



# Idle Assets Move @ Net Speed

By Diane Laux

If yours is like every other hospital in the country, you have storage spaces where equipment is dumped and forgotten; you place equipment in the hallways because there is nowhere else to put it; and, without naming names...some of you even have stealthy places to hide things when the Joint Commission visits.

There's so much unwanted or idle medical equipment in health care facilities that no one knows quite what to do with. We'd love to sell this stuff, but who has the time to track it down, price and promote it, and find and negotiate with buyers?

The answer is both real and virtual. MEDmarketplace.com provides HealthTrust Purchasing Group members with turnkey asset visibility services via the world's largest online marketplace for selling surplus hospital equipment and supplies, without the hassle of an auction.

MEDmarketplace.com representatives will come to your site and define which assets are available and how much can be monetized. They'll take inventory, shoot photos, create detailed equipment descriptions and provide a valuation range for every piece of equipment. Your facility then makes the final call on item pricing.

MEDmarketplace.com has set up a customized Web site, [www.healthtrustmarketplace.com](http://www.healthtrustmarketplace.com) and Sell-It! Showcases with participating HealthTrust members' logos and branding. This extends their image online and showcases items available for sale, transfer or trade. The HealthTrust marketplace site links to MEDmarketplace.com, consistently in the number one position in Google and Yahoo searches for "hospital equipment" and "medical equipment" that generates more than 60,000 site visits per month.

HealthTrust's agreement with MEDmarketplace.com went into effect in November 2008. Since then, dozens of hospitals have gone live, each with its own Web page to showcase its offerings. Some make sales in as little as three days.

## Former Skeptics See the Light

Martha Bennett, supply chain director, Osceola Regional Medical Center, Kissimmee, Fla., was skeptical because every service they had tried before had been an absolute nightmare.

"Years ago we replaced our ICU beds. The manufacturer didn't want to take our old beds as a trade in so we called a medical equipment dealer. They came in

and took all the beds, but we never saw a dime."

Time passed. Another firm looked promising. They purchased some equipment outright and issued payment immediately. Then their encounters with the medical center were few and far between, and the company didn't return calls.

There were also salvage companies that cherry picked the best items, and those who took everything offered but did not send a check for six or nine months.

"So whenever we meet a new vendor in this space, our supply chain directors pretty much say, 'Whatever,'" says Bennett. "And who could blame them? They've been burned before."

"I'm happy to say MEDmarketplace.com is helping us forget the past."

Osceola Medical Center's first Web listing with MEDmarketplace.com was extensive and heralded items great and small. Some of the big-ticket items Osceola sold included six Valleylab electrosurgical units, four Emerson pumps, Spacelabs patient monitors and telemetry units. MEDmarketplace.com arranged to clean out everything that remained.

MEDmarketplace.com managed the inquiries, answered prospective buyers'



questions, and negotiated based on what Osceola was willing to do.

Bennett laments over a body temperature system from Alsuis with about \$30,000 left on the books. "A cardiac surgeon who was formerly on staff here wanted that equipment," says Bennett. "But now he's gone so we're stuck with it."

Bennett has hopes of moving the system, but mostly values getting her lost time back.

With its global reach and a network of more than 700 buyers and brokers, MEDmarketplace.com finds and even creates markets for equipment.

"I can't tell you how many calls I get asking, 'Do you have any medical equipment for sale?' and now I say, 'We sure do. Go online to Healthtrustmarketplace.com and look us up. Pictures, conditions, it's all right there.' That's it. Conversation over. What a great feeling," says Bennett, with a laugh.

When assets sell, the certified checks come right from the buyer to the hospital. Within days, buyers pick up the equipment, with their own people so Bennett's staff doesn't have to do a thing, which is a huge help.

"Believe me, my team has had to load and unload many times in the past. There's just so much less pressure now. And that stuff is OFF MY FLOORS!"

According to Bennett, it was less than a month from MEDmarketplace.com's inventory visit, to agreement on asking prices, to Web site creation, to the first bid. And, her enthusiasm is evident. "Until you can prove you are different, you're not different," says Bennett. "But, I've found MEDmarketplace.com to be

very different—everyone I've met from there is of high integrity and their reporting is terrific." She also adds, "If every quarter we made \$10,000, we'd be delighted."

### **MEDmarketplace.com Saves Time & Money**

It's kind of like the elephant in the parlor. Everyone knows it's there, but no one knows what to do with it, so they just ignore it.

McGovern is also responsible for supply chain at Twin Cities Hospital in Niceville, Fla., where he introduced Schneider to its chief engineer, COO and CFO. They in turn introduced him to a stockpiled area at their facility.

Financial folks know the score. They understand what's been depreciated and is just taking up space, and they see how these assets can still bring value.

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In Steve McGovern's case, the elephant is a Toshiba Ultimix Cath-Lab, and it's not in the parlor, it's in his OR. The equipment is no longer in use and it has no book value for McGovern's Fort Walton Beach, Fla., Medical Center.

He didn't need to sell that cath-lab. "We just wanted someone to come in here and take it: to uninstall it free and clear and just get it out of our sight," says McGovern, the medical center's supply chain director.

Cue the MEDmarketplace.com rep...

"Our representative, Kevin Schneider, jumps through hoops for us and gets things done," McGovern says. "We're keeping him busy and he's doing a great job."

"Kevin did an inventory, gave us a fair market value of everything and we sold a couple of pieces right away," McGovern says. "Best of all, MEDmarketplace.com handled all the paperwork."

The rep has also helped in other ways. When a cysto table went down, McGovern asked Schneider if he could find a replacement. Instead, Schneider used the MEDmarketplace.com network to find a replacement part, resulting in significant savings.

"Capital dollars are hard to come by these days," says McGovern. "Rather than an unplanned expense for a cysto table, we incurred minimal expense in procuring a replacement piece and repairing the unit."



Vincent L. Baratta, Co-founder and President, MEDmarketplace.com

I didn't lose any time in the process, and could continue to focus on my priorities.

"MEDmarketplace.com streamlines these processes for us. It's all in how they handle us as a customer." McGovern says. "They listen to our needs and then deliver. Their responsiveness is what makes them stand out."

### Consider Trade or Transfer Options Too

MEDmarketplace.com brokers to Asia, South America and over 175 other countries, but often, your equipment may wind up much closer to home. Of tremendous value to HealthTrust members is the option to transfer equipment from one facility to another.

"Your 12 treadmills that aren't in service and are off the books may be exactly what your system's care center in Cincinnati is looking for," says Vincent Baratta, president and CEO of MEDmarketplace.com. "Our customers have enough on their plates to manage their own supply chains; it's nearly impossible to keep up on what else is happening in the system."

All MEDmarketplace.com customers have their own online marketplace. Related facilities have the ability to preview equipment and trade and transfer amongst themselves, which is critical in today's economy. Some facilities transfer equipment just for parts.

Baratta says his most successful customers are those who use his team to affect an integrated supply chain optimization solution.

"All hospitals have replacement schedules," says Baratta. "We work with our customers to see what is going out of service in three or six months to plan ahead of the curve."

For example, a hospital knew it was taking two OR suites out of service. MEDmarketplace.com had the suites sold two months in advance of the refresh and, at the seller's request, the buyer arranged to pick up the equipment the same day the new equipment arrived. It gets even better: MEDmarketplace.com negotiated for the seller to receive 50 percent of the payment up front.

If a hospital is replacing 110 televisions in its patient rooms, MEDmarketplace.com can electronically push that information out to the appropriate buyers and not only get fair market value, but establish advance interest in the sets.

"This is really sell-side planning," says Baratta. "Hospitals are so entrenched in the buying process, when, in fact, 80 percent of what's being bought is replacing stuff that is going out the door. Nobody really focuses on asset disposition or disposal.

"I ask CEOs what they are doing with their excess medical equipment? Most shrug their shoulders. You replace equipment, but where are you going to store the excess? Then what—use it in the future?

"When we talk about lifecycles, we're talking about asset visibility, optimization and disposition, fully integrated for the whole planning cycle," says Baratta.

"I've had hospital CFOs look at a \$10 million capital budget and say to their leaders, 'If everyone gets on board, this healthy hospital can generate a quarter million dollars a year with MEDmarketplace.com.' It takes an

integrated effort from purchasing and materials management, biomed and planning and department heads throughout the hospital. The hospitals love it."

### Nothing is Off-limits...

MEDmarketplace.com helped a large health system get rid of many of its off-site storage units—space that was costing them \$6,000 - \$10,000 per unit, each month.

You'd typically find a cryofreezer in the basement of a lab. You might pay more than \$12,000 for a new one, but the MEDmarketplace.com team can find you a gently used one for \$3,500 on their Web site or through their network of buyers.

"Our challenge is educating people who have been in a department for 20 years that there is a new and proven way to procure items of need, and new ways to generate cash flow from idle assets," Baratta says.

"We are the leading global medical marketplace. Every biomed department is a possible buyer for your equipment, whether it's working or not. That is a true marketplace."

What is obsolete in America may be state of the art elsewhere and, patient care isn't limited to humans. As it turns out, veterinarians are one of the biggest buyers of surplus medical equipment.

An MRI scanner, a box of stethoscopes, patient beds: It all goes. A hospital recently sold about 100 surgical masks to a bank in Nebraska that wanted them for disaster planning.

So, what's in your storage room? 🗑️

The screenshot shows the MEDmarketplace.com website. At the top, it says "HEALTHTRUST marketplace.com" and "powered by MEDmarketplace.com". There are navigation tabs for HOME PAGE, BROWSE & BUY, ABOUT US, CONTACT US, and OUR SELLERS. A search bar is present with a "SEARCH" button. Below the search bar, there's a section titled "Sell Your Surplus Medical Equipment - Choose Your Service Below To Start Selling..." with icons for Hospitals, Surgery Centers, Psych/Behavioral, Imaging Centers, Labs, Skilled Nursing Facilities, and Physicians/Clinics. The main content area is titled "Browse and Buy Surplus Medical Equipment and Supplies from Our Members". It features a "Most Popular Categories" list on the left, including Cardiology, Endoscopy, Hospital Beds, Stretchers, and Tables, Imaging Equipment, IV and Infusion Equipment, Laboratory and Pathology, and Maternity Ward. The center section is "Featured Products From Our Sellers" with four product listings: HP Sonos 2500 Ultrasound, GE Marquette MAC VU, Bacter Peritoneal Dialysis, and GE AMX II Portable X-Ray. On the right, there's a "Featured Sellers" section with logos for Westside Regional Plantation, FL; Columbia Hospital West Palm Beach, FL; and Memorial Hospital Jacksonville, FL.