



**SURGICAL
DIRECTIONS**

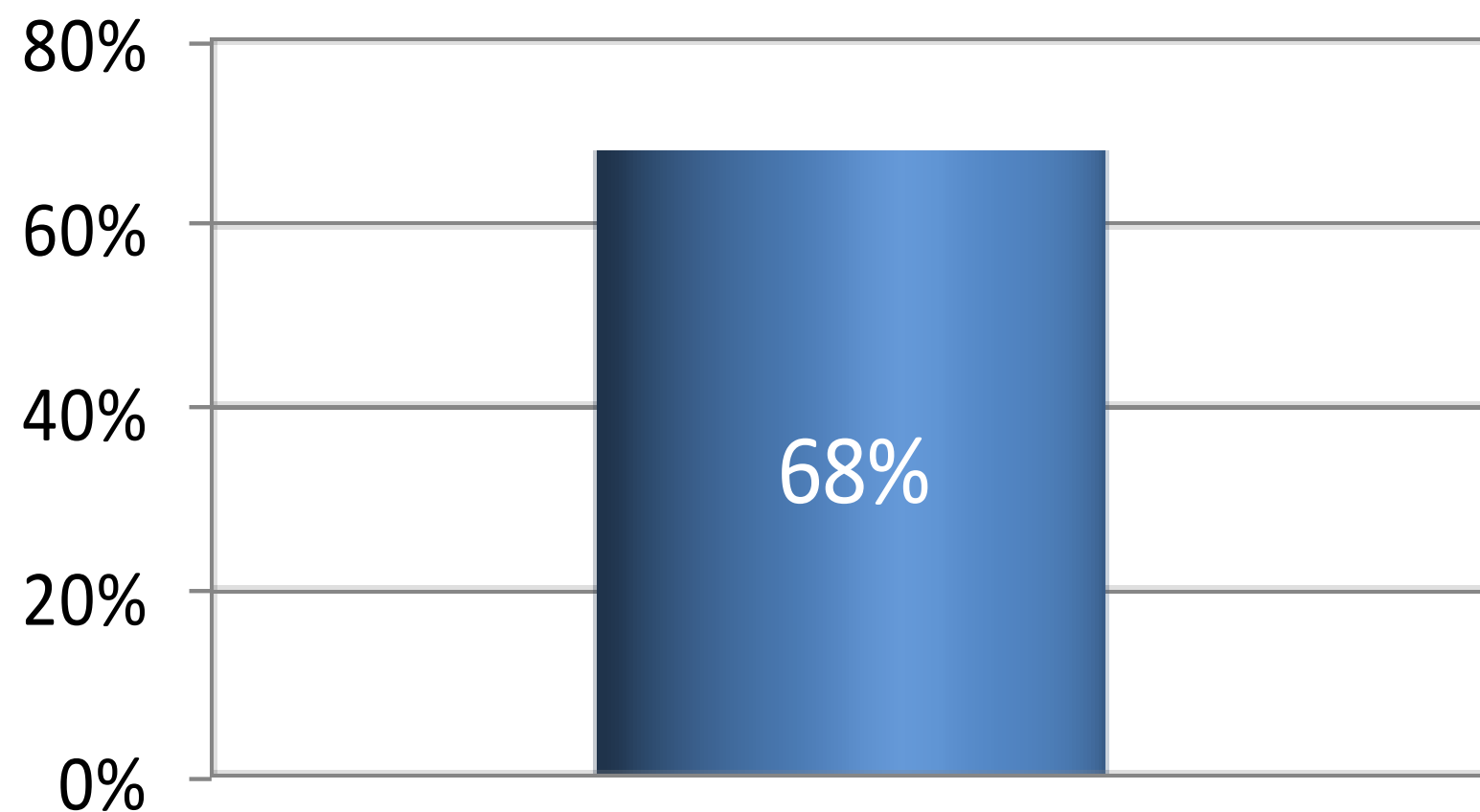


Surviving the Big Squeeze:

Transforming Your OR for the Era of Falling Payments and Rising Quality Expectation

Why Focus on Perioperative Services?

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



% better performers' revenue from perioperative services

Perioperative Services drive hospitals' performance.

- *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***

Healthcare Leaders Role

As healthcare leaders our goal is to improve the value of Perioperative Services



The OR of the Future

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

Anesthesia helps drive perioperative performance

Driving Perioperative Performance

Participate in Daily Huddle

Effective Medical Director

Incentives aligned

Well-positioned for the future

Available effective regional blocks

PAT

On-time starts

Quick procedural turnover time

Strong leader

Stipend based on service standards

Surgical Home & Bundled Payments

Respected clinically

Protocol driven and evidenced-based

Growth in Case Volume & Improved Bottom Line

Case Study: *Memorial Regional Hospital*

Flagship Tertiary Level I Trauma Center

Underperforming:

- Financially
- Clinically
- Operationally



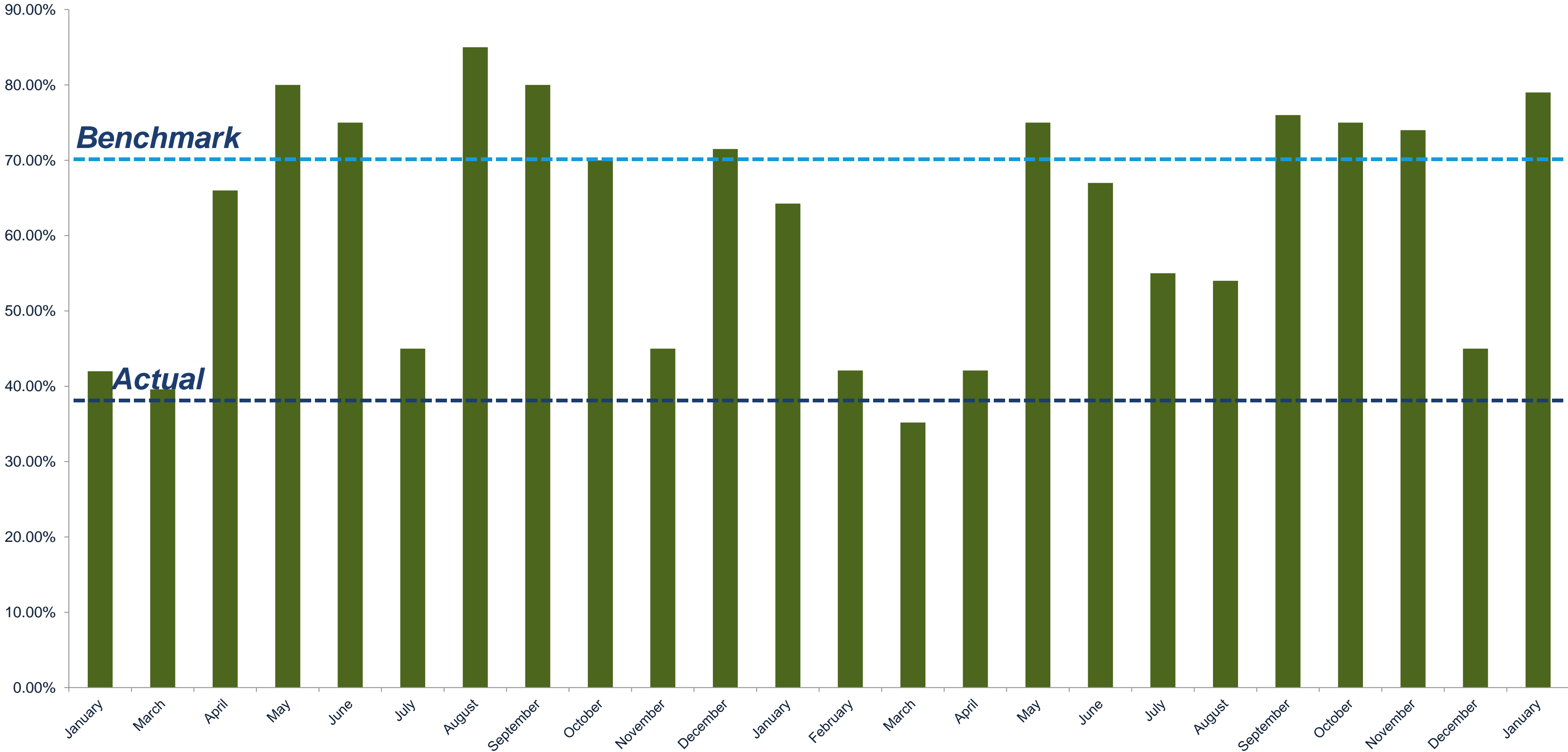
Case Study: *Memorial Regional Hospital*

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

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

Case Study: *Memorial Regional Hospital*

Block Utilization - 2011



Case Study: *Memorial Regional Hospital*

Anesthesia

Metric	Benchmark	Client	Rating
Leadership	Drive perioperative performance Daily Huddle	Not involved in OR management	●
Safety	Create a culture of safety Consensus on protocols	Has a culture of safety but no consensus on protocols	●
PAT	Protocol driven Patient optimized prior to surgery	Not protocol driven patients	●
Service Orientation	Service focused	Working in silos and not in collaboration with nursing	●

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

Case Study: *Full or Partial Blocks*

	Full Day Block	Partial Day Block
Hospital Revenue	↑	↓
Anesthesia Revenue	↑	↓
Nursing Costs Per OR Minute	↓	↑
Case Volume	↑	↑
Payor Mix	↑ Commercial	↑ Government Pay
Profit Per Case	↑	↓

Case Study: *Block Time Ratings*

Metric	Benchmark-Current	Memorial Previous
Length	8 hour +	Variable
Utilization to maintain	75%	50%
Release time	Variable by specialty	24 hour
Open rooms	20%	0

Key Drivers: *Non-Labor Costs*

Non-Labor costs 60% of OR budget

<i>Metric</i>	<i>Best Practice</i>	<i>Norm</i>
Inventory Turns •PAR, Min/Max levels •Single sourcing	10-12	2
Returned items from case	<10%	30%
High dollar implants/costs (knees) •Optimize GPO contracts •Create capitated rates •Leverage consignment	\$3,200	\$4,800
Reprocessing	30%	5%

What is a Daily Huddle?

H - Healthcare

U - United

D - Daily (to make)

D - Decisions

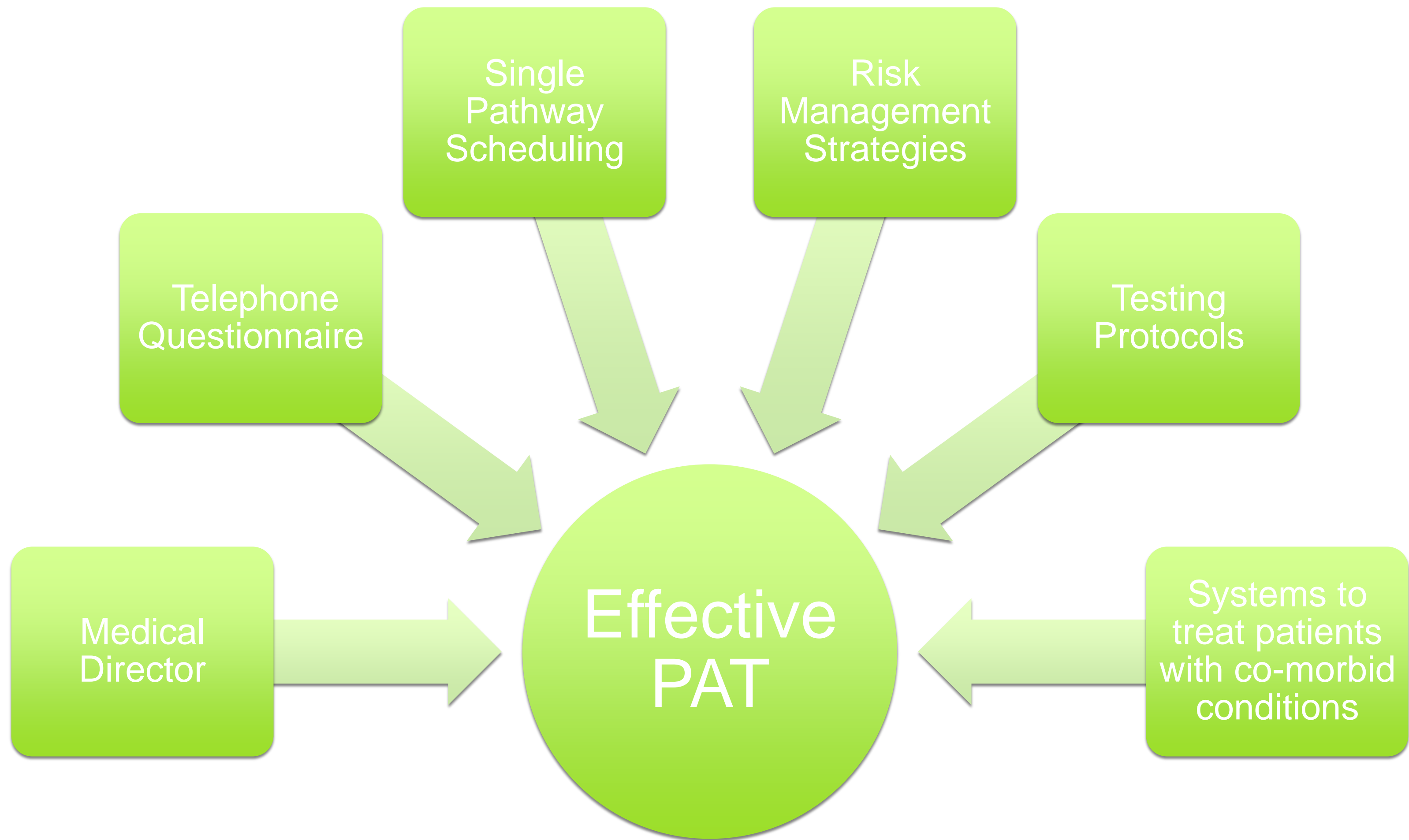
L - Leading to

E - Excellence

PROBLEM/OPPORTUNITY LIST:

- Recap of previous day
- Total cases for next day and 5 days out; PAT and scheduling completion
- Review of schedule
- Total number of anesthesia providers to start day
- PAT problem review
- Antibiotics review
- Review Pending Action items

Case Study: Pre-Anesthesia Testing





CULTURE OF SAFETY

Ten Components for Safer Surgery:

- Surgical Services Executive Committee/Medical Directors
- Single path for surgical scheduling
- Pre-Anesthesia Testing Center with standardized protocols/Hospitalists
- Document management system for scheduling and PAT
- Excellence in Sterile Processing
- Crew Resource Management
- Implementation of WHO checklist
 - Time Out
 - Sign Out
- Daily Huddle
- Error Reporting
- Just Culture

1 PATIENT
SAFETY
FIRST

Case Study: Memorial Regional Hospital

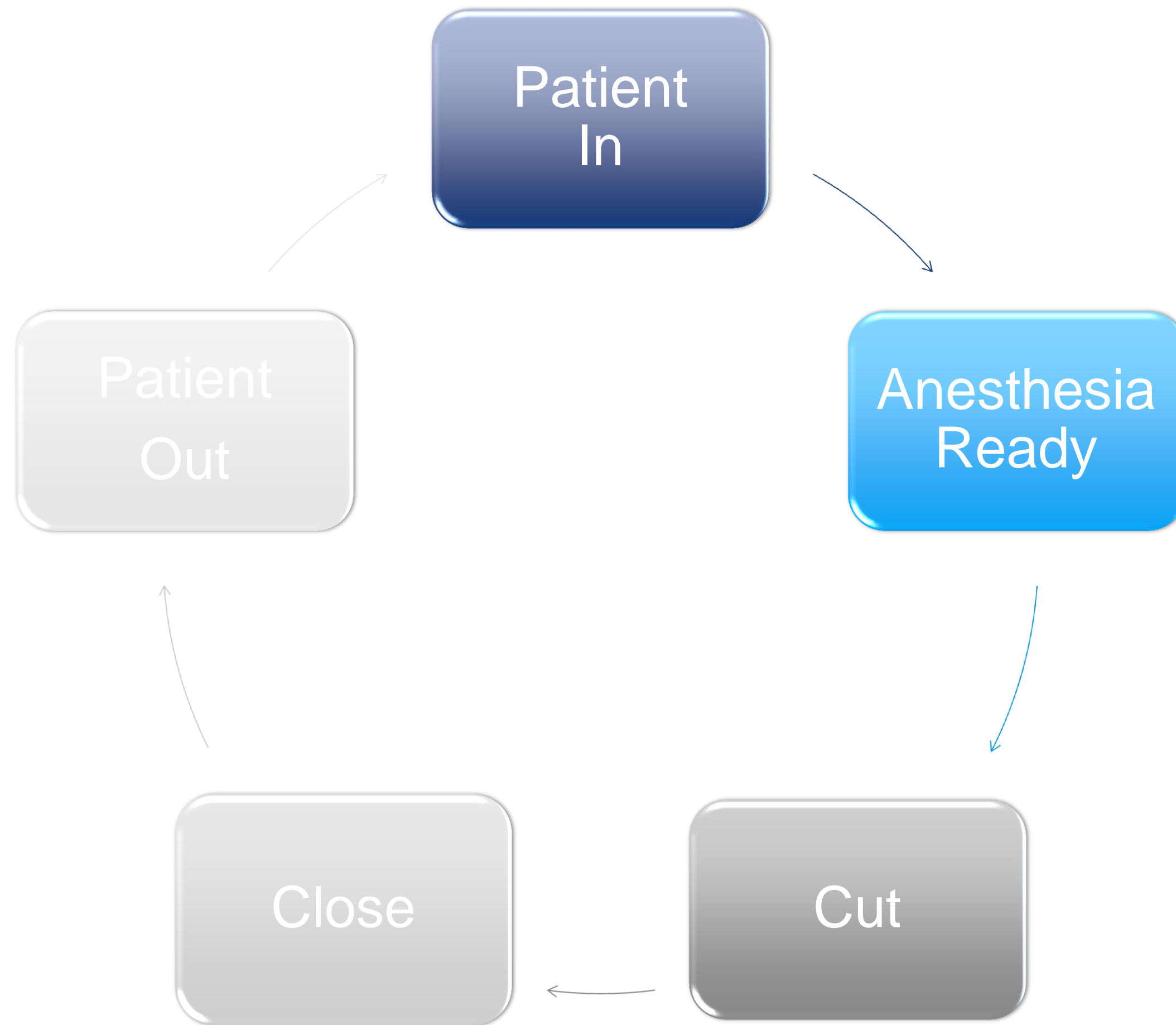
Performance Indicators	Improvements
Impact on Surgical Volume	8%
Impact on Net Income	\$2.8 million

- 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



East Coast Academic Medical Center

Background:

- Demand perceived to exceed capacity
- Under-performing in key metrics
- Leadership frustrated in ability to implement change

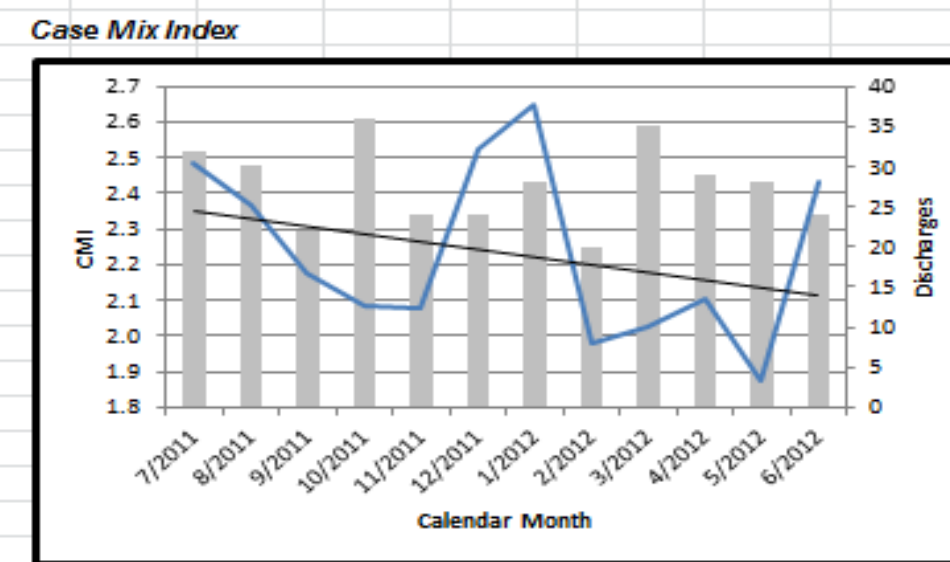
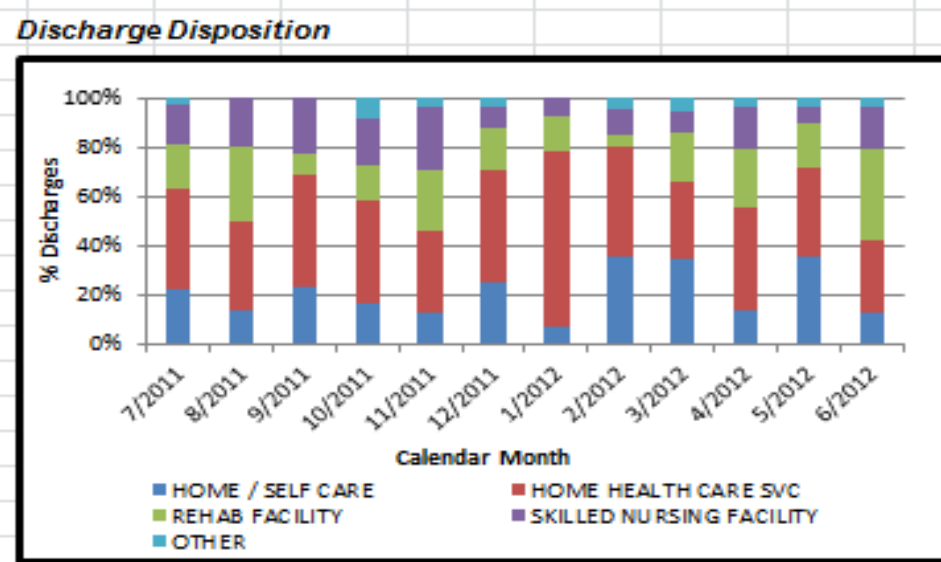
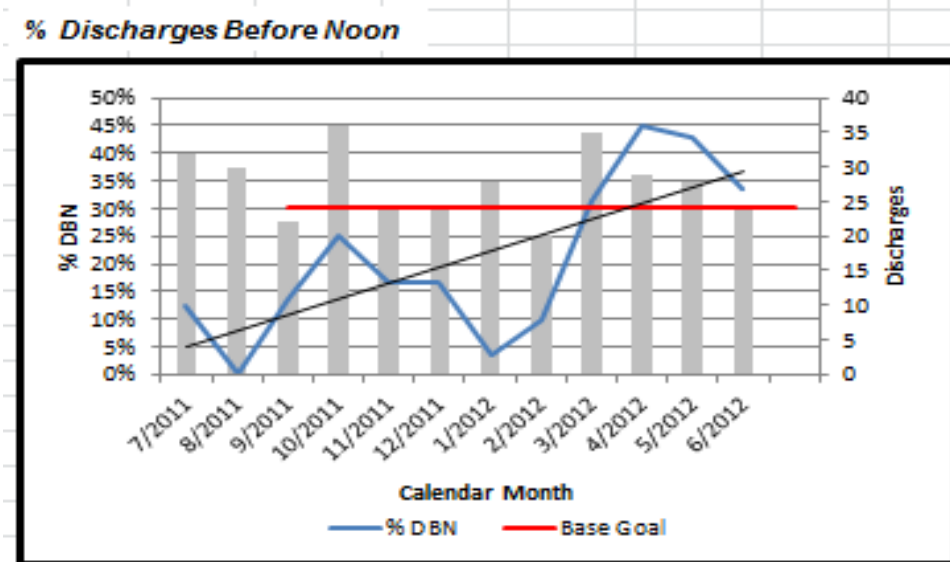
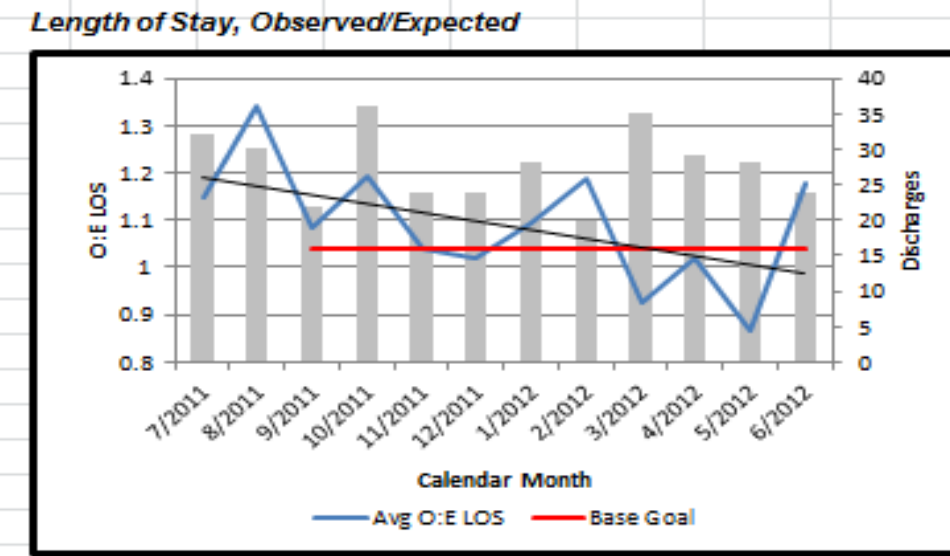
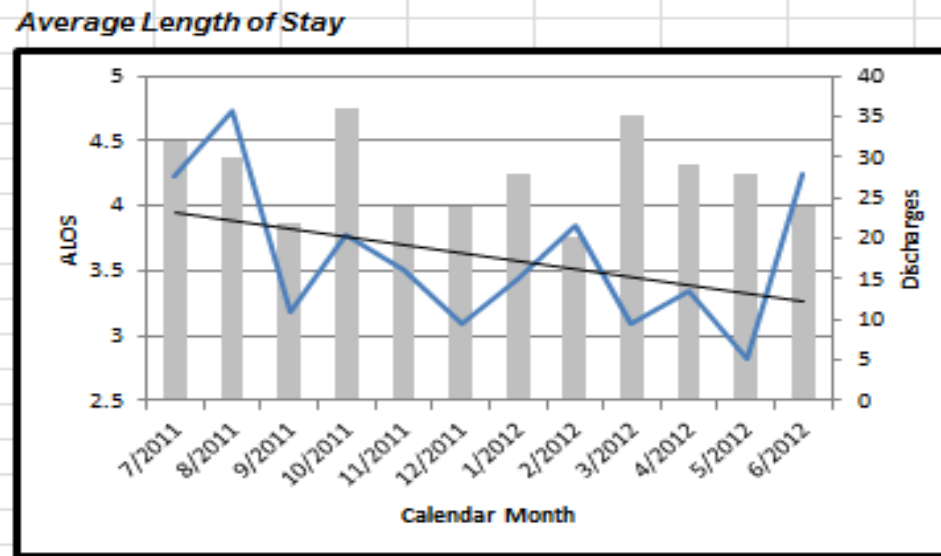
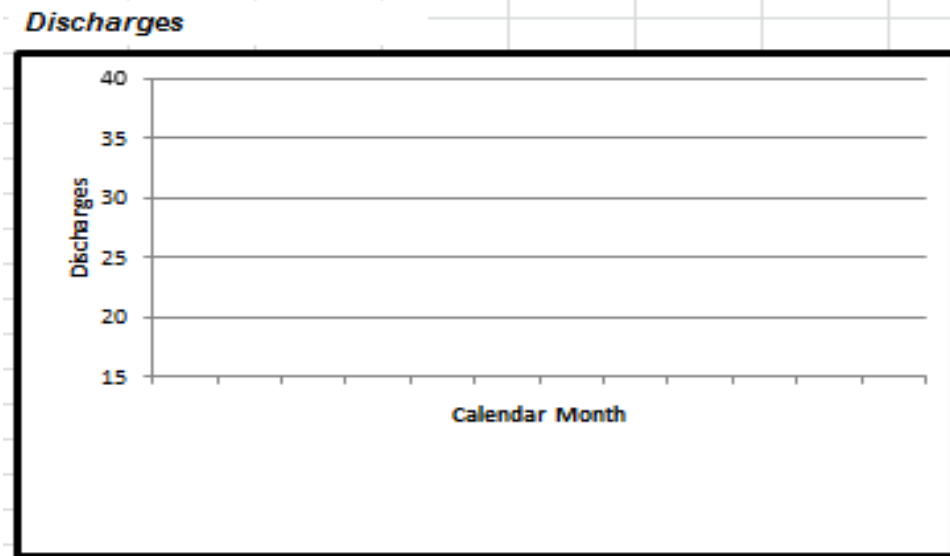
Task Forces

- Physician and perioperative staff lead taskforce to drive change
 - SSEC
 - Block
 - PAT
 - Case time
 - Efficiency

NOTE: Surgeon report cards are produced monthly to increase organizational and surgeon awareness of key benchmarks and how surgeons compare (financially, operationally, and clinically)

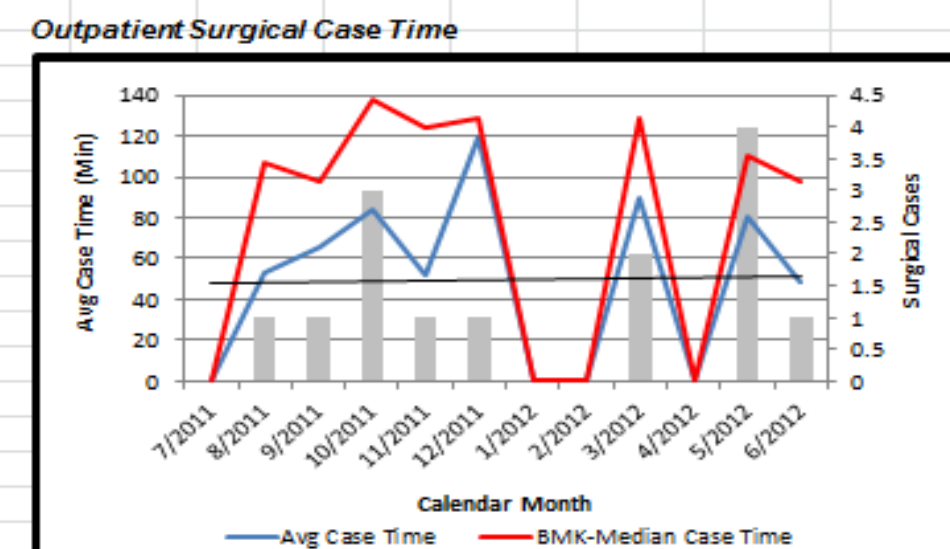
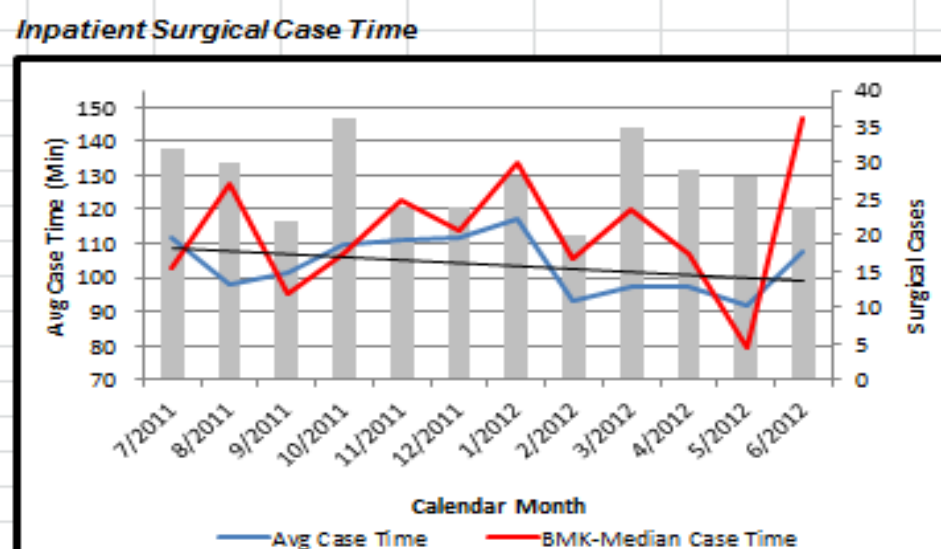
Physician Scorecard

Clinical Operations



Perioperative Performance

Metric	2012CYTD	2011 CYTD	Variance
Surgical Case Volume (IP)			
Surgical Case Volume (OP)			
Average Case Time (IP)			
Average Case Time (OP)			
Block Time Utilization			
First Case On-Time Start %			
Average Turnover Time			



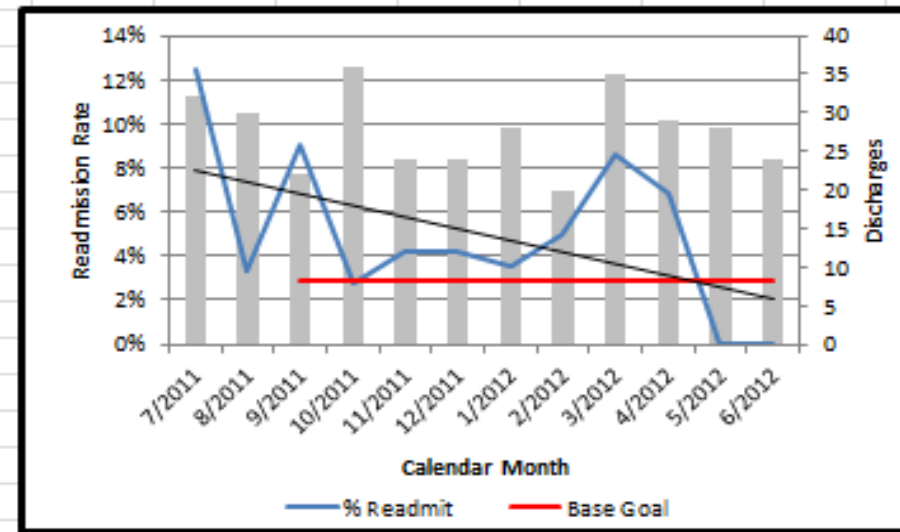
Physician Scorecard (cont'd)

Clinical Quality

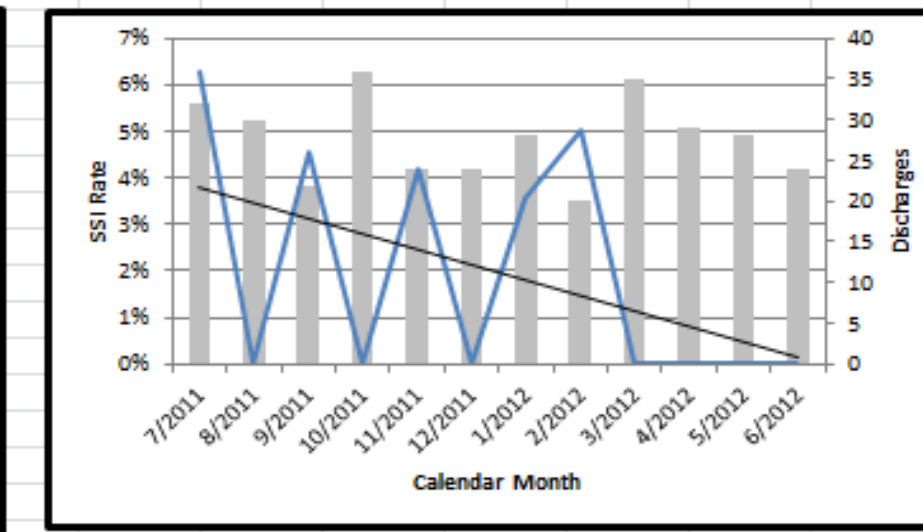
Data Summary

Metric	2012CYTD	2011 CYTD	Variance
30 Day Readmissions			
Surgical Site Infections			
Mortalities			
Postoperative PE or DVT			
Central Line Associated Bloodstream Infections			

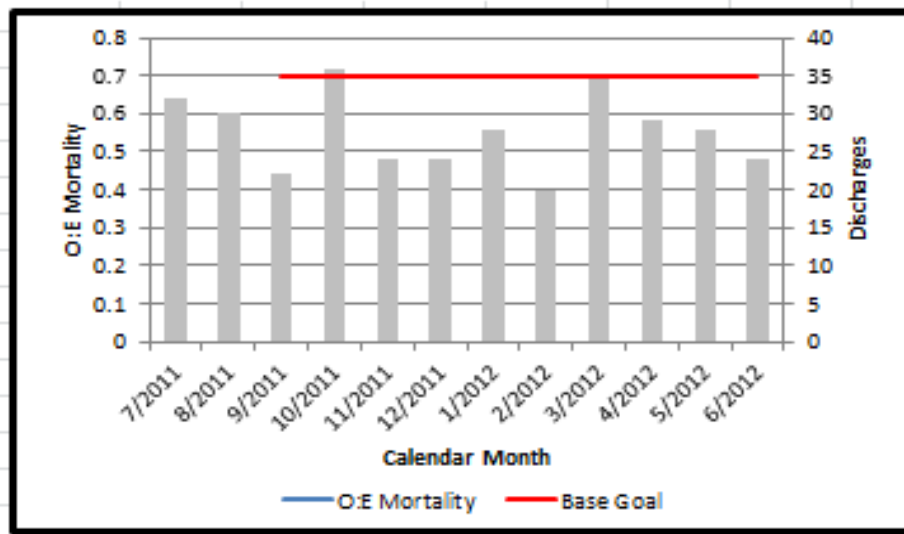
30 Day Readmission Rate



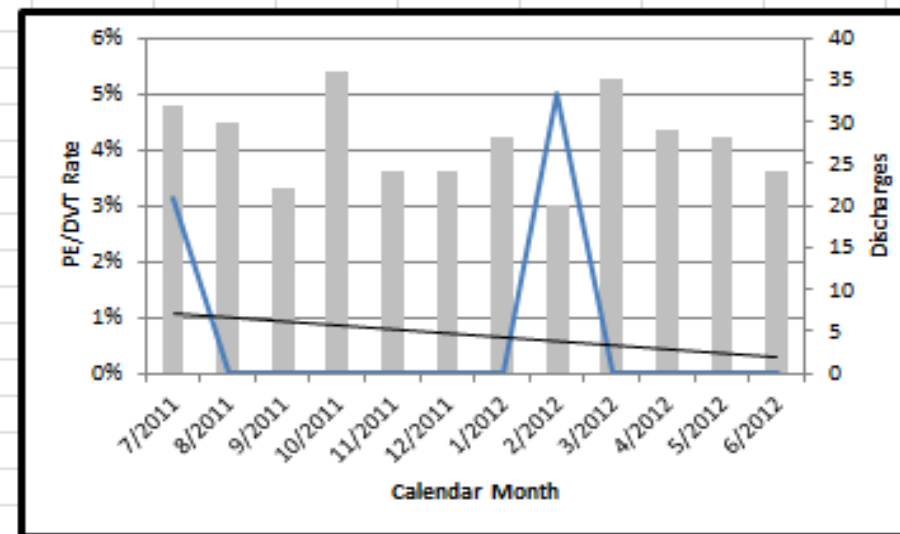
Surgical Site Infection Rate



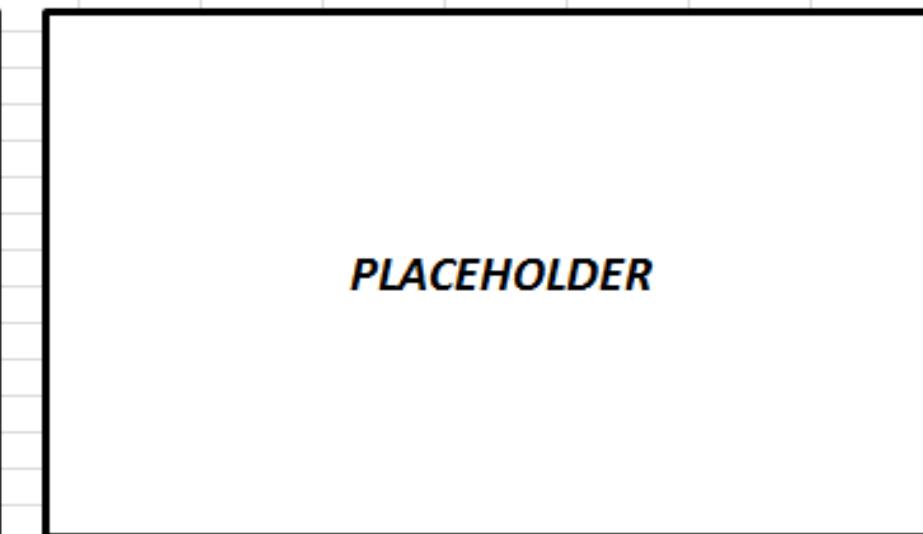
Mortality, Observed/Expected



Postoperative PE or DVT

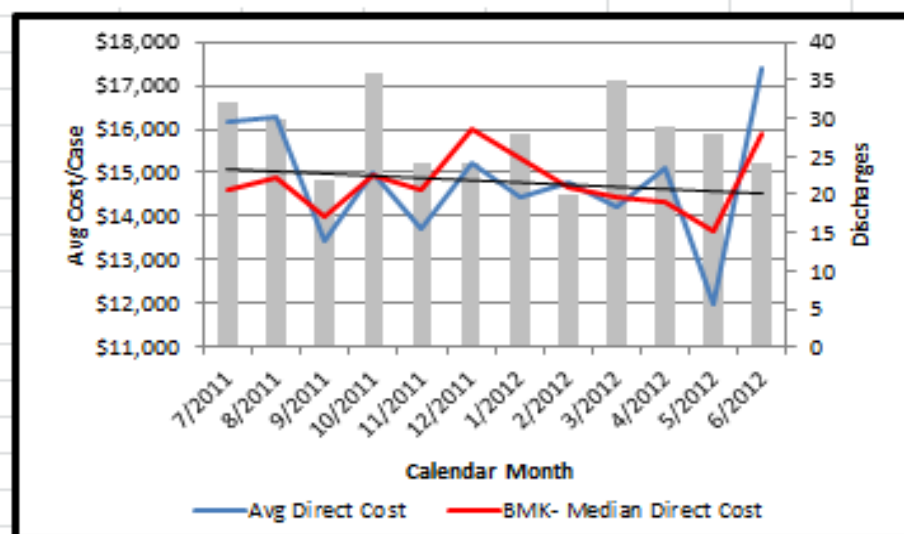


Central Line Associated Bloodstream Infections

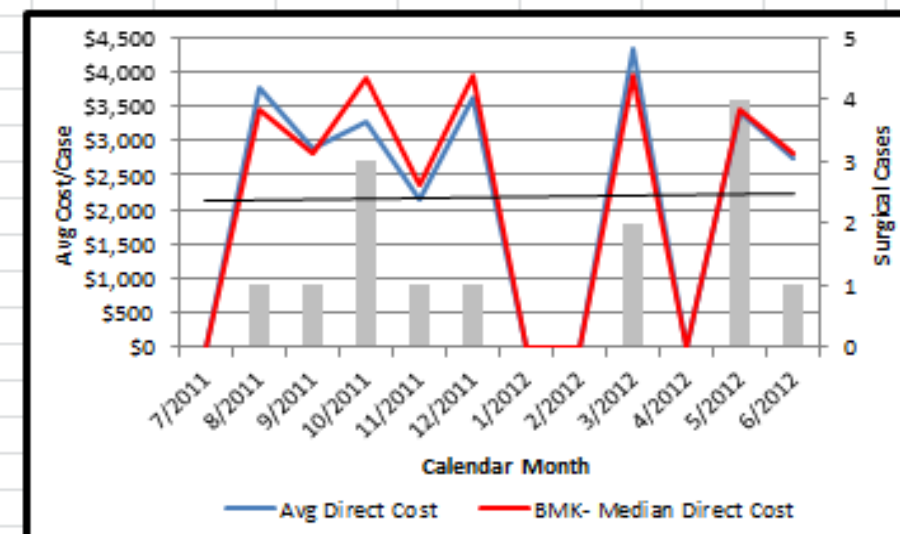


Financial Performance

Inpatient Direct Cost Per Case

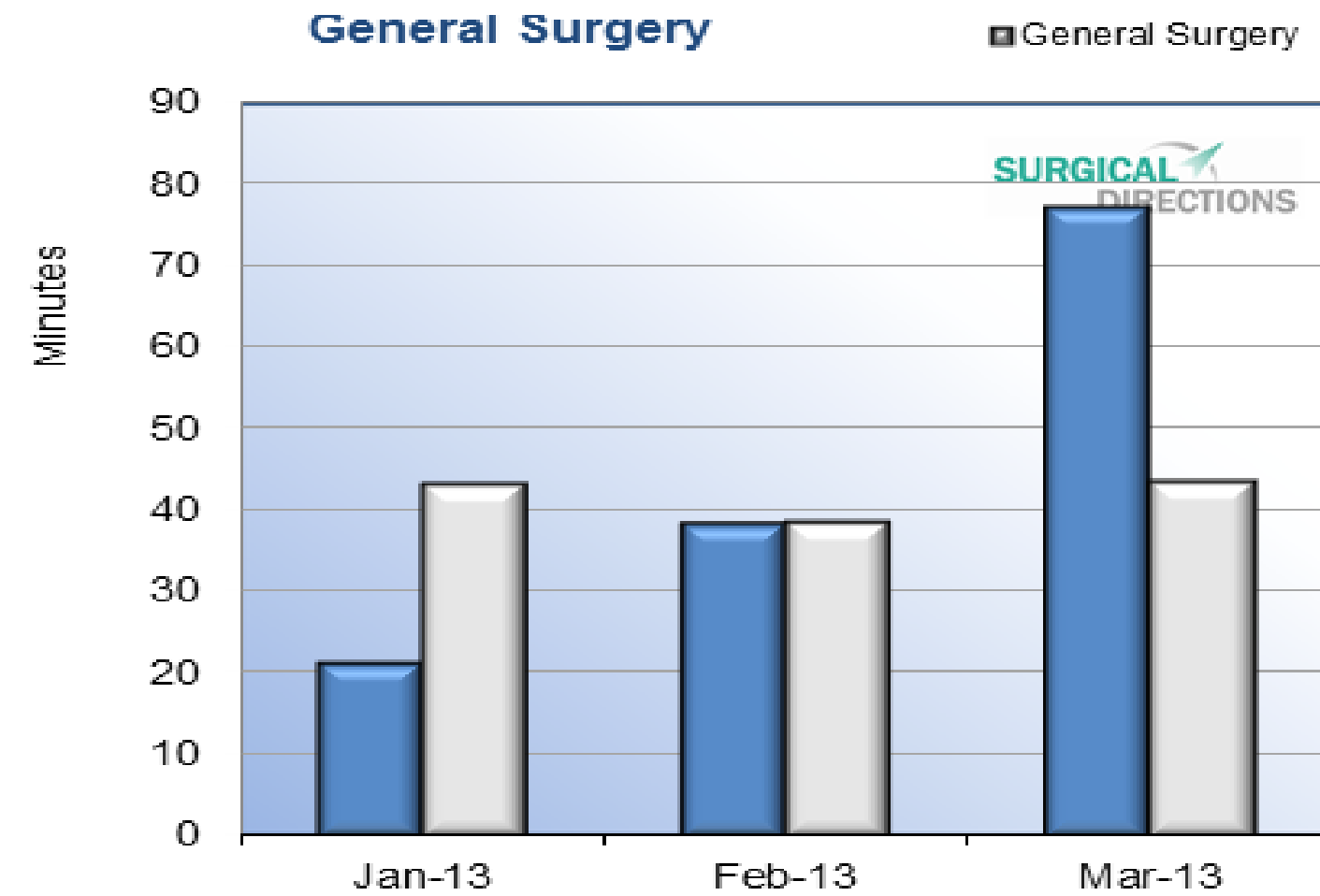
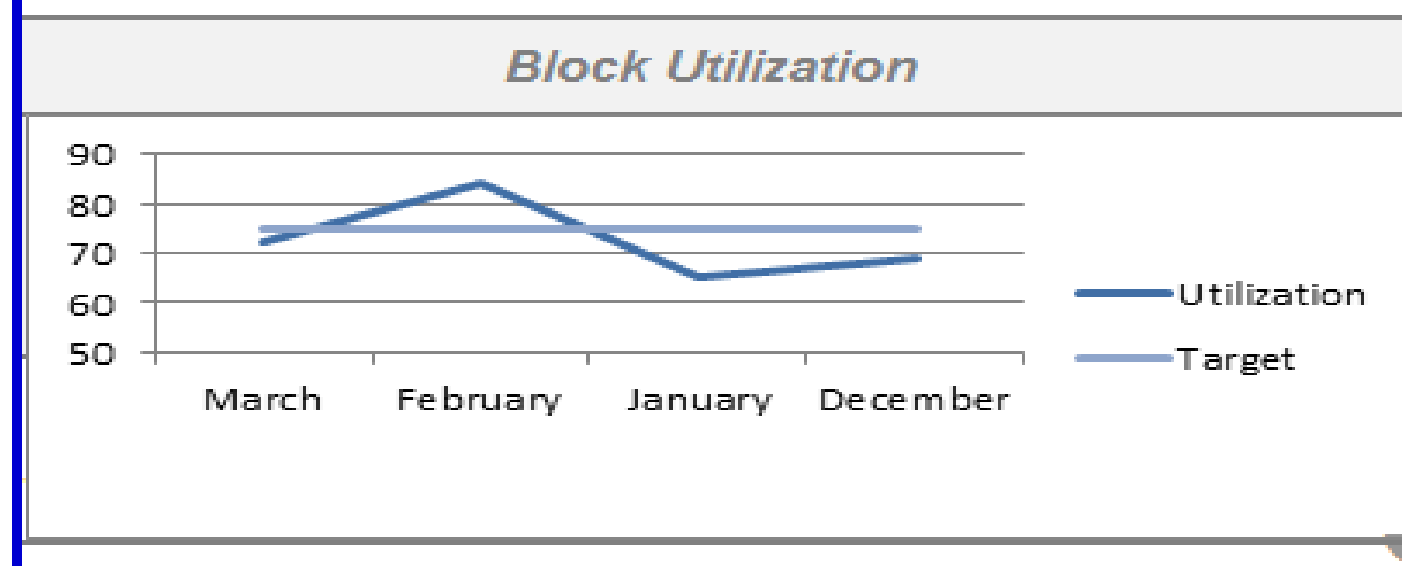


Ambulatory Surgery Direct Cost Per Case



Surgeon Dashboard

Turnover			
Dr. Bartolozzi	Minutes	# of Turnovers	General Surgery
March-13	77	1	43
February-13	38	9	38
January-13	21	8	43



7:30 OnTime Starts

	Cases	OnTime	Delay Reasons
March-13	3	3	
February-13	5	3	Surgeon Delay Pt Late to OR
January-13	3	3	

Day of Surgery Cancellations

	Cases
March-13	0
February-13	3
January-13	1

Case Time

Procedure	Date	Average Case Time
CAE	Mar-13	215
	Feb-13	220
	Jan-13	197
Median Department Case Length	Mar-13	217

Procedure Counts

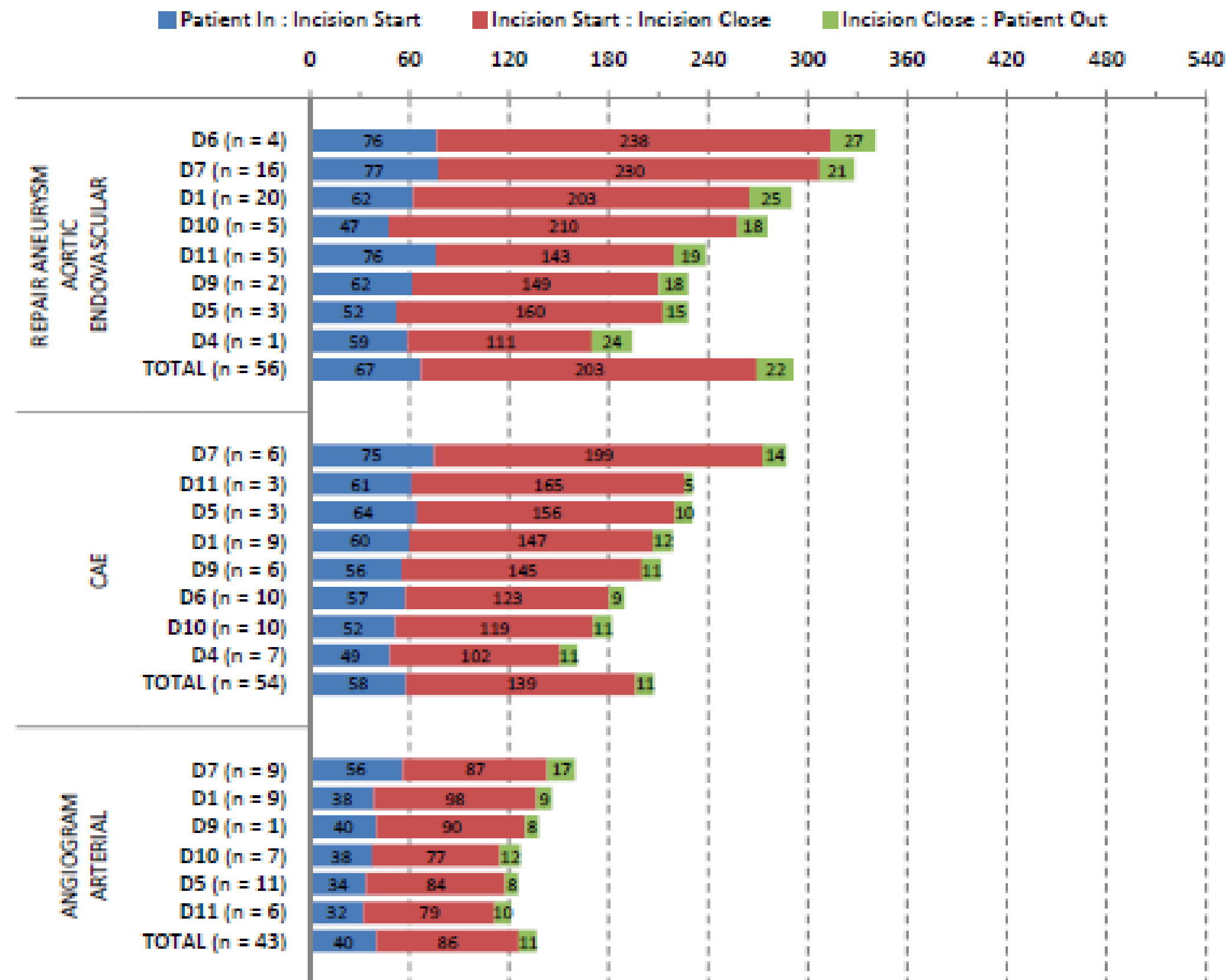
Primary Procedure	Total 2007	Jan-13	Feb-13	Mar-13	YTD
Lap Chole	55	3	7	2	12
Lap Appy	31	0	7	0	7
Breast Biopsy	26	1	2	1	4
Radical Mastectomy	19	1	0	1	2
Inguinal Hernia	17	2	2	0	4

Case Time Task Force

OR Case Time Variance by Surgeon

Vascular Service Line

Top 1-3 Procedures by Volume
 JAN'12 to OCT'12 Tisch Hospital and HJD Discharges
 Mean Time in Minutes



Physician Champion

Physician Champion essential to reduce case time

Orthopedic	Action
Chairman of Orthopedic Surgery - 12 joints per day - National reputation	Commitment demonstrated by being in room for turn over
Cardiac	Action
Chairman of CV Surgery	Commitment demonstrated by review of case time by surgeon daily

Reduce Case Time

Institution-wide initiative to reduce case time:

- *Surgeon in room or immediately available when patient is in room*
- *Anesthesia preference cards*
- *PA for complex procedures with significant technology set-up*
- *Reduction of items or preference cards*
- *Turnover teams*
- *Information*

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*

Target Sales Effort grows volume / market share

Needs-based approach focusing on:

Loyalists

Splitters

Non-Users

Outcome

Impact:

- 9% increase in case volume over prior year in HJD

National recognition:

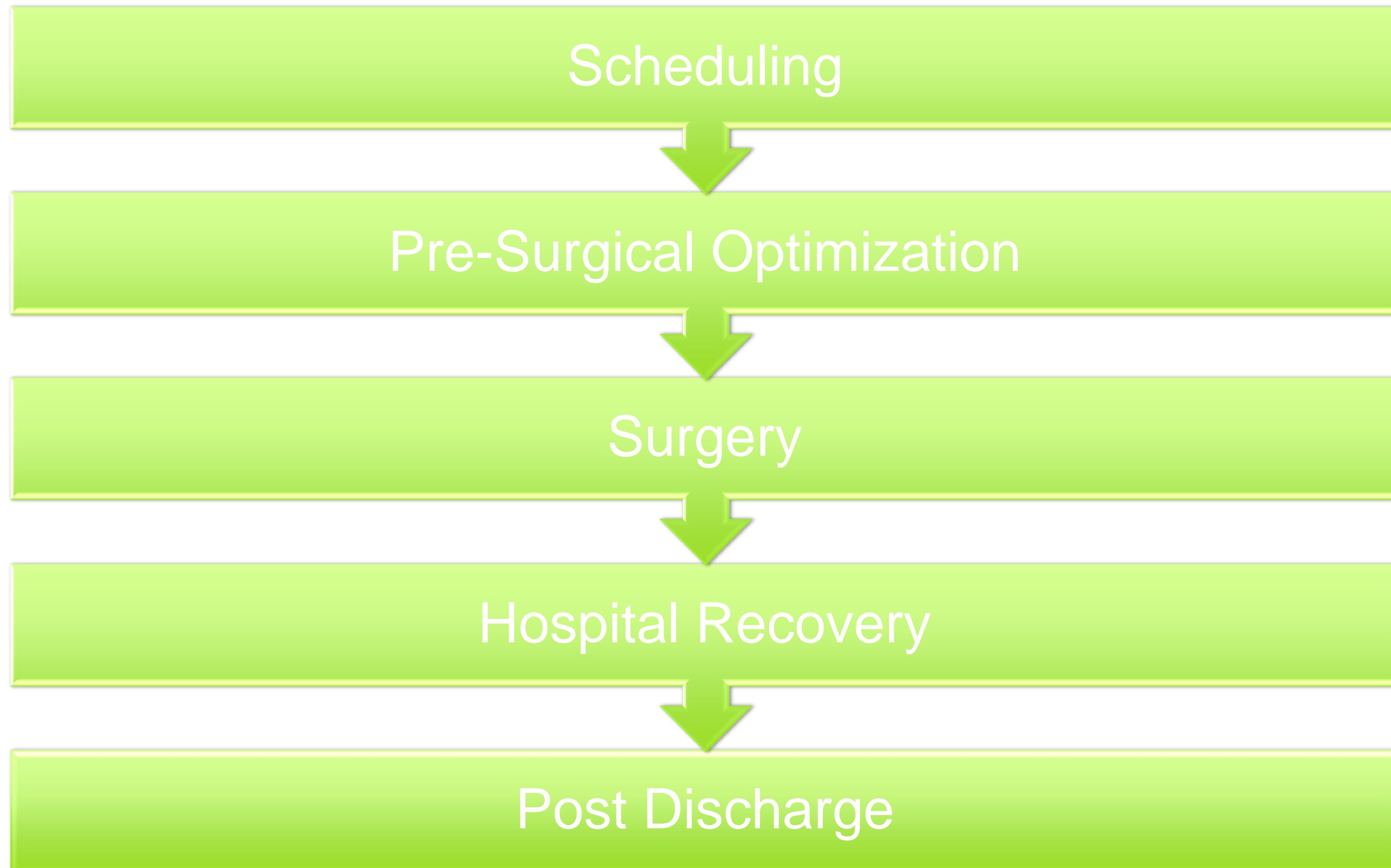
- Increase in US News and World Report ranking for HJD of 4 from 8 in two years

Surgical Home Provides

Surgical Home ensures your hospital provides high-value care to patient and payors



Surgical Home Manages the Patient Experience



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

University of California Irvine Joint Replacement		
	UCI	Benchmark
LOS	2.7 days	3 days
30-day readmissions	.05%	4.4%
Cancellation Rate	.05%	1.5%
Patient Satisfaction Rate	99%	95%

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

Surgical Directions Information

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