

SORIAN HEALTHCARE CUSTOMER SOLUTION CASE STUDY



UF HEALTH SHANDS HOSPITAL REALIZES ANNUAL SAVINGS OF \$1.5 MILLION

CLIENT: University of Florida
Medical Center, Shands
BED SIZE: 850+
REGION: South
TYPE: Contract

DEPARTMENT:
Food & Nutrition Services

CLIENT PROFILE:

- Academic Medical Center

THE CHALLENGE:

- Missing Leadership
- Self-Op to Outsource Contract

KEY OUTCOMES:

- Improved Patient and Employee Satisfaction Levels
- Reduced Labor Cost by 8%
- \$1.5 Million Annual Savings

WEBSITE: www.ufhealth.org

For more information about other Soriant Healthcare customer successes, please visit:
www.sorianthealthcare.com

“Soriant was responsive and detail oriented with a fast turnaround. The team was a pleasure to work with and they were always available. Overall, they made the process easy to understand. Their methodical and data driven approach created a win-win with our vendors. Soriant helped implement more than \$1.5 million in annually recurring savings.”

Steven Hitt
Associate VP of Support Services Shands Hospital, Gainesville, FL

THE CHALLENGE

Located in Gainesville, Florida, Shands University Medical Center is an 863-bed academic medical center. The Food & Nutrition Services Department was managed in-house with below average service levels, low productivity, declining revenues, and intense competition from onsite fast food chain vendors who were gaining market share. The department was missing a Food Service Director.

In 2009 - 2010, net costs per patient day were in the 50th percentile and patient satisfaction levels were down. Shands built aggressive, but realistic goals to be in the 90th percentile for costs and patient satisfaction. After careful review and consideration, they partnered with Soriant Healthcare to conduct a feasibility study for FNS, which would allow them decrease costs, improve efficiencies, and enhance patient care and patient satisfaction scores



THE SOLUTION

Soriant partnered with the Food and Nutrition Services department to coordinate the evaluation of two outsourcing companies, analyzing features, call center options, catering, staffing and costs. The results:

- Negotiated a contract with a national Food Services outsourcing company
- Implemented an RFP contract matrix to define timelines, responsibilities, and resources
- Educated and trained leadership and committee on the following:
 - Hidden revenues that vendors charge outside of guaranteed patient day rate
 - Items that should be included in the patient day rate
 - Differences between guaranteed rate contracts and cost plus contracts
 - Negotiation strategies for dealing with vendors in order to maximize savings
 - Hidden vendor revenues derived from purchasing (typically 8% to 12%) and employee benefits
 - Eliminating all capped items in vendor contracts
 - Leading three negotiations with vendors that resulted in significant financial savings

THE RESULTS

After evaluating all opportunities to accelerate performance, in only 12 weeks time, Soriant achieved the following:

- Negotiated an outsourcing contract that included:
 - 11% rebate on all retail sales over the baseline pro-forma numbers and payment for opening costs of \$120K
 - A cost guarantee
 - \$125K penalty for missing patient satisfaction targets
 - 2% rebates on food and supply costs returned to the client
 - Reduced labor costs by 8%
 - Increased retail sales from \$2-\$3K to \$9K per day
 - Improved employee and patient satisfaction levels
 - Lay the groundwork for sustained results.
- Expense per total meal equivalent is at the 16th percentile among 52 peer academic medical centers



**Soriant Healthcare implemented annually recurring savings of \$1.5 million.
Total savings over ten years of \$13.5 million.**

For more information about achieving similar success, please contact us at 770.777.6633 or info@sorianthealthcare.com.

