Small, Community-owned Hospital
Realizing a BIG Technology Vision

Uniontown Hospital
Case Study
Hospital Proves that an Aggressive Approach to Building an Integrated Technology Infrastructure is Good Medicine

OVERVIEW
Uniontown Hospital found everything they needed in their Enterprise Systems, Inc. (ESI) business software. McKesson acquired ESI and soon announced they would discontinue development and support of the ESI Nova, Titan, and Orbit products. With the hospital operating on all three applications for its materials management, accounts payable, and its surgery resource management, executive management began the process of evaluating options to replace this technology.

At the same time, the executive management team decided to look at all of the technology used throughout the organization — primarily clinical applications. With the numerous disparate systems, many approaching the end of their functional lifecycle, it became clear the team needed to think more globally about their technology needs. Believing that technology was the best investment to drive organizational excellence, integrated solutions for both its business and its clinical operations became Uniontown Hospital’s ultimate goal.

The executive team chose Lawson® for the organization’s integrated business systems and Cerner for their clinical and financial systems.

Lawson provides the hospital numerous enhancements and advantages that were previously lacking in the ESI systems, including:

- All departments and ancillary operations integrated to one system for financial, supply management and human resources.
- Increased number of vendors using EDI 10-fold.
- Materials management staff freed from many routine administrative tasks and able to focus on core competencies, adding more strategic value to organization.
- Drill-down access to real-time data for supporting information regarding financial inventory transaction history and resource decisions.
- Reduced hospital supply spending by $1 million through analysis of supply cost data easily accessible in the Lawson system. These savings have become a sustained annual savings to the organization.

PROVIDER PROFILE
In the Laurel Mountains of rural Pennsylvania, Uniontown is a small oasis in the economically-burdened Fayette County landscape. Coal mining operations have come and gone, leaving the region struggling to keep communities from disappearing into the historic tapestry of an area with pre-revolutionary war roots.

A large part of what keeps Uniontown thriving, besides its churches and civic establishments, is the Uniontown Hospital. Established in 1904, Uniontown Hospital is currently Fayette County’s largest employer, with approximately 1500 employees. It is also the primary resource for health services in the county and surrounding area.

With a primary service area population of over 100,000, Uniontown Hospital’s constituency is on the lower end of the economic scale. Of the organization’s total payer-mix, approximately 75% are covered by government healthcare programs. The 200-bed hospital is constantly challenged to meet its mission to improve the health status of the
community it serves and consistently improve on the quality of its healthcare services while maintaining effective, efficient, and successful business processes.

What makes Uniontown Hospital unique in an industry where all healthcare organizations struggle with rising costs, decreasing reimbursements and increased demand for quality services? Perhaps, it is the organization’s extraordinary approach in choosing to invest in technology first, before cosmetic infrastructure improvements, to improve patient care and operational efficiency.

**A BIG TECHNOLOGY PICTURE**

“Our IT strategy is to change the organization as a whole,” states Steve Handy, who serves as both CFO and CIO of the Uniontown Hospital organization. “We seek to continually improve patient care, which includes the quality of our services to patients, the ease in which our staff members can perform their work, and the increased performance of the hospital as a whole. We believe that technology, from an integrated standpoint, can accomplish all of these.”

With this in mind, Handy set out to lead Uniontown Hospital on a mission to stretch strategic thinking regarding the growth of the organization. “We decided to embrace technology even before addressing infrastructure,” says Handy. Although the hospital can showcase healthcare amenities such as a state of the art cardiac care unit, a free-standing cancer treatment center with the newest treatment options available and the most advanced diagnostic imaging technologies, the organization is still faced with an aging facility. Yet, instead of pouring precious funds into a new hospital wing or a total remodel of the existing structures, Uniontown Hospital decided to dedicate its financial resources toward implementing integrated technology systems, complementing both the clinical and business systems, as well as upgrading and increasing supporting hardware.

“Our goal was to take a global approach in our next steps to improve as an organization.” notes Handy, “When we looked at our old technology, we knew we were headed for a brick wall. In process change and business performance issues, our disparate software applications could take us only so far and not far enough to increase efficiency and effectiveness across the entire organization. As we looked at the applications we hoped to replace — HR, procurement, payroll, general ledger and clinical software systems — it became clear we needed a total solution. Integration was what we lacked and it was integration that became the key driver in advancing our organization’s operations.”

**AN AGGRESSIVE TECHNOLOGY APPROACH**

“We looked for business application software vendors with experience in the healthcare industry and those who offered the type of applications and integration opportunities we wanted,” states Don Record, V.P. of Support Services, formerly Director of Materials Management, and part of the executive planning team for this initiative. “We chose Lawson® rather quickly. Because of their reputation in healthcare and in their software products, it basically came down to Lawson,” notes Record. On the financial and clinical side of operations, Uniontown Hospital selected the Cerner Millennium suite of products.

What goes better with a cutting-edge technology vision to fully integrate the operations of an entire organization through business and clinical software than an aggressive approach to implementing your chosen applications? Aggressive is exactly what the plan was for Uniontown Hospital’s Lawson and Cerner systems implementations. Making an impressive leap of faith, the organization decided to install, train, and implement the two new systems simultaneously! A 100% technology make-over was completed organization-wide and all at once. This is where Uniontown Hospital’s story really begins.
Communicate and Train, Train, Train: The Key to Managing Change

Uniontown Hospital took a highly-calculated and planned approach to manage this dramatic organizational change. “We began with a poster campaign to inform staff regarding upcoming changes — to pique their interest and get them involved from the start,” says Patti Demaske, Materials Analyst, who took on the role of communications and training coordinator. “We made a game out of the poster campaign, telling staff that there was a change on the horizon, but not immediately explaining the change. Employees were somewhat acclimated to the very idea of change and even got a little excited in anticipating what it might be. It was a way to get everyone on board at the onset.”

Once the technology strategy and plans were announced — through email communications, staff memos, internal newsletter articles, and departmental staff meetings — Demaske and her team began the enormous task of training the majority of the workforce on one or both of the Lawson® and Cerner product lines. Training was mandatory at all levels of the organization.

Nurses and Operations Staff Become Teachers
When the basic computer training was complete, additional hardware was purchased and installed to support the new software and enable more employee’s access to online applications. End user training then began on the Lawson and Cerner products.

To accommodate the training demand, Demaske’s team created a master schedule to provide classroom instruction 6 days each week, 24-hours a day, for 6 weeks. Individual employees served as trainers and became proficient in order to train their peers on certain applications. The peer-training method worked very well in this tight-knit staff community. “Fellow employees would talk with the trainers and hear their excitement about the new systems,” notes Demaske. With this training method, Uniontown created champions within the organization to help drive the adoption and implementation.

The Big Migration
After 10 months of installation, testing, and training, Uniontown Hospital administration and staff were finally set to initiate house-wide implementation. “We just flipped the switch,” Record comments. “That was essentially how it happened. We set one go-live date for both the Cerner and Lawson applications and when the clock struck midnight on that date, we “turned off” the old systems and began using the new. The template showed us the areas where we needed to focus our concern and gave us benchmarks to keep us on track,” Record adds. “The policies, scripts, and other materials really helped us operationalize everything once we were through the install and ready to use.”
REALIZED VALUE IN MATERIALS MANAGEMENT

Record admits that he wasn’t too excited to be leaving the ESI applications behind. As a Materials Management Director, he had been in charge of the original project to replace the Siemans (previously SMS) Invision software with the ESI products, which had been an industry darling before McKesson’s acquisition. Record was pleased with what the ESI applications enabled his department to accomplish and reticent to move on to yet another system. He saw the ESI applications as solid, but fairly tactical applications, not in keeping with the executive management goal for total integration. He forged ahead.

The Uniontown Hospital materials management department’s original goal was to ensure that the Lawson® applications would be able to duplicate and preserve the functionalities the department had utilized in their ESI product. “I give Don a lot of credit,” reports Handy. “He saw the greater organizational initiative and was willing to give up a system that had served him well in order to become part of the total solution that Lawson offered us organization-wide.”

Record readily admits, “I’m glad we did it [the Lawson implementation], when we did,” he says. “I can tell you that there is life after ESI, and Lawson has done more than merely fill in the functionality we worried about losing.”

Getting Off the Paper Trail

Record observes that the Windows environment of the Lawson system is more user-friendly for the hospital staff than the ESI DOS environment. But it was the Lawson web-based platform that really brought materials management to a higher level.

“So from a business perspective, the Lawson web-based requisition feature allows us to do requisition processing much more efficiently and essentially error-free,” states Record. “Because the ESI system lacked features to allow for organization-wide access to any kind of online supply ordering, you can just imagine all of the manual processes we had before and all the paper-handling that was required. With Lawson, we have the advantage of staff knowing the user-friendly supply requisition system and we’ve deleted the paper steps including manually writing out supply requests, delivering through interoffice mail, opening mail at our end, and manually inputting the data. No more paper floating around back and forth between departments. It looks and feels the same for everyone who uses it.”

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Vice President of Support Services,
Uniontown Hospital

Record sums up by stating one of the biggest cost benefits has been the ability to reallocate resources, utilizing the time absorbed by manual administrative tasks and putting it toward more strategic business initiatives. Now staff has more time to spend on the critical assessment of requisitions, new product research and vendor performance analysis.
Making Contract and Vendor Management More Effective

Roxanne Rodgers, the new Director of Materials, talks about how the Lawson® system offers better functionality and efficiency in managing vendors and contracts. “Previously, all vendor contracts were managed manually,” she states. “Purchasing Agents were almost required to have an encyclopedic knowledge of contract details and vendor idiosyncrasies. With Lawson, we specify the contract price of an item based on the vendor agreement to default to the purchase order helping in turn to decrease human error from data entry.”

For any price discrepancy, the system puts a hold on payment and notifies the Purchasing Agent of is a problem. The Purchasing Agent reviews the message and decides to accept the discrepancy to proceed with payment or reject it for further investigation.

Rodgers adds that with Lawson, the organization has greatly expanded its electronic data interface (EDI) capabilities. “We’ve increased it by ten fold” she notes. “This brings more efficiency in terms of order-entry tracking. Now we see that a vendor has received our order, the order price matches the contract, the item(s) are in stock or back ordered, and that we will receive exactly what we ordered.”

Focusing on the Core Competencies of Materials Management

The Lawson system facilitates easy communication between AP, finance, and materials, so invoices and receipts are more quickly processed. This allows Rodgers’ team to focus on the core competencies of materials management: getting the right product in the right quantity at the right time and place. Easy access to information assists with contract negotiations. She further comments, “We can see our own patterns for ordering, delivery and usage. From this vantage point, we can make strategic contract decisions that positively affect the organization’s bottom line.”

Rodgers also comments on the access to historical data that Lawson provides. “ESI didn’t give us the database capabilities that we get with Lawson,” she notes. “Having historical data at our fingertips is a valuable commodity. Now a staff person can call and ask how many times they’ve ordered a particular item and we have access to that information. We can tell them when they ordered it last, the price and when it was delivered.” Rodgers also notes that the historical-data access that the Lawson system offers gives her team the ability to help departments make better decisions on how they order and stock supplies.

Another advantage that Lawson brings to Rodgers’ team is the checks and controls that were not in the ESI applications. “People were not backing out of the ESI application to look at contracts to make sure products were at the right price,” reports Rodgers. “What we have now is a system I can trust to be the backbone of our processes. We can rely on our Lawson system to provide automatic alerts and controls. The Materials Management Department can then concentrate on savings programs and other initiatives to continually improve our department’s efficiency.”

Rodgers easily sums up her thoughts on using Lawson applications. “Integrated information and easy access to real-time data gives us the ability to make better and more timely business decisions. The Lawson system has given us a solid infrastructure to execute core supply chain practices, enabling us to take more strategic action…that’s operational excellence.”
One of the first major contributions that Lawson® made to prove their value to Don Record came during an organizational initiative to identify potential supply cost savings. “We recognized that our supply and pharmaceutical costs were escalating at rates that were both unpalatable and unsustainable,” says Record. “We needed to find out what was happening and why.”

Record spearheaded a study to find the source(s) of the supply cost issue. “We hired a consultant to look at all of our contract, pricing, supply usage, inventory, and more,” Record states. “They needed access to an unbelievable amount of information and they needed it in a clear, concise reporting format to compare it to their own data.”

Patti Demaske compliments the power of Lawson Add-ins for Microsoft® Office when she states, “In a matter of minutes I can pull any necessary data into an Excel spreadsheet. Before Lawson, this could take 2-3 hours.”

“The consultants even commented on the speed in retrieving the necessary data and on the accuracy of the information,” Record mentions. “Then they took all the information we produced via our Lawson systems and benchmarked it against some of their other clients’ data. For example, they could compare a surgical pack used at our facility with that of another client’s and make recommendations on changes or enhancements.”

With all the supply data harvested from the hospital’s Lawson applications and analyzed by the consultant, Uniontown Hospital was able to shave approximately $1 million from its supply budget to reinvest toward reaching the organization’s operational performance goals.

It is Steve Handy’s vision to continue toward his dream of full integration. He sees the possibilities in connecting the Lawson and Cerner applications. In stating the significance of this future capability, Don Record gives the following example. “From Lawson, I will be able to enter the Cerner system to look at all the items identified by procedure (called a ‘pick ticket’),” Record notes. “I can then look at the doctors who perform this particular procedure. From there I can select doctors A-F to identify their individual costs to do that procedure. With that information, I can drill down further to determine why one doctor might be spending $7000 per procedure, while another doctor is spending only $4000 for that same procedure. This kind of information will take us to the next level of materials management and into the true cost accounting.”

“We are pleased with the Lawson system and where it has brought us,” says Handy. “Lawson has delivered Uniontown Hospital to the point where we can see the next mountain and we’re ready to climb it.”

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Uniontown Hospital’s vision also includes helping other healthcare organizations to advance their technology infrastructures. The organization’s executive management team has a unique philosophy regarding the greater good of the industry. If everyone must compete — for patients, for grants, for staff — they want everyone to compete from the highest standard in operations. “We want to be a leader and role model to other healthcare organizations,” states Handy. “We want to share our knowledge for the betterment of patients and the industry at large.”

As CFO and CIO, Handy is well aware that the bottom line tends to chart the course for operational and performance improvements. “We want to show other healthcare organizations how we utilized Lawson® to achieve results,” Handy says. “And, we want to be a model in using Lawson to reach our operations potential. We had to make some hard decisions. We could have increased bed capacity, we could have added offices, we could have built a wing — we haven’t given up on those plans.” Handy concludes with his feelings on the technology decisions his team has made. “Our choices make the organization better positioned, strategically, to support growth and continually improve the quality of our services.”

CONTACT LAWSON

For more information about Lawson solutions for the healthcare industry, visit www.lawson.com, or call 800-477-1357 or 651-767-7000 (U.S. and Canada); outside North America, call +44 (0) 1344 360273.