Improve Your Repair Vendor Relations and Expectations

BY RICK SCHULTZ

In the March/April issue of *PROCESS*, a Fellowship paper was published that addressed the effectiveness of an in-house repair lab. An important factor of an in-house repair lab is the experience of the repair technician or technicians. The more experienced the technician, the higher the labor cost. But experienced repair technicians will be able to repair laparoscopic instruments, all the way down to the sharpening of scissors.

In large health systems, it may make sense to have an in-house lab for convenience and a reduction of overall spend. Many times, the decision to go with an in-house lab stems from one or more of the following reasons:

- Poor performance of the on-location repair vendor
- Contracted pricing structures that are unclear and difficult to understand
- The customer not seeing the pricing after the services are performed
- The customer not directing which trays should be serviced (instead allowing the repair vendor to run the program)
- The assumption that on-location repair services are expensive
- The customer not managing work and expectations properly

In comparison to an in-house lab, the following provides Sterile Processing (SP) professionals with criteria to evaluate their on-location repair vendor.

Repair vendor assessment survey

Please answer *yes* or *no* to the following questions to assess your on-location repair vendor:

1. Do you see the same repair technicians during every visit?
2. Is the inside of the repair vehicle clean?
3. Do you feel the majority of your instruments are repaired on location instead of being sent offsite for repair?
4. Does your repair team work 7 to 8 hours on each visit?
5. Are the repair technicians well-groomed and wearing clean uniforms?
6. Do your repair technicians provide before-and-after photographs for various repairs?
7. At the end of the day, do you receive a summary report of the work that was performed?
8. Do the repair technicians teach you their sharpness test standards? (See **Figures 2–5**)
9. Do the repair technicians return all cracked instruments to you?
10. Does the repair vendor have a plan for which trays are to be serviced monthly and quarterly?
11. Does the repair vendor conduct formal and informal education for your department?
12. Do the repair technicians remove and reapply instrument marking tape when refurbishing your instruments?
13. Are your repair technicians careful not to buff off catalogue numbers during the repair process? (See **Figure 6**)
14. Do the repair technicians use magnification when repairing instruments?
15. Is your repair vendor charging the contracted prices?

If you answered *no* to the majority of these questions, it may be time to reevaluate your repair vendor.

Also, SP professionals should be aware of which repair program their hospital has contracted. The most common repair programs are:

1) Per instrument repair charge (e.g., Mayo scissor sharpened and refurbished, $2.10 each). A per instrument repair charge contract is the best and simplest way to drive down costs. Identify the top 100 instruments that are repaired frequently and put that list out to bid.

2) Flat rate, per day pricing. Flat rate, per day pricing has very few built-in controls. How many hours

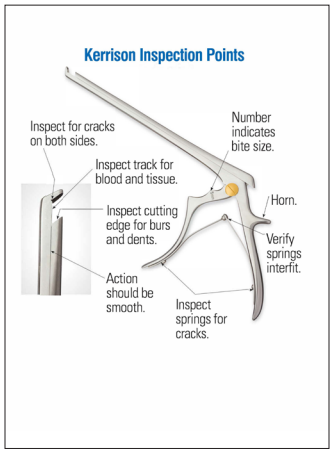

Figure 1

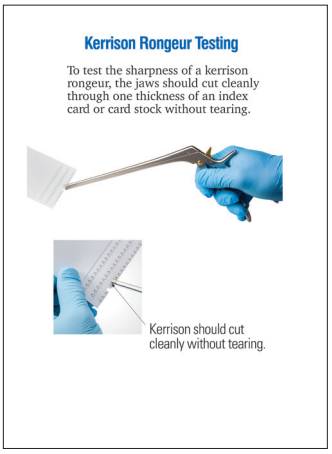

Figure 2

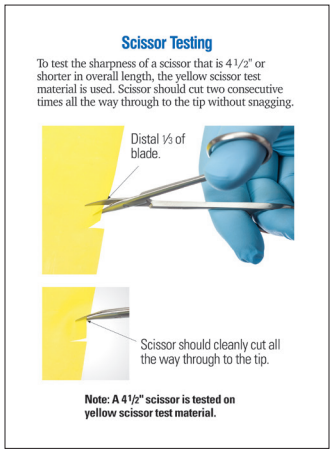

Figure 3

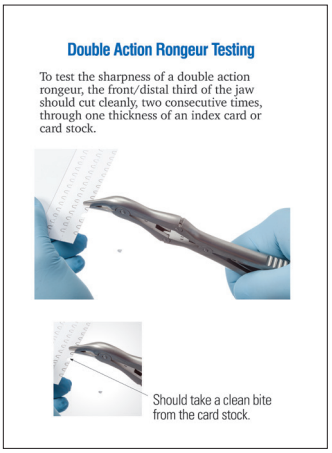

Figure 4

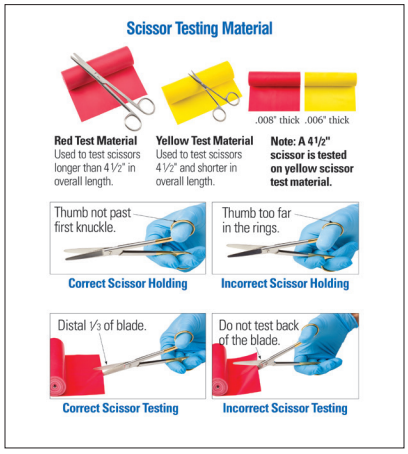

Figure 5

Figure 6

and how many technicians work for that flat rate? Which instruments do they not work on (e.g., needle holder jaw replacement)? What incentive does the repair technician have to work expeditiously? This is a very popular repair proposal, but it is very difficult for the customer to monitor.

3) **Capitated rate**. Capitated rate is the yearly spend on maintaining instrument trays. A capitated repair agreement typically has one price for all repairs. This agreement may be structured daily, monthly or, most commonly, annually. For example, the repair vendor proposes to repair all stainless steel, laparoscopic, rigid, and flexible endoscopes for $700,000 a year. All repairs will not exceed this amount. To accurately evaluate a capitated repair price proposal, it is essential to know exactly which trays, instruments, endoscopes and power equipment are included in the agreement (and which ones are not included). C

CAUTION: Beware of the repair vendor that offers high percentage discounts off your monthly or yearly spend to earn your business—without doing any research on your instruments' condition. This is a cost-driving tactic that offers only short-term benefits.

RICK SCHULTZ, the Instrument Whisperer™, is an author, inventor, lecturer, and the retired Chief Executive Officer of Spectrum Surgical Instruments Corp. He served as contributing editor of HSPA's *Central Service Technical Manual* (fifth, sixth, seventh, eighth editions). Schultz authored the textbooks *Inspecting Surgical Instruments: An Illustrated Guide* and *The World of Surgical Instruments: The Definitive Inspection Textbook*, which was released in June 2018. In October 2021, Schultz published the veterinary medicine textbook *The World of Surgical Instruments for Animal Health*. Schultz was named HSPA's Educator of the Year in 2002 and the American Hospital Association Educator of the Year in 2006. In 2007, he was named by *Healthcare Purchasing News* as one of the 30 Most Influential People in Healthcare Sterile Processing. Schultz currently provides educational lectures to Sterile Processing professionals at HSPA's annual conferences and conducts Operating Room personnel lectures across the country.