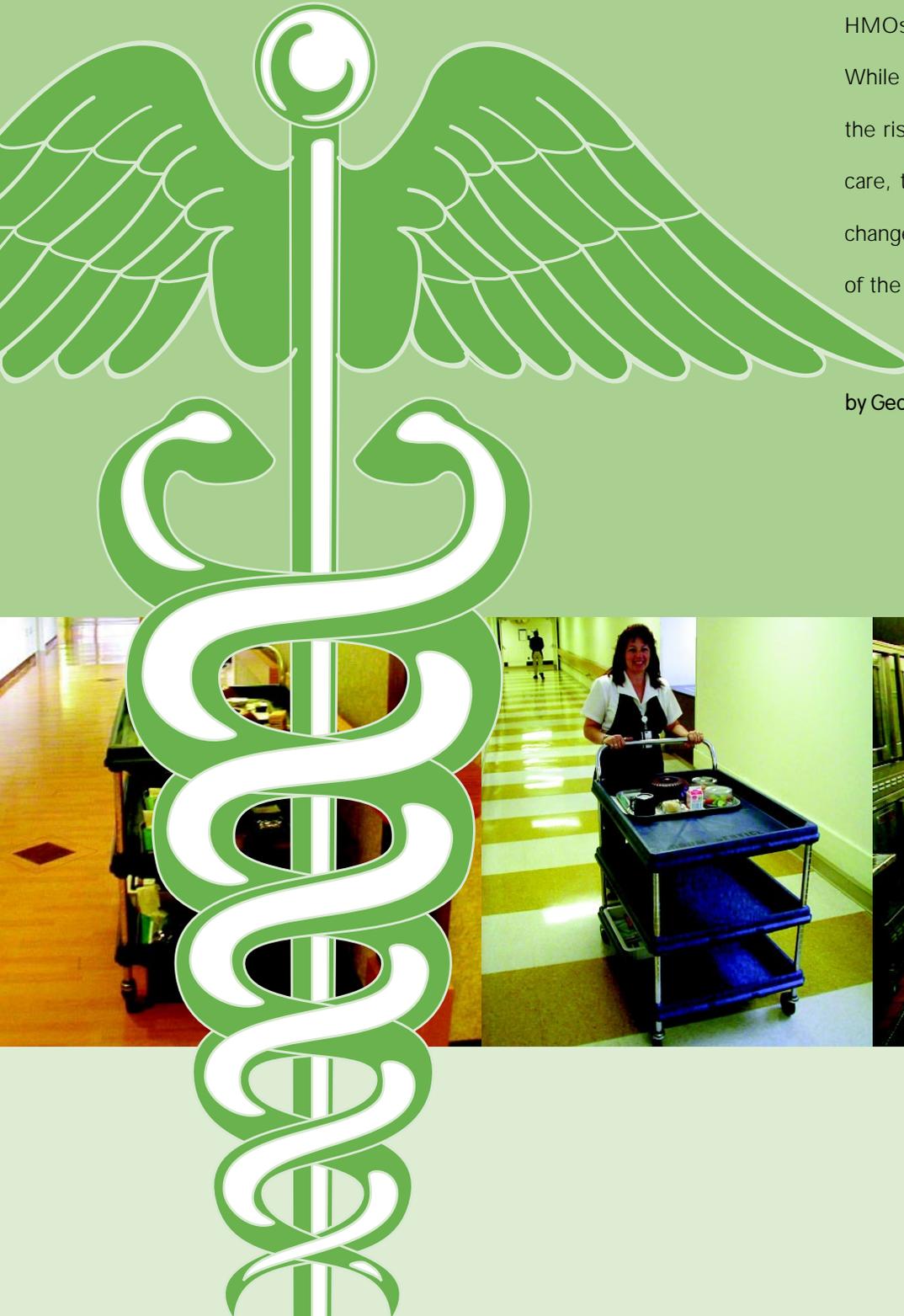


# Hospital Room Service Delivers Bottom-Line Results

Today most of the talk concerning the health-care industry revolves around HMOs, PPOs, and Medicare reform. While most of these changes focus on the rising costs associated with health-care, there is another fundamental sea change occurring on the foodservice side of the industry.

by Georgie Shockey, FCSI



Hospitals are leaving their meal assembly lines. Senior communities are moving away from the single dining room. Both are erasing the practice of serving three prescribed meals per day. What is happening, what is causing this change?

Today's health-care "customer" wants a service that will "wow" and delight them! Therefore, patients and residents are demanding better services in their hospitals and senior communities, while the administrators and operators want to move away from the perception of "institutional" service and food. These elements are creating a need for new ways of delivering services—services that have not significantly changed in the last 50 years. In the past, services provided by a hospital or senior community were delivered at the convenience of the provider—however, the services are now demanded at the convenience of the customer (patient/resident).

Today, more health-care facilities are compelled to understand, embrace and value their customers. Just like those in the retail sector, health-care facilities need to do this to remain viable and competitive and to ensure that they keep their customers for the long haul. Hospitals today are not only experiencing shorter and less prescriptive stays, but there is an overwhelming demand for choices by patients, and there is increased competition between providers. All of this is resulting in higher expectations of service, selection and the health-care experience.

Some recent headlines that are stirring up the push for change read:

- "Can Room Service Deliver?"
- "The Healing Power of Food Comes to the Hospital"
- "More Hospitals Consider Spoken Menu Options"
- "French Hospitals Offer TV-Based Meal Ordering"
- "Wealth Care: Hospitals Compete for Big Spenders"

There are several factors that are creating these headlines and driving this change. One is that the baby boomers, those born between 1946 and 1964, are starting to enter our health-care markets. The baby boomer generation has impacted our economy all through their lives via schools, the work force, the stock market and now health-care.

Another factor behind the changing marketplace is education. More Americans have their high school diplomas and college degrees today than at any other time in our history.<sup>1</sup> Therefore, the current group of patients and residents are highly knowledgeable, demanding and empowered and more involved in their treatment plans and health-care decisions.

Hospital executive's have recognized both of these trend as major obstacles<sup>2</sup> and realize that they must improve customer care and satisfy their customers<sup>3</sup> or risk losing them to facilities that embrace these changes.

Baystate Health System is one such facility that recognized the changing environment. According to Peter Savenko, director of Food & Nutrition Services at the Springfield, Mass.-based company, the number one reason for implementing its room service program "was to set them apart and provide the best ancillary services among the competing facilities."

### Foodservice Feedback

What answers can foodservice give to their administrators? This is the beginning of the "shining years" for foodservice, which is the one service that is the least intrusive to the patient in the hospital. In fact, patients and residents actually look forward to the meal service and, for many patients, it is the only time they are not being tested or that they can come together in a social setting with friends or family.

Several years ago a few health-care facilities were offering "on demand" services geared to patients or residents with special needs or diets. This type of service typically offered a special menu item, extra items or something at an off-meal schedule time. One of the first facilities in the nation to take this concept to full room service was the venerable Dana-Farber Cancer Institute in Boston. According to Shelley Valett, former patient services manager at the 56-year-old hospital, Dana-Farber implemented the program in 1995 in order to "improve customer satisfaction."

Following Dana-Farber's lead was Seattle-based Swedish Medical Center, which incorporated room service on a much larger scale in 1997. At the time, Swedish Medical Center was merging a patient group that had on-demand services, according to Kris Schroeder, director Nutrition Services, "and they wanted to continue those services and expand it

to the entire facility.” Swedish now offers room service in a total of 1,296 rooms at its three hospitals.

### Evaluating the need

For several years the concept of room service has been discussed, developed, attempted and now, in some cases, has succeeded in meeting the new demands and needs of patients. Room service in its truest form is having foodservice available 24 hours a day, seven days a week using a call center much like a hotel. The result is that customers get the food they want when they want it. However, there are hybrids of this full-service program that are also in operation. These programs range from a spoken menu to limited hours of room service or to snack carts between meals.

There are numerous factors that an operator would need in order to determine the type of customer service program that best fits their facility. First of all, an operator needs to research and know:

- The profile of their customer—demographics, tastes
- If room service will enhance the facility’s goals
- If your labor force is trained for the style of service you are implementing
- The cost of the program from food to facility changes
- The logistical and physical constraints
- The current level of satisfaction
- If administration will support the capital and operating expense needed to make the change



Swedish Medical Center in Seattle now offers room service in more than 1,200 rooms at its three hospitals.

### Implementing the Service

The single most important factor is the cost of implementing this level of service. It is likely that most facilities will see some increase in their operating expense as well as a need to invest in minor to major capital.

The largest operating expense typically involves labor. After years of staff reductions and increasing productivity, most facilities are now staffed very lean. More employees will be required in order to provide room service that spans more hours than the current 7 a.m., noon and 5 p.m. delivery times. There is also a need to look at the menu and gear it for more “all day” dining options. In doing this, there may be an increase in food costs, however, the results are showing that this is being offset by reducing waste and duplicate meals. The other operating expenses that may increase are supplies related to an upgraded tray or place setting.

The capital expense very much depends on the current state of the physical kitchen and the tray or dining service system. If the physical plant is old and has numerous code compliance issues, the capital expense could be intense. If a recent remodel has occurred, it is likely that a change to room service will require minor additional capital.

Other essential components of the program involve the foodservice staff. One of the main challenges will be to help the staff manage through the change. According to Shelley



Vallett, “the most difficult task was to sell the staff on the change and then retraining them in a new customer service way.” Additionally, “having open communication with everyone involved in the design of the program is key, says Kris Schroeder of Swedish Medical Center. Blending the hotel/hospitality component with the unique needs of health-care was the first challenge for our team.”

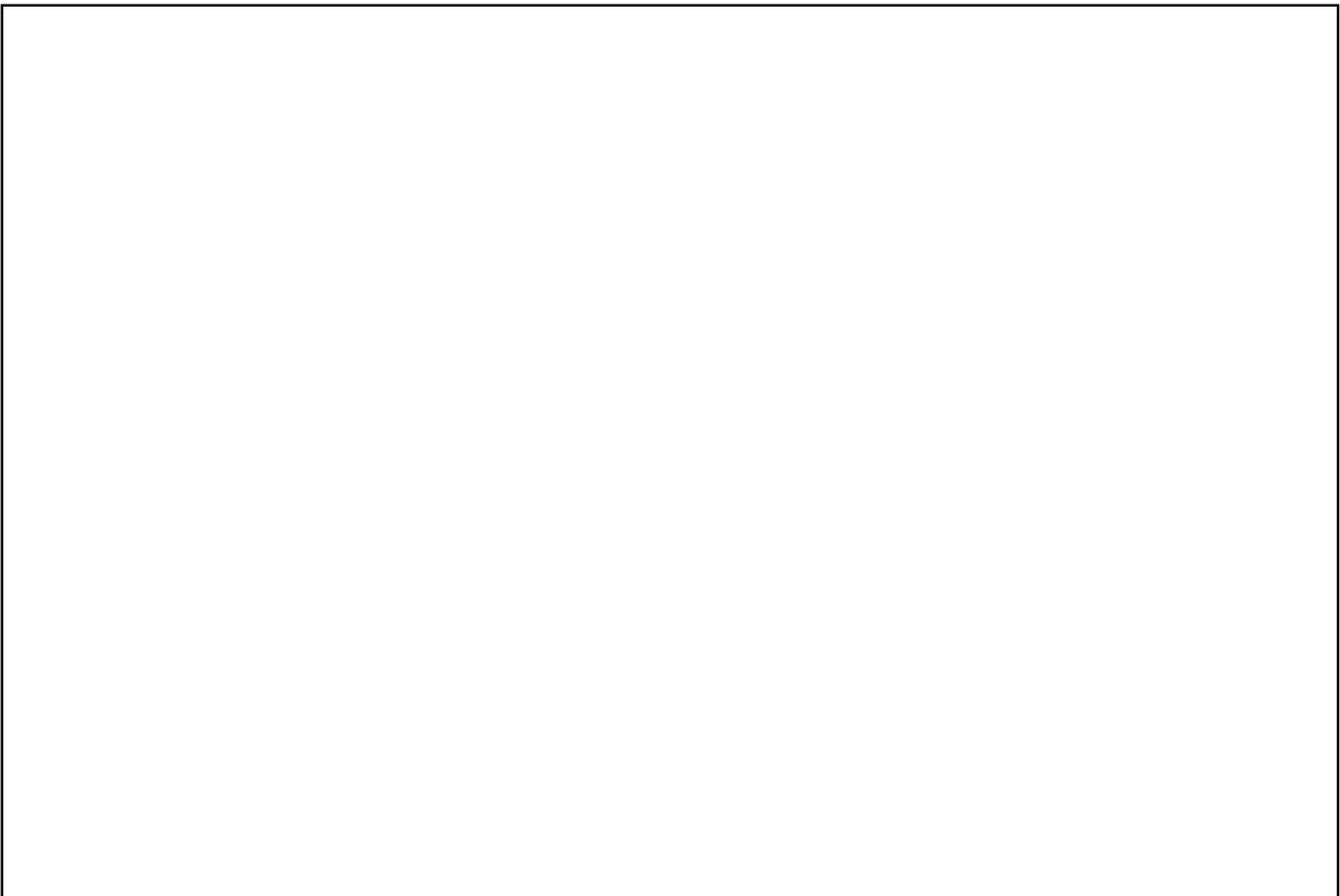
### Program Assessment

To truly assess the feasibility of implementing the program, it is best to determine all the costs, savings and the needed resources. Determine if there is a return on the investment or at the very least a cost-neutral operation. This is where a third party review to validate the assumptions and data as well as outline the support is most beneficial.

If it is feasible then gathering support for the idea is the next challenge for most operators. An administrator will want to know:

- The financial benefits
- Other facility successes
- Who will be impacted by this change (both positive and negative)
- How will you minimize the impact
- The customer satisfaction benefits

Having support to go forward by administration and other essential department managers is key to a successful



program. Mapping out the strategy and timeline to make the change will assist in transforming the operation. The timeline involves first defining your services, to overseeing the physical changes and finally implementing the full program. Each facility will have a unique timeline based on its needs and resources. Some programs can be established in a few months, while others may require a year or more.

## End Results

What are the results of those that have already implemented this program?

- Customer satisfaction is increasing. Facilities are reporting 90 to 95 percent satisfaction.
- The burden on nursing staff is reduced.
- The facility has a marketing and competitive advantage to offer its customers and physicians.

Specifically, the foodservice department sees:

- A reduction in per meal costs.
- An improvement in the patient/food service relationship.
- An increase in revenue by increasing guest meals and services.

- A reduction in nutritional errors and redundancy.
- An increase in food service staff satisfaction. They feel a pride in what they are serving and this is improving their morale as well.

Peter Savenko of Baystate Health System says “he cannot believe the level of respect we have earned from nursing by implementing this program. It is the best thing that has happened to nursing; they say we are helping them do their job.”

The health-care industry and its customers are changing rapidly. As such, the need to offer services that reflect the changing needs of those customers will separate out those that will be viable in the future from those that just survive. There is a continuing need to balance efficiency with improved services. The patient or resident that experiences an encounter that exceeds their expectations will be a lifetime customer. Foodservice can play an integral role in this experience.



Georgie Shockey, FCSI, is co-founder of Ruck-Shockey Associates Inc. She has over 20 years of industry experience and a bachelor's degree in food and nutrition from Ohio State University and advanced financial training from Stanford University.

Footnotes:

1. National Center for Educational Statistics (2002)
2. Research by Cap Gemini, Ernst & Young (2002)
3. 11th Annual HIMSS Leadership Survey (2000)

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