

Finding Savings in What You Throw Away

Hospitals today face rising costs, a harsh economic recession, increases in uninsured care, growing competition for outpatient services, and already-tight profit margins. These are just some of the forces eroding profitability. So it's no surprise that many healthcare facilities across the country are struggling to keep their bottom lines in positive territory. Perhaps yours is one of them.

Amid declining revenues, what can your organization do to nurse profits back to health?

Taking the initiative to search for new ways to create efficiencies and extract value from your current operations will put you in the best position to succeed. By looking out toward the horizon, you'll see green opportunities to save money and create sustainable operations that work in the operating room *and* the boardroom.

Those potential savings may be right under your nose. Healthcare facilities generate enormous amounts of waste and frequently overlook the value – in which can be significant – in what they discard. So maybe it's time to take a look at what's going out the back door, then look for ways to cut corners without impacting quality of care. Here are a few cost-cutting techniques to get you started.

Recycle whenever possible.

America's healthcare system is responsible for about 1% of all the solid waste generated in this country.* And about 90% of that waste consists of materials such as paper, cardboard, plastic, metal, glass and other materials that would be easy to recycle but often are mistakenly treated as "red bag" medical waste.* This is a costly error, as you'll read below.

It is in every hospital's interest to help employees change wasteful behaviors. This means teaching hospital staff how to properly segregate waste, to divert higher-cost to lower-cost categories wherever possible. Simply providing clearly marked receptacles for recyclable materials could help enormously.

Segregate "red bag" waste correctly.

About 10% to 15% of hospital waste is biohazardous "red bag" waste, which must be handled according to strict federal and state regulations and costs about 10 to 20 times as much to dispose of as solid waste or regular trash.* It's imperative not to place ordinary solid waste in this category.

Review multi-vendor costs.

In many cases, having multiple vendors can increase paperwork and management complexity. And because vendors have a built-in incentive to maintain the status quo, they're unlikely to help you find cost savings. By contrast, a single vendor can often see big-picture issues and work with you to streamline processes that minimize confusion and reduce costs. Our sustainability experts can work with you to identify and implement waste solutions that are environmentally sound as well as fiscally prudent.

Reduce warehouse needs.

Take a look at what's going into your warehouse. Are you allocating expensive real estate to storing obsolete computers, electronics, office furnishings, and the like, that will probably never be returned to active duty in your facility?

When Washington County Healthcare System, in Hagerstown, Maryland, was preparing to move to a new facility, it needed to clear out tons of useless items accumulated over the years. The hospital and Waste Management worked together to find ways to reuse, recycle, donate or shred those items. Floor tiles, lighting, carpet, sinks, shelving, office equipment, and hundreds of stainless steel bedpans were all given a second life. When it was all over, the facility had saved \$18,000 – \$20,000 in disposal costs.

The bottom line: The myriad of challenges confronting healthcare facilities today are the strongest incentive to reinvent your internal processes and find savings – often in unexpected places.

For more information, call a Waste Management Healthcare Solutions specialist at 1-877-383-8539. Or visit healthcare.wm.com.