



WHITE PAPER



# HOW MEDELA'S BUSINESS MODEL INNOVATES NPWT CARE

Learn why one CIO advocated for a switch to Medela in her healthcare organization

Dr. Jean Wright is the former Chief Innovation Officer at Atrium Health, a 10,000+ bed integrated delivery network serving North Carolina and Georgia. She and her “Innovation Engine” of cross-disciplinary team members conducted rigorous evaluations of new products and technologies that have the potential to optimize care across the network. They recommended a network-wide switch to Medela [Invia® Liberty™](#) and [Invia Motion®](#) NPWT pumps. Here’s why.

*“I’m intrigued by how Medela is applying business model innovation to Negative Pressure Wound Therapy (NPWT) care. I think it’s the only way to get cost out of the current care delivery system, which is under heightened scrutiny in a time of COVID-19-related financial losses.”*

—Dr. Jean Wright MD MBA, retired VP, Chief Innovation Officer, Atrium

## The ultimate combination

After a thorough and inclusive evaluation process, Dr. Wright’s team at Atrium concluded that Medela NPWT pumps offer a critical combination of both optimized clinical outcomes and significant cost savings. First and foremost, the Medela NPWT systems must deliver excellent clinical performance. The committee review found the systems to be proven and versatile systems that offer clinical flexibility with choice of pressure settings and therapy modes. Beyond the clinical performance, the review team found particular value in Medela’s unique capitated rate business model, which eliminates daily rental fees associated with NPWT devices in favor of a predictable fixed annual rate that is paid monthly. Dr. Wright and her team identified 3 key advantages linked to the model that can help Atrium—or any health system—innovate NPWT care.

### 1. Enormous cost savings

In a post COVID-19 world, controlling costs will be the #1 priority of every healthcare system in the US. In 2020, hospitals lost more than \$1 billion per day<sup>1</sup> because of declining occupancy levels to make room for COVID-19 patients.

Dr. Wright estimated switching to the Medela NPWT system could result in a 50% reduction in NPWT costs by eliminating the unforeseen overhead costs associated with the traditional daily rental model, such as logging errors, management time, system training, and more.

Other institutions and networks have the potential to realize enormous cost savings as well, according to Dr. Wright. The key, she says, is to know what you’re spending on device rental and to accurately calculate the magnitude of potential savings from a capitated rate model, like Medela’s.

*“CFOs will be breathing down everyone’s back to control cost of care, cash management, and inventory management in ways they never have before, to ensure success.”*

—Dr. Jean Wright MD MBA, retired VP, Chief Innovation Officer, Atrium Health

## 2. Inventory management

Another novel aspect of the capitated rate business model is that NPWT device inventory is able to be managed like every other medical device in the hospital, unlike traditional NPWT models, where pumps require their own specialized reprocessing. This simplifies workflow and alleviates the burden on staff to track device usage or schedule maintenance, reducing overhead and providing administrative freedom that allows staff to focus on what is most important: patient care.

*“Though I had seen other organizations outsource equipment management, I hadn’t thought about it here. But wow: Medela handles it and we can just focus on the benefits of using the device.”*

—Dr. Jean Wright MD MBA, retired VP, Chief Innovation Officer, Atrium Health

## 3. Workflow improvements

Switching to the Medela capitated rate model helps optimize workflows among NPWT teams, because there is no longer a need to track device usage, correct tracking inaccuracies, or introduce a third-party tracking system on top of an existing EHR. This frees doctors up to focus on prescribing the right treatments for their wound patients without hesitation. Relieved of the burden of device management, nurses can turn all of their attention to assisting patients with their needs. And administrators gain freedom from the additional tasks of managing and tracking device usage and instead focus on executing their normal daily routines.

## Paving the path for a smooth transition

Dr. Wright offers up some sound advice for anyone who is considering advocating to switch to a new product or business model in their own healthcare organizations:

- ✓ Raise your level of awareness
  - Know what you’re spending on NPWT pumps
  - Understand the impact existing products and systems are having on your staff and workflows
- ✓ Recognize that innovation is a change management process
  - Involve stakeholders to gain a complete understanding of the risks and benefits of switching
  - Consider the perspectives of colleagues who may not see the cost savings potential

*“After learning about Medela’s capitated rate business model, it will be inevitable for others to switch to a model like this. Medela has always been known for high-quality negative pressure devices. The differentiator, and the disruptor, is the novel business model of capitating your costs. If you don’t know your costs, you can’t cut your costs. Medela has made the cost equation transparent to the buyer.”*

—Dr. Jean Wright MD MBA, retired VP, Chief Innovation Officer, Atrium Health

In Dr. Wright’s words, “When a company comes to you with a high-quality proposition with demonstrated outcomes that can cut up to half your costs in an area of care, you have to do something.”

After years of evaluating disruptive innovation, Dr. Wright knows a capitated rate business model like Medela’s is the wave of the future.

**For hospitals considering cost-cutting tactics, switching to the proven Medela Invia Liberty and Invia Motion NPWT pumps and their accompanying capitated rate business model is a strong option. With over 3 million therapy days since 2011, Medela is a trusted partner in NPWT.**

**Contact your local Medela representative for a personalized quote.**



**Learn more at [medelahealthcare.us](https://medelahealthcare.us)**

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