Creating Best in Class Perioperative Services under Accountable Care and Value-Based Purchasing

SURGICAL DIRECTIONS

Becker's Healthcare Jeffry Peters

Learning Objective

- How ACA/VBP changes how we measure surgical services success
- Process to successfully position surgical services for the new paradigm
- Strategy to improve clinical outcome and lower cost
- Information you need to provide surgeons monthly for the organization to be successful
- Governance Model to transform surgical services
- · Importance of PAT



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Quality-Based Payment Models

Care processes	Error penalties	Readmission penalties	Patient satisfaction	Shared savings	Clinical outcomes
Bonus pay for higher	Reduced payment	Reduced payment	Hospital score on	Providers share	Payment linked to patient outcomes, achievement of quality and utilization goals.
compliance with	for hospitals with	for hospitals with	HCAHPS survey, a	savings from lower	
SCIP protocols and	high rates of SSIs,	high 30-day	component of many	complications and	
other care	blood clots, retained	readmission rates,	quality-based pay	readmissions,	
processes.	objects, etc.	by diagnosis.	programs.	greater efficiency.	

Reimbursement

Before	After
Value-Based Purchasing	Value-Based Purchasing
ACO	ACO
Volume Based	Volume Based
	Outcome Based



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Value-Based Purchasing	PY13	SCIP		
	PY 14	Outcome AMI		
	PY 15	CVT, PE, SSI		
СМЅ	PY 13	No Payment Orthopedics DVT/SE Retained objects		
AC		Readmission Shared savings		

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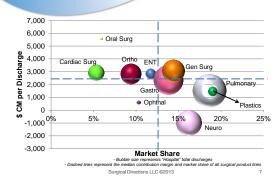
Successful Systems are Following a **Five Step Process**

Successful systems are following a five step process to ensure surgical services are profitable market leaders

- Define surgical lines to focus on growth
 Define how to obtain a sustainable competitive advantage
 Delivery system
 Outcome

 - CostService
- Provide transparent robust information to surgeons
- Define which surgeons are keepers and how to address outliers
- Improve Perioperative Performance
 Surgical Home

Market Share



Competitive Advantage

- Obtaining a sustainable competitive advantage requires attention to outcomes, costs, services, and delivery system
- Outcome NSQIP

- Cancer Survival Complications

Heart Survival 5, 10 years, function, complication

- Orthopedics Pain fee functionality

Cost

ServicePatient

HCAPS

- Surgeon OR Efficiency

Delivery System

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Outcomes

- Short Term (Process)
 - 30 day readmission
 - Surgical site infections
 - Postoperative PE / DVT
 - Central line infections
- · Long Term (Outcome)
 - National Surgical Quality Improvement Program
 - Measures Risk Adjusted Outcome
 - Defines Processes which impact outcomes

•	Costs are	e impacted	by case	time and	d supply	costs
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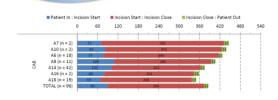


Orthopedics - Total Hip Replacement



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Cardiovascular Service - CAB



Comparing Orthopedic Surgeon Costs/Case

Total Knee Replacement

Direct costs/case - including implant







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Advocate Health Pioneer in ACO Delivery System

- Goals
 - Focus on care coordination
 - Prevention
 - Early detection
 - Education
- · Advocate Healthcare
 - 10 hospitals
 - 250,00 PPO Members
 - 125,000 HMO

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Advocate Health Care's Physician Platform

Figure 3. Advocate Health Care's Physician Platform Source: Advocate Health Care, Oak Brook, IL. Used with parmission

Total physicians on medical staffs = ~5,700

ndependent APP = 2,900





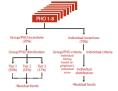


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Group and Individuals Incentives

regure 5. APP incentive fund user into a general clinical Note: Residual funds are rolled over into a general clinical integration fund (not tied to individual physician or originating PHO) to be distributed in the following year. Source: Advocate Health Care, Oak Brook, IL. Used with



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Incentive Categories

• Group All PCP

Specialists Hospital Based

Department Anesthesia Surgeons

• Individual Physicians



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Incentives

Group Primary Care	Individual Anesthesiologist	Surgeon Anesthesiologist
Specialist		
Hospital Days/1,000	Flu Shot	SCIP
Controlled hypertension	Generic Prescriptions for >25 Rx	Pre-Surgical prophylactic antibiotic administration & selection
30 day readmission	Clinical integration education	
Potentially avoidable admission •Retained object •Wrong site •Post-op infection		CV patients with controlled post- operative glucose
ER visits		PeriOp temperature management
Patient satisfaction		DVT prophylaxis
		Surgery patients on Beta Blockers prior to surgery
		Patient satisfaction

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Advocate				
Market	Leader in	Cost /	Quality	

- · Higher reimbursement from payor
 - Hospital
 - Surgeons
- · Growth in market share



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Lead Change

 Successful health systems utilize the SSEC to drive the transformation of Perioperative Services and meet new value-based purchasing/ACO goals and outcomes



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Case Study

Advocate Lutheran General Hospital - tertiary provider

 Goal: Outcome at Best Performing Nationally for Perioperative Services



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O'colored the charles to the			
 Single path scheduling Document management Presurgical optimization 		_	
Daily HuddleSurgical SafetyParticipant in NSQIP			
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		_	
SCIP	Exceed all Illinois and nation per bench marks	_	
Retained objects	0 per 1,000 cases .028 per 1,000 cases nationally		
Post surgical complications	DVT ₩ 75% UTI ₩ 75% Kidney ₩ 80% Post op 2007 1.4 Pneumonia 2011 0	_	
LOS	Complicated aortic surgery		
Readmissions	Net 9 days < 6 5 days Net 12.5% < 9.3%	_	
Cancellations	18 month before 3 month now		
	200	23	
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PAT			

· Risk Assessment to identify patients needing to be

Testing Protocols
 Protocols to manage co-morbidity
 Identify patients in need of intervention prior to surgery

 Diabetes
 High BMI
 Smokers

Medical DirectorTelephone Questionnaire

seen
• Testing Protocols

Majority of Patients Should Be Screened by Telephone

Patient Name:		Date of Birth:/	//
Procedure:	•		
Surgeon:		Date of Surgery:	
_		YES	NO
 Do you have any heart problems bypass or stent?) 	(Chest pain, heart failure,		
 Do you have high blood pressure? (Treated or untreated?) 			
 Do you have any problems with emphysema) 	your lungs? (Asthma or		
 Do you have diabetes? 			
Do you take blood thinners?			
METS Score (Set METS score calculation			
Surgical Complexities			



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Daily Huddle

Daily huddle in early afternoon looks at cases three days out

Participants	OR Director Anesthesia PAT Central Sterile Supply Scheduling
Task	Review Schedule for next 72 hours Patient Risk Factors Equipment Sequence of Patients Staff Assignment
Outcome	Minimize Cancellations Improve On-Time Starts Improve Clinical Outcomes

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Case Study: Advocate South Suburban Hospital

Situation

Clinical issues

Poor image among consumers

Hospital underperforming

Dependence on medical admissions

Operational issues

Weak management

Lack of physician partnership

PAT



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Competition Within 10 Minutes



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Case Study: Perioperative Transformation

- · New Anesthesia Group
- · New collaborative governance
- · New OR Director
- · Revised block time and rules
- Implemented management/physician dashboard reports



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Case Study: Anesthesia

- Hospital looking to Anesthesia to drive perioperative performance
 - Effective Medical Director
 - Incentives aligned
 - Stipend based on specific service standards
 - Available effective regional blocks
 - PAT
 - Protocol driven
 - Ability to accommodate add-ons
 - Participate in Daily Huddle
 - On-time starts
 - Quick procedural turnover time
 - Just Culture
 - Adopt 10 points of Safer Surgery



Case Study: New Anesthesia Group

	Previous	Current
Service Orientation		
Compensation		
Clinic Skills		
Service/Collaborative		

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Collaborative Governance: SSEC

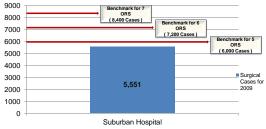
Recommendation: Create a Perioperative governing body to align incentives



Chaired by Medical Director(s) of Perioperative Services Administration-Sponsored Surgery BOD Controls access and operations of OR Sponsors and directs team activity

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Case Study: Existing Capacity Exceeds Demand



NOTE: Based upon case mix and IP:OP ratio, Surgical Directions projects optimal OR utilization at: 1,215 cases per OR (37% IP/63% OP)

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Case Study: Full or Partial Day Blocks

	Full Day Block	Partial Day Block
Hospital Revenue	1	1
Anesthesia Revenue	1	1
Nursing Costs Per OR Minute	.	1
Case Volume	1	1
Payor Mix	1	1
Profit Per Case	1	1

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Coop Study

Case Study: Block Time Ratings

Metric	Benchmark- Now	Suburban- Was
Length	8 hour +	Variable
Utilization to maintain	75%	Not measured
Release time	Variable by specialty	24 hour
Open rooms	20%	0

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•	Do you want to give prime block time to surgeons
	with excessive costs, excessive case time, or poor
	outcomes?



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Physician Scorecard



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Physician Scorecard Cont'd



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Surgeon	Report	Card
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				-	General 5	urgery		Witness the	Qen)
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								Mar. 13	
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	Mar. 13			Lap Orde Lap Appro	55	3	146.13		
Author Department Case Len	Mar-13 Pate-13				56 31		140		

Benchmark Measures for Orthopedic Outcomes

	"Hospital"	Benchmark
LOS		
Lumber Fusion		2.7 days
Cervical Fusion		1.4 days
Joints		2.3 days
Complications Joints		
Joint		1%
Transfusions		6%
Re-admission		1%
Discharge Joint		
Home		91%
ROM		

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Case Study: Dashboard



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Case	Study:
_	come

- · Most improved hospital in the 13 hospital system
- · Increased surgeon satisfaction



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Case Study: Performance Outcomes

Indicators	Improvements
Impact on Market Share	3%
Impact on Surgical Volume	22%
Impact on Net Income	\$8 million
L.O.S. Decrease	11%

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SURGICAL HOME

- · Coordinated method for managing patients
 - Prior to surgery
 - During hospital stay
 - Discharge
- · Critical Components
 - Surgeon commitment
 - Anesthesia / Hospitalist

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	How to Get Started	
	Identify a champion who can secure organization	
	commitment to focus on measurable quality outcomes	
•	Transform Governance - Medical Director(s)	
	Daily Huddle Assemble information to measure performance Linguistic PAT	
•	Upgrade PAT Consider surgical home for complicated surgery	
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	For questions or comments, please contact:	
	Surgical Directions LLC 541 N. Fairbanks Court	
	Suite 2740 Chicago, IL 60611 T 312.870.5600 F 312.870.5601	
	www.surgicaldirections.com	