

DOT medbusiness NEWS



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Floor-level view of all tagged assets, patient and staff. Courtesy of Awarepoint

RTLS is helping keep track of health care's bottom line

By Loren Bonner

The Department of Veterans Affairs, which earned its reputation as a health IT pioneer when it adopted electronic health records for all its medical facilities in the 1980s, is embarking on another ambitious project to improve care for veterans. This summer, the VA announced a five-year contract deal with HP Enterprise Service for the implementation of a real-time location system in each of its 152 hospitals.

"RTLS is still a very young industry and we're having trouble finding any comparison to past industries where someone has made this much of a

statement about how important RTLS is for success," says Marcus Ruark, vice president of Intelligent InSites. His company will provide enterprise-wide software for the various RTLS hardware systems at the VA sites.

Although it's a young industry, initial feedback has been promising. According to a 2011 KLAS study, 95 percent of responding hospitals—which ranged from facilities with 25 beds to large IDNs—cite RTLS as a source of operational efficiency gains.

Traditionally, RTLS has been used to track assets, and according to the hospitals that use the technology, they produce a quick return on in-

vestment and even more cost savings down the road. But RTLS is not only proving to be economical for facilities, it's also driving patient safety and patient satisfaction—metrics that are slowly being linked to dollar signs under health care reform.

While details are still being worked out for the national VA roll-out, RTLS implementation for the Midwestern region of the VA health care system (VISN 11) is already underway. All VISN 11 facilities are slated to be up and running with RTLS asset tracking by 2013, according to Debbie Elis, portfolio manager for RTLS solutions for federal healthcare at HP.

“We’re doing a phased-iterative approach. So we have all medical centers somewhere in the process, starting with Ann Arbor [Michigan], which is the furthest along with some of the use cases—including tracking of medical supplies in the cath lab,” says Elis.

Already, the facility in Ann Arbor has seen encouraging results. In one instance, it was able to locate infusion pumps within minutes of receiving news about a recall. “Without the system it would have taken days,” says Elis.

Tracking assets and saving money

Ann Arbor hospital wasn’t the only one making use of RTLS for equipment tracking. Ellis Medicine, a hospital system in upstate New York, was also having trouble tracking and controlling its large inventory of infusion pumps. So when it decided to implement GE Healthcare’s AgileTrac asset management system in 2009, that’s the first equipment it zeroed in on.

“At the time, we had an inventory of about 500 infusion pumps and we were concerned we would need to buy more,” says Paul Segovis, director of materials management at Ellis Medicine.

Segovis and his team looked at their current distribution process for infusion pumps and found that they had more than enough; the problem had to do with staff not being able to find them because they were either left in rooms or in closets.

“So looking at the process was probably the smartest thing we did to get started and correct things, and then in terms of buying new pumps, we realized we didn’t need 500 pumps because we could now get them to where they needed to be with a new process,” he says.

Segovis says the hospital was able to get by with 340 new infusion pumps. “Right off the bat we had that savings from not having to buy an additional 160 new pumps,” says Segovis. “The savings come from a cost avoidance, that’s our biggest savings so far.”

There are countless examples from Ellis Medicine—and many other hos-

pitals that have installed RTLS—about how asset tracking has saved money.

According to Charlotte Miller, director of nursing informatics at AeroScout, managing par levels gets at the most basic asset management function. She says a facility can take those par levels, or the amount of materials needed to ensure a ready supply of a needed resource, and analyze the data to find which floors might be under or over levels. If one floor has an excess amount of a specific type of equipment 80 percent of the time, for example, that equipment could be redistributed to a floor that is low.



Fran Dirksmeier, general manager of asset management for GE Global Services



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Miller says there are even hospitals that have compared their equipment availability and utilization to their census—another way to manage what they buy.

“You know not only that it’s in a room, but that it’s running and we can compare that as a utilization metric and we have one hospital that has taken that and run algorithms to compare it to census and said our census could grow 20 percent and we still have enough capacity in equipment to manage it,” she says.

Fran Dirksmeier, general manager of asset management for GE Global Services, which acquired the Agility RTLS health care solution in 2008, calls it “asset process compliance,” driven in real-time.

“What that means is delivering the right asset at the right time and properly taking care of assets upon discharge of the patient to get the asset cleaned and positioned for use,” he says.

Dirksmeier stresses managing the critical operational workflows of assets in a health care facility in order to get a return on investment and make overall improvements.

“When we drive asset process compliance, we improve utilization; when we improve utilization, we reduce the capital commitment required for assets in hospitals,” he says.

RTLS is a large investment for a facility, at times requiring a beef up of Wi-Fi infrastructure, which many hospitals are doing anyway as they move to mobile devices. But the payback is quick.

Intelligent InSites’ Ruark confirms this. “On a monthly basis we measure and show the ROI. We’re seeing time to pay back as short as 12 months, but most times it’s in the 18 to 24 month range. Actual cost savings happen immediately because you’ll see that drop in procurement and a drop in rental if you’re renting,” he says.

Arvid Gomez, president of Sonitor Technologies added, “Another area that RTLS enables a facility to cut costs is through automated nurse calls which free nurses to focus on patient care. This drives staff efficiency, quality of care and better patient outcomes.”

Leapfrog into patient management

Almost all RTLS providers interviewed told DOTmed News that the technology is being used increasingly for patient flow and workforce management.

“It has grown way out of the concept of managing just an asset,” says Miller. “Hospitals have finally figured out it’s not just about location and finding things anymore; it’s really about what do we do with this information and how do we use it to operate more efficiently.”

Miller says she used to get one call a month with requests for OR and ED system integration; today, she says, it’s at least one call a day. On the clinical side, RTLS can translate into less ED wait times because beds can be turned around that much quicker with alerts to get a free bed cleaned and into production earlier.

Jay Deady, CEO of Awarepoint, says many of his clients have the numbers to back it up: 20 to 25 percent decrease in ED wait times; 60 to 75 percent reduction of ED left without service; adding 49 OR cases per month; and 25 to 50 percent reduction in bed turnover times.

Although GE Healthcare started with asset management, Dirksmeier says that managing patient flow has caught on quickly, due in large part to hospitals realizing that they need to focus on operations to change the way health care is delivered.

“We see this as a big growth area for GE, and more importantly, a way to change the delivery of health care,” he says.

Delivering health care in a more efficient way is a top priority for hospitals today as health care reform begins linking quality metrics and patient satisfaction to reimbursement.

“One customer said the key reason for seeking an RTLS solution was to acquire hard data to improve care delivery which was their key advantage in a highly competitive market,” Gomez said.

RTLS outcomes will help hospitals meet government regulations like Medicare’s value-based purchasing guidelines and meaningful use requirements for ED time to admission, time to discharge and total visit duration.

“I used to have patient satisfaction as a soft dollar, but of course with patient satisfaction scores going to reimbursement, that’s moving into a hard dollar category,” says Ruark.

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