



OR Turnaround Boosts Hospital Profit \$3M

Memorial Regional Hospital is a 553-bed acute care medical center in Hollywood, Florida.

Situation: A Struggling OR

The surgery department started slipping into a pattern of low efficiency. Problems included high cancellation rates, frequent delays and low utilization. The inefficient OR working environment reduced productivity for surgeons and anesthesiologists. High costs and declining case volumes led to low OR revenue and profitability.

Interventions: Culture Change and Process Improvement

Surgical Directions began a partnership with Memorial Regional to assess the challenges of the OR. The peer-to-peer team of Surgical Directions helped executive and surgery department leaders implement a series of key interventions:

- **Physician governance.** The hospital began by creating a Surgical Services Executive Committee (SSEC) to run the OR. Led by experienced surgeons and anesthesiologists, the SSEC gave physicians “ownership” of the OR and accountability for efficiency and performance.
- **Effective block time system.** The SSEC strengthened block time rules and reallocated blocks based on surgeon utilization. The committee also created open rooms to accommodate add-ons cases while setting a sustainable and usable methodology for the block time system.
- **Stronger pre-op processes.** Leadership task forces developed better upfront scheduling processes and standard protocols for pre-op testing and patient management. Staff began holding “daily huddles” to optimize the upcoming schedule and ensure all patients are fully cleared for surgery, at least 3 days prior to the procedure.



Efficiency

reduce same-day cancellations

8.4%  3.3%

Utilization

boost in prime time utilization

38%  68%

Outcome: Complete OR Turnaround

The SSEC introduced a wide range of organizational changes and process improvements throughout the year. By the end of one year, the OR achieved dramatic gains in several critical performance measures:

- **Efficiency.** Better patient preparation helped reduce same-day cancellations from 8.4% to 3.3%.
- **Utilization.** Greater perioperative efficiency and a stronger block time system boosted prime time utilization from 38% to 68%.
- **Physician satisfaction.** Efficiency and utilization gains allowed surgeons, anesthesiologists and nursing staff to work more productively in the OR. In addition, surgeons also gained better access to the schedule.
- **Increased volume.** OR leaders leveraged efficiency improvements to persuade “splitter” surgeons to schedule more cases at Memorial Regional. The average monthly case volume increased 6.1%.
- **Higher revenue.** Much of the OR’s volume growth was in complex, high-revenue procedures. At the same time, efficiency improvements helped the OR hold costs steady.

Overall, improvements in revenue and expenses increased the OR’s net profit by \$3 million. This turnaround in OR performance contributed to a significant increase in net income for Memorial Regional Hospital.