Case Study

Title: Utilizing ControlTex and Linen Awareness Education Can Reduce Replacement Cost Per Pound

Facility: St. Anne Mercy Hospital – Toledo, OH

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AIM

St. Anne Mercy Hospital, a 142-bed facility in Toledo, Ohio wanted to improve their replacement cost per pound figure while maintaining service quality to end users. The hospital celebrated its 4-year anniversary in August 2006. Since their opening, St. Anne’s has experienced tremendous growth in the number of patients served. Their staffed beds have increased by 73%, one operating room has been added and the Emergency Department has been expanded as well. With a new facility and constant growth, maintaining a stable replacement cost per pound has been difficult. Typically, our experience demonstrates that the linen replacement per pound to start up a facility will be approximately $0.18 - $0.22 per pound. Whereas, the ongoing linen replacement cost per pound should be in the range of $0.12 - $0.14 per pound. If a facility attempts to open up new areas at the ongoing rate of say $0.13 per pound, the service levels will either decrease or the overall linen replacement per pound will increase. The Support Service’s goal was to reduce the replacement cost per pound significantly from the 2004 figure of $0.177 per pound.

STRATEGY

At the beginning of 2005, St. Anne’s participated in an inventory analysis that led them to believe while some of its linen was being lost, much of the linen was being hoarded. The system continuously felt starved and they ordered linen rather sporadically. The goal was not only to reduce costs but also maintain a satisfactory level of linen in the system, while maintaining service quality to end-users.

Phase I of the linen project included conducting a Facility Audit Analysis in order to identify areas of loss or opportunities to improve costs. The Facility Audit Analysis included several recommendations including several ways to reduce linen loss in the system, continuous education of hospital staff on linen utilization best practices and monitoring par levels and standards within the areas of the hospital. Utilizing ControlTex Linen Management Software allowed the Support Services Manager to observe and maintain the cart/closet stock levels based on their current usage.

Phase II involved implementing some of the recommendations from the Facility Audit Analysis. The management team at the hospital chose to participate in linen awareness activities and improve on usage and data analysis in ControlTex.
Linen Awareness Activities

The linen awareness activities started immediately. The Support Services Manager was enthusiastically hanging flyers throughout the hospital by the linen exchange carts. She changed the flyers bi-weekly with a new message in an effort to continuously attract attention. The flyers and signs focused on:

- Preventing linen thrown in the trash or biohazard containers
- Encouraging scrub users to leave their scrubs in the hospital and not take them home
- Utilizing the Clean Linen Discharge bag hanging on each cart
- “The Top 10 Ways You Can Help Reduce Linen Costs”

The Support Services Manager also became familiar with many of the nurse managers. She would visit their areas and ask for their participation and support in linen activities. Establishing a connection with the nurse managers is imperative to successfully implement linen initiatives and maintain excellent service quality levels while reducing costs and maintaining par levels.

A Linen Awareness Day was also conducted at St. Anne Mercy Hospital. The Linen Awareness Day was a daylong event in which a linen education board was present with many fun and educational facts. The setup was in an ideal location right outside the cafeteria and across from the main staff elevators. A booth was setup with many flyers to present educational information. In addition, the Service Quality Survey was also distributed at this time to get feedback from end users. A Linen Management Consultant from Standard Textile Company, Inc. and the Support Services Manager at St. Anne’s facilitated the Linen Awareness Day. Many of the employees would stop by for a moment to learn about an interesting fact, take some candy and a survey. It was explained to everyone they could drop off the surveys during the day, but the Standard Textile consultant also walked to each unit at the end of the day to collect the remainder.

Utilizing ControlTex Linen Management System

St. Anne Mercy Hospital started using ControlTex regularly to enter usage data. The Support Services Manager closely monitored the usage information being entered into the system for accuracy to ensure the integrity of the data. Data accuracy issues that were found were addressed and the integrity of the data gradually improved. The improved data instilled confidence in the reports and output of the overall program.

The Support Services Manager used this information to better understand the Linen Flow Model. Understanding how each area is using the linen and the pace they are using it helped the manager to understand the process. These initial steps are important to establish a baseline understanding of the process of linen.
RESULTS

Service Quality Survey Results

The results of the service quality surveys conducted at the Linen Awareness Day prove that St. Anne Mercy Hospital has succeeded in their goal of maintaining service quality to end users. Their overall survey score in November 2005 was –0.229 and the last completed in June 2006 was -.270. The average overall score for facilities that take this survey is –0.91. St. Anne’s scored well above the average in both cases and comments from nursing confirmed this as well. St. Anne’s will continue to participate in the Service Quality Survey annually.

Replacement Cost Per Pound Results

The replacement cost per pound has decreased significantly since the end of year average in 2004. The following table represents the starting point of the replacement cost per pound figure and the 2005 and 2006 average figures. In this timeframe, St. Anne Mercy’s linen purchases per pound have decreased 25%.

<table>
<thead>
<tr>
<th>Linen Purchases Per Pound</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>National Benchmark</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$0.177</td>
<td>$0.1517</td>
<td>$0.133</td>
<td>$0.138</td>
</tr>
</tbody>
</table>

The total savings achieved since 2004 amounts to $42,918. The following calculation provides an explanation of this savings:

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\text{Improvement in Replacement Cost Per Pound 2005} \times \text{Pounds 2005} = \text{Total Savings 2005}
\]

\[
\text{Improvement in Replacement Cost Per Pound 2006} \times \text{Pounds 2006} = \text{Total Savings 2006}
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A facility of this size and with constant growth can have trouble getting a grasp on their replacement costs. In this case, accurate data collection, utilizing the ControlTex Linen Management System and continuous linen awareness education contributed to a decreased replacement cost per pound and a great Service Quality Survey score.