

Online Equipment Tracking

Driving Efficiency and Growth for HME Providers

Executive Summary

With reimbursements falling, sometimes steeply, home medical equipment (HME) companies are urgently turning their attention to cutting costs. Unlike less palatable choices, such as layoffs or buying lower-quality equipment, implementing the right technology can not only increase HME operating efficiencies, but also substantially improve performance and position companies for growth in an era of accountable care.

Asset tracking software provides this type of opportunity. With equipment as one of their biggest expenses, HME companies must ensure their assets are working as hard as possible and thus delivering an optimal return on investment.

By implementing dedicated asset tracking software, HME companies can establish an easy-to-use, highly efficient, and effective process for managing and maintaining equipment that maximizes the use and the useful life of their critical assets. Electronically tracking, sorting, and aggregating equipment data and producing reports enables HME companies to become more valuable partners to accountable care organizations (ACOs) that rely on electronic systems to knit together providers across the continuum of care.

Asset Tracking Technology to the Rescue

While health reform promises to grow demand for home medical equipment from more insured patients and providers who are shifting their focus to population health management, it also raises the risks for HME providers as their payments shrink. With “business as usual” no longer a viable option, HME companies must identify new strategies and technologies to position themselves not just for survival but for success in the changing marketplace.

Because the HME industry, by and large, has not invested in technology to manage its equipment, a high-tech approach to asset tracking could deliver important new efficiencies and new revenues. Online asset tracking can:

- Ensure better equipment utilization and thus higher return on investment
- Increase accuracy for billing
- Provide ease and speed of producing reports for audits and meeting regulatory requirements
- Save employee time and errors from taking manual inventories and/or manually inputting equipment data into systems
- Eliminate lost equipment and therefore reduce replacement spending and lost revenue
- Reduce paperwork

Because of the time savings for its employees and other efficiencies, one provider that supplies HME equipment to pharmacy franchisees adopted a cloud-based asset tracking system. It expanded from five states to 11 and now manages tens of thousands of assets each year without adding any support employees at corporate headquarters.

How Electronic Asset Tracking Works

With electronic asset tracking, HME companies put barcodes or radio-frequency identification (RFID) tags on all equipment, from oxygen concentrators and tanks to electric scooters and hospital beds, beginning with the warehouse inventory. They add barcodes or RFID tags to equipment in the field as it returns through normal turnover. Using handheld computers, the companies scan and register the barcoded/tagged equipment into a database.

Once the system is in place, companies scan equipment as it leaves the warehouse and is loaded onto delivery trucks. Delivery drivers also use handheld computers to scan equipment when dropping off and picking up at patient homes. The screen on the handheld computers allows patients to sign for deliveries, eliminating disputes about who signed for the equipment and what equipment was dropped off.

The Essentials for Online Equipment Management

When it comes to implementing an online process for managing equipment, HME companies have a range of options from homegrown systems or offshoots of their billing software to programs created specifically for asset tracking. While cost is a legitimate consideration, HME companies need to identify and weigh the critical features that will make online asset tracking deliver the best return and most benefits in both the short and long run.

The best electronic asset tracking systems have six must-have qualities:

Easy to Use. Systems, especially those used in multiple settings from offices to warehouses to the field and by a variety of people, need to be flexible and uncomplicated. They should conform to how companies do business, not the other way around. It pays to locate systems that can be configured to match your company's work processes, from how data is collected to the ability to rename items in the system.

A corollary is to partner with an asset tracking provider that offers similar flexibility. “I’ve worked with lots of software firms over the years, and you take what they’ve got and that’s it,” says the Inventory Manager of a HME company. “But our asset tracking software company is willing to work with us, to change the software to meet our needs. They also provided onsite training.”

Asset tracking software shouldn’t require multiple steps, convoluted processes, or extensive training. It’s about making work faster, easier, more efficient, and more effective – not harder.

Real-World Ready. Rigid processes that don’t allow for mistakes, personal preferences, or variations in routines are not practical. HME companies should look for software that can accommodate inevitable errors and common glitches. For instance, if a driver forgets to scan a piece of equipment, the only recourse for some



asset management software is to input a fake equipment number—defeating the purpose of asset tracking in the first place.

Systems that work much better in the real world offer accurate and flexible capabilities and workarounds, such as enabling HME providers to scan the equipment's serial number if the barcode falls off. Not all systems can accept data out of order, either, setting up problems if a driver needs to download a week's worth of scans after forgetting to do so at the end of each shift. A real-world-ready system will allow the driver to record the deliveries on the appropriate day of the week instead of treating all scans as if they all happened on the same day.

Scalable in Cost and Scope. Rather than lock in long-term contracts or require big outlays, HME providers can benefit from starting small and growing as needed. Cloud-based tracking software enables providers to avoid major upfront investments and instead opt for monthly fees. With software as a service, HME companies pay for just what they use, with the ability to increase or decrease service at any time.

Similarly, some software is organized in modules so HME providers can expand over time. Companies can begin with a module for tracking equipment, then add a maintenance module for keeping maintenance schedules, recording repairs, and managing related activities instead of paying for, and rolling out, both at the same time.

While an HME provider might choose to start out modestly, the software itself must be robust, with a proven track record of handling customers with millions of assets, from multiple locations.

Device Agnostic. There are a plethora of handheld computers, scanners, and identification devices from a variety of manufacturers and at all price levels. Asset tracking software that can work with any of these devices gives HME companies the best chance for adopting ones that best suit their needs, business practices, and budget.

While the industry is set to begin introducing asset tracking apps that can work on tablets, smart phones and other mobile consumer devices, HME providers need to determine the true cost of ownership before determining the best options for them. They need to evaluate such issues as the ruggedness of the device given the work environment, device refresh schedules, and availability of device repair and support.

Interoperable. The ability of equipment tracking software to integrate and exchange information with other healthcare information technology systems within the HME provider's four walls and beyond will be increasingly crucial. In fact, the many changes underway in care delivery, outcomes measurement, reporting requirements, and other business processes spurred by healthcare reform make a powerful and adaptable technology backbone absolutely essential.

Some billing systems currently prevent integration with asset tracking and other software, treating such connectivity as a competitive threat. While that approach may suit the billing software vendor, it can limit the HME provider's ability to operate and attract business from other healthcare partners.

Regulatory Compliant. Online asset tracking offers a fast and highly reliable way to ensure regulatory compliance, especially if speed is of the essence such as during a recall. For example, the software can track oxygen by lot numbers and sort by all patients who received an oxygen tank from a specific lot.

Driving Additional Efficiencies and Growth

Beyond the essentials, asset management software offers a host of other advantages and capabilities for maximizing equipment use and operation. Their level of importance depends on each company's goals and need for improvement in specific areas.

A couple of features to consider:

- **Equipment maintenance.** Modules are available that enable companies to set up preventative maintenance schedules and track expiration dates, such as on oxygen concentrators. Reducing the incidence of malfunctioning equipment saves inconvenience and care issues for patients and the time and cost of swapping out equipment and lost rental revenue for the HME providers. "It has been helpful to have the maintenance schedule on the handheld device instead of on paper," says one HME provider. "This has probably saved some costs for our repair technicians. Our best guess is probably \$500 per month."

"It has been helpful to have the maintenance schedule on the handheld device instead of on paper. This has probably saved some costs for our repair technicians. Our best guess is probably \$500 per month."

- **Real-time tracking.** This feature can help companies better manage inventory levels among internal locations and the delivery fleet. Instead of a batch approach, which requires waiting until all drivers have downloaded the day's pickups and deliveries from their handheld devices into a central database, real-time tracking gives HME providers the ability to know where all the equipment is at any time.

With online tracking, HME companies can offer a new level of service in coordinating care that will make them preferred partners for other providers and patients. A home-health agency nurse who administers medicine to a diabetic, for example, does not want to arrive at the patient's house before the insulin pump has been delivered. Respiratory therapists and their patients need oxygen concentrators that haven't missed their regular maintenance because they sat in the therapist's car trunk instead of being returned on time to the HME provider. Online asset management makes the best use of everyone's time and attracts more business to HME providers by offering reliable and timely service.

Analyzing online equipment data can pinpoint opportunities for more improvement. By evaluating delivery patterns, HME companies may find ways to reduce distribution costs and improve patient satisfaction. Take a patient who is receiving three deliveries of oxygen cylinders a week. Switching the patient to an oxygen concentrator reduces the HME delivery costs while enhancing patient care and satisfaction.

The Case for Online Asset Tracking

With margins under attack from unrelenting pricing pressure, HME companies need to make strategic investments that enhance their competitiveness. Asset management software, then, needs to be at the top of the list. The benefits from online asset management in cost and time savings, maximizing equipment returns and streamlining operations are clear

and compelling. In addition, HME providers can leverage the technology and collect data to improve performance and patient satisfaction and grow their businesses.

About TrackAbout

TrackAbout is a scalable software-as-a-service (SaaS) solution to track, manage, maintain and optionally rent portable physical assets. Items are tagged using barcodes or RFID tags. Data is collected using rugged handheld scanners, smartphones, tablets or integration from other systems. Dynamic fields and forms may be easily added to support a company's unique workflows. TrackAbout integrates all of this information with existing enterprise systems. Founded in 2000, TrackAbout has evolved through an active relationship with our customer base which includes world-class organizations in eight countries.

About Barcoding Inc.

Barcoding, Inc. is a national systems integrator, specializing in the development, deployment, and management of supply chain and mobility systems based on automated data capture and wireless technology. More than 2,500 organizations depend on Barcoding, Inc. as their trusted advisor for barcoding and radio frequency identification (RFID) applications automating operations in: field service, food and beverage, healthcare, manufacturing and distribution, retail, transportation and logistics, and wholesale inventory. For more information, visit www.barcoding.com.

About Intermec

Intermec Inc. (NYSE:IN) is the workflow performance company. We design the leading data capture and information management solutions at the interface between mobile workers, assets, and customers. Barcoding, Inc. is a Platinum PartnerNet partner with Intermec Technologies.



WWW.TRACKABOUT.COM

SALES@TRACKABOUT.COM

INSIDE THE US
800.960.1510

OUTSIDE THE US
+1 412.269.1872