



## Denver Health Fuels Growth with IT Savings



Today's healthcare organizations are under tremendous pressure to reduce operational costs without sacrificing patient care. Denver Health is no stranger to this pressure. The organization has grown into a world-class healthcare system and trauma care facility, earning the award of "Best Trauma Center" from the American College of Surgeons, and hosting the Rocky Mountain Poison and Drug Center, one of the country's most esteemed public health facilities.

As part of its commitment to excellence, Denver Health has enlisted NPI to curb the growth rate of its IT and telecom spend while balancing its need to meet business and patient care objectives.

### Case Study: Denver Health

#### The Challenge:

- Needed to slow down rate of IT spending, despite growth in operations and services
- Lacked fair market pricing data to accurately benchmark new purchases
- Needed to reduce maintenance costs for several IT and telecom investments, including a major contact center solution upgrade involving multiple network vendors

- Reduced annual IT spend by five percent year-over-year at no risk to client
- Saved an average of 10 percent on new purchases and renewals
- Decreased maintenance spending by five percent
- Achieved savings of 21 percent for large-scale contact center upgrade

#### Time to Rein in Spending, Not Growth

Denver Health has always maintained a strong commitment to IT excellence, recognizing the critical role it plays in meeting patient service delivery and business goals. Since 1997, Denver Health has invested more than \$300M in groundbreaking technology. Today, it is a 477-bed network that handles nearly 650,000 visits and admissions, and more than 1,700 trauma patients every year. Denver Health is also home to the Rocky Mountain Poison and Drug Center (RMPDC), one of the largest poison centers in North America.

But, as Denver Health has expanded care and services, its IT and telecom budget has skyrocketed from \$4M a year in 1996 to more than \$30M a year today. The organization's CIO realized that it could not continue this rate of growth in IT spending without negatively impacting financial performance. This became increasingly evident as Denver Health began to upgrade its IT and network infrastructure, as well as conduct a major overhaul of the contact center solution supporting the RMPDC.



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**“I have no idea what the hospital around the corner may be paying for the same system. NPI has that information and can give me help negotiating the finer points of contracts... Today, we factor NPI in as a cut to our budget even before we start budgeting.”**

**Gregg Veltri**  
CIO, Denver Health

## **NPI Eliminates Overspending Year After Year**

Denver Health brought NPI in to review its portfolio of IT and telecom investments from an operational and capital perspective. NPI benchmarked key vendor agreements and determined that Denver Health was not only paying above fair market value for new purchases, they were also overpaying for renewals as well as maintenance and support agreements. By renegotiating maintenance agreements, NPI was able to reduce Denver Health’s maintenance spending by five percent a year.

Moving forward, NPI began reviewing all but the smallest new purchases and renewals. This included the organization’s large-scale contact center solution upgrade for which NPI was able to achieve savings of 21 percent. Armed with vendor pricing and contract insight, NPI has been able to save Denver Health an average of 10 percent overall on all new software, hardware and network purchases and renewals. This has translated into a savings of five percent of Denver Health’s overall IT budget year after year.

## **Continued Savings at Every Opportunity**

NPI continues to drive down Denver Health’s IT and telecom costs by reviewing purchases at a level of detail the organization doesn’t have the bandwidth, expertise or benchmark data to perform on its own. The results have been so powerful that Denver Health now factors NPI’s savings into their IT budgeting process.

Today, Denver Health navigates many new economic, business and patient service delivery challenges. The partnership with NPI has helped the organization continue to grow its IT capabilities while reining in expenditures.

### **About NPI**

*NPI is an IT sourcing consulting company that helps enterprises identify and eliminate overspending on IT purchases, accelerate purchasing cycles and align internal buying teams. We deliver transaction-level price benchmark analysis, license and service optimization advice, and vendor-specific negotiation intel that enables IT buying teams to drive measurable savings. NPI analyzes billions of dollars in spend each year for clients spanning all industries that invest heavily in IT. For more information, visit [www.npifinancial.com](http://www.npifinancial.com).*



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