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Detroit Medical Center Case Study

Xerox Healthcare Services



newfound reserves

Xerox helped DMC recapture \$1.5 million a year.

Medical center did not have to look far to find the seeds for new growth.

Client Profile

Detroit Medical Center (DMC) member hospitals have been providing care to people in southeast Michigan since as early as 1863. As the largest healthcare provider in southeast Michigan, DMC operates seven hospitals, two nursing centers and more than 100 outpatient facilities. DMC employs over 12,000 people and staffs some 2,070 beds throughout its system.

Industry research indicates that the total spend for documents for healthcare providers like DMC equals up to 15 percent of their entire budget.



The Challenge

When Dr. Donald Ragan joined Detroit Medical Center as Senior Vice President and Chief Information Officer, he immediately began looking at ways to achieve cost savings and increase productivity in the office environment. Among his challenges was the excessive cost of managing the hospital's documents.

DMC had a goal of becoming nearly "paperless" by 2004. To achieve this, they needed a company that could provide a strategy for getting the most out of the medical center's investment in desktop output devices.

Print less, communicate more.

One very visible problem arising from the blizzard of paper was that DMC was losing physician referral documents to the tune of more than \$2 million annually in non-reimbursable treatments. Obsolete desktop devices from multiple vendors added to infrastructure costs, and data center operations were inefficient.

"We wanted to get to a point where people were printing less but communicating more," said Dr. Ragan. "We looked for a company that would help us to reduce costs, cut down on the number of copiers and other devices spread all over the facility, and effectively network our printers."

The Solution

Office Document Assessment leads to the solution.

Impressed by the number of assessments Xerox had done for other hospitals, DMC engaged Xerox to look at how the medical center could reconfigure its office environment function more efficiently and effectively.

The initial step was to conduct a Healthcare Document CheckupSM, which included a Xerox Office Document Assessment.

Its purpose was to objectively appraise the medical center's document processes, reveal areas of need and suggest practical solutions. DMC specifically wanted to:

- Reduce costs associated with printing, storing and distributing documents
- Significantly reduce the number of desktop assets by 90 percent by replacing outdated equipment with state-of-the-art multifunction devices
- Improve overall office worker productivity by enabling the sharing of documents and eliminating unnecessary steps in document-related processes
- Establish a common platform for the office, to support DMC's paperless objective and position the medical center for a competitive advantage

Too much equipment in place.

Xerox's consultants found DMC had a large number of output devices, with some printers owned by departments and workgroups that neither shared

across groups, nor even supported a "shared resources" concept. In fact, on one floor alone, the hospital was carrying a total of 116 devices for only 144 people.

According to John B. Jones, Vice President and General Manager of Healthcare for Xerox Global Services, DMC is not alone. "Through our work with hospitals, we've found that the average hospital has just over two output devices per employee." The average hospital will also have 110 models from approximately 18 vendors.

"One of the most surprising results of the assessment was the number of devices we were able to take out of service," said Dr. Ragan.

Xerox recommended that DMC deploy an office output strategy that would meet the goals of reducing costs, improving asset utilization and increasing productivity.

Enterprise Print and Asset Management is second part of the solution.

The Xerox solution provides an all-inclusive set of services for managing document input/output and asset infrastructure in the office. Benefits include:

- Digital migration to multifunction machines, reducing the number of output devices and increasing the number of functions
- Replacing multiple print vendors with a single source for service and supplies
- Leveraging investment in output devices to streamline work processes

NEWS

OF NOTE

The boss sets an example.

According to Dr. Ragan, DMC expects to be substantially paperless by the end of 2004. To help encourage the process, one of the first steps he took following the Office Document Assessment was to remove his own personal printer.

"If I could work conveniently without having a printer right at my elbow, I felt others could also modify their behavior," he said. "So far, the number of documents I give my assistant to print has diminished and I have almost totally cut back on paper files."

This from a man who earlier had filled seven head-high file cabinets in his office alone.

Dr. Ragan advises against hitting people with a major transformation all at once. At DMC, management found employees much more open to change when it was introduced incrementally, along with clear communications about its benefits.

- Health Insurance Portability and Accountability Act (HIPAA) compliance ensured via Secure Print feature
- Increased user productivity enables more time for patient care and customer satisfaction

The Results

Detroit Medical Center is in the process of implementing all the recommendations from the Xerox Healthcare Document Checkup.

So far, previously unmanaged expenses are closely monitored, the medical center deals with a single invoice for print functions, employee productivity has risen, and workflow processes are more efficient.

Part of the success story includes a Xerox patient identification wristband/label sheet of a durable Mylar and paper material. The wristband and set of labels print as a patient enters the hospital—either in emergency or through admissions. The labels stay with the patient's records, simplifying test labeling and ensuring accuracy.

The new Xerox label gives DMC a more legible, long-wearing wristband and personalized labels, furthering streamlining admissions and patient care processes.

Recovering lost reimbursables.

To eliminate lost reimbursables, Xerox developed an interface allowing DMC to scan physician referrals into their existing OTG system for easier access and safekeeping.

Prior to Xerox's help, the Patient Accounting hit rate for finding a referral document in the OTG system was approximately 65%. Now, they have almost 100% accuracy.

Intake personnel are also scanning patients' insurance cards and drivers' licenses into a digital repository. Meanwhile, authorizations for treatment are being stored electronically, providing the billing department with the documentation it needs for accurate invoicing.

Today, DMC is projecting approximately \$1.5 million a year in revenue recaptured from the physician-referral system and additional annual savings of \$922,320 through Enterprise Print and Asset Management efficiencies and productivity gains.

CASE STUDY SNAPSHOT

The Challenge:

- Develop asset strategy to manage network printing and cut costs
- Eliminate costly loss of physician referral documents

The Solution:

- Conduct Xerox Office Document Assessment
- Introduce Enterprise Print and Asset Management and establish a common platform for the office
- Scan physician referral documents as they are received
- Reduce the number of document-related assets

The Results:

- Projected annual savings of \$922,320 via document and asset-related efficiencies
- Estimated \$1.5 million a year in recaptured revenue
- Massive cutback on paper-based files



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