

# Reducing Food Costs

## in Healthcare Foodservice Operations

MANAGEMENT CONNECTION



In hospitals and post-acute care facilities, the most expensive line item in the budget is labor. Raw food costs come in second place. Foodservice directors are often overlooked in the healthcare setting when all is well; however, they can quickly land in the proverbial hot seat when raw food costs consistently exceed budgeted amounts.

There are occasions that overages in raw food are expected and anticipated. But when raw food budgets are increased each year to accommodate overages, this is a critical sign that executive leadership would benefit from additional foodservice expertise with fresh eyes to examine systems and processes.

Health care has many dynamic, experienced leaders.

Yet, having the ability to lead a hospital or healthcare system does not necessarily mean that the individual has the specific knowledge required to effectively run the foodservice operation. With the considerable amount of money budgeted for raw food, it is necessary for the healthcare C-suite to evaluate such a critical resource.

To add a layer of complexity to this need are the vast differences of experienced foodservice directors. A registered dietitian equipped with robust operational experience can be an excellent choice to manage a foodservice department. However, an RD with a clinical background who lacks hands-on foodservice

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experience will likely not produce the desired outcomes.

Similar concerns apply to chefs. Chefs often do not have the credentials to support the position of executive chef or foodservice director. Many who identify with the chef title have not attended a credentialed culinary school or completed the long process of skill-building through internships. Chefs who have culinary education and hands-on kitchen experience with respect for high sanitation standards are often successful in the healthcare kitchen.

A certified dietary manager, certified food protection professional (CDM, CFPP) has the education and training from the following five key areas to make them effective, well-rounded leaders: Nutrition, Foodservice, Personnel and Communications, Sanitation and Safety, and Business Operations. CDM, CFPPs are trained in managing budgets and reducing overall expenses in non-commercial foodservice operations, so they are excellent resources when it comes to exploring ways to rein in raw food costs.

## THE PROBLEM OF FOOD WASTE

The U.S. Department of

Agriculture estimates that 30-40 percent of the food grown is never eaten. In the average healthcare kitchen, food waste is undoubtedly the culprit of a staggering loss of dollars. According to the USDA, the longer a food product can maintain its integrity and stay fresh, the greater the likelihood that the food will be consumed. Therefore, the first step in reducing food costs is to manage your investment proactively. Being proactive starts with creating a culture in which food is revered. This mindset begins with foodservice leadership. Policies and procedures should be driven from this mindset.

Foodservice directors often make the mistake of assigning the task of receiving food deliveries to some of the least experienced team members. Stop and take time to realize what is occurring during a food delivery transaction. While food is being delivered, imagine you're placing \$25,000 cash in your walk-in coolers and freezers and dry storage room. While an assistant foodservice director or a cook may be more expensive labor, how can we afford *not* to have well-qualified foodservice staff receiving and properly securing \$25,000 of inventory?

Indeed, a priority is ensuring that refrigerated and frozen foods are stored correctly

using the "First In, First Out" method. Walk-in refrigeration does not seem to bring the same challenges as walk-in freezers. Let's face it—short of living in the tundra, working for extended periods of time in a walk-in freezer is one of the most uncomfortable places to work in a kitchen. This misery adds to the problem of food waste. In the cold, dark depths of the freezer, food is often lost, damaged, freezer-burned, and sometimes subject to ice build-up from non-potable drain water. This food must be discarded.

Fresh foods are some of our most costly purchases and are often the most mishandled. It is no surprise that these highly perishable items are one of the main culprits of lost raw food costs. Consider this: multiple studies have shown that bananas wrapped in plastic last 21 days longer than unwrapped bananas. Cucumbers that have been covered in plastic last 11 days longer than cucumbers that were not bound in plastic wrap. Fresh beef sealed with an oxygen barrier in plastic vacuum packaging lasts 26 days longer than beef not packaged this way. Using commercial food seal lids or covers with an internal seal can extend everyday shelf life by three additional days.

Teach staff to pull items according to what they are preparing. For example, if

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you have some cherry tomatoes that appear wrinkled due to skin loosening, look for ways to use them. Examine your week's menu and determine when and how you will prepare tomatoes. If lasagna is on the menu, instead of using a convenience product, this would be an opportune time to make marinara sauce from scratch. If fresh items are beginning to show age, proactively work to save the product by creatively utilizing the item or blanching, freezing, and storing in vacuum packaging.

As foodservice employees are emptying cans, food bags, or even food pans on the hot table, every teaspoon of food should be retrieved. Staff should utilize a plastic food scraper to salvage all remaining product from cans and pans. For foods stored in bags, lying the packs flat and using a plastic food scraper is an effective method to collect all contents from the bag. On average, a minimum of two servings is lost with every prepared food item. These discarded servings result in thousands of dollars in wasted food each year.

### THE BENEFITS OF BATCH COOKING

The final method we will cover is batch cooking. Having all food prepped ahead of time gives staff the ability to pull prepared pans as needed and cook them depending on the amount required each day.

A few years ago, I worked with a facility consistently exceeding their monthly raw food budget by \$1,800-\$2,000. The foodservice director, the facility leadership, and the regional vice president assured me that all was well in the kitchen. The leadership team was convinced that the issue had to be poor budgeting for their raw food. On a scheduled site visit, it did not take long to discover the issue. At the end of serving lunch, I observed staff taking mostly empty food pans from the hot table. The question was posed to the team, "what do you do with those small quantities of food leftover in each of those pans?" The answer was, "we throw them away."

We then proceeded to use the proper size serving utensils as the menu required. We measured out anywhere from 9-12 servings of every item. It was the same practice at breakfast and dinner.

At the time, the raw food budget was \$5.89 per patient per day. Using the conservative figure of 10 extra servings per meal per day equated to \$58.90 being discarded every day. On average, this multiplied to \$1,826 per month in lost food dollars.

Batch cooking provides that food is prepped and ready to be cooked in small batches. However, if the last small batches do

not need to be cooked, those can be frozen for future meals or utilized for alternative meals on other days.

Raw food budgets are created with zero consideration for waste. The next time you slice off the top of a tomato and do not consider dicing the tomato around the core for a garnish, remember that portion of the tomato costs the same amount of money as the heart of the tomato.

### LEADERSHIP IN THE KITCHEN

Each person in the kitchen is a leader. As collective leaders in the kitchen, the responsibility falls to each of us to model responsible food practices and serve as good stewards of resources. Reducing food costs in your operation directly contributes to the health and well-being of your hospital or healthcare center's bottom line. Revering and respecting food will contribute to the health and wellness of the clients you serve. **E**

### SEE PAGE 4 FOR CE QUESTIONS

## REFERENCES

1. Practice Greenhealth. How Hospitals Are Preventing and Optimizing Leftover Food. Accessed January 2021.
2. American Chemistry Council. There's A Reason We Use Plastics To Package Food. Accessed January 2021.



*This Level 1 article assumes that the reader has entry level knowledge of the topic. The desired outcome is to ensure a foundation of basic concepts of the subject matter.*

Reading *Reducing Food Costs in Healthcare Foodservice Operations* and successfully completing these questions online has been approved for 1 hour of continuing education for CDM, CFPPs. CE credit is available ONLINE ONLY. To earn 1 GEN CE hour, access the online CE quiz in the ANFP Marketplace. Visit **www.**

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1. What is the best way to store fresh produce after a food delivery?
  - A. In the box in which it was shipped
  - B. Uncovered and placed in a food container
  - C. Wrapped with plastic wrap or a seal cover on a food container
2. What percentage of a raw food budget is allocated for extra servings?
  - A. 0 percent
  - B. 5 percent
  - C. 10 percent
3. What is the most costly expense in a healthcare operation?
  - A. Medications
  - B. Labor
  - C. Food
4. How much food grown in the U.S. does the USDA estimate is not eaten?
  - A. 20-30 percent
  - B. 30-40 percent
  - C. 50 percent
5. When produce starts to show signs of aging, it is best to:
  - A. Discard it
  - B. Place it on a salad bar
  - C. Utilize it in a recipe ASAP
6. What tool can be used to completely empty canned foods?
  - A. Handled scoop
  - B. Metal spoodle
  - C. Plastic food scraper
7. Storing food in walk-in freezers is challenging because of:
  - A. Dark, extreme cold temperatures and potential ice build-up from non-potable water
  - B. Freezers are often small
  - C. Nothing is labeled

