

EAST COAST MEDICAL CENTER

THE CHALLENGE

An established East Coast Medical Center was using two different records storage vendors with 11 different contractual agreements. A major vendor was storing over **38,000 cubic feet** of records for the Medical Center, however due to the client having multiple contracts, the storage rates varied between **\$0.25 to \$1.44 per cubic foot**. Furthermore, the annual cost increase was upwards of **8% a year**. The Medical Center's spend in 2017 was **\$211K** and by 2018, the spend was projected at **\$220K (up 4.5%)**. The second vendor was storing **508 cartons** and was used primarily for their scanning services. The Medical Center was scanning approximately **175,000 pages a year** and being charged **\$27/file** when the industry average was at **\$15/file**. This vendor's costs were also increasing at **4.3% annually**, resulting in costs of **\$116K in 2017** rising to **\$121K in 2018**.

THE SOLUTION

The Medical Center needed to consolidate pricing structure and reduce overall billing expenses. Due to RIC's proven track record and unparalleled expertise in the industry, the Medical Center engaged the team to:

1. Reduce overall costs
2. Reduce annual storage & services costs
3. Reduce or eliminate contingent liability
4. Consolidate pricing structure
5. Negotiate more favorable contract terms and conditions
6. Provide insightful analysis, identifying opportunities for improvement



THE RESULTS

After conducting a comprehensive analysis, RIC was able to indicate a potential cost savings of **\$1.3mm (32%)**, more favorable contract terms, and consolidation of contracts to one vendor. RIC went to market with their proprietary RFP and was able to enhance the terms and conditions for the Medical Center, resulting in three years of fixed pricing with a **3% cap** for annual increases as well as a lower average annual spend. RIC also worked to eliminate permanent withdrawal fees at the end of the contract term. Included in the new contract was a reduced rate for scan on demand support. By the end of the engagement, RIC had exceeded their goals for the Medical Center and was able to **save the organization a total of \$1.6mm (40%)**.

KEY RESULTS

1. Consolidated entire inventory from two different vendors to one new vendor
2. More favorable terms with an elimination of the Permanent Removal Charge
3. Reduced average annual spend by: **26%**
4. Total Savings over Contract Term with new vendor: **\$1.6mm (40%)**
5. Improved expense accountability for years to come