

Critical Benchmarking Steps for ASCs

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The Growing Role of Benchmarking

If you cannot measure it, you cannot improve it.
– Lord Kelvin



- Reimbursement pressure is increasing need for efficiency
- Information is more accessible and easier to analyze
- Data differentiates in a consumer driven culture

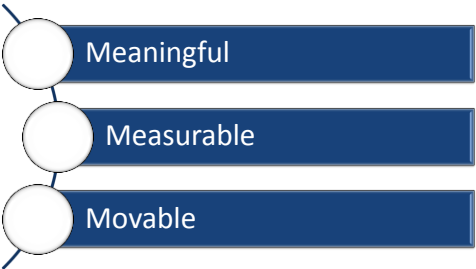
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Critical Benchmarking Steps for ASCs

- 1 Determine What to Benchmark
- 2 Identify Key Drivers
- 3 Measure Own Performance
- 4 Develop Strategies for Improvement
- 5 Implement Strategies and Monitor Results

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(1.1) Determine What to Benchmark



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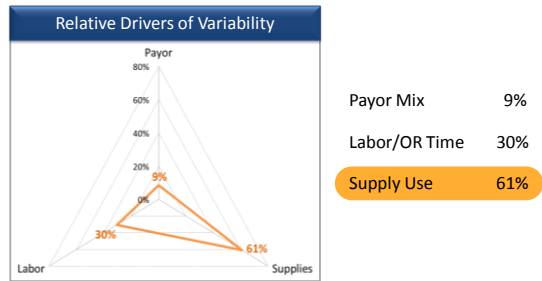
(2.1) Identify Key Drivers

Case profitability meets selection criteria; can be further deconstructed into measurable and movable levers

	Cataract w/IOL	
Payment	\$1,260	<div>Patient-Specific<ul style="list-style-type: none">• OR labor costs• MSP• Implants<div>Allocated<ul style="list-style-type: none">• Low cost disposables• Pre-Op labor• PACU labor• Business office labor</div></div>
Minus: Costs	(910)	
Profit per Case	\$350	
Divided by: OR Time	30 minutes	
Profit per Minute	\$12	

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(2.2) Identify Key Drivers



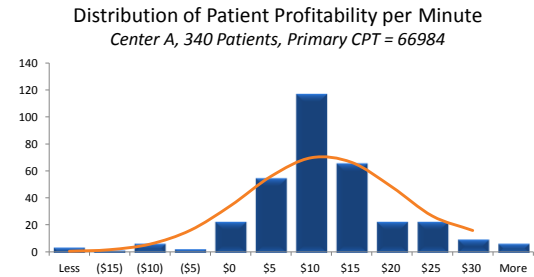
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(3.1) Measure Own Performance



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(3.2) Measure Own Performance

Cataract Case Cost & Profit Profile

* **Target:** the profit per case achievable if the surgeon achieved the current "best in class" payor, MSP, and labor metrics

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(3.3) Measure Own Performance

Real-time data not critical – cataloging preference products is a simple way to increase visibility and spur discussion



Antibiotic Options

Higher Cost



Lower Cost



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(3.3) Measure Own Performance

Real-time data not critical – cataloging preference products is a simple way to increase visibility and spur discussion

Product	Price	MD #25	MD #29	MD #20	MD #28	MD #26	MD #17
Healon GV	\$-			X	X		
Miochol-E	\$-	X					
1.5/2.0 Keratome	\$-			X		X	X
2.0/2.2 Keratome	\$-		X	X	X	X	
2.4 Keratome	\$-	X					X
Blue Sleeves/Tips	\$-		X	X		X	X
Trypan Blue	\$-			X			
Tobramy/Dex	\$-	X					
Miostat	\$-						X

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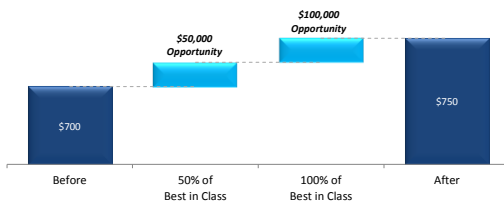
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(4.1) Develop Strategies for Improvement

Contribution Per Case Comparison w/Projected Impact from Supply Cost Improvements



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(4.2) Develop Strategies for Improvement



Payor

- Shift Mix
- Shift Block
- Increase Rate



Labor

- Shift Blocks
- Shift Mix
- Shorten Time



Supplies

- Change Type
- Change Count
- Pay Less, Net

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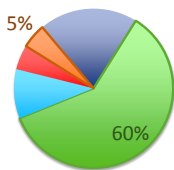
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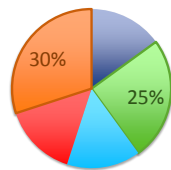
(5.1) Implement Strategies and Monitor Results

Follow-through often takes a backseat to data capture

Typical Allocation of Effort



Optimal Percentage of Effort

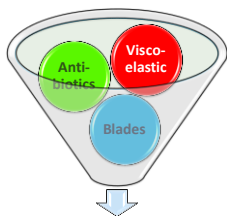


Adapted from Kaiser Associates
<http://www.kaiserasociates.com/capabilities/benchmarking/3-moments-of-truth-in-benchmarking/>

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(5.2) Implement Strategies and Monitor Results

Observed variability led to an agreement to simplify and standardize packs, yielding significant cost savings



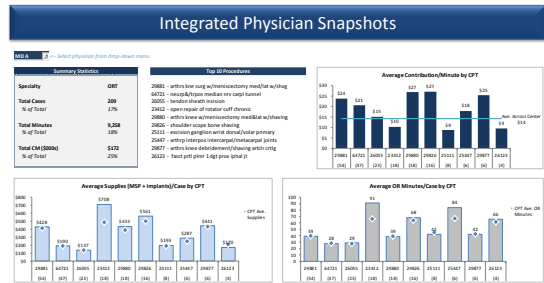
Core Cataract Pack

- ✓ Eliminated "noise"
- ✓ Presented clear options
- ✓ Standardized where possible

***Renegotiated new pack
for \$40 less/case***

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(5.3) Implement Strategies and Monitor Results



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Discussion Questions

- How have you engaged teams in benchmarking (physicians, nurses, purchasers)?
- What tactics have you found to maintain momentum and bolster a spirit of continuous improvement?
- In what areas have you identified opportunities to improve?
- What has been your experience with using published benchmarks from the ASC and other industries?

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THANK YOU

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