

How to insource

A blueprint for bringing food service back in-house

In October 2006, the chief operating officer for the University of California at San Diego Medical Center wanted to evaluate the medical center's outsourced food and nutrition services for both quality and financial improvements. A consultant, who had worked successfully with this senior administrator before, was hired to evaluate the facility's current operation, including the ability of the department to meet current and future needs of the medical center and assess the possibilities for cost containment and service modification through changes in the department.

Goals were set for the review, with the consultant doing a paper review before conducting a site survey. The initial review looked at the contract service agreement and all amendments, doing a line-by-line review to ensure a complete analysis of these documents and determine all charges, fees and terms, as well as review all financial records, verifying total costs and all sources of fee payments.

The consultant also evaluated performance vs. agreed-upon fees and services, and the status of equipment ownership and depreciation. In addition, the consultant was asked to review and evaluate departmental sanitation; patient, customer and staff satisfaction; compliance; nutrition-care services; patient meal service; meal assembly; procurement; food production; and cash operations. Manuals; nutrition educational materials; equipment maintenance and repair; recipes; menus; software systems and food service systems were reviewed as well. Equipment needs were evaluated and long-term recommendations made.

The evaluation underpinned a report that made findings and recommendations. Hospital leadership spoke to the management company at the facility about resolving issues and then decided to prepare a request for proposal to look at alternate contract management companies. After reviewing the results of the proposal, the COO decided it would be advantageous to switch to in-house management. With the decision set, goals were established as to financials and services; and the consultant prepared a detailed transition plan detailing all actions that needed to occur and the timeline

established to deliver these actions. As per the contract, 90-day notification of termination of the contract company services was given.

Since the recipes, menus, menu jackets and the nutritional manual were considered as proprietary by the contract management company, we needed to replace them. Job descriptions were written by the consultant and were provided to human resources to recruit for positions that had previously been filled with management or clinical staff employed by the contract management company. The new team needed to be recruited and in place 30 days prior to the transition, with the new director in place 60 days prior to transition. The consultant was retained to support the transition.

Computer systems, software purchases and installation were coordinated with appropriate hospital departments, and capital purchases planned and coordinated with the timeline. Because the contract management company was responsible for purchasing until the time the contract ended, the consultant and associates met with vendors, established product specifications and worked with the newly hired food service director and the purchasing department to open blanket purchase orders, review menus, recipes, food and small ware needs.

Staffing needs, employee files and a human resource update took place. Clinical nutrition was reviewed with regard to diet orders, nutrition standards, new computerized system, new patient menus, meal systems and meal service.

The new management team worked to build relationships with other members of the healthcare team, support food service employees through the transition and looked to deliver improved productivity within the department. The new chef looked to provide a new cafeteria image, revitalize patient food and catering.

Through the transition to in-house management, approximately \$1.6 million was saved from the annual operating budget, and services were improved after a seamless transition. <<



Sonnenshein



Sherman

Mona Sonnenshein is chief operating officer of University of California at San Diego Medical Center. Carol Sherman is a consultant with CS Services.