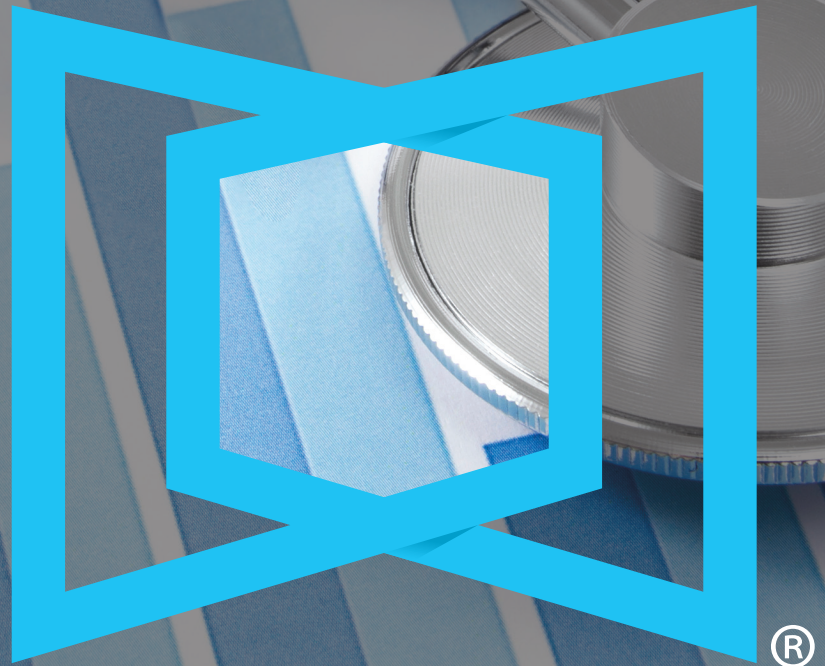


Retail Healthcare

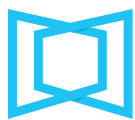
Facilities Management
Insight Report



A Publication of



ServiceChannel[®]
Transparency Drives Performance



Innovating Facilities Management: Retail Healthcare



Select ServiceChannel Clients

- Aspen Dental
 - Smile Brands
(fka BrightNow Dental)
 - Surgical Care Affiliates
 - Coram
(division of CVS Health)
 - Dr. Barnes' Eyemart Express
 - N3L Optics
 - MinuteClinic
(division of CVS Health)
-

Sector Overview

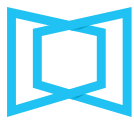
As the healthcare sector undergoes transformative changes, one aspect that doesn't get a lot of attention is the growing number of historically nontraditional medical facilities. Rather than seeking care in hospital emergency rooms (expensive) and their primary care physician's office (limited availability), more people are making use of the thousands of alternative locations sprouting up in various retail locations like storefronts and strip malls across the country.

These locations can run from Limited Care Retail Clinics and Urgent Care Centers to freestanding or hospital-sponsored off-campus "emergency departments," with different level of care available, such as:

URGENT CARE

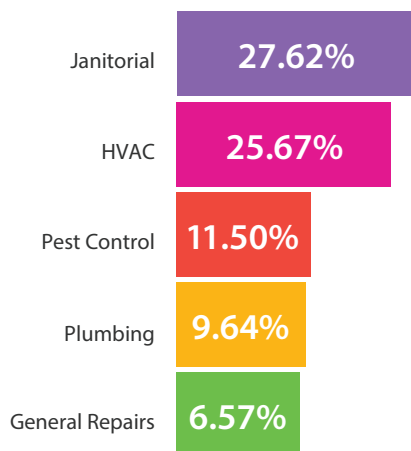
For example, Urgent Care (or Immediate Care) Centers provide medical care that accommodates patients who "need to see a doctor now" but who do not have a life-threatening condition warranting an emergency room visit. An industry trade group estimates approximately 9,000 of such centers across the U.S. ready to meet the growing demand for such on-demand services – and growing by 12%+ each year (in fact, an industry survey shows 40% expected to expand their existing site or add another site).



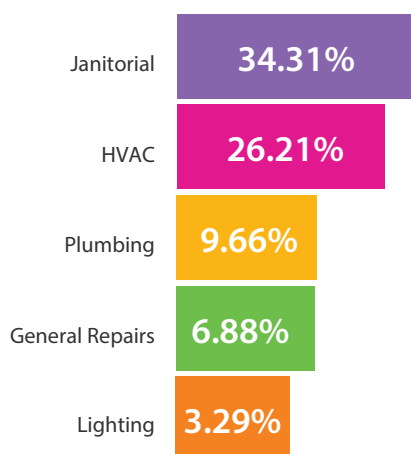


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Top 5 Trades by Work Orders



Top 5 Trades by Spend



AMBULATORY SURGERY CENTERS

Another new type, Ambulatory Surgery Centers are modern healthcare facilities focused on providing same-day surgical care, including diagnostic and preventive procedures. Estimates show over 6,000 of these in the U.S.

LABS / IMAGING CENTERS

In addition, there are other healthcare-focused facilities, from Diagnostic/Medical Labs and Imaging Centers (over 6,000 Imaging Centers) to Physical Therapy locations (estimates of over 30,000 such sites).

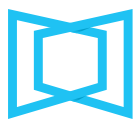
WALK-IN DENTAL

Similar changes also are occurring within the Dental sector, as individual and smaller group practices are migrating to corporate ownership and working from larger facilities. During the last 20 years, there has been considerable growth in the number of dental practices owned by corporate bodies. At present, well over 800 practices are owned by such bodies and they employ over 3,000 dentists.

With costs and quality-of-care concerns becoming increasingly important along with increased patient choice, market forces are leading more and more services to be offered in new settings. Providers are finding it both more efficient and safer to separate inpatient and outpatient functions, thus keeping more sick patients away from less sick patients who don't truly require acute care.

ServiceChannel has built its platform to handle the specific issues and requirements needed to fully support retail healthcare locations.





Innovating Facilities Management: Retail Healthcare

Sector Challenges

Today, operators of all types of healthcare locations from storefront urgent care centers to hospitals face major challenges. Three major challenges most face are:

1. **Maintaining Brand Uptime** — 82% of customers won't enter a retail space in disrepair¹. If your facility is not well-maintained, patients will not come in or come back. In addition, business critical issues like clinical equipment servicing and temperature problems cannot be ignored.
2. **Providing Quality Care Consistently** — Healthcare location staff must stay focused on providing quality care to patients. Time spent troubleshooting repair & maintenance (R&M) issues take away from that focus.
3. **Gaining Visibility into Costs & Performance** — Repair & maintenance is typically managed in silos with each location responsible for its own activities. Beyond the construction phase, management has no real visibility into R&M costs and contractor performance across all locations and trades.

All types of healthcare facilities and their labs, exam rooms, diagnostic centers and patient delivery locations need to maintain specialized medical equipment, often requiring certified repair & maintenance providers.

While one Urgent Care executive views his retail experience as “closer to a Nordstrom than to a typical physician's office,” there are in fact numerous unique aspects to supporting such locations. The array of different sectors within the healthcare market requires careful monitoring of a provider's sites.

Relative to other industries' facilities management challenges, this sector has a particular emphasis on

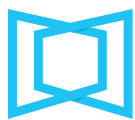
- Specialized Equipment
- “Clean Room” Standards
- Qualified/Certified Contractors
- Regulations, Risk & Compliance

With the growth many healthcare companies are seeing in an increasingly competitive environment, fully understanding R&M costs for new locations is crucial. Companies need to **understand costs across trades for new offices and be able to compare costs for new offices against one another** so they can **identify outliers** and address them.

The healthcare sector is particularly reliant on specialized medical equipment and related supplies. From surgical tools and imaging equipment to autoclaves and air compressors, it's imperative that these **assets are properly maintained according to schedule, serviced properly and repaired rapidly**, or needed medical services may simply not be able to be delivered.

¹ Interbrand Design Forum





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Facilities Management Pressures

Supporting busy, patient-facing locations with people in need of care, critical supplies and sophisticated equipment while meeting all types of stringent regulatory and medical standards, ensures the job of R&M management, operations and corporate real estate groups is never-ending.

Key facilities management and related operational issues facing healthcare companies from urgent care and ambulatory surgery centers to walk-in dental and labs/imaging centers include:

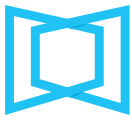
Repair Speed	Make repairs quickly to maintain equipment readiness and high level of service delivery
Labor Costs	Need to manage contractor costs and validate work performed
Warranty Management	Ensure warranty benefits maximized whenever possible for all service work
Medical Equipment Servicing	Support specialized equipment to meet strict regulatory standards
Business Intelligence & Analytics	Need capability to easily and rapidly identify business trends, identify outliers and leverage savings opportunities
Contractor Sourcing	Require specialty providers to maintain specific assets and meet stringent SLAs

Regulatory Climate Regarding Retail Healthcare Locations and Equipment

The healthcare industry faces a range of regulatory requirements. For example, the urgent care sector is subject to the same regulatory restrictions that most physician offices experience. Locations (clinics, centers, etc.) and equipment considerations and regulations include:

- Laboratory/CLIA or COLA: renewable every two years; non-waived labs are subject to annual inspections or inspections based on performance issues
- Radiology Boards: radiology equipment certification and renewals vary by state regulations
- Provider Credentialing: no less than every three years per NCQA
- Equipment Calibration: tied to manufacturers' recommendations unless defaulting to one of the optional accreditation standards





Innovating Facilities Management: Retail Healthcare

Healthcare Insights

For those responsible for maintaining operations and ensuring patient satisfaction, **supporting retail healthcare & hospital locations adds another whole layer of complexity than normally found in the retail sector.** Maintaining an aseptic and safe environment for patient care is close to impossible without a systematic approach to follow.

Even staying on top of preventive maintenance (PM) requirements and keeping predictable replacement schedules can prove difficult. All types of healthcare facilities and their labs, exam rooms, diagnostic centers and patient delivery locations need to maintain specialized medical equipment, often requiring certified repair & maintenance providers.

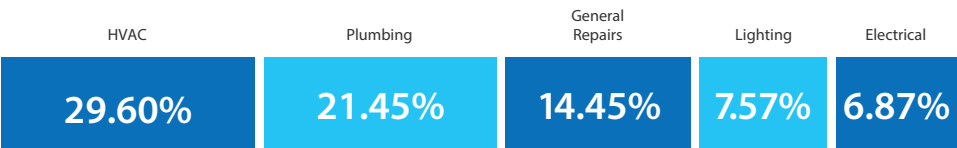
Beyond this, there can be myriad regulatory standards to meet. Ensuring facilities stay in compliance is challenging and not doing so can open up a facility or organization to countless legal, risk and compliance issues. **ServiceChannel has built its platform to handle just these types of problems.**

There are also various independent accreditation processes that firms such as Urgent Care Centers pursue. These Joint Commission / UCAOA / AAUCM Accreditations have specific rules relating to documenting maintenance, inspection and testing of equipment, and the environment of care. Being able to perform, track and document audits in detail is paramount.

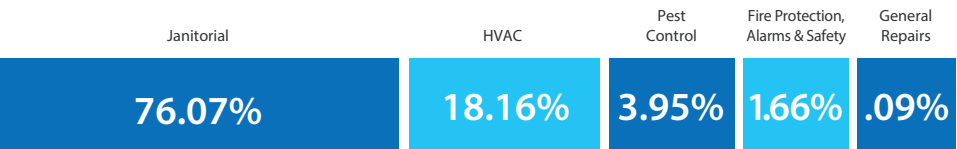
On average, ServiceChannel clients are able to reduce their overall repair and maintenance spend by about

18% to 22%

Top 5 Repair Trades by Spend



Top 5 Maintenance Trades by Spend



Innovating Facilities Management: Retail Healthcare

ServiceChannel for Retail Healthcare

ServiceChannel's *Service Automation for Retail Healthcare* is an important management and compliance tool to ensure that all clinical equipment and facilities are serviced consistently and regularly. As the growth of investor- and hospital-owned centers continue to proliferate and retail healthcare brands increase their locations, the need for a scalable facilities management and reporting platforms becomes increasingly important.

To meet this need, we provide a complete **source-to-settle work order management, business intelligence and contractor sourcing platform** to manage and support the **unique requirements of healthcare facilities**.

ServiceChannel healthcare clients save real dollars across their repair and maintenance budgets, and ensure that a high standard of care is ever present and stringent medical standards are maintained. On average, ServiceChannel clients are able to **reduce their overall repair and maintenance spend by about 18%-22%**. In addition, newfound visibility and control enables **superior service to uphold brand standards**.

With *Service Automation for Retail Healthcare*:

- | |
|--|
| <input checked="" type="checkbox"/> Your own staff can enter/track all work orders via an easy to use web or mobile interface |
| <input checked="" type="checkbox"/> Everyone gains visibility of all work being done by both internal and external service providers |
| <input checked="" type="checkbox"/> Source qualified contractors with skills needed to handle specialty materials, fixtures and equipment, and monitor performance against KPIs, SLAs and real time scorecards |
| <input checked="" type="checkbox"/> Automatically manage contractor credentialing process, ensure access to all service provider documentation, identify expiring credentials/certifications |
| <input checked="" type="checkbox"/> Ensure all scheduled and preventive maintenance occurs |
| <input checked="" type="checkbox"/> Get actionable business intelligence to manage FM budgets and accurately forecast capex |
| <input checked="" type="checkbox"/> All your equipment/warranties are captured in one system so you can eliminate missed warranty opportunities and optimize asset repair/replacement decisions |
| <input checked="" type="checkbox"/> Schedule and report on all site audits/inspections your team performs on a consistent and regular basis |
| <input checked="" type="checkbox"/> Perform consistent and comprehensive facility environment of care audits in support of accreditation processes (e.g. Joint Commission / UCAOA / AAUCM) |
| <input checked="" type="checkbox"/> Capture qualitative and quantitative data to ensure Sarbanes-Oxley compliance |
| <input checked="" type="checkbox"/> Validate service contractors are on-site via IVR or GPS functionality |
| <input checked="" type="checkbox"/> Leverage 15 years of objective benchmark data to determine negotiating opportunities with local/regional/national services |



Innovating Facilities Management: Retail Healthcare

Why ServiceChannel?

ServiceChannel has deep experience in the facilities management and healthcare sectors. We bring over 20 years experience, coupled with a dedicated technology team to offer the most appropriate system for this space. Our technology is all up-to-date and in compliance with key industry standards like SSAE 16.

With a dedicated team focused on the unique challenges of healthcare and related fields, we understand how best to serve these types of organizations and address the issues they'll face in increasingly competitive and regulated environments in the future.

Retail Healthcare Use Case

A large national healthcare delivery chain had hundreds of locations serving patients. One challenge was properly and efficiently maintaining a range of equipment, from highly sophisticated x-ray digital machines and developers to plaster traps and myriad medical/dental supplies. One particular issue was each office's knowing where to send equipment needing repair or who to call for servicing. Even when tools like small drills and sanders needed servicing, it could have a huge impact on the level of care offered.

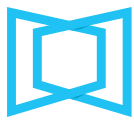
By deploying ServiceChannel's *Service Automation for Retail Healthcare* platform, they had ready access to all the information necessary and vastly improved time efficiency across the entire chain. Offices found the turn-around on equipment repair much faster, boosting quality of service, and saved funds by better managing the equipment and supplies they need to stock.

ServiceChannel's *Service Automation for Retail Healthcare* is an important management and compliance tool to ensure that all clinical equipment and facilities are serviced consistently and regularly.

900
LOCATIONS

CVS Health uses *Service Automation for Retail Healthcare* to streamline maintenance for 900 MinuteClinics and CORAM speciality infusion services locations.



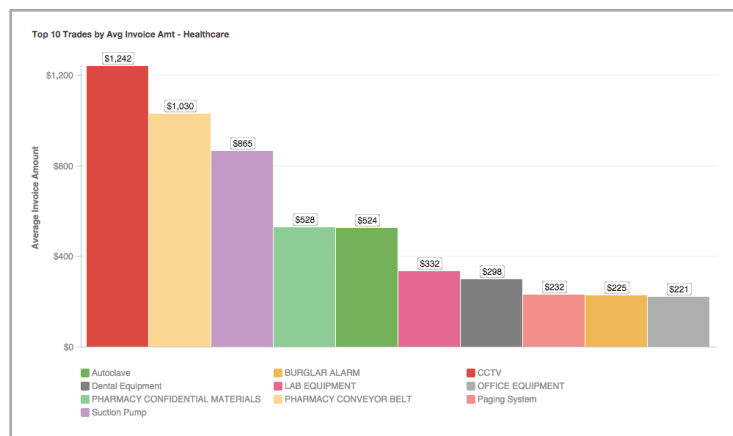
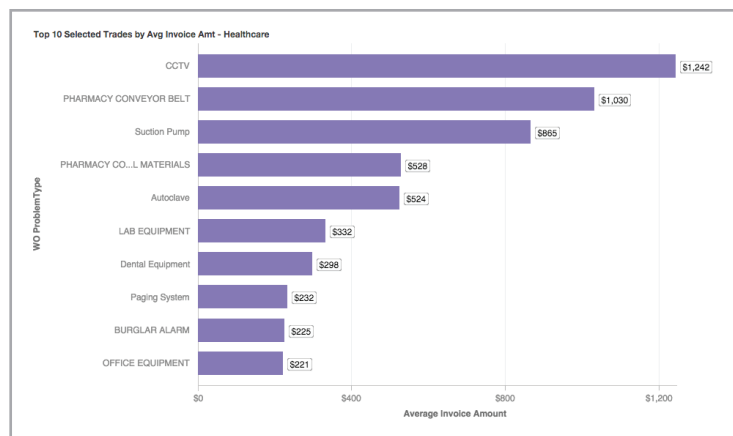


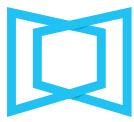
Innovating Facilities Management: Retail Healthcare

"ServiceChannel engaged our vendors so that we could focus on high-value work while automating low impact tasks, it gives us accurate, real-time, unbiased information on our contractor performance so we can make more informed decisions, and it enables us to manage our program the way that we want it to be managed. ServiceChannel means better information, higher impact work, and technology that keeps us in control."

– Facilities Maintenance Manager,
Bright Now Dental

Sample Healthcare Analytics Reports

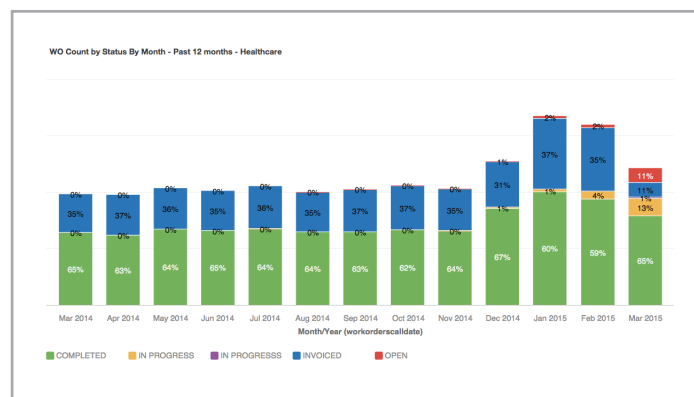
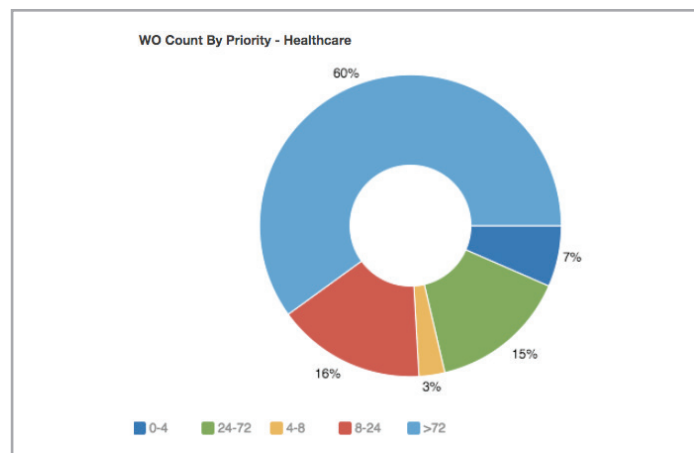




Innovating Facilities Management: Retail Healthcare

A complete source-to-settle work order management and business intelligence platform to manage the specific types of service requests and equipment used by healthcare facilities

Sample Healthcare Analytics Reports



About ServiceChannel

ServiceChannel provides facilities managers with a single platform to source, procure, manage and pay for repair and maintenance services from commercial contractors across their enterprise. By delivering unprecedented transparency and data-driven analytics of service quality, across all trades, locations and contractors, facilities managers drive significant brand equity and ROI for their organizations without outsourcing or investing in new infrastructure. The world's leading global brands use ServiceChannel and Big Sky solutions daily to help optimize millions of transactions and billions of dollars of spend annually.

