IT. “And by standardizing on the Lexmark platform, we eliminated the large inventory of toner cartridges we needed for dozens of different printer and copier makes and models and saved thousands of dollars.”

With the Lexmark MFPs in place, the hospital system could now focus on updating its admissions process and eliminate the “blue card” system that

had become so expensive and cumbersome to operate. Equipped with a large, touchscreen display and the ability to print on special wristband media, the Lexmark MFPs made it easy for the health system to move to a much faster, more affordable and safer admissions system.

Using Lexmark's electronic forms software, admissions forms, including a new dual identity patient wristband, are stored on the Lexmark MFPs located in the admissions area. Patient information and a corresponding barcode are printed on the wristband and attached to the patient when he or she is admitted to the hospital. The information and barcode provide two sources of patient identification in order to ensure patient safety when medications, tests or other procedures are administered. This approach enabled the hospital to eliminate its "blue card" system.

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The Results

The decision to select Lexmark is yielding significant results for this hospital system, including markedly lower operating and administrative costs, fewer devices and improved efficiency among both medical and administrative employees. Results of the health systems' decision to lease its output devices and outsource management and maintenance to Lexmark have been immediate and dramatic.

In the first year of the new program, the health system reduced its output costs by nearly \$190,000, funds that were reallocated to medical programs and the acquisition of new medical technology. Over the five-year term of its current lease and management agreement with Lexmark, the hospital expects to save more than \$950,000.

Printing patient wristbands on the Lexmark MFPs and retiring its old card embossers led to additional savings of nearly \$80,000 annually. The large inventory of incompatible toner and ink cartridges has been eliminated, saving thousands of dollars since they are now replaced only when toner runs out.

With the three phases of its output strategy nearly complete, the hospital system is examining the implementation of new applications to achieve additional improvements in staff efficiency and cost savings. These include leveraging the power and simplicity of the Lexmark MFPs to print forms on-demand, eliminating expensive pre-printed, carbon inventories, and scanning patient records from the hospital's nursing units directly into its electronic patient records system.

"We don't think about printing, copying and faxing anymore," said the Director of IT. "With Lexmark managing every aspect of our output operations, we're able to concentrate on other IT projects that will continue to improve patient care."

For this health system, patient care is the top priority. By entrusting Lexmark with the complete management of its output devices, it has been able to focus more of its IT efforts, resources and budget toward its primary mission.