

Quickly reveal hidden opportunities in non-labor expenses

The **AMS Key Performance Indicator (KPI) Review**, is a quick way to identify cost reduction opportunities in non-labor spend categories through an analysis of your accounts payable file. AMS summarizes your spend into 28 KPI categories and then analyzes your costs against other hospitals using comparative data in our proprietary database.

Allows you to identify potential savings and target your resources

Immediate Benefits

■ **New areas of opportunity:** A KPI analysis identifies areas of opportunity that go beyond a typical supply chain engagement such as utilities, HVAC expenses, and transcription expenses. These expenses do not typically flow through the Materials Management Information system.

■ **Annual budget planning:** A KPI analysis will identify where opportunity exists to reduce non-labor expense in next year's budget.

■ **Target resources:** A KPI analysis allows you to quickly identify where to focus your efforts to achieve maximum savings with minimal effort

Recent Results

400 bed hospital: AMS identified \$2.5 million in opportunity from 7 areas (maintenance contracts, waste management, travel and education, OR and cardiac cath implants, temporary staffing, outsourced food service agreement, and office supplies).

200 bed hospital: AMS identified \$1.0 million in opportunity from 5 areas (food service management, transcription, record storage, OR and cardiac cath implants, and waste management).

AMS KPIs

Medical and Surgical Supplies

- Medical surgical supply expense/CMI adjusted discharge
- Surgical supply expense/case
- Cardiac catheterization supply expense/case
- Medical gas expense/case
- Instrument repair expense/case
- Lithotripsy cost/case
- Rental bed cost/patient day

Purchased Services

- Purchased services expense/total operating expense
- Transcription cost/adjusted patient day
- Record storage expense/adjusted patient day
- Printing and copying services/adjusted patient day
- Temporary staffing expense/FTE
- Recruitment and advertising expense/patient day
- Collection fees/adjusted patient day
- Waste management expense/patient day

Non-Medical Supplies and Services

- Non-medical supply cost/total operating expense
- Office supply expense/total operating expense
- Maintenance supplies and services/sq. feet maintained
- HVAC supplies and services/square feet maintained
- Elevator repair supplies and services/elevator
- Clinical engineering supplies and services/piece of equipment
- Clinical engineering supplies and services/patient day
- Food and nutrition management expense/patient day

Utilities, Telecom and Information Technology Services

- Gas and electric expense/square feet maintained
- Telecommunications and information technology expense/total operating expense

Administrative/Discretionary Spend

- Discretionary spend/total operating expense
- Books, dues, and subscriptions/discretionary spend
- Education, travel, and entertainment/discretionary spend

To learn more, please contact:

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