

News & Profiles

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Squeezing Blood from a Stone – ThedaCare Discusses Its Success Cutting Telecom Expenses

By Lacinda Athen from Valicom

In today's economy, any way to trim fat from the bottom line is a welcome activity. As clinic and hospital professionals, the focus is often concentrated on the health care side of spending, not the technology end. But as technology needs become more and more complex, there can be great opportunity for savings through better management of telecommunication costs. Problems like overpayments, errors, or poor inventory tracking of your land lines, circuits, pagers, "smart" phones, and data plans could be wasting a lot of your annual budget.

ThedaCare in Appleton has long known this to be a key expense control area. By implementing a strong telecom expense management (TEM) program, they have seen over a 400% return on investment over seven years. To find out more about how ThedaCare approaches TEM, and how other clinics can work to access such savings, we spoke to Joe Van Dehy, Director of eHealth and former IT Manager.

What first brought you to the realization that managing telecom costs was a priority?

"A little over eight years ago, we saw that while managing expenses had always been a priority, IT/Telecom costs were advancing more quickly than expected, and we needed new ways to manage that. We recognized that more and more of our spend was going towards communications as our network was developing and our organization was growing. We had been struggling for a long time with the staggering amount of cryptic detail that accompanied our telecommunications invoices, and we recognized that we weren't doing a good job of staying on top of that. It was clear that we either needed an army of people, or a partner who was an expert and had the systems to do this well, quickly, and at a fraction of the cost of an internal solution. Thus we sought out our partnership with Valicom."

What do you feel are the key things involved in a good telecom expense management program?

"For ThedaCare there were a number of components we took into consideration, including technological automation, customer service (including access to my support team, ability to get reports that I need when I need them, and scheduled interactions), and the ability to measure results."

"But perhaps no attribute was more important in our minds than relationship. Early on in the relationship the expectation was set that our TEM partner would act as an extension of ThedaCare's staff. This set the stage with our telecommunications vendors and laid the foundation for the relationship. From that point on, they involved my team when appropriate, provided regular updates on status and opportunities, and took the daily load of managing this expense while giving me the tools and opportunities to own the responsibility."

What area of savings did you find the most surprising?

"There were a number of items that surfaced that surprised me. The first was the realization that what we were being billed

for was not what we were getting. We were being charged for lines that were no longer in service, for locations that we no longer owned, for taxes that we should not be paying, and for duplicates. These were all opportunities that were uncovered once we could see what the bills were saying to us.

"Another surprise came with the renegotiation of our wireless agreement, and the realization that there was quite a bit of room for cost reduction. We worked with our partner on the development of an RFP, and they fronted the process so I didn't deal directly with the vendors. We were able to leverage their experience and twenty years of benchmarking data as an extension of the ThedaCare team, and come up with a much better result."

What is the top challenge currently facing ThedaCare with regards to telecom costs?

"With the recent health care reform legislation we expect there to be increasing pressure to do more with less. While it is understood that this is no different than what everybody else, regardless of industry, has been trying to do for quite some time, this paradigm change has significantly ratcheted up the pressure. This pressure, and the idea that mobility and communications will be key contributors to our ability to be successful, means that we can expect our telecommunications costs to continue to increase at a greater rate than other expenses. We therefore must not only be effective in our use of these tools, but we must be more diligent than ever before at making sure that we are managing this significant expense."

If you could tell other healthcare providers the best thing they could do to cut their telecom expenses, what would it be?

"Develop a telecommunications expense management strategy, and set it up in such a way that it can be successful. Staff it appropriately, or find a partner who has experience and a wide range of services to support your organization. Then, give it 6 months to show a return...and make sure that you track the return. If you choose to partner with a vendor, negotiate a no-risk clause into your agreement."

As shown by the successes at ThedaCare, telecom expense management can really be the "best money you never spent".

If you're interested in learning more about ways to control your telecom expenses, feel free to contact Sandy Thompson, ThedaCare's Project Manager and long time collaborator for an overview. www.valicomcorp.com or 608.227-0612.❖

On the Cover

Shawn Gretz, Eric Summers, Diane Lunde, Roger Rego, Sonja Weiland, Julie Wiki, Jim Brick, Thomas Krystowiak, David Meister, Brian Potter and Art Mertig.