

Cost Reductions FY2010

Department	Manager / Supervisor	Action	Start Date	Impact on FY 2010 Operating Budget	Impact on FY 2010 Capital Budget
Board of Directors		Cancellation of the 2009 Health Fair	1-Aug-09	(\$50,000.00)	
Dietary	Renita Braddock	Change in vendors for various cleaning chemicals	1-Aug-09	(\$5,185.56)	
Dietary	Renita Braddock	Elimination of the weekday afternoon dish room aide position (20hrs/wk)	1-Jul-09	(\$8,007.48)	
Environmental Services	Rick Everett	Replaced the evening housekeeper as a 30hr/week position rather than a 40 hr/week position (10 hrs/week)	1-Aug-09	(\$3,607.09)	
IT	Scott Good	Cancellation of remote monitoring contract with Network Consultants	1-Sep-09	(\$5,000.00)	
Multiple		Reduce number of attendees to CPSI National Meeting	1-Sep-09	(\$2,495.20)	
HPRV Nursing/Maintenance	Marian Hunter / Dennis Hernandez	Change to a longer lasting type of bed alarm used in LTCU	1-Sep-10	(\$7,860.00)	
Maintenance/ Home Health	Dennis Hernandez/ Tracy Lamb	Purchased used van from Assisted Living resident in June 2009. Do not need to purchase a new van in FY 2010	1-Sep-09		(\$20,000.00)
IT	Scott Good	Achieve favorable pricing on PC's while establishing a four year replacement rotation (minor equipment)	15-Sep-09	(\$2,760.00)	
Nursing	Sue Stingley/Becky Bates/Tina Vincent	Favorable pricing on the purchase of a demo infant radiant warmer	1-Oct-09		(\$5,609.90)
Human Resources	Donna Winright	Favorable pricing on group life and LTD insurance premiums	1-Oct-09	(\$11,277.77)	
Nursing	Sue Stingley/Brandi Ward	Low census days in nursing (July - December 2009)	31-Dec-10	(\$17,039.93)	

Human Resources	All supervisors	Favorable workmen's compensation premiums due to improved experience	1-Jan-10	(\$28,799.00)	
Dietary	Renita Braddock	Postpone purchase of mixer (minor equipment)	1-Feb-10	(\$5,000.00)	
Dietary	Renita Braddock	Postpone purchase of steamer (minor equipment)	1-Feb-10	(\$5,000.00)	
Board of Directors		Change professional and general liability carrier from Pro Assurance to KaMMCO	1-Feb-10	(\$2,527.90)	
Hospital Nursing	Sue Stingley/Brandi Ward	Low census days in nursing (January - March 2010)	31-Mar-10	(\$9,938.25)	
Operating Room	Mary DeLaRosa	Decision that Alan Stirrups are not essential for OR	1-Apr-10		(\$7,500.00)
Business Office	ReChelle Kennedy	Postpone hiring a registration clerk for entire fiscal year	1-Apr-10	(\$24,960.00)	
Nursing Home Administration	John Loebel	Elimination of travel budget	1-Apr-10	(\$5,496.00)	
Maintenance	Dennis Hernandez	Obtained favorable pricing on the purchase of the lawn mower/snow sweepster. Had originally planned on postponing this purchase until FY 2011 but the mower broke down and was unfixable.	1-Apr-10		(\$3,329.75)
Family Health Center	Clarice Rilinger	Evaluate replacing coding position	1-May-10	(\$3,896.89)	
Environmental Services	Tina Vincent/Diana Aparicio	Promoted housekeeping aide into supervisor position and did not replace her former position	1-May-10	(\$2,788.00)	
Health Information Management	Denny Eslick	Holding vacated coding/transcription position open	1-Jun-10	(\$2,329.66)	
OR/Mats Mgt	Mary DeLaRosa	Resale of Novasure oblation	1-Jun-10	(\$6,000.00)	
Hospital Nursing	Sue Stingley/Brandi Ward	Low census days in nursing (April - June 2010)	30-Jun-10	(\$12,906.00)	
TOTAL				(\$222,874.73)	(\$36,439.65)

In the fiscal year that ended on June 30, 2010 we indentified \$222,874.73 in cost savings from our operating budget and \$36,439.65 from our capital budget.

The savings from the operating budget included the cancellation of the Health Fair, changing suppliers to receive better pricing, changing the types of supplies and equipment being used, postponing the purchase of some minor equipment until it actually is no longer usable, elimination of positions and not filling vacant positions while we evaluated the need for those positions.

The only savings on capital equipment that we are taking credit for is either when we decided we would not purchase the equipment or where we negotiated favorable pricing on items. All of the cost savings were accomplished by the willingness of our managers to be flexible and to think “outside of the box.”

In April 2010 Kearny County Hospital received the “Spend Management Best Practice Customer Award” from Med Assets, the national group purchasing organization to which we belong. This award essentially recognizes member hospitals that achieve significant cost savings by using group purchasing contracts for medical supplies, dietary products, lab supplies, pharmaceuticals and capital equipment. Only 60 hospitals out of a total of about 700 received this recognition. Med Assets estimated that we achieved a savings of \$68,169.00 in calendar year 2009.