

# Federally Qualified Health Center Saves Big on Waste Removal and Medical Supplies

## Cost Reduction

## Client

Oak Orchard is an integrated health system serving 30,000 patients at 10 locations. Oak Orchard Health is a recognized Patient-Centered Medical Home (PCMH) 501(c)3 nonprofit Federally Qualified Health Center (FQHC).

## Challenge

Like many healthcare groups, Oak Orchard Health was short-staffed as it emerged from the pandemic. As part of their effort to remain focused on providing quality healthcare to patients, Oak Orchard engaged SIB to review their indirect expenses.

## Solution

SIB performed a preliminary analysis of Oak Orchard's vendor spend to identify the best opportunities for savings. Using a Vendor Transaction Report, the SIB analysts were able to identify high-potential categories for cost reduction. We then shared benchmarking data to quickly pinpoint two high-yield savings opportunities: waste removal and medical supplies.

Companies often accept their waste removal rates as a necessary cost of doing business without realizing the extent to which they are being overcharged. The SIB waste audit team could see that Oak Orchard facilities were not benefiting from best-in-class pricing for their geographic area. All locations were using the same vendor and most of those contacts were set to expire within a year. SIB renegotiated the renewal contracts and secured significantly lower rates for the same service levels.

For any multi-site healthcare group, medical supplies are a necessary spend area where vendor markups are typically high. Monthly spend varies based on purchase volumes and product mix but that is often more room to lower costs. SIB's team worked with Oak Orchard's existing vendor to achieve and implement new target pricing without changing service levels.

## Results

- > \$73,000 in annual savings in waste removal and medical supplies.
- > 79% reduction in waste removal spending with no changes in vendor or service levels.
- > Ongoing bill monitoring to ensure that the savings stay in place.

## Testimonial



"The reward was significant savings in our medical supply spend and waste removal costs with very little effort from our end. SIB lowered our waste pick-up fees by anastonishing 79% without changing our vendor or service levels."

Stacie Bridge

*Chief Financial Officer, Oak Orchard Health*

## Our work with other Federally Qualified Health Centers

- > SIB has engaged **14 FQHC clients**.
- > **\$630,000 in savings achieved** for four FQHC clients.
- > **\$1 million in savings identified** and in-process for seven engaged clients.

## Our FQHC Clients Include:

- > Cerebral Palsy Association of the North Country
- > East Boston Neighborhood Health Center
- > Family Health Care
- > Fie Rivers Health Centers
- > Maury Regional Hospital
- > Missouri Ozarks Community Health
- > Oak Orchard Community Health Center, Inc.
- > Primary Health Care, Inc.
- > Stephen F. Austin Community Health Network
- > Su Clinica Familiar
- > The Wellness Plan Medical Centers
- > United Cerebral Palsy Association of Greater Cleveland
- > Wabash General Hospital District