Surveying the Big Squeeze: Transforming Your OR for the Era of Falling Payments and Rising Quality Expectation

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Why Focus on Perioperative Services?

Perioperative Services are key to a hospital/system's success

- Over 68% of better performing hospitals’ revenue
- 60% of margin is derived from better performing Perioperative Services.
- Successful system under Value-Based Purchasing/ACO provides both surgeons and payors more value for surgical services. Equation: Outcome/Cost
As healthcare leaders our goal is to improve the value of Perioperative Services.
Successful healthcare system perioperative services have common characteristics:

- Collaborative governance structure
- Transparent, comprehensive information
- Engaged involvement of physicians, nursing and administrative leadership
- Focus on new innovative model to deliver care
  - Surgical home
  - Bundled payment
- Focused processes to enhance OR efficiency
  - Turnover times
  - On-time starts
  - Case time
- Lower costs
- Uncompromised focus on clinical excellence
Case Study:
Memorial Regional Hospital

Flagship Tertiary Level I Trauma Center

Underperforming:
– Financially
– Clinically
– Operationally
**Case Study: Memorial Regional Hospital**

*Flagship tertiary trauma center of health system in the south underperforming financially*

<table>
<thead>
<tr>
<th>Metric</th>
<th>Benchmark</th>
<th>Client</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance</td>
<td>Collaborative Multidisciplinary Daily Huddle</td>
<td>Nurse Driven No Daily Huddle</td>
<td></td>
</tr>
<tr>
<td>Block Schedule</td>
<td>8 hr blocks plus open time; 80% utilization</td>
<td>Mostly 8 hr blocks A few 4 hr blocks Group, Service or Surgeon</td>
<td></td>
</tr>
<tr>
<td>Cases per OR</td>
<td>IP 900 cases x 59% = 531 OP 1,400 cases x 41% = 574 Total = 1,105 cases/OR</td>
<td>2011: 938 per OR</td>
<td></td>
</tr>
<tr>
<td>Day of Surgery Cancellations</td>
<td>&lt; 1%</td>
<td>2011 = 5.8%</td>
<td></td>
</tr>
<tr>
<td>Turnover Time</td>
<td>IP: 20-30 minutes OP: 10-20 minutes</td>
<td>2011 = 38 min (no cardiac or thoracic)</td>
<td></td>
</tr>
<tr>
<td>First Case On-Time Starts</td>
<td>90% or greater within 5-7 minutes of start time</td>
<td>2011: 50% (team in room by 0730 and surgeon in OR suite 15 min prior)</td>
<td></td>
</tr>
</tbody>
</table>
Case Study:
Memorial Regional Hospital

Block Utilization - 2011
## Case Study:
### Memorial Regional Hospital

### Anesthesia

<table>
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<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Leadership</strong></td>
<td>Drive perioperative performance Daily Huddle</td>
<td>Not involved in OR management</td>
<td>📺</td>
</tr>
<tr>
<td><strong>Safety</strong></td>
<td>Create a culture of safety Consensus on protocols</td>
<td>Has a culture of safety but no consensus on protocols</td>
<td>🟤</td>
</tr>
<tr>
<td><strong>PAT</strong></td>
<td>Protocol driven Patient optimized prior to surgery</td>
<td>Not protocol driven patients</td>
<td>📺</td>
</tr>
<tr>
<td><strong>Service Orientation</strong></td>
<td>Service focused</td>
<td>Working in silos and not in collaboration with nursing</td>
<td>📺</td>
</tr>
</tbody>
</table>
Intervention

- Established collaborative governance structure
  - SSEC
  - Daily huddle
- Re-allocated Block
- Anesthesiologist’s leadership role enhanced
- Upgraded PAT
- Improved Supply Chain Management
- Surgeon out-reach
- Information to understand performance
Collaborative Governance

Create a perioperative governing body to align incentives
an Operations Committee for all aspects of Perioperative Services

- Surgical Leadership
- OR Nursing Leadership
- Anesthesia Leadership
- Sr. Hospital Leadership

Surgical Services Executive Committee (SSEC)

- Chaired by Medical Director(s) of Perioperative Services
- Administration-sponsored Surgery Board of Directors
- Controls access and operations of OR
- Sponsors and directs Perioperative team activity
**What is the Huddle?**

**PROBLEM/OPPORTUNITY LIST:**

1. Recap of previous day
2. Total cases for next day and 5 days out; PAT and scheduling completion
3. Review of schedule
4. Total number of anesthesia providers to start day
5. PAT problem review
6. Antibiotics review
7. Review Pending Action items
Case Study: Pre-Anesthesia Testing

- Single Pathway Scheduling
- Test Management Strategies
- Telephone Questionnaire
- Testing Protocols
- Medical Director
- Systems to treat patients with co-morbid conditions

Effective PAT
Case Study: Memorial Regional Hospital

<table>
<thead>
<tr>
<th>Performance Indicators</th>
<th>Improvements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact on Surgical Volume</td>
<td>8%</td>
</tr>
<tr>
<td>Impact on Net Income</td>
<td>$2.8 million</td>
</tr>
</tbody>
</table>

- Surgeons engaged
- OR has strong leadership with co-medical directors and nursing director
- Hospital well-positioned and functioning efficiently
  - $20 million turn-around
INFORMATION DRIVES CHANGE
Case Time Data
Driving Organizational Change
Background:

- Demand perceived to exceed capacity
- Under-performing in key metrics
- Leadership frustrated in ability to implement change
Physician Scorecard
Physician Scorecard (cont’d)
Surgeon Dashboard

Turnover

<table>
<thead>
<tr>
<th>Dr. Bartolozzi</th>
<th>Minutes</th>
<th># of Turnovers</th>
<th>General Surgery</th>
</tr>
</thead>
<tbody>
<tr>
<td>March.13</td>
<td>77</td>
<td>1</td>
<td>43</td>
</tr>
<tr>
<td>February.13</td>
<td>38</td>
<td>9</td>
<td>36</td>
</tr>
<tr>
<td>January.13</td>
<td>21</td>
<td>8</td>
<td>43</td>
</tr>
</tbody>
</table>

Block Utilization

<table>
<thead>
<tr>
<th>Month</th>
<th>Utilization</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>March</td>
<td>90</td>
<td>80</td>
</tr>
<tr>
<td>February</td>
<td>80</td>
<td>80</td>
</tr>
<tr>
<td>January</td>
<td>70</td>
<td>80</td>
</tr>
<tr>
<td>December</td>
<td>60</td>
<td>80</td>
</tr>
</tbody>
</table>

7:30 OnTime Starts

<table>
<thead>
<tr>
<th>Month</th>
<th>Cases</th>
<th>OnTime</th>
<th>Delay Reasons</th>
</tr>
</thead>
<tbody>
<tr>
<td>March.13</td>
<td>100%</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>February.13</td>
<td>60%</td>
<td>5</td>
<td>3 Surgeon Delay</td>
</tr>
<tr>
<td>January.13</td>
<td>100%</td>
<td>3</td>
<td>3 Pt Late to OR</td>
</tr>
</tbody>
</table>

Day of Surgery Cancellations

<table>
<thead>
<tr>
<th>Month</th>
<th>Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>March.13</td>
<td>0</td>
</tr>
<tr>
<td>February.13</td>
<td>1</td>
</tr>
<tr>
<td>January.13</td>
<td>1</td>
</tr>
</tbody>
</table>

Case Time

<table>
<thead>
<tr>
<th>Procedure</th>
<th>Date</th>
<th>Average Case Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAE</td>
<td>Mar-13</td>
<td>215</td>
</tr>
<tr>
<td></td>
<td>Feb-13</td>
<td>220</td>
</tr>
<tr>
<td></td>
<td>Jan-13</td>
<td>197</td>
</tr>
<tr>
<td>Median Department Case Length</td>
<td>Mar-13</td>
<td>217</td>
</tr>
</tbody>
</table>

Procedural Counts

<table>
<thead>
<tr>
<th>Primary Procedure</th>
<th>Total 2007</th>
<th>Jan-13</th>
<th>Feb-13</th>
<th>Mar-13</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lap Chela</td>
<td>55</td>
<td>3</td>
<td>7</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>Lap Append</td>
<td>21</td>
<td>0</td>
<td>7</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Breast Biopsy</td>
<td>26</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Radical Mastectomy</td>
<td>19</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Inguinal Hernia</td>
<td>17</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>4</td>
</tr>
</tbody>
</table>
Case Time Task Force
Impact

CV Surgery:
- 50 minutes per case reduction in 6 months

Urology:
- Robotic Prostatectomy 45 minutes reduction in case time

Cost per Minute: $20 dollars

Impact:
- Reduce cost per case
- Grow revenue
Outcome

**Impact:**
- 9% increase in case volume over prior year in HJD

**National recognition:**
- Increase in US News and World Report ranking for HJD of 4 from 8 in two years
Target Sales Effort:

Needs-based approach focusing on:

Loyalists    Splitters    Non-Users
Problem / Intervention

PROBLEM: Perioperative services underperforming because of surgeon practice organization

INTERVENTION: Information on market performance, focus group research (consumer and PCP), strategic intervention
Focus Group

- Primary Care Physician
  - Lack of sub-specialization, especially for colon/rectal, breast
  - General surgeon financial incentives impact patient access
    - Wait time for appointment
    - Responsiveness to surgical needs

- Consumer
  - Higher quality of care in tertiary setting
Outcome

- Increase in surgeon income
- 4.5% growth in volume in twelve (12) months
Surgical Home ensures your hospital provides high-value care to patient and payors.
Surgical Home
Manages the Patient Experience

- Scheduling
- Pre-Surgical Optimization
- Surgery
- Hospital Recovery
- Post Discharge
Who Participates?

All disciplines:

Surgeons, nurses, anesthesiologists and discharge planners work collaboratively to optimize the patient experience.
CRITICAL COMPONENTS

• Pain Management Expertise
  – Ambulation

• Post-Discharge
  – PCP visit within 24 hours to manage comorbidity
  – Home health meets patient upon arrival home
  – Daily rounding (SNF and homebound patients)
The Impact of a Surgical Home

Surgical homes are impacting outcomes, costs and patient satisfaction

<table>
<thead>
<tr>
<th>University of California Irvine Joint Replacement</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LOS</strong></td>
<td></td>
</tr>
<tr>
<td>2.7 days</td>
<td>3 days</td>
</tr>
<tr>
<td><strong>30-day readmissions</strong></td>
<td></td>
</tr>
<tr>
<td>.05%</td>
<td>4.4%</td>
</tr>
<tr>
<td><strong>Cancellation Rate</strong></td>
<td></td>
</tr>
<tr>
<td>.05%</td>
<td>1.5%</td>
</tr>
<tr>
<td><strong>Patient Satisfaction Rate</strong></td>
<td></td>
</tr>
<tr>
<td>99%</td>
<td>95%</td>
</tr>
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</table>

Note: The University of California Irvine is now leading superior performance to grow market share
How to Get Started

- Gather everyone around the table
- Build organization consensus on the benefit of a surgical home
- Identify key surgical line procedures:
  - Orthopedic
    - Hip
    - Knee
  - Cardiac
- Identify CHAMPION
- Organize team
- Develop opportunity for evidence-based practice/coordination of care
- Manager Care
  - Pre-Surgical
  - Acute
  - Post Discharge
- Measure process and outcomes through dashboards