

## SAP Customer Success Story Healthcare



**“The biggest gain is that SAP software is helping us to be the most efficient hospital in Mexico.”**

Ernesto Dieck Assad, CEO, Hospital San José

### AT A GLANCE

#### Summary

Hospital San José, Monterrey, Mexico, saw that by improving efficiency and visibility of its operations it could deliver better care to patients while improving business processes. To accomplish this, the hospital selected software from the SAP for Healthcare solution portfolio. This was the first such implementation in Mexico and Central America.

#### Web Site

[www.hsj.com.mx](http://www.hsj.com.mx) (Spanish only)

#### Key Challenge

Deliver better patient care and enhance business processes by improving operations efficiency and visibility

#### Project Objectives

- Centralize information about patients and resources
- Streamline administrative and billing processes
- Gain ability to analyze key hospital data

#### Solutions and Services

- SAP® Patient Management application
- mySAP™ ERP application

#### Why SAP Solutions

SAP software met both patient management and administrative needs.

#### Implementation Highlights

- Go-live in 4 months for mySAP ERP and 9 months for SAP Patient Management
- First SAP for Healthcare implementation in Mexico
- Quick, smooth, transparent transition from legacy system

#### Key Benefits

- Optimized resources for exceptional patient care
- Centralized and up-to-date patient information, which saves time and ensures more accurate information
- Faster and more accurate invoicing and billing process
- Better administrative decisions through integration and centralized data
- Analytical tools to better understand resource utilization and patient demographics

#### Implementation Partner

SAP Consulting organization

#### Existing Environment

Homegrown solutions

## HOSPITAL SAN JOSÉ

### SAP For Healthcare Improves Patient Care

Hospital San José – located in Monterrey, Mexico – prides itself on being a medical institution committed to the highest level of patient care. To help it continue meeting this goal, the hospital decided to implement the SAP for Healthcare solution portfolio, becoming the first organization in Mexico and Central America to do so.

The 200-bed hospital treats thousands of people each year and has 1,200 employees including an active staff of close to 400 physicians and medical professionals. The medical complex is recognized nationwide for its innovations in cardiology, cardiovascular surgery, pediatrics, gynecology, and obstetrics, as well as for its medical school and specialties in ophthalmology, oncology, diagnostic radiology, and radiotherapy.

#### Implementation Teamwork

Providing superior healthcare depends on people and the environment in which they work. Hospital San José realized that it could offer even higher quality care by centralizing information about patients and resources, streamlining administrative and billing processes, and analyzing key hospital data. “It becomes very clear when running a hospital where improvements can be made,” says Ernesto Dieck Assad, Hospital San José’s CEO. “A lot of our departments weren’t communicating as well as they could. We had billing process problems, patient record and information issues, and resource visibility challenges.”

Seeing that its legacy systems, which were developed in-house for individual departments, needed to be replaced, the hospital evaluated alternatives and selected software from the SAP for Healthcare set of solutions. In particular, the hospital chose the SAP® Patient Management and mySAP™ ERP applications.

The board of directors named the SAP implementation project *Nosotros* (“us”) and adopted the project as their own. Jesus Diaz Garaygordobil, marketing and information technology director at Hospital San José, rolled out the project in three phases. A dedicated team of users from all areas of the hospital took part in the implementation to define necessary requirements and business processes. The hospital also had the help of consultants who were responsible for adapting the SAP industry-relevant software to Mexican laws and healthcare practices.

**“Hospital San José can focus on delivering high-quality care to our patients, leaving the administrative responsibility to SAP software.”**

Ernesto Dieck Assad, CEO, Hospital San José

“When we implemented the SAP software it forced us to look at the way we were operating our hospital,” says Dieck Assad. “We went through a process that helped us evaluate and then standardize procedures from department to department. We also adopted best practices as a result of implementing the software.”

Go-live of mySAP ERP occurred in October 2002 – with only four months of implementation. Payroll functionality (now provided in the mySAP ERP Human Capital Management solution) followed in November and SAP Patient Management was up and running in March of 2003. Transition from the legacy systems was quick, smooth, and transparent.

“SAP Consulting, together with its partners, helped us to achieve a smooth and fast transition from our legacy systems,” explains Diaz Garaygordobil. “Due to the extensive knowledge transfer, the learning curve was remarkably short.”

### **Integration and Visibility Bring Results**

Having accurate, up-to-date information that was accessible to a variety of hospital staff was a major requirement for Hospital San José. “When you work in a big hospital like this one, you cannot have different databases,” says Dieck Assad. “You cannot go to one department for patient information and to another department – such as the laboratory or operating room – and start at the beginning. Now we have complete patient information that all departments can use without having to rekey it. SAP software saves us time and information is more accurate. Plus, with integration you have centralized data to make better administrative decisions and enable physicians to be more effective when treating patients.”

Visibility into operations is another major benefit that SAP for Healthcare delivers. Before the implementation, separate departmental systems that were not connected made it difficult to schedule resources and manage supplies.

“Today, when we ask the employees who manage our equipment and inventories if they can see what is needed for tomorrow in the operating room they can immediately determine if any special equipment or medicines are required,” says Dieck Assad. “Everybody is informed of what’s going to happen tomorrow – or any other day – and of what they will need for the operation. We didn’t have that kind of communication before.”

The hospital also improved how it calculates supply needs to better oversee and manage purchasing and procurement. And it now has a better view of the resources it uses – such as diagnostic equipment and operating rooms – to coordinate surgery schedules, diagnostics, and postsurgery care.

## **Keeping Track of Costs and Revenues**

Hospital San José is a nonprofit, self-funding hospital. As such, it must have a clear understanding of what needs to be billed, where revenues come from, and what materials are purchased. SAP software enables the hospital to handle complex insurance reimbursement and itemized billing requirements.

“The system helps us run the hospital, especially in our finance area,” says Dieck Assad. “The billing process within Mexico’s healthcare system is very drawn out. Everything is itemized and the hospital obviously wants to recover its money as quickly as possible. SAP software helps speed up the invoicing and billing process.”

SAP software also gives the hospital a broader view of its operations, which is vital from a strategic and planning perspective. “Today, I can go to my computer and see what is happening in any area of the hospital in real time. I look at costs for each department, how much money comes in, the income for each department, and what we expected versus what we actually realized. This is very good because people in every part of the organization have visibility into all our costs and revenues – and where there may be some problem areas.”

SAP for Healthcare solutions also provide the hospital with analytical tools to help it understand resource utilization and patient demographics.

“We can measure the length of stay for people, revenue per patient, revenue per hospital stay, and revenue related to diagnoses,” says Dieck Assad. “In the future we would like to use our analyses and compare how we are doing against some hospitals in the United States and around the world. We will also use SAP software to help us plan for capital expenditures to determine whether we need additional equipment and resources. We need to have that kind of information to make good decisions going forward.”

## **Continuous Improvements**

Hospital San José sees SAP software as a way to make a difference. “SAP has given our hospital the opportunity to work with a state-of-the-art technology,” says Diaz Garaygordobil. “At the same time, we have been able to share our own best practices through the localization process, which makes us very proud.”

**“SAP has given our hospital the opportunity to work with a state-of-the-art technology.”**

Jesus Diaz Garaygordobil,  
Marketing and Information Technology Director,  
Hospital San José

Dieck Assad adds, “Hospital San José can focus on delivering high-quality care to our patients, leaving the administrative responsibility to SAP software. The biggest gain is that SAP software is helping us to be the most efficient hospital in Mexico. We really have the opportunity to be more effective than our competitors – and ahead of everybody in Mexico and Latin America.”

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50 064 337 (06/05)

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