SURGICAL DIRECTIONS

Plan and Execute an "OR Reset" in 2022

Hospital executives can lead a post-pandemic financial recovery by reinvigorating OR performance and reworking OR strategy

The opportunity: While the OR is "ground zero" for recent financial problems, it also represents the best opportunity to rebuild hospital margins. In fact, better-performing hospital sare now leveraging surgical services to launch a sustainable financial recovery.

The obstacles: Disruptions in the OR workforce, changes inthe surgery market and other factors have complicated the path to recovery. To rebuild surgical services revenue, hospital executives need to plan and execute a complete OR reset.

Understand the current problems and the key solution

Right now, most hospital ORs have two pressing needs. Department leaders need to recapture deferred volume caused by case cancellations during the pandemic. They also need to develop an OR strategy that meets the needs of the post-pandemic surgery market. At the same time, surgery departments face three unique problems:

1. OR nurses are suffering significant burnout. Many experienced nurses are leaving healthcare altogether, a development that will impede plans to recover OR volume.

2. Anesthesia providers are in short supply. The growing shortage of anesthesiologists and CRNAs will complicate any efforts to increase surgical capacity now and build for the future.

3. Surgeons are rapidly shifting their practice from the inpatient OR to outpatient settings. This shift could drive positive change in many organizations, but it will cause problems for hospitals that handle the transition poorly.

The key to addressing all these issues is a collaborative approach. Begin by resettingthe OR leadership structure by creating a Surgical Services Executive Committee (SSEC). An SSEC is a physician-led governance body that has full responsibility for the clinical, operational and financial success of the OR.

Who: In addition to clinically active surgeons, the SSEC should include representatives from anesthesia, OR nursing leadership and the C-suite.

What: The SSEC is commissioned by hospital administration to establish and enforce key policies for the OR, including block schedule design and block allocation.

Why: Tight controlby hospital administration does not create a high-performing surgery department. ORs function most efficiently when physicians and nurses have a strong sense of ownership.

Launch a series of critical conversations

One of the SSEC's first steps is to launch discussions with community surgeons, anesthesia providers and nurses. The goal is to understand their current needs and their ability to contribute to an OR recovery.

Surgeons: Physician members of the SSEC should initiate peer-to-peer discussions with surgeons and other proceduralists. The objective is to identify surgeons who have a case backlog and quantify their backed-up volume. Discussions should also explore changes in surgeons' practice patterns. The pandemic forced surgeons to perform more cases in ambulatory surgery centers (ASCs), including many providers who were previously reluctant to do same-day surgery. As a result, many surgeons now want to maximize their use of ASCs and other outpatient options.

Nurses: SSEC leaders should also initiate discussions with staff nurses to determine their personal capacity for additional hours. For example, some nurses may prefer longer afternoon hours while others will opt for evening and/or weekend shifts. Discussions should also determine what nurses want in return for extended hours. Some nurses may want to ensure they receive overtime pay for additional shifts. For others, guaranteed PTO will be highly motivational.

Anesthesia: To ensure adequate support for current and long-term plans, the SSEC should work with anesthesia leaders to create a good practice environment for anesthesiologists and CRNAs. Key goals include:

- Taming chaotic anesthesia schedules by optimizing the block system and streamlining anesthesia coverage of non-OR locations such as endoscopy, IR and imaging.
- Reducing the need for an anesthesia stipend by helping group leaders work with payers to increase anesthesia reimbursement.
- Improving provider satisfaction by establishing leadership opportunities for anesthesiologists and CRNAs and supporting their efforts to realize professional goals.

Create a plan to work through case backlogs

One outcome of these stakeholder conversations will be a clear understanding of the post-pandemic case backlog. To recapture deferred volume, the SSEC should executes trategies to temporarily increase OR capacity. Options include:

Lengthening the OR day by starting earlier or extending prime time later in the afternoon. As part of this strategy, consider expanding select surgeon blocks (e.g., from 6 or 8 hours to 10 hours).

Opening more rooms on select days of the week or keeping more rooms open during the afternoon draw-down.

Creating special "Super Saturday" blocks that enable high-volume surgeons to work through their case backlog.

In addition, now is the perfect time for the SSEC to review block allocations and redistribute block time based on utilization. Tightening up the block schedule will instantly expand capacity and increase case throughput.

Develop a future-focused ambulatory strategy

While the backlog plan moves forward, hospital executives and the SSEC should start developing anambulatory surgery strategy that matches emerging market patterns. Analysts can help project local market demand for outpatient surgery based on demographics. However, many analysts might miss the rapidevolution in surgeon practice that began during the pandemic. Examples include:

- Orthopedic surgeons who have recently adopted same-day discharge for hip replacement patients
- Interventional cardiologists who have transferred many diagnostic procedures and less complex angioplasties to the ambulatory setting
- Neurosurgeons who have converted select inpatientdisc fusion cases to less invasive procedures that can be performed in an ASC

Many better-performing ORs were able to weather the pandemic thanks to a robust ambulatory strategy, whether that involved freestanding ASCs, hospital outpatient surgery departments (HOPDs) or a combination of the two. Surgical Directions recently worked with an East Coast hospital that opened an HOPD in November 2021, just as the Omicron wave was beginning to build steam. The new unit included 4 operating rooms and 2 endoscopy suites. As expected, the HOPD schedule filled up quickly. However, there was no accompanying decline in inpatient OR volumes —mainly because the new capacity attracted several orthopedic surgeons who historically had not used the hospital.

Guidance on effective strategies and tactics

Hospital executives today are prioritizing efforts to execute a financial recovery. For most hospitals, the best opportunity is to boost OR results by reinvigorating department performance and reworking surgical services strategy.

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