



# LCMC Health

How LCMC Health Took Control of Contracts to Eliminate Missed Renewal Dates

**case study**



## about LCMC Health

LCMC Health is a non-profit, five facility health system serving Louisiana, the Gulf South, and beyond. With its oldest facility dating back to 1852, LCMC Health has a rich history of delivering high-quality services to their community through a commitment to clinical excellence, education, technology, and research. Having a combined 1,568 beds and 8,286 staff onboard including 2,338 physicians, LCMC Health is proud to provide care annually to an average of 254,931 emergency room patients, 655,547 clinic visits, and approximately 254,367 total patient days.

LCMC Health was founded by Louisiana's only freestanding Children's Hospital and currently also consists of Touro, University Medical Center New Orleans, New Orleans East Hospital and West Jefferson Medical Center. LCMC Health also has partnerships with Fairway Medical Surgical Hospital and Crescent City Surgical Centre. Most recently, LCMC Health has partnered with Premier Health to create a network of urgent care centers in the greater New Orleans area, expanding access to care for non-life-threatening injuries and illnesses.



### LCMC HEALTH AT A GLANCE

**1,568** beds

**8,286** staff onboard

**2,338** physicians

**254,931** ER patients

**655,547** clinic visits

**254,367** total patient days

## the problem

From 2012-2015, LCMC Health grew rapidly, adding three hospitals to their organization and became a health system of five. However, with each new facility came a different method of operational management methodologies. Specifically, **they found the differing approaches each facility used to store and manage contracts to be especially frustrating.** In some cases, there were solutions in place that weren't even being used.

Sean Cleary, LCMC Health's Strategic Sourcing Analyst, says that this disjointed process made locating contracts both difficult and time-consuming, sometimes taking multiple days of phone calls and emails to locate a single contract. Without a centralized repository for contracts to be stored, these very important documents could be stored anywhere from a laptop to a secretary's filing cabinet across town, presenting a major problem. This disparate contract management made performing timely tasks problematic and inefficient for the organization.

This decentralized method of contracts management came with a list of other problems as well:

- Tracking contracts through Excel
- Nagging colleagues to respond to deadlines
- During negotiation, lack of visibility into where contracts are in the approval process

**Perhaps the most significant problem was the inflated cost involved with managing their contracts manually.** Costly penalties and financial risks abounded with missing renewal dates, but poor visibility of contracts across all facilities also meant LCMC was missing out on potential saving opportunities with negotiating power in leveraged volume.



# finding the right solution

Knowing that there was room for improvement, LCMC Health set out to look for a contracts management solution that could help the five facilities automate their process. Namely, they were looking for a product that offered:

- ✔ Digital library with a powerful search functionality
- ✔ Alerts to help combat against consistently missed renewal dates
- ✔ Visibility throughout the contract lifecycle
- ✔ A SaaS-based platform to allow universal access to crucial contracts
- ✔ Support for complex contract types, including master and subcontracts
- ✔ Built-in dynamic workflows to streamline approval processes and negotiations
- ✔ Native integration with Microsoft Word
- ✔ Role-based and document-based security and permissions
- ✔ Interoperability with other systems such as policy lifecycle management, third party vendor risk management solutions and clinical applications
- ✔ Robust reporting capabilities

Another key function LCMC Health sought out in their search was a solution that allowed for e-signatures (electronic signatures). An e-signature functionality would dramatically increase efficiency by reducing the need for staff to print contracts, sign, then scan and return to all parties – alleviating the pain of a multi-step process that made execution a chore.

**LCMC Health was looking for a solution that would help them improve operational efficiencies, reduce costs overall, and simplify their day-to-day business tasks.** After reviewing several systems, at various price points, it was found that PolicyMedical's Contracts Manager was the ideal product for them. Not only did it touch on all LCMC Health's areas of need, but PolicyMedical's stellar customer service team and quick implementation process made the decision easy.

## modernizing processes for better control

The first thing LCMC Health did was consolidate their multiple systems into a centralized digital repository. Doing so was a crucial step in optimizing operations for the health system. With the system implemented, they could now streamline collaborative workflows, getting feedback during the creation process, and pushing the process along with notifications for reviews, approvals and upcoming deadlines. What's more, **as a result of easy search functionality, e-signatures, and custom reporting functionality, the organization as a whole has experienced enhanced efficiencies.**

**“The minimal cost associated with a contract platform doesn't even compare to the costs avoided with auto-renewals or the soft-cost avoided in time spent rummaging through paper copies, old emails that contains a contract, or waiting a day or two for someone to email you back a copy.”**

Above all, LCMC Health experienced cost savings. Beyond saving on spending money on paper, ink and document storage, there were also more substantial savings that came from negotiating power and renewal reminders, which ensured contracts weren't forgotten and left to auto-renew. In addition, although hard to measure, LCMC avoided numerous soft costs by no longer having to chase down contracts or engaging in the ensuing time-consuming meetings. Most of all, the soft cost savings stems from having a SaaS-based system where required contracts can be accessed quickly, from anywhere and at any time, eliminating the need to search for or request documents.

Despite the obvious benefits of the system, the organization was met with some opposition. However, having anticipating staff resistance towards this change, and wanting the program to succeed, the team at LCMC Health created an implementation plan that put staff first. This included education sessions, encouraging the use of the program early on and

often, and even offering 1-on-1 training opportunities. Empathy and recognizing that it's human nature to avoid change was a crucial step in ensuring staff adoption of this new tool.

## Reaping the Rewards!

LCMC Health is incredibly pleased that they found a system that met all their needs. Today, they set reminders 90-120 days before the renewal date and no longer miss a deadline. They accredit this to having a powerful tool like Contracts Manager and suspect the savings they've experienced far outweigh the cost of the system.



### about PolicyMedical

Trusted by more than 3000 healthcare organizations, PolicyMedical is a leading provider of enterprise governance, risk and compliance (GRC) solutions for healthcare. Our comprehensive SaaS-based solutions enable organizations to centralize and standardize the administration of policies and procedures, contracts and third-party vendor assessments. With the solutions' robust risk, compliance, policy and regulatory change management capabilities, healthcare professionals can respond to clinical alignment, policy, regulatory, and exclusion changes faster and easier. Our customers include Advocate Health Care, Baylor Scott & White Health, Dignity Health, Kindred Healthcare, Tenet and others. To learn more, visit [www.policymedical.com](http://www.policymedical.com)