

## Linen Service Considerations

By Karen Landers-Mills

**C**ontract Management and outsourcing play critical roles in healthcare facilities today. The market is becoming increasingly competitive and fast-paced. Outsourcing in healthcare, as in other industries, often serves the purpose of enhancing business and efficiency within the framework of the organization.

Laundry service is one department that many facilities have chosen to outsource. A healthcare facility doesn't require capital when the facility decides to use an outside linen supply company. There are no requirements for initial investments in linens, or operational expenses like utilities, equipment repair and laundry employees. These funds can be redirected to patient care services. In addition, the square footage needed for a laundry can be used to house a revenue-producing facility such as a MRI department or they can lease the area. Because of this, many managers will find themselves negotiating contracts with linen supply companies and deciding how to handle the linen distribution.

Before signing with an outside linen service check out all the linen supply companies in the area and see what they offer. Many will only offer basic services while others will offer a variety of options with value added services. Remember cost is not the only factor to consider. Also look at value added programs, service records, training and experience of the company. Assess the services and their value as well as the prices to understand exactly what each vendor brings to the table. Below are some services offered by supply companies:

- Linen rental or customer owned goods
- Complete management of linen distribution or the ability of the linen supply company to assist customers with linen distribution
- All material handling for bulk or pre-arranged exchange cart delivery
- Surgical pack service

- Ongoing evaluations and quality assurance programs
- Internal Linen Management Software

### **Linen rental or customer owned goods**

Linen is a necessary part of any operation. But should the facility purchase or rent? Here are some things to consider.

- Convenience
- Quality and appearance
- Savings
- Image

**LINEN RENTAL** This is a very popular option with healthcare facilities. Hospitals do not have to invest capital dollars in linen inventory, since the linen supply company provides the initial inventory along with the monthly linen replacements. With this option the facility needs to make sure the quality of the items meet their needs and standards. If a facility already owns the linen many companies will purchase the linen items from them.

*Advantages to this option:* A decrease in shortages of linen products. Most linen supply companies have a 96% and up fill rate to avoid the shortages at the end of the month. The linen replacement cost will be determined for the entire time of the contract. There are no financial "surprises". It relieves the hospital of inventory hassles.

**CUSTOMER-OWNED GOODS** This option requires forecasting (annual inventories) and purchasing linen. This requires the facility to know exact usage and

loss rate. Linen must be ordered, checked-in upon arrival, quantities verified, stored and injected as needed. Some companies will warehouse the replacement linens on-site and others will not. If the forecast or loss rate is higher than expected this can result in shortages.

*Advantages to this option:* You will be able to have the exact items and quality linen your facility prefers.

**Complete management of linen distribution,  
i.e. contract management  
or... assisting the customer with linen  
distribution**

### **LINEN SUPPLY COMPANY MANAGING THE LINEN DISTRIBUTION**

Some linen supply companies offer complete distribution service; they can manage the department with facility staff or manage and staff the department. They set controls that can directly affect patient care, employee morale, and economic operations. A proper supply of linen is the primary factor used to establish these laundry and linen controls. Once this requirement has been determined, the linen supply company ensures that it is maintained. The program is designed to increase employee productivity, simplify methods, and control usage and loss thereby reducing costs and increasing customer satisfaction. The goals are to:

- Lower the current cost of services
- Increase the quality
- Develop continual quality assurance program with quality measurements

*Advantages to option:* This option can be very beneficial if the current distribution area lacks organization, is receiving poor customer satisfaction feedback and has high turnover.

### **LINEN SUPPLY COMPANY ASSISTING THE CUSTOMER WITH LINEN DISTRIBUTION**

Some linen supply companies have initiated programs to help the customer efficiently and effectively manage the Linen Services Department. Here are some examples:

- Develop a complete cost analysis and reporting system that permits the constant monitoring of linen distribution costs and utilization
- Develop a control procedure to determine and maintain established par levels and standards

- Assist in evaluating and training staff with supporting policies, procedures, and protocols
- Assist in conducting quarterly linen inventories and provide applicable reporting
- Record unserviceable, discarded, and lost linen
- Assist with setting unit par standards
- Assist with establishing collection and distribution schedules
- Assist with systematic storage of linens for easy handling and building of exchange carts
- Assist with handling and storage of soiled linen

*Advantages to this option:* Many companies offer this as a value added service while others charge for it. If the linen supply company offers to assist you with the linen department take all assistance possible. They want your linen room to achieve the best customer ratings possible.

### **ALL MATERIAL HANDLING FOR BULK OR PRE-ARRANGED EXCHANGE CART DELIVERY**

The linen can be delivered in bulk to the dock or clean linen room and soiled linen is then removed from the facility. This option works well in most applications. The linen distribution staff either builds exchange carts or stocks the floor from the bulk linen.

The linen can also be delivered to the facility in pre-arranged exchange carts ready to be delivered to the unit. The advantage to this application is that the carts are ready for delivery and the linen distribution area requires less staff. There is usually a charge for this service and par levels need to be adjusted on a regular basis. Usually with this system the facility will also receive some bulk linen for stocking areas.

### **SURGICAL PACK SERVICE**

Unlike the all-disposable custom packs, some linen supply companies offer a reusable pack solution that meets the needs of the surgical area and eliminates unnecessary waste. Some companies offer autoclaving and some you need to do on-site. Be sure to evaluate the applicable state regulations. Below are some examples of services available:

- Reusable linen packs, which include: gowns, back table, Mayo stand covers, towels, procedure and patient drapes and basin sets
- Provides daily delivery, retrieval, processing,

inspection, assembly and sterilization of the reusable textiles

- Radio Frequency Information Device (RFID) technology allows tracking product usage and test barrier properties at specified intervals
- Registered Nurse consultant availability

### **ONGOING EVALUATIONS AND QUALITY ASSURANCE PROGRAMS**

Linen supply companies can furnish the customer with a dedicated service representative to visit the facility on a regular basis. This person will perform monthly on-site evaluations/surveys, review key performance indicators, help with linen utilization reduction opportunities and activity based cost reports. They also can help with linen team meetings, linen awareness days and linen management training. This value-added service enhances the partnership.

### **INTERNAL LINEN MANAGEMENT SOFTWARE**

Linen Management Software is a Windows based application that tracks usage, inventories and costs. It provides par level management to ensure appropriate product quantities.

*Advantages of this option:* If not already using linen management software take advantage of this option. Linen management software can generate reports by department or facility showing costs, pieces used and pounds per adjusted patient day and/or pounds per patient day. This is a necessary tool for managing linen.

Whichever service or services are chosen, the linen service vendor and the facility need to be partners. Like all business relationships they are about people and personalities and the partnership will inevitably hit a rough patch. Expect these episodes and establish efficient and effective mechanisms for conflict resolution. Never lose sight of the fact that the relationship is a bilateral one. Partnerships require that both the customer and the vendor work together to create situations that are beneficial for both organizations.

It is the relationship between people, which leads to success or failure. Well thought through policies, procedures, roles and responsibilities within a shared framework develop relationships that work. Whether your linen room is managed by the supply company or not, create relationships among hospital personnel, linen distribution and the linen supply company. Tour the supply company in a group, have the linen team meetings together with food, get everyone involved in a linen awareness day or in other words, build positive relationships.

In conclusion, the first and foremost consideration when selecting a vendor is to make certain you have a clear understanding of your organization's goals and objectives and communicate this to your potential vendor.

Karen Landers Mills, CLLM, RLLD, RESD  
Sales and Utilization Manager  
Midwest Laundry Inc.  
320 Burnet Ave.

Cincinnati, Ohio 45229  
Office: 513-585-9471  
Cell: 513-260-2407  
Fax: 513-585-9473

landersm@healthall.com klandersmills@gmail.com

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