

Perioperative Services:

Where Engagement = Growth



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AGENDA



Why Engagement Works



Case Study:
Perioperative Services –
East Coast Hospital



Engagement Process:
Governance
Information
Process Improvement

What is Engagement?



Successful health systems know how to engage physicians, staff and patients in a meaningful way in order to achieve change on all levels.

They know that people want to participate in change and also want to be heard.

They are aware that participation in transformation design builds commitment to successfully overcome barriers to delivering lasting cultural change.



Why Focus on Perioperative Services?

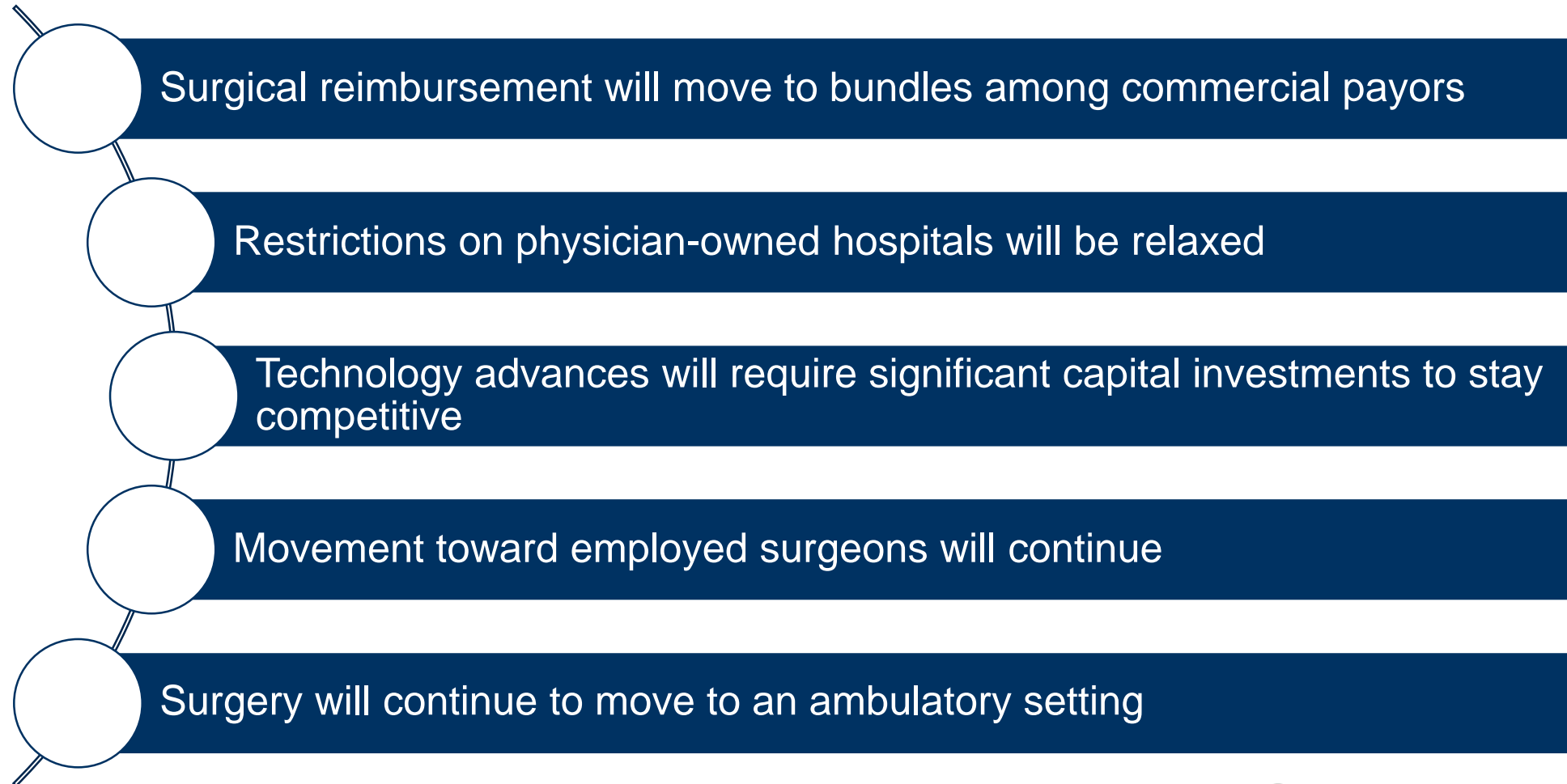
- Perioperative Services are key to a hospital's success!
 - Over 60% of high performing hospitals' revenue
 - Successful systems under Value-Based Purchasing / ACO provide both surgeons and payers with more value for surgical services

$$Value = \frac{Outcomes}{Cost}$$



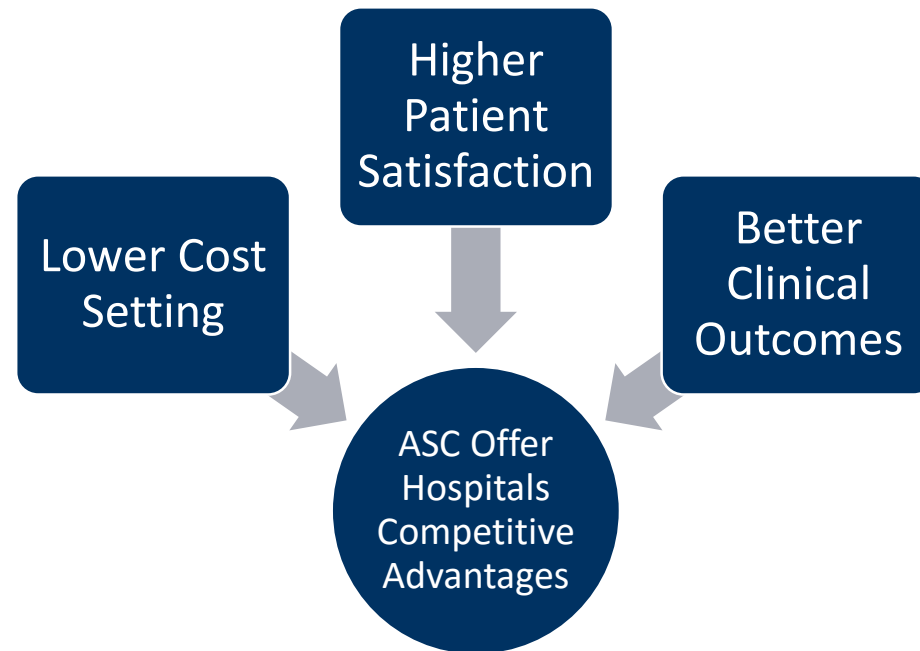



The Changing Environment Continues to Impact Perioperative Services



Ambulatory Surgery Center Growth

- 80% of most surgeries can be done on an ambulatory basis
- Pain management advances are increasing the movement to ambulatory surgery
- Engagement is vital to success





Case Study: Perioperative Services at an East Coast Hospital



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SHORT TERM ACUTE CARE HOSPITAL



Situation

- Surgeons dissatisfied with OR efficiency
- Only 2/3 of Cases Start On Time
- Long Turnover Times







Solution

- Strengthened Governance
- Upgrade Pre Anesthesia Testing
- Establish Daily Huddle Through Our Proven Methodology
- Anesthesia Leadership Role

Results

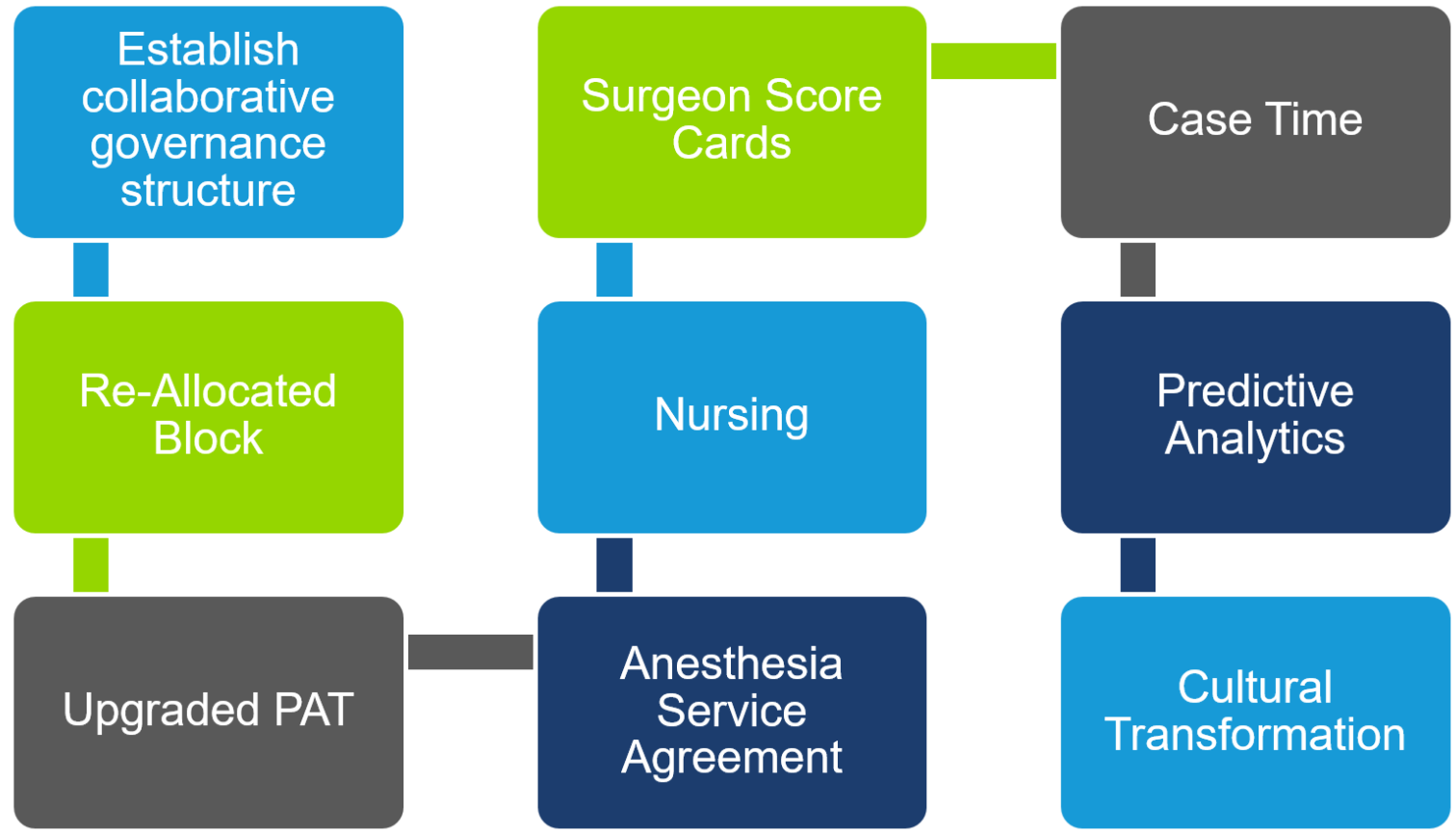
- Turnover Times Reduced by Nearly 50%
- OR Utilization Increased to 75%
- 23% Growth in Surgical Volume

Client Had Opportunities for Improvement

| Metrics | Benchmark | Client | Rating |
|------------------------------|---|--|---|
| Block Utilization | 8 hour block plus open time; 65% - 75% raw utilization | Blocks in various increments 62% raw utilization |  |
| Cases per OR | 22.2% x 950 = 211 77.8% x 1400 = 1089 Total = 1300 cases per OR | 20,141 / 25 = 806 cases per OR <small>* Excludes NORA Procedures</small> |  |
| Turnover Time | IP: 20 – 30 minutes OP: 10 – 20 minutes | IP: 52.72 minutes OP: 30.97 minutes <small>* Main OR (GOR) Only</small> |  |
| First Case On-Time starts | 90% or greater within 5 minutes of start time | 79.9% |  |
| Day of Surgery Cancellations | < 1% | 8.37% |  |
| Add-Ons | < 20% | 12.9% |  |

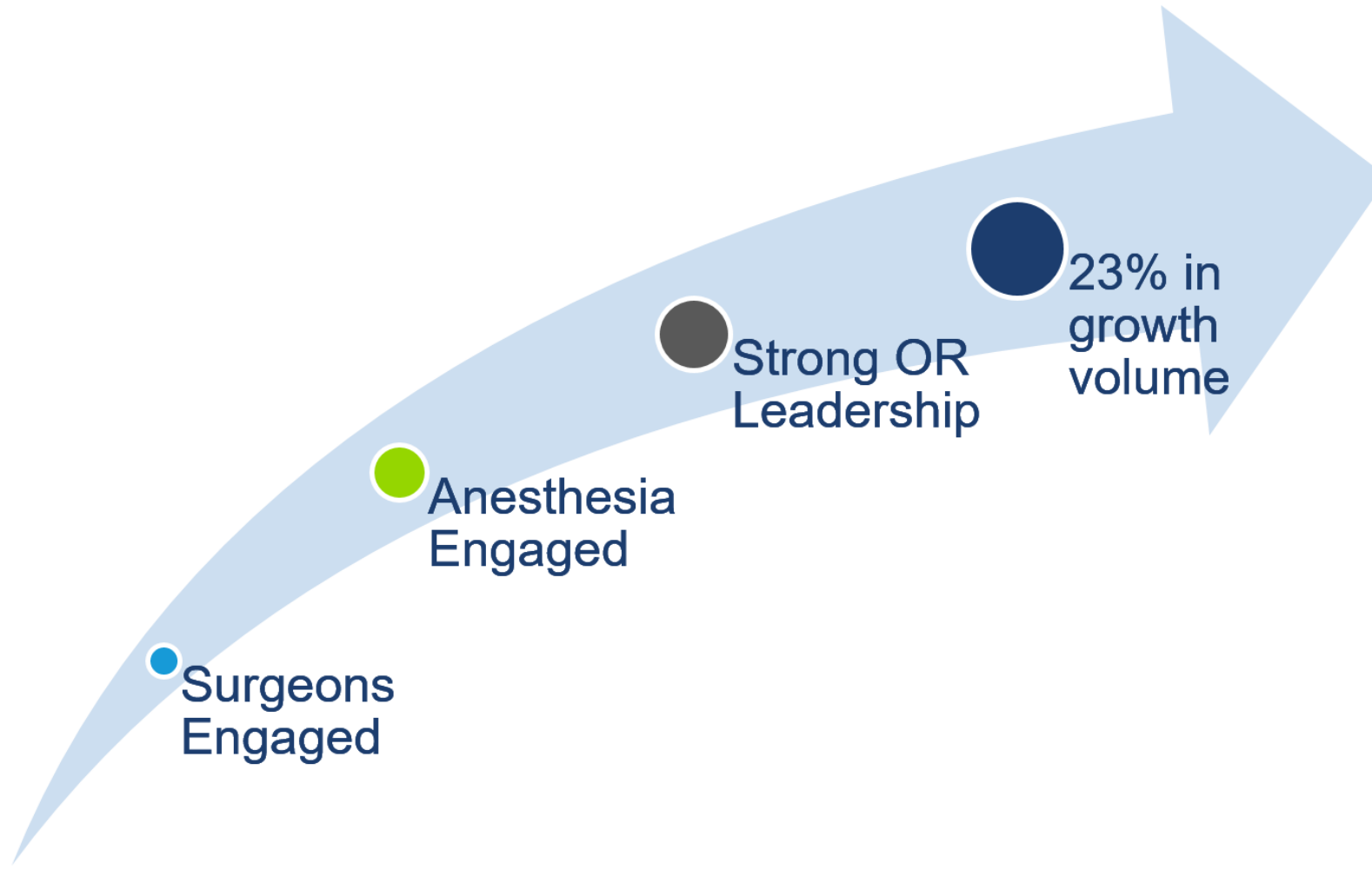


Transformation Pathway





Impact



The Engagement Process



Governance





Collaborative Governance

Strengthen the perioperative governing body to align incentives
for all aspects of Perioperative Services



Surgical Services Leadership 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?

Participants from Anesthesia, Nursing, Pre-Anesthesia Testing and Sterile Processing gather daily to discuss and review the day's plan of action.

H **Healthcare**
U **United**
D **Daily** (To Make)
D **Decisions**
L **Leading to**
E **Excellence**

PROBLEM/OPPORTUNITY LIST

1. Recap of previous day
2. Total Cases for Next 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

Information



Information is Power

It's the key to engaging leadership, physicians, nurses and staff.

Information provides insight and a new perspective for examining issues.

Advanced analytics provide information on how to improve outcomes while optimizing cost in the following areas:

- Block time & scheduling
- Labor & productivity
- Anesthesia costs
- Nursing costs
- Clinical outcomes



Advanced Analytics in Perioperative Services

- Advanced Analytics improve outcomes while optimizing costs



Block Time & Scheduling



Nursing Costs



Labor & Productivity



Clinical Outcomes



Anesthesia Costs



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Why is Efficient Block Scheduling Important?

- Establishes “draw down” and optimizes room utilization
 - 2.5 FTE / Room
 - Approx. \$300,000 Anesthesia cost
- Reduces costs from having under-utilized rooms
- Reduces cost per occupied bed

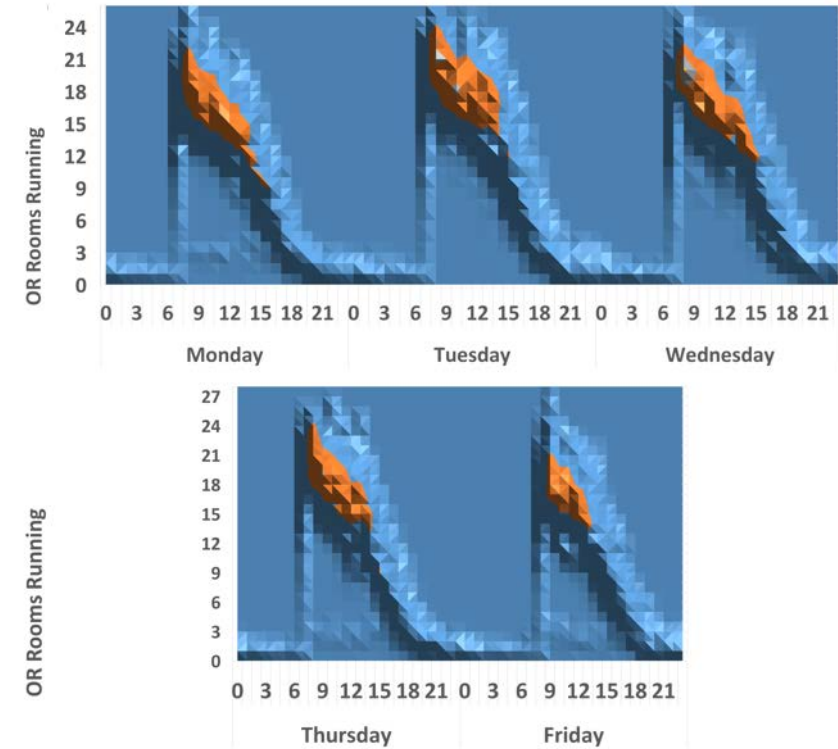


Figure 1. Heat mapping the operating room aids in visualizing peak operating hours and helps to minimize non-productive time.



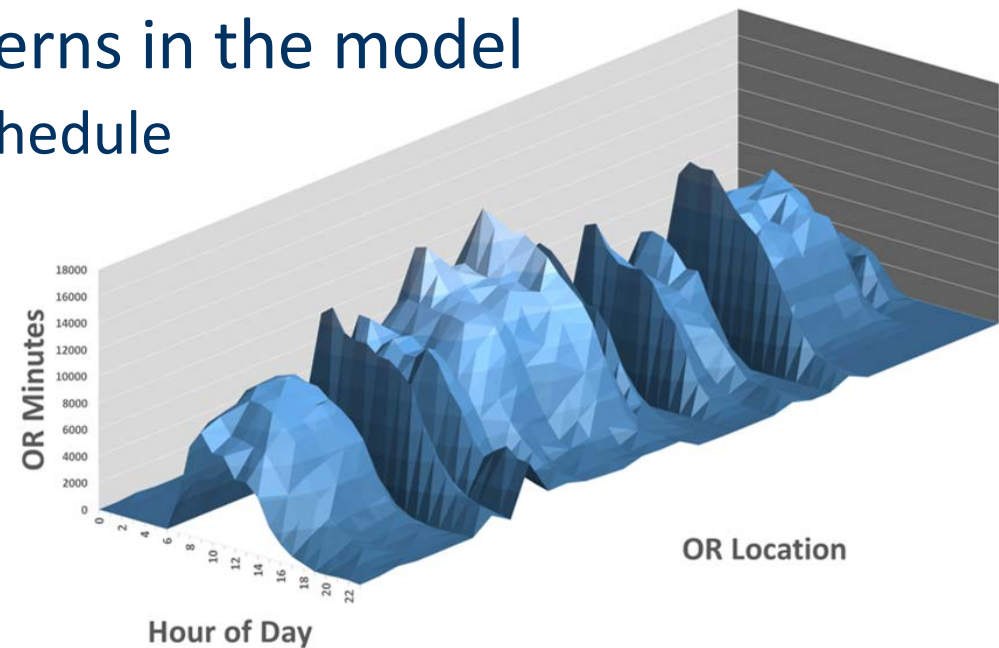
Effective Block Design

- Goal is to maximize access for the most productive surgeons
- Block forecasting correlates physician practice patterns to precisely match demand for block
- Advanced models also allocate appropriate time for urgent, emergent and electively scheduled cases
 - Drastically reduces overtime expense and improves throughput
 - Maximizes need for additional resources after hours
- Hospitals use this schedule to forecast ICU admissions and efficiently manage beds



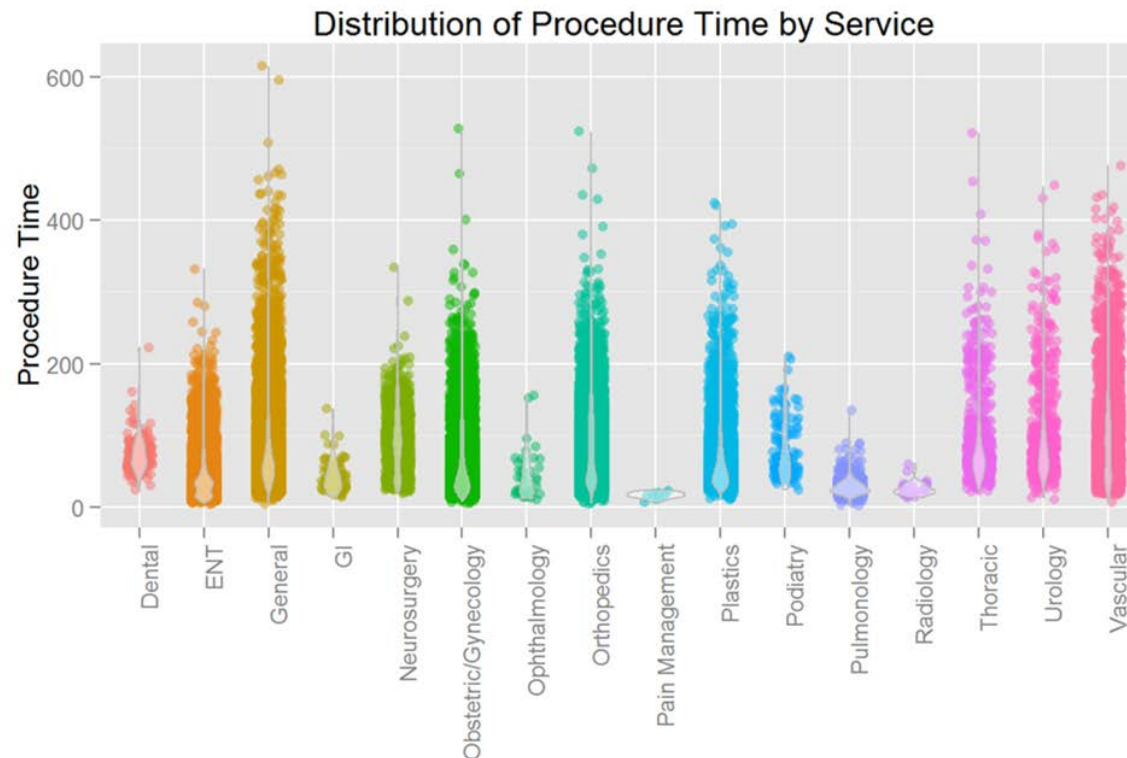
Block Scheduling by Forecasting Demand

- Helps to load balance in the OR
- Improves surgeon access
- Incorporates physician practice patterns in the model
 - Minimizes interference with clinical schedule
- Reduces overtime cost
 - Provides “wiggle room”



Accurate Scheduling is Critical

- Helps control labor costs
 - Reduces day-to-day variability in schedule
 - Provides sufficient notice of gaps or complex case



Performance Improvement

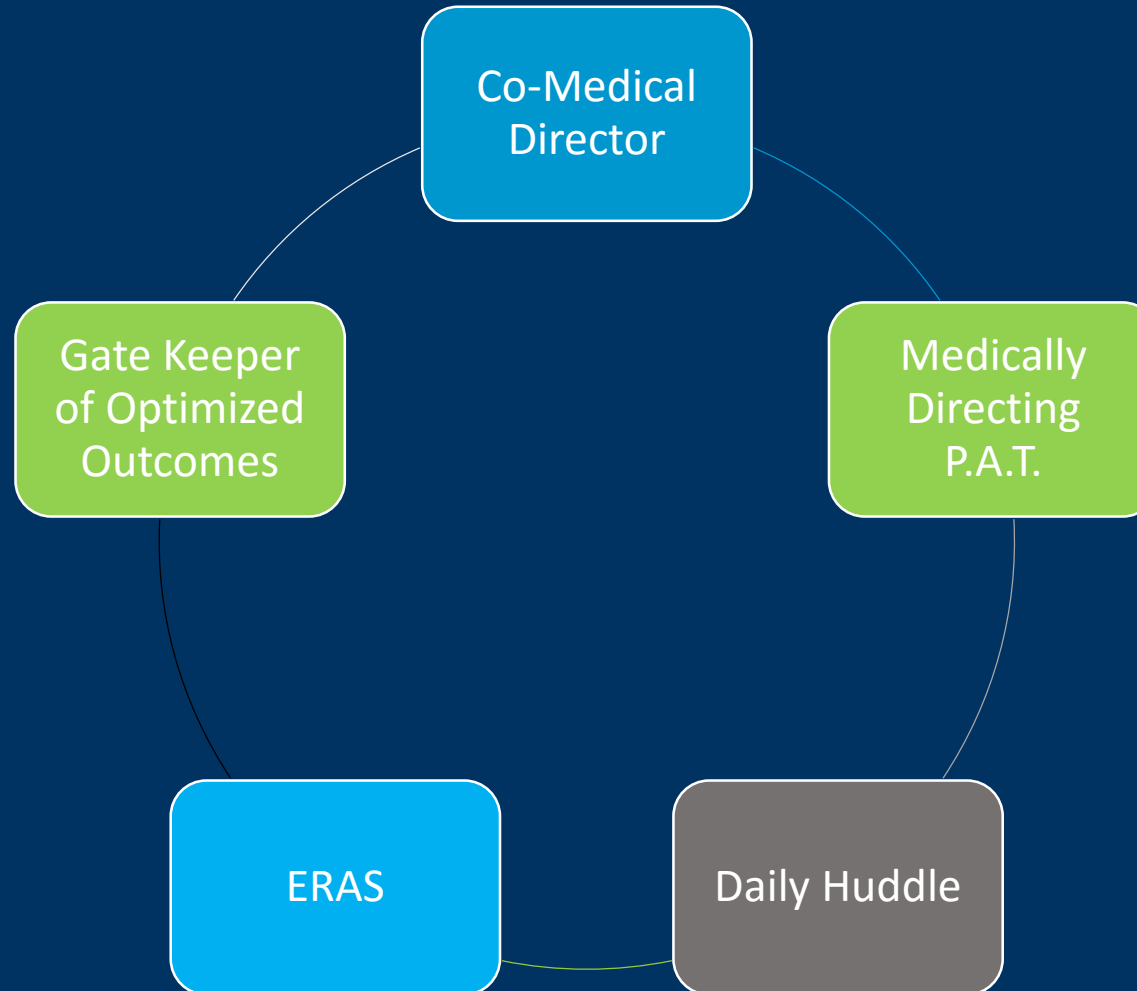




Process Improvement Team: Anesthesia



Anesthesia Service Agreement: Aligning Incentives to Drive Engagement





Process Improvement Team: Pre-Anesthesia Testing



Pre-Anesthesia Testing

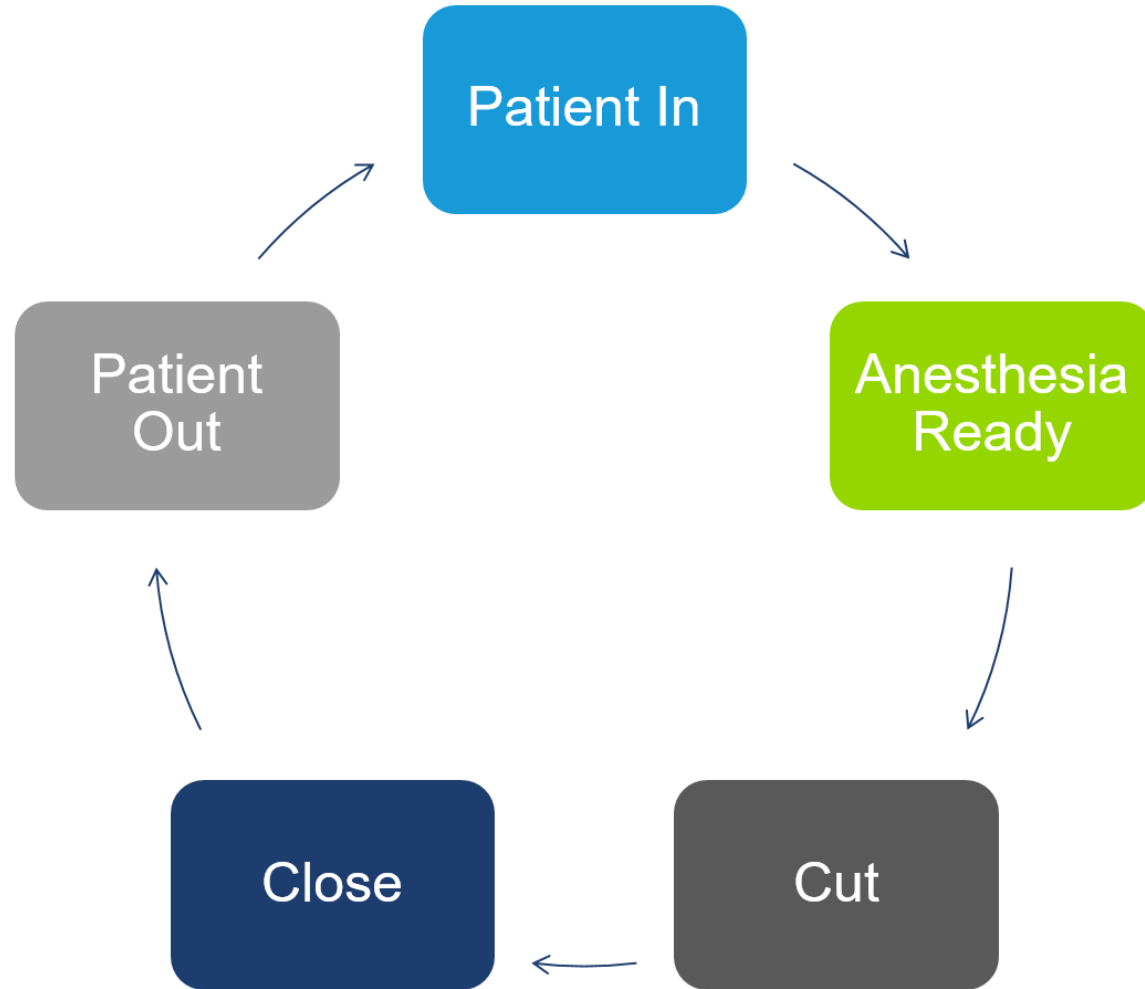




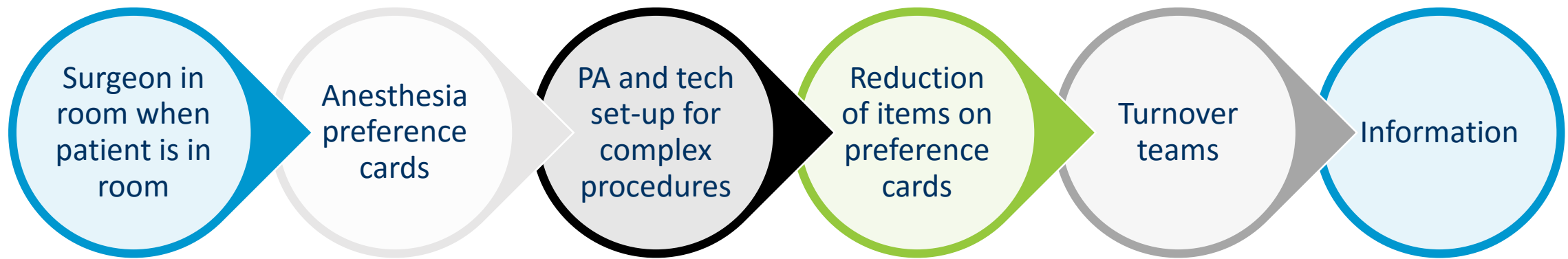
Process Improvement Team: Efficiency



Case Time Data: Driving Organizational Change



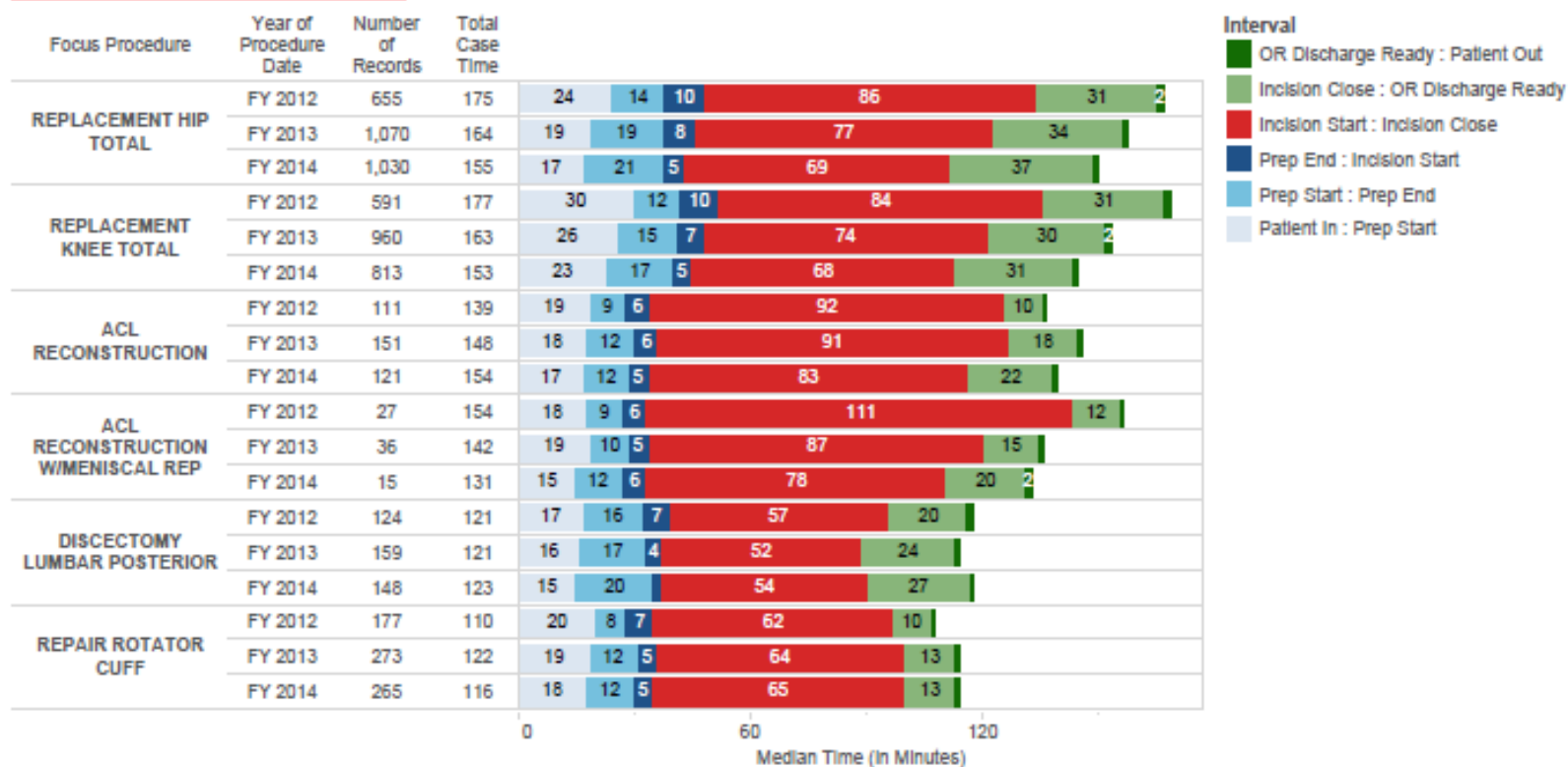
Reduce Case Time



OR Case Time Variance By Procedure

OR Case Time Variance by Procedure
Orthopaedic Surgery Department
HJD Cases
Fiscal Year Period Comparison

MEDIAN CASE TIME BY PROCEDURE



Case Study - Impact

Surgeons Engaged

- Increased OR Volume
- Increased Satisfaction

Anesthesia Engaged

- Improved efficiency

Strong Leadership

- Nursing Director and Co-medical directors own daily operations

Profitability

- Hospital well-positioned and functioning efficiently
- \$20M Improvement



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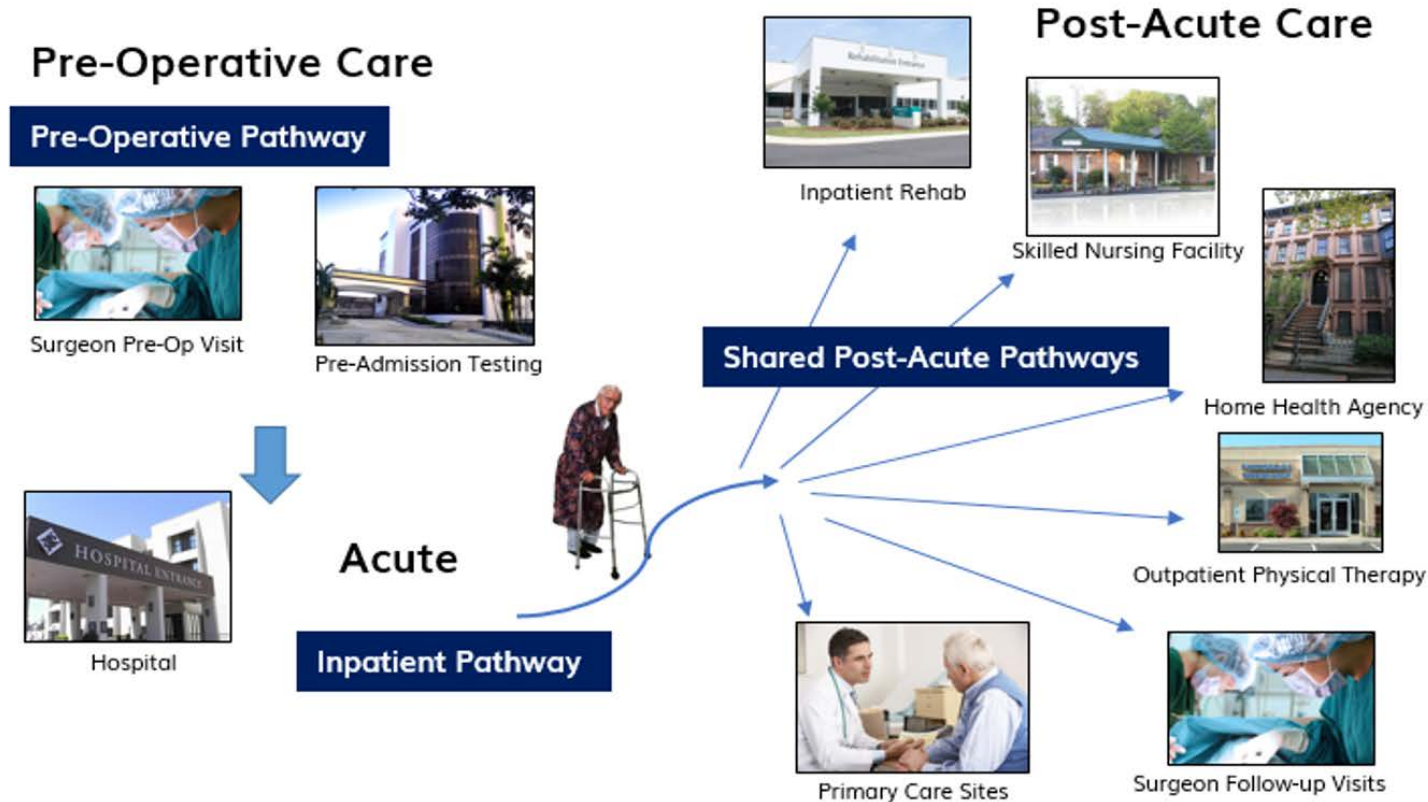
Surgery is Moving to Bundled Payment TJK, Spine and Proctectomy on an Ambulatory Basis



What is Included in the Target Price?

| Any services 72 hours prior to admission | Any services during the acute stay | Any services during the 90-day post-acute period | Days 90 - 120 |
|--|--|---|---|
| <ul style="list-style-type: none">➤ PAT➤ Physicians Visits (Surgeon & Other)     | <ul style="list-style-type: none">➤ Hospital➤ Surgeon➤ Anesthesiologist➤ Physician Visits (Surgeon & Other) | <ul style="list-style-type: none">➤ Inpatient Rehab➤ Skilled Nursing Facilities & LTACH➤ Home Health Agencies➤ Physician Visits (Surgeon & Other)➤ Lab Services➤ Outpatient Therapy Services➤ Part B Drugs➤ DME➤ Readmissions | <p>CMS will be monitoring the period immediately following –</p> <p><i>to ensure that services are not being shifted outside the bundle.</i></p> |

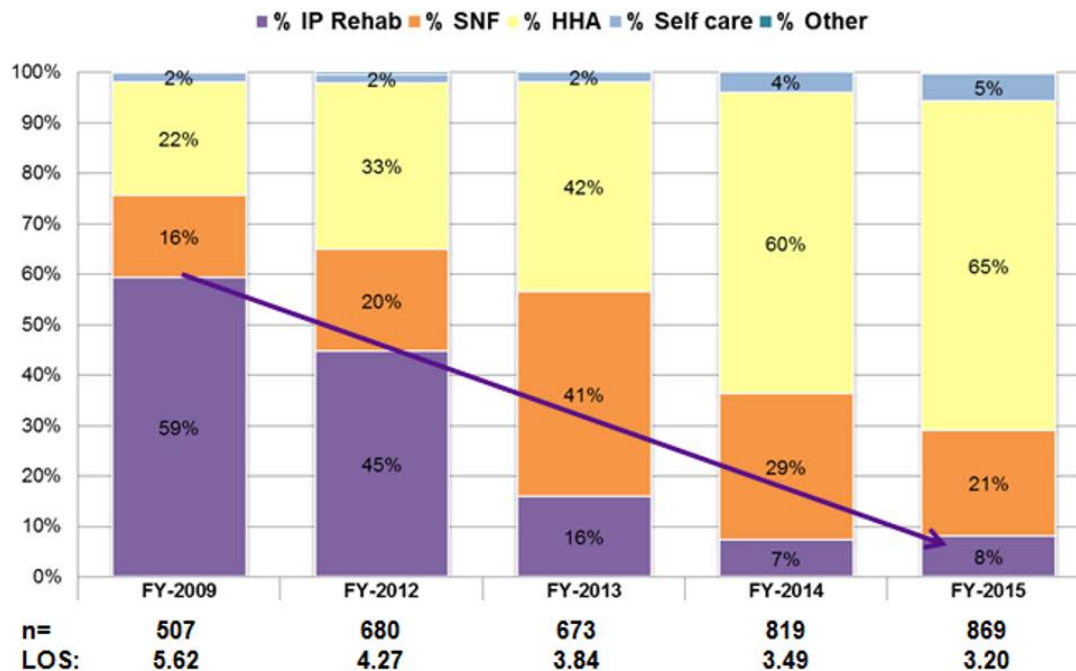
Physician & Staff Engagement is Key to Clinical Redesign





Surgeons Impact on Discharge Disposition

40-50% cost post discharge.
Need to discharge great % patient to home for success.



Based on Medicare claims data
Fiscal Year: Sept. 1 – Aug. 31



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Physicians Respond to Metrics

| | | Volume | | Mortality | | 30 Day Readmissions | | Complications | | LOS | | Direct Cost per Case | |
|---------|--------------|--------|----------|-----------|----------|---------------------|----------|---------------|--------|------|----------|----------------------|----------|
| | | PY13 | PY15 YTD | PY13 | PY15 YTD | PY13 | PY15 YTD | PY13 | | PY13 | PY15 YTD | PY13 | PY15 YTD |
| TKA/THA | Organization | 2,180 | | 0.27% | 0.08% | 5.25% | 3.62% | 9.99% | 7.65% | 3.34 | 2.58 | \$12,041 | \$10,874 |
| | Benchmark* | N/A | | 0.10% | | 3.65% | | 10.69% | | 3.24 | | N/A | |
| | Dr. A | 516 | 276 | 0.00% | 0.00% | 3.11% | 2.84% | 7.36% | 3.21% | 2.75 | 1.46 | \$11,899 | \$11,878 |
| | Dr. B | 338 | 201 | 0.00% | 0.30% | 6.51% | 2.79% | 10.36% | 6.94% | 3.34 | 2.45 | \$12,092 | \$11,286 |
| | Dr. C | 341 | 237 | 0.59% | 0.00% | 3.54% | 3.25% | 6.73% | 5.26% | 3.51 | 2.68 | \$12,855 | \$11,159 |
| | Dr. D | 309 | 205 | 0.32% | 0.00% | 4.22% | 4.68% | 11.65% | 6.71% | 3.05 | 2.50 | \$9,932 | \$8,459 |
| | Dr. E | 236 | 92 | 0.42% | 0.00% | 9.79% | 4.35% | 15.25% | 18.99% | 3.86 | 2.82 | \$14,038 | \$11,091 |
| | Dr. F | 8 | 2 | 0.00% | 0.00% | 0% | 0% | 0.00% | 0.00% | 3.13 | 2.50 | \$10,653 | \$11,973 |
| | Dr. G | 75 | 33 | 0.00% | 0.00% | 3.33% | 4.69% | 8.00% | 7.41% | 3.25 | 2.96 | \$12,191 | \$11,425 |
| | Dr. H | 60 | 50 | 0.00% | 0.00% | 11.67% | 2.00% | 10.17% | 4.88% | 3.69 | 2.93 | \$12,059 | \$12,617 |
| | Dr. I | 37 | 17 | 0.00% | 0.00% | 5.41% | 0% | 2.70% | 14.29% | 2.54 | 2.64 | \$9,751 | \$11,950 |
| | Dr. J | 65 | 43 | 1.59% | 0.00% | 2.31% | 6.98% | 12.70% | 8.82% | 3.27 | 2.84 | \$10,315 | \$8,548 |

\$1,175,000 savings

*Benchmark based on Premier Top Performing Hips/Knees Centers



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Questions?



Thank you!



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