

Clinical Equipment Inventories for Hospitals & Healthcare Facilities

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1. Purpose

The purpose of this document is to demonstrate to hospitals and healthcare facilities the importance of performing clinical equipment inventories, whether it is to:

- Ensure an accurate inventory prior to switching to or installing a new CE maintenance management system.
- Ensure an accurate inventory prior to engaging a clinical engineering management partner
- Perform an audit of existing clinical equipment to ensure your asset listing is accurate.

A periodic inventory audit will determine if a healthcare organizations current method of tracking and reporting clinical equipment is satisfactory, or if it is necessary to have a professional inventory completed. This document also outlines the Asset Services clinical equipment inventory solution.

This document will provide healthcare personnel with the following information:

- Definition of a Clinical Equipment Inventory
- Leading questions pertaining to current inventory practices
- The importance of having a professional clinical equipment inventory completed
- The implications of not performing regular clinical equipment inventories
- An overview of Asset Services' inventory and valuation processes

2. Definition of a Clinical Equipment Inventory

In today's healthcare environment, it is essential to know what equipment is in your facility's inventory, where the equipment is located within the facility, and if equipment that you no longer own is still on your ledger. However, ensuring an accurate inventory of all clinical equipment within the hospital is a very tedious and time consuming task. Pair this daunting chore with an overwhelming workload, it is easy to understand how a hospital's equipment inventory can quickly become out-of-date and unusable. And with the joint commission keeping a watchful eye, it is imperative to have an accurate accounting of your equipment.

Clinical equipment inventories should be performed regularly to assist hospitals and healthcare facilities ensure that the equipment tracking software and preventive maintenance system are populated with up-to-date and accurate information.

A typical clinical equipment inventory completed by Asset Services includes all medical equipment with an estimated original cost of \$1,000 or more, in the following asset classes:

- Biomedical Testing Equipment
- Carts & Cabinets
- Exam & Procedure Tables, Beds, Chairs
- Health & Fitness Equipment
- Imaging & Radiology Equipment
- Lab Equipment
- Lasers
- Medical Treatment & Diagnostic Equipment
- Monitors – Healthcare
- Optical Equipment
- Sterilization & Washing Equipment
- Ventilators

3. Leading Questions

Answering the following questions will help you identify where your organization's current inventory processes can be improved by having a professional inventory performed. Answer these questions, and take a self-evaluation to review your organization's current inventory methods.

Questions

- Does your healthcare facility currently perform periodic clinical equipment inventories?
 - If your healthcare facility does not perform clinical equipment inventories, what information is used to populate your preventive maintenance system?
- If your healthcare organization does perform clinical equipment inventories, who is responsible for performing the inventory?
 - Are healthcare professionals responsible for inventorying their respective departments? Are clinical engineers performing the inventory of the entire facility? Or is the inventory outsourced to professional inventory personnel?
 - If you are using healthcare professionals or clinical engineers, what is the true cost of having them perform the inventory functions? There is a tangible loss of healthcare professional and clinical engineer salaries to perform an inventory. It's important to note the intangible loss that can be seen as well. Is patient care being compromised during the inventory process? Clinical engineers and healthcare professionals are tasked with a variety of responsibilities, pairing the completion of the inventory with their already overwhelming workload, it's easy to see how an inventory could quickly become out of date.
- How confident are you that the inventory is as close to 100% as possible? We have found that if healthcare professionals are tasked with performing the inventory, they are usually not enthralled with the idea and tend to yield less accurate inventory results.
- Healthcare professionals also tend to be interrupted frequently to assist with more urgent medical treatment. This can allow for duplicate and/or missing data to appear in the inventory.

4. The Importance of a Professional Inventory

The following are justifications as to why hospitals and healthcare facilities should regularly perform equipment inventories:

- **Accurate Equipment Listing** – Some organizations never inventory. Instead, equipment is received through the materials management department, and at which time the equipment may be tagged. The equipment information is then loaded into the equipment tracking/preventive maintenance system, if such a system exists within the facility. If an inventory is not performed regularly, the information quickly becomes out of date if the equipment is moved to new location, is disposed of or replaced.

Then when it is time for routine maintenance to be performed on that particular piece of equipment the maintenance technician must locate the item, and often times this requires more time than the maintenance itself.

- **Industry Regulations** – The Joint Commission and other regulatory organizations have high standards for the maintenance and upkeep of clinical equipment. Industry regulators

can stop in at a healthcare facility at a moment's notice to inspect the maintenance records on equipment.

If your organization does not have a preventive maintenance system, or the system is populated with out-of-date information, ensuring the equipment is properly and regularly maintained could be a challenging task. However, more important than the challenges caused by the lack of information is the potential for the regulatory organization to leave your facility with numerous citations, or worse the facility could lose its accreditation if the proper maintenance records are not available.

- **Locate Missing Equipment** – Performing an inventory helps healthcare organizations locate equipment that is assumed missing, or in fact verify that the equipment is lost. This process will help reduce the time required by maintenance technicians to perform routine maintenance. Facilities often find that out-of-date records can cause the maintenance technicians to spend more time searching for a particular piece of equipment, rather than performing repairs or maintenance.

Once a complete inventory of clinical equipment has been performed, the facility will have a complete listing, by room, of where each piece of equipment is located. Populating this information in the preventive maintenance software will help eliminate any unnecessary searching for equipment that the facility no longer owns or has in its possession.

- **Eliminate Lost Billable Hours** – Maximize technician's time to ensure they are using time to work on equipment rather than search for lost or missing equipment.
- **Capital Budgeting** – An accurate inventory helps identify equipment that may have been lost or stolen, and therefore require replacements to be purchased. An inventory may also locate equipment believed to have been disposed of, but is actually stored in an undisclosed location, therefore nullifying the need to purchase replacements.
- **Disaster Preparedness** – If a disaster were to occur, does the facility have an accurate picture of what it owns? This is critical on two accounts: a) insurance claims, and b) the ability to recover. Being able to provide insurance carriers with an accurate listing and value of items lost in a disaster ensures faster, more accurate reimbursement.

Just as critical, if not more, is the ability to recover from the disaster and rebuild. An accurate inventory identifies not only what assets were lost, but where the assets were located in the facility. The inventory reports provide the organization with a virtual plan for rebuilding the damaged area.

- **Standardized Inventory Across Departments** – The standardization of data ensures a more accurate CMMS or other equipment tracking method. If numerous people across several departments or clinics are tasked with performing the inventory, the data will lack consistency, and will require more time being spent "cleaning" the data prior to importing into the organizations tracking system.

5. Implications of Not Having a Professional Inventory

The following are possible implications healthcare organizations could face if equipment inventories are not performed.

Inefficient & Ineffective Tracking of Assets– Without an accurate equipment inventory, tracking and maintaining assets becomes more difficult. It takes more time to locate the item, determine when the last time maintenance was performed; therefore, making the overall upkeep

of equipment more time consuming and more difficult. An accurate clinical equipment inventory identifies all equipment owned by the facility, as well as the location of each item.

Lost or Stolen Items – When equipment is needed in routine activity of the healthcare facility, and it gets lost, stolen, or wrongly disposed of, the unavailability of that equipment may not be realized until it is too late. It then takes time to replace the item. Annual inventories may identify missing items as well as identify items that may be misplaced within the facility.

Inefficient Capital Budgeting– Without an accurate inventory and fixed asset ledger, capital budgeting is more difficult. An accurate fixed asset ledger identifies equipment that needs to be purchased.

Unable to Recover from a Disaster – It is said that an organization that does not recover from a disaster within a few months will never reopen. Having an accurate fixed asset ledger that identifies the equipment owned by the organization ensures that the insurance claims are recouped quickly and for the correct amount. It also acts as a virtual floorplan for identifying equipment, by room, for recovering from a disaster.

6. The Inventory Process

Asset Services works with each client to develop a project scope that meets the organization's needs, and works to accomplish the project goals. Once the scope of the project is determined, Asset Services will create an inventory database and conduct the physical field inventory based on the project requirements.

The following is an overview of the inventory process used by Asset Services for a typical hospital or healthcare facility:

Asset Tagging

Asset Services will apply a property tag to each item inventoried and capture all descriptive data pertaining to each asset.

Standard data collected for each item includes:

- Asset Number
- Asset Description
- Facility/Location
- Department
- Room (if applicable)
- Manufacturer
- Model or Product Number
- Serial Number
- Biomed / Clinical Engineering Tag Number



Deliverables

Upon completion of the project, the client is provided with the following:

- Inventory data in electronic spreadsheet format that can be easily uploaded into your current CMMS system or equipment tracking software.
- Printed inventory report of assets by location
- Electronic copy of the inventory report

7. Asset Valuation

Asset Services performs asset valuations based on the list of assets created from the physical inventory, including physical condition code. To determine replacement and market values, a number of sources are utilized, including: equipment, IT, and furniture distributors, manufacturers and used equipment dealers across the United States. A number of other sources are researched including equipment catalogs, internet sources, and data gathered from previous clients. Through all of these sources, Asset Services has built a comprehensive database of values has been compiled and works to keep it continuously updated.

Market value is largely determined by a number of factors including condition, type, and age of the item. One of the most important elements in determining market value is what comparable items are selling for in the open marketplace. The valuation professionals at Asset Services are apprised of the current trends in the marketplace and continue expand their knowledge to ensure that market value is appropriately determined.

8. Contact Asset Services

Please feel free to contact Asset Services with any questions pertaining to our asset management solutions, or if you would like an estimate for completing a clinical equipment inventory for your hospital or healthcare organization.

For additional information, please visit our website www.AssetServices.com.

Contact us:

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