

## HEALTHCARE LAUNDRY:

# Search for continual improvement

Experts explore five challenges facing the industry, strategies to overcome

BY MATT POE, EDITOR

CHICAGO — Healthcare laundries face a multitude of issues that impact both patient health and their own business.

Case in point, the recent wrongful death lawsuits against Paris Cos. and the University of Pittsburgh Medical Center (UPMC). Several families of patients with serious diseases or undergoing transplants sued both the laundry and the hospital because the patients died after apparently contracting mold-related infections from tainted bed linens.

The lawsuits are ongoing, but the issues facing Paris Cos. are ones every healthcare laundry must face and address: infection control and linen security. Other challenges that healthcare laun-

dries face are sustainability, competition from disposables, and cost management.

In order to deal with these issues, experts say healthcare laundries must continually grow and change.

"The impact (of these issues) is to see this as an opportunity to make our companies better, stronger and more valuable to the customer as a partner," says David Potack, senior vice president of Unitek, a healthcare uniform and linen rental provider.

Laundries competing in healthcare will need to be more professional in their operations by improving employee training, developing stronger management and providing skilled understand-

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Infection control and linen security are among the healthcare laundry industry's top challenges. (Image licensed by Ingram Publishing)

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ing of healthcare regulations and practices, says Keith Ware, vice president of sales for equipment manufacturer Lavatec Laundry Technology Inc.

"If the laundry cannot provide a hygienic product, meet the customers' linen requirements and do it cost-effectively, their business will suffer," he says. "Gone are the days where a good employee can progress to the management level without gaining these skills to operate a laundry efficiently and under the many requirements for cleaning healthcare linen."

Ware says that healthcare laundries must professionalize their businesses and employees, and search for continual improvement.

"Many of the nation's largest laundry companies have struggled or gone out of business by becoming complacent, not reinvesting in their business and not focusing on the customer's needs, wants and desires," he says.

"If we address these issues openly with customers to develop true partnerships with them, we can improve service and value, creating opportunities for linen, uniform and facility service companies to become stronger and more valuable," says Joseph Ricci, president and CEO of TRSA, the association for the linen, uniform and facility services industry. "If we do not address them honestly and openly, there will be real challenges from disposable products and pressure to further regulate laundries."

### INFECTION CONTROL

"Among the many issues facing healthcare laundries, the issue of infection control is enormous and ongoing," says Nancy Jenkins, executive director for the American Reusable Textile Association (ARTA).

Andrew Rupnow, founder and CEO of OMNI Solutions, a laundry chemistry solutions company, says that infection control is top of the list because clinicians are facing more and more antibiotic-resistant organisms.

"Every part of the healthcare system has to be vigilant to make sure a thorough kill is obtained so that there are no surviving organisms able to adapt and become resistant," he says.

John Scherberger, president of the Healthcare Laundry Accreditation Council (HLAC), believes that healthcare laundry professionals must become familiar with, and be ahead of, the issues coming regarding infection control and the impact it has, now and in the future, on their business and the hospital's business.

"We live in a litigious society where it is getting very common for people to sue businesses, both large and small, for every perceived, alleged or contrived slight or injustice," he says. "Yes, things happen that are real, unfortunate, hurtful, debilitating or result in death and often accidental and unintentional that should be addressed in a court of law."

Scherberger suggests that in terms of infection control, healthcare laundry professionals should have a close business relationship with infection prevention professionals who can guide, train and instruct members of the laundry facility.

"Bacteria, spores, viruses and other pathogenic organisms are not going away. They have been around for much longer than humans," he says. "As medical professionals

equip themselves to deal with pathogens and superbug pathogens, the healthcare laundry professional must equip their business with appropriate resources as well."

Ricci says healthcare laundries need to develop, document and train on processes that improve performance and validation of cleaning processes.

In addition, he recommends that laundries educate customers regarding the quality assurance, processes, certification and testing regimes that demonstrate the value of outsourcing partners and reusable products, as well as help them reduce costs through improved linen control and management that reduces loss.

### LINEN SECURITY

Besides using processing techniques that eliminate contamination, healthcare laundries need to assure that laundered linens remain clean, to the best of their ability.

Brian Polatsek, CEO of EcoBrite, which provides full rental laundry service for skilled nursing facilities, says that one of the key health benefits of a commercial laundry is the ability to eliminate cross-contamination. Keeping the soil room fully separated and under negative pressure will help ensure that airborne pathogens will not transfer.

Polatsek also says that a proven cart-wash process must be followed as well.

"Staff must be trained to wash hands when leaving the soil area," he says. "Clean linen should be covered as soon as carts are filled. The linen carts should be covered during transport, even if your linen is wrapped."

"Because infection control is a critical issue for all healthcare facilities, laundries need to meet the highest standards for processing and delivering hygienically clean linen, work as a partner, and work to educate clients on the correct handling and storage of linen at their locations," Jenkins says.

Polatsek recommends coordinating with customers regarding the process of storage, distribution and handling so processed

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—JOHN SCHERBERGER, HLAC

goods do not get contaminated. He says that during visits to customer facilities, staff from the laundry should pay attention to ensure that on-site employees are following proper procedure.

"Your chain is no better than its weakest link," he says.

### DISPOSABLES

An ongoing issue facing the healthcare laundry industry is reusable vs. disposable products.

"One challenge that everyone can agree on that adversely affects the industry is the proliferation of so-called disposables," Scherberger says. "Manufacturers of these products have much deeper pockets than textile manufacturers and healthcare laundries."

Ricci says that the healthcare laundry industry needs to combat false claims by disposable product providers regarding the

effectiveness, cleanliness and value of reusable products.

Scherberger says it is a continual challenge to get the message out that, in his opinion, disposables are not economical on any level for healthcare facilities. He adds that disposables are not as effective as reusable products, not good for the environment and cannot be certified as being as safe and sanitary as reusable textiles.

"Who from a local hospital or group purchasing organization goes to a factory in Asia to ensure manufacturing and packaging results in safe and sanitary products?" Scherberger asks. "Any healthcare laundry is open to visits from their customers at any time, and the HLAC encourages this. How many hospital administrators would willingly take cash out of their own pocket and throw it in the waste bin to the tune of hundreds of thousands of dollars a year for large hospitals?"

Scherberger recommends that healthcare laundry owners read *A Comparison of Reusable and Disposable Perioperative Textiles: Sustainability State-of-the-Art 2012* by Michael Overcash, Ph.D., International Anesthesia Research Society, May 2012, Volume 114, Number 5. He says the article offers information to provide to hospital clients, particularly hospital sustainability directors and supply chain department directors.

"The information is a veritable gold mine of information for reusable textiles," he says. "When healthcare laundries are constantly facing new regulations and machine manufacturers are continuously improving washers to use significantly less water in processing laundry than even a decade ago, it's difficult to understand how healthcare organizations, particularly hospital members of the American Hospital Association (AHA), who should be morally obligated to follow the AHA Sustainability Roadmap for Hospitals, fail to take into consideration the economics and the environmental life cycle of disposables as well as their costs," Scherberger says.

### SUSTAINABILITY

In line with the argument for reusable products, the experts see healthcare laundries keeping an eye on the sustainability of their processes and products.

"It is good to see that the laundry industry has been stepping up to the plate on environmental issues, safety and providing a clean and hygienic product," Ware says.

Rupnow says that laundry and linen ser-

vice providers are beginning to focus on some different metrics and tracking progress in achieving improvement in these areas. He says that standards of cleanliness, water consumption and energy efficiency seen as acceptable today may not be in the future.

"The industry needs to develop appropriate value propositions around reducing waste, controlling costs and increasing sustainability while improving patient experience and combating continued price pressures," says Ricci.

"Laundries need to embrace the latest state-of-the-art technologies and best practices available," Rupnow says. "Water conservation, limiting toxins in effluent, reducing carbon footprint are all important. Achieving all of these things while reducing cost are major challenges."

### COST MANAGEMENT

As Rupnow indicates, cost is a major challenge in healthcare laundry. Scherberger says that hospitals are constantly looking to cut laundry costs without regard to the fixed costs laundries face.

"Cutting two to three cents per pound is a victory for procurement departments, but those couple of pennies could be the cause of laundries having to cut staff or close their doors," he says. "Yet, hospitals think nothing of throwing thousands of disposable wipes or mops used by their environmental services departments away, or hundreds of thousands of disposable bed pads/incontinence pads away."

"And really, when it comes to disposable incontinence pads, is it really easier for a nurse to throw a soiled pad in a waste bin or in a soiled-laundry bin? This is not being penny-wise and pound-foolish. It's just plain foolish and wasteful."

More and more hospital mergers are forcing healthcare laundries to keep a sharp eye on the bottom line.

"Large hospitals will continue to merge to survive in the current healthcare environment, and by doing so, they will be looking for their providers to solve their issues and demand higher levels of service," says Ware.

He says that as the healthcare market and hospital groups continue to consolidate in order to compete, these larger groups will require more of their providers and the smaller laundries that cannot meet their demand will suffer.

"During a previous healthcare conference, a

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speaker said that if you cannot gain the attention of the big guys with big savings, you'll never get your company into the C-suite," says Ware. "Bringing the CEO of a large hospital group a savings of \$100,000 may not even get you an appointment, since the large healthcare organizations are dealing with billion-dollar budgets. Many large groups want to play ball with only the large players who have the resources to serve them."

He says that with larger volumes, the systems will demand lower pricing and improved service and benefits, and not being able to meet demands may result in the loss of the business.

"It is always difficult to lose an account if you have many small- to medium-size accounts, but if you are processing with two to three major accounts and one elects to leave, the loss can be devastating to the business," Ware says. "The challenge is when one large group puts their work out for bid, providers see the huge volume, but at what cost? Lose the business due to low pricing, or accept the lower price? I view this as death by amputation or death by 1,000 pin pricks; one is quick and the other takes longer, but the result is still the same."

Another cost factor, linen loss, continues to persist in the healthcare laundry market, says Ware. While there are pockets of success, he says that if a laundry can't control linen-loss cost, or provide the hospital with information as to why the hospital is losing its linen, it will be a constant battle to get paid for the losses.

"During my operational days, I had a large healthcare group that was losing significant amounts of linen," Ware says. "We provided reports on soil/clean, trained the nursing staff and installed scrub vending units. It was not until we conducted a 48-hour dumpster audit, and pulled out what would have equated to an annual loss going into the trash of close to \$750,000 in linen being discarded, did the hospital agree to higher loss charges."

Polatsek believes that the future of loss prevention lies in technology utilizing radio-frequency identification (RFID) tracking.

"However, training and developing ongoing education and in-servicing with customer staff goes a long way," he says.

Labor costs will continue to be a major expense for the industry, Ware says. Plants that can justify automation, and reduced labor will benefit by lowering operating costs over time. Those that continue to plan on lower labor rates will suffer if they cannot control the costs, due to tight labor markets, increased benefits and wage "creep," he says.

"Cheap labor is not always cheaper," says Ware. "A particular laundry once forecasted reduced labor costs due to working with a state program that gave tax breaks for hiring workers in a specific area. The quality of the workers was poor and the efficiencies did not overcome the benefits from the tax breaks."

Good workers, when treated well in safe environments, will usually outperform cheap labor, he says.

"There are many good companies and great operators in our business, but there are many competitors who are aiming for your business," Ware says. "BMW's VP of sales recently stated the company they fear most is Hyundai. Who would have thought this 20 years ago? Ask yourself if the next Hyundai is sneaking up on you."

### GENERAL STRATEGY

These and other challenges will continue to impact the healthcare laundry industry. An overall strategy is helpful to deal with, and plan for, issues as they arise.

"Continuous improvement needs to become [operators'] mantra," Rupnow says. "Hitting today's benchmarks won't be enough to meet clinicians' and patients' needs tomorrow. Keep an open mind and be willing to look and keep learning about the best science and the most efficient equipment and processes."

Potack recommends building out the processes, documentation and validation of what a healthcare laundry does every day.

"We need to show our value, prove what we do is accurate and correct, and be a resource for customers to lean on our com-



It's more important today than in the past for healthcare laundries to engage in environmentally friendly practices. (Image licensed by Ingram Publishing)

panies as a partner to help save money and improve outcomes," he says.

For Ware, development is the key.

"Develop yourself, develop your staff, and then train, train, train your team," Ware says. "Often during my consulting years, you would walk into a plant and the GM or plant manager had all the answers. When I did a walk-around in the plant and asked the employees what was their practice for X, I often got blank stares. If the team does not know the coach's playbook, you'll never win the game."

Ware also says that relationships with customers should not stop at the linen room door.

"A very smart CEO once told me, 'If you don't have relationships with every level of the organization, you're just a vendor and not a partner,'" he says. "For this reason, your relationships should be 'High, Wide and Deep.'"

"Through open, honest partnerships, laundries can find opportunities to improve value beyond supplying, maintaining and laundering linens and garments," Ricci says.

Ware says that in today's healthcare environment, it's not the linen room manager

who will decide a laundry's fate. He suggests getting involved with the industry, attending seminars, reading about the industries served and meeting with industry knowledge brokers who specialize in the skills or topics needed.

"Finally, get to know your competitors," he says. "I enjoy talking with mine, seeing how they view things and developing long-term relationships. Yes, I know they are your competitors, but look past it. Many are great friends and good sources of knowledge."

In the end, when it comes to facing the issues in healthcare laundry, Scherberger says communication is the best strategy. That includes communication with a laundry's own sales representatives and its customers.

"Communication also includes a great deal of education, but it must be education communicated in cost-effective manners with the right audiences and a unified, on-point message," he says. "And repetition, but not badgering. Know the audience, know the message and speak in ways that will connect."

"I learned long ago that to be effective, one must address the audience's passion, not just their position. Positions can and do change; passions rarely change." ALN