

Smart Product Purchasing and Making the Business Case for Infection Prevention

Copyright 2010 by Virgo Publishing.

<http://www.infectioncontrolday.com/>

By: Kelly M. Pyrek

Posted on: 05/24/2010



Smart [product evaluation](#) and purchasing, as well as knowing how to make the business case for infection prevention is all part of understanding and using healthcare economics to your advantage. As hospitals freeze budgets, it's imperative that infection preventionists understand the pressures being exerted on healthcare institution administrators so that they may better negotiate for the resources and funding they need for their infection control programs.

"Healthcare organizations' value-analysis committees typically include infection preventionists in their membership," says Deborah Davis, PHD, MBA, an independent consultant. "Infection preventionists are (or should be) familiar with clinical studies or other data that supports or refutes certain types of products or processes. Healthcare product manufacturers are now often providing return on investment (ROI) analyses and other ways to demonstrate the value of their products, including not only features and benefits comparisons, but also ways the products can minimize waste, save time or provide other advantages. Infection preventionists should seek out companies and their representatives who have done these analyses and who have a good grasp on what the scientific literature says about the particular product or process. Infection preventionists should consider how the product or process supports recommended practices and clinical guidelines." Davis continues, "In my experience, infection preventionists would often refuse to meet with industry sales representatives. Appropriately educated sales reps can provide the infection prevention professional with the data they need to make informed cost-balanced choices around needed medical products and other infection prevention resources. The infection prevention professional association, APIC, also has a number of tools for its members that can help them make the business case for necessary resources."

The L.E.K. Consulting Hospital Purchasing Survey, a comprehensive tool for tracking changes in hospital purchasing attitudes and behavior, has shown that hospitals across the U.S. are employing highly sophisticated budget strategies to cut costs, make targeted investments to support growth, emphasize patient safety, and prepare for ramifications of the new healthcare legislation. L.E.K.'s study offers insight from more than 200 senior hospital decision-makers in the areas of general hospital trends, hospital strategy, unmet needs and legislative reform.

"New healthcare reform is dramatically changing the healthcare industry, and hospital executives realize that old business models no longer apply in today's new healthcare landscape," says Jeffrey Stevens, vice president and co-head of L.E.K. Consulting's global MedTech practice. "While it's well-documented that the healthcare industry has been cutting costs, L.E.K.'s new research uncovered innovative strategies that begin to differentiate hospitals in select areas while simultaneously bracing to support the projected increase in admissions caused by new federal legislation. This insight has critical implications for medical device and life sciences companies, equipment manufacturers, service providers and technology vendors alike."

The survey indicates that budget pressures have led to more aggressive negotiations with suppliers and payors, delays in facility upgrades, capital expenditure freezes, longer equipment replacement cycles and staff reductions. The survey also reveals hospitals' unmet needs of achieving competitive differentiation, increasing patient safety and improving outcomes. The survey also shows that nearly two-thirds of hospitals decreased or froze spending last year, and most hospitals expect further cuts in 2010. However, despite financial constraints, hospitals are maintaining – and in some cases increasing – budgets for patient safety and other strategic programs, such as infection prevention and control.

Stevens acknowledges that recent Medicare reimbursement policies relating to hospital-acquired conditions/infections are having a distinct impact on healthcare economics. "The public and private sectors are both working to increase patient safety," he says. "In 2008 Medicare stopped reimbursing hospitals for many types of errors that it believes could be prevented, including specific types of infections. These stricter federal guidelines are helping to encourage an enhanced focus on patient safety. But hospitals have also been working diligently independent of federal mandates to ensure that they provide high-quality patient care." Stevens adds, "Patient safety is a cornerstone of each hospital's mission and impacts every facet of a facility's ability to provide quality care. So from that perspective, it makes sense that hospital administrators are only reducing patient safety budgets as a last resort. And as hospitals plan to differentiate themselves, patient safety will be a key component of any initiative to establish a market niche or enhance its reputation."

The L.E.K. survey noted that, "Virtually no respondents have cut their infection control budgets in 2009, and spending maintenance or growth is projected in the future," and Stevens explains, "Many hospital executives were forced to make difficult budget decisions last year, and infection control generally did not face the same types of funding cutbacks that other departments or programs were forced to address. In fact, our Hospital Purchasing Survey revealed that infection control and information technology budgets were spared more than other programs. While nearly one-third of respondents reported increased infection control budgets in 2009, it is important to stress that nearly 15 percent cited a decline and more than half reported no change. Looking ahead, we found that 55 percent of hospital executives are optimistic that they will be able to expand their patient safety budgets during the next five years."