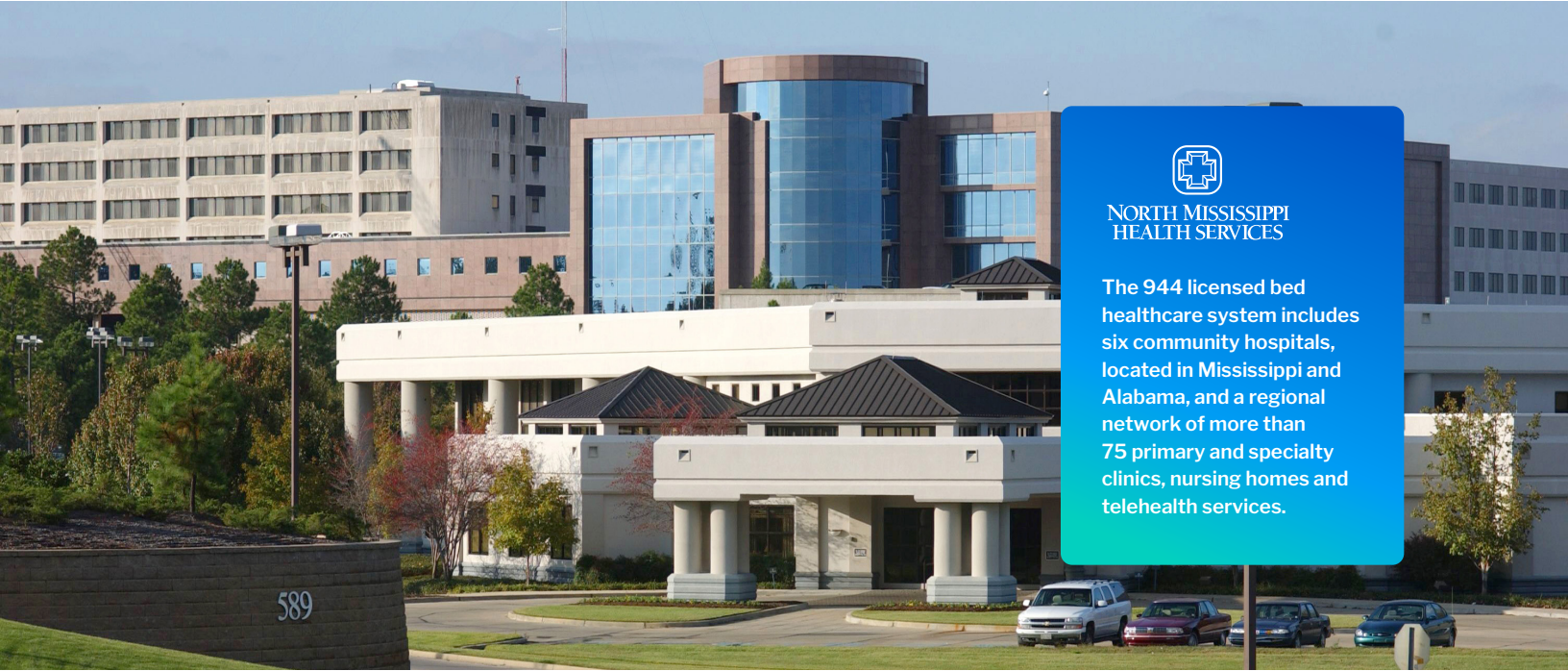


# North Mississippi Health Services Achieves 54% Cost Savings vs. Traditional Service Model



NORTH MISSISSIPPI  
HEALTH SERVICES

The 944 licensed bed healthcare system includes six community hospitals, located in Mississippi and Alabama, and a regional network of more than 75 primary and specialty clinics, nursing homes and telehealth services.

## Testimonial

*“This partnership provides healthcare organizations with the right set of equipment service solutions, and ultimately improves clinical availability and safety for the people we serve.”*

### Derrick Griffen, CE

CE / Biomed Manager

North Mississippi Health Services

## Results

- First year savings was \$338,700, or 54%, as compared to the traditional full-service contracts
- To date, \$2.8M of total service contracts have been converted to the PartsSource service agreement.

## Challenge

North Mississippi Health Services felt limited by multiple non-cancellable, expensive service contracts, that didn't allow the flexibility to perform service in-house, or select vendors as needed.

Additionally staffing challenges we're impacting the team's ability to manage service events. They reached out to PartsSource to help manage their service contracts and determine the best approach to benefit their team.

## Solution

With the guidance of PartsSource, North Mississippi Health Service converted \$627,000 of traditional service contracts to preventative maintenance agreements with emergency repair performed on a time and materials basis. This immediately eliminated multiple contracts and empowered HTM staff to perform service in-house where applicable, use local ISOs, or contact OEMs for service. Ultimately the decision to restructure their contracts helped North Mississippi Health Services minimize service costs while maintaining equipment up-time and vendor response time.

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“We’ve spent exponential time looking through vendors and trying to find the best source and best price. PartsSource is providing a valuable tool and saving us time and money [because we’re] not having to go out into the market to search. [We’re] just going to one source and getting our parts at a price that’s very competitive and helps our vendors bring themselves in line,” said Shane Smith Director, Clinical Services, North Mississippi Health Services.

North Mississippi Health Services was facing several challenges prior to working with PartsSource. Along with feeling limited by multiple non-cancellable, expensive service contracts, they were also facing staffing challenges that were stretching their team’s ability to complete requests. By leveraging PartsSource, they were able to create a better structure for managing their contracts which allowed their team to focus on other initiatives.

Through working with PartsSource, North Mississippi Health Services and Services began to shift away from full-service a contracts to preventative maintenance agreements with emergency

repair performed on a time and materials basis. Leveraging data, they were able to look at utilization and replacement trends and get a better understanding of the potential servicing cost. This helped create a level of comfort with their leadership and other team members who had some skepticism about shifting from the full-service contract structure. “We knew what to expect, and we got some pricing from our vendors on our hourly rates that we could expect,” said Smith when discussing how his team prepared to manage a time and materials approach over the existing full-service agreement set up.

There was also concern from leadership about potentially longer downtimes and removing the comfort level of knowing larger assets fall under a full-service contract, but that didn’t impact Smith and his team. “[With] like a CT tube or something like that, whether it’s under a full agreement or not, that downtime’s going to be the same. I can order a tube and have it here the next day. Whether we are working with an ISO or a vendor, we’re still looking at that 24- to 48-hour time frame,” said Smith.

Any concern about downtime or inefficiencies has not been experienced by The North Mississippi team since making this change to their approach. “We haven’t seen any decline in our service,” added Smith. North Mississippi Health Services converted \$627,000 of traditional service contracts and immediately eliminated multiple contracts and empowered HTM staff to make the best strategic decisions when servicing equipment. “The fact that PartsSource is helping negotiate and work through with the ISO program is really helpful. [PartsSource is] going back to the one-stop-shop mechanism. That’s becoming a very valuable tool for us as well.”

North Mississippi Health Services continues to thrive with their service agreement approach. To date, they have consolidated \$2.8M of full-service contracts and continue to operate efficiently and effectively as a team.