

Cost Reduction

Case Study

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

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.



"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 an astonishing 79% without changing our vendor or service levels."

Stacie Bridge

Chief Financial Officer, Oak Orchard Health

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 contracts 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.

SIB Attends the FOM/IT Conference & Expo Regularly

Join us annually at the Financial, Operations Management / Information Technology (FOM/IT) Conference & Expo. The SIB team attends the conference to meet with CEOs, CFOs, COOs, and CIOs of community health centers.

Our work with other Federally Qualified Community Health Centers

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

Our FQCHC 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.
- > Philadelphia Fight
- > 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

About SIB

SIB reduces your company's costs by 11-34% in the 15 spend categories we oversee, typically without changing your operations, service levels, or vendors. We leverage data from 500,000+ pricing benchmarks, deep industry expertise in each spend category, and ongoing spend management discipline to find, capture, validate, and sustain savings that dramatically improve your bottom line. Learn more about SIB and our family of brands with deep expertise and additional services in the categories we oversee: [Cost Control Associates](#), [Vector](#), [Shipware](#), and [Sage Management](#).



Follow us



843.576.3606

www.aboutsib.com