UNITED STATES

Health First Inc.

Success Story

Healthcare

LEXMARK

SUMMARY

Florida hospital network optimizes its output fleet with new MFPs and a distributed fleet management contract with Lexmark and is able to re-allocate valuable IT resources to new projects, free up clinical staff to focus more on patients and less on equipment and reduce costs substantially.

Health First saves $900,000 annually with switch from copiers to Lexmark MFPs and distributed fleet management engagement

The Organization

The Health First family of hospitals and other healthcare services are located in Brevard County on Florida's Space Coast. Its core hospitals include Cape Canaveral Hospital, Holmes Regional Medical Center and Palm Bay Community Hospital, which altogether have more than 40,000 admissions, 20,000 surgeries and 120,000 emergency department visits annually. More than two dozen additional facilities round out the Health First healthcare network. An additional new hospital is scheduled to be built by 2010 to serve the area's fast-growing population. To assure that its more than 1,000 physicians, 6,000 staff members and 2,000 volunteers provide top-quality medical services, Health First has a long tradition of implementing innovative technology solutions, both medical and administrative, to keep patient care and safety on the top of its priority list.

The Challenge

An unplanned confluence of divergent events occurred at Health First a little more than one year ago. Its leases for 300 copiers installed in 57 separate locations were about to expire, all on the same day. Planners for Health First's new regional Heart Center at its largest hospital, Holmes Regional Medical Center, were requesting nearly 200 new printers, copiers and fax machines. Projects to implement electronic records management, bar-coded pharmacy orders and to print photos and bar codes on patient identification bracelets were on the drawing board. Priorities for the IT department were stacking up, without the flexibility to hire more staff. And to complicate matters, pressure to contain spending was taking on increased urgency.

In addition to the existing copiers, approximately 1,200 other devices were placed throughout the hospital network. Representing 26 unique makes and models, each with different warranty and maintenance status levels, the fleet was very difficult to keep operationally sound.

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For Health First Vice President and Chief Information Officer Richard Rogers, this convergence of business challenges provided a unique opportunity. Health First could reassess its overall output strategy for the entire hospital network — and at the same time, build a phased, coordinated plan to address each of the issues and significantly reduce costs.

Like thousands of corporations, public-sector agencies and non-profit organizations, Health First's networked printers were procured and managed by the IT organization, while standalone copiers and fax machines were acquired through the purchasing department and managed by the facilities staff. So although Lexmark, which supplied Health First's networked laser printers, was well-known and regarded by IT, the purchasing department favored office-machine vendors with whom they were already familiar as part of the Voluntary Hospitals of America (VHA) hospital bulk purchasing program.

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While other copier and printer vendors recommended Health First merely update the existing infrastructure of separate copiers, printers and fax machines, Lexmark presented a very different approach. Lexmark's strategy for Health First centered on analyzing usage patterns and employee tasks with the goal of deploying multifunctional printers (MFPs) that combined all-in-one faxing, scanning, printing and copying functions in carefully selected locations, based on employee and patient needs. The goal was to match demand with properly-featured devices while drastically reducing overall device counts and costs. With the proper fleet in place throughout the hospital network, the entire fleet could be managed completely by Lexmark, freeing up Health First's IT staff to focus on other priorities and dramatically reduce costs.

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Based on Lexmark's unique point of view, Health First revised its output philosophy and issued a request for proposal (RFP) to 12 vendors. After vendors unable to compete withdrew, Health First narrowed the field to three potential providers including Lexmark, Xerox and Ikon. Evaluation products were installed by each vendor and rigorously tested by Health First on its network. Following the evaluation and review of the RFP responses, Lexmark was chosen to supply all products and manage and perform all maintenance on the fleet for a period of five years.

"With this one initiative, we have addressed several business challenges at the same time," said Rogers. "We've standardized on one set of hardware which will dramatically simplify our support infrastructure. We've put the pieces in place for long-term document management and workflow enhancements with our Lexmark MFPs. We've freed up our IT staff by outsourcing all the management and maintenance of the fleet, including all of the consumables, to Lexmark. And, we've dramatically reduced our costs. All of these elements come together to mean that our employees can focus more of their time and energy on our patients."

The Solution

Lexmark's first order of business after being awarded the Health First contract was to replace the more than 300 Lanier copiers whose leases were about to expire. Lexmark consultants took a detailed inventory of all the copiers and determined that the devices spanned 57 locations across a 60-mile radius along Central Florida's East Coast. The Lexmark team procured the new Lexmark X854e and X644 MFPs, unpackaged and assembled them in an off-site staging area and completed a one-for-one replacement of all the copiers before the leases expired. Lexmark staff members also de-installed the existing copiers and removed pallets of unused consumables.

At the new cardiac care center, Lexmark consultants walked the construction site wearing hardhats to understand the layout of the facility. After conducting extensive interviews and focus groups with

Health First staff members who would work at the facility, Lexmark re-engineered the output equipment layout to optimize space, functionality and costs. In total, Lexmark reduced the number of required devices for this one facility from 200 to just 63 devices (through the combined usage of equipment and optimization of placing the Lexmark MFPs).

This effort began a process for development of a set of principles that would become the basis for the deployment of output devices throughout all of Health First's facilities. These deployment principles are guidelines for the procurement and placement of specific Lexmark devices and features based on the needs of the employees and patients in those areas. For example, the needs in an administrative area are vastly different from those in the pharmacy or at nursing stations and therefore have different requirements.

With the deployment principles established, Lexmark began developing detailed equipment plans for each hospital. Using the new Lexmark MFPs as a starting point, Lexmark consultants analyzed architectural blueprints and walked the floors of each facility to determine the specific equipment needs of each department. Some existing equipment would be removed immediately, based on age or maintenance history. Some newer equipment would remain for a specific period of time, based on agreements. New Lexmark MFPs were installed as required to help standardize and optimize the fleet. Over time, Lexmark is applying the same process and principles at all of Health First's facilities and expects to complete the deployment by the first quarter of 2008.

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As each facility is re-engineered, its devices are connected to the Health First network and are monitored, maintained and managed entirely by Lexmark. On-site Lexmark personnel monitor the status of all Health First devices to keep the fleet performing optimally. The Lexmark distributed fleet management service provides Health First with comprehensive fleet reporting and management services that continually monitor all the devices over the network. Additionally this fleet management service gathers usage statistics, keeps an eye on consumables levels, and sends service alerts about problematic equipment conditions that are occurring so they can be corrected before they impact device operations or employee productivity.

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"It's one thing to install a new output infrastructure that is optimized," said Rogers. "But it is quite another challenge to keep that fleet optimized. That's what Lexmark is helping us accomplish."

For the first time, Health First has a fleet-wide view of its output devices and can understand usage patterns, control and re-deploy output assets as required, keep devices working at optimal levels and accurately plan for maintenance needs. In addition, through the Lexmark DFM service, Health First can track the physical location of every printer, generate an alert when a printer is removed from or added to the network, continually monitor each device's status and even trigger the automatic re-ordering of new Lexmark toner cartridges. With the Lexmark consumables management service, device consumables are automatically replaced before employees even know a toner-low condition exists.

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Heath First is also evaluating Lexmark's Clinical Assistant. In physicians' offices, at nursing stations and in its Outpatient Registration, Radiology and Emergency departments, Health First is considering installing Lexmark Clinical Assistant MFP devices. Incorporating all the functions of a Lexmark MFP, the Clinical Assistant

also includes embedded applications to simplify common healthcare workflow processes. Accessed via four user-friendly icons on its intuitive touchscreen operator panel, staff could complete complex, time-consuming processes with the touch of a single icon, greatly speeding up these processes and assuring accuracy. Functions such as physician order routing, scanning medical records, card copying and printing forms on demand would all be automated, no longer requiring multiple steps for staff to complete. All the proper steps would occur automatically based on pre-defined scripts that route the documents where they need to go based on the hospital's requirements.

Health First is also considering taking steps to integrate the document scanning and imaging capabilities of the Lexmark MFPs into its prescription management and electronic medical records databases.

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The Results

A plethora of business challenges faced by Health First at first may have seemed insurmountable. But with the help of Lexmark, this leading healthcare organization in Florida has accomplished a great deal.

"We now have a standardized, networked end-to-end solution that is saving us $900,000 a year," said Rogers. "With this new distributed fleet management approach, I just don't have to worry about output at all."

At Health First, the delivery of quality, world-class healthcare services is a top priority. By optimizing and divesting itself of the need to manage and maintain hundreds of output devices, Health First is able to re-allocate valuable IT resources to new projects, free up clinical staff to focus more on patients and less on equipment and reduce costs substantially. Health First's distributed fleet management agreement with Lexmark is like a daily vitamin that keeps the hospital's output operations as healthy as its patients — today and for many years to come.

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