

A background image showing a close-up of surgical instruments, including a scalpel and forceps, resting on a light-colored surface. The image is slightly blurred and has a warm, golden-yellow tint.

Evaluating Your Anesthesia Services – What to Expect From Your Anesthesia Team

Tuesday, May 8, 2012, 2:15pm EST

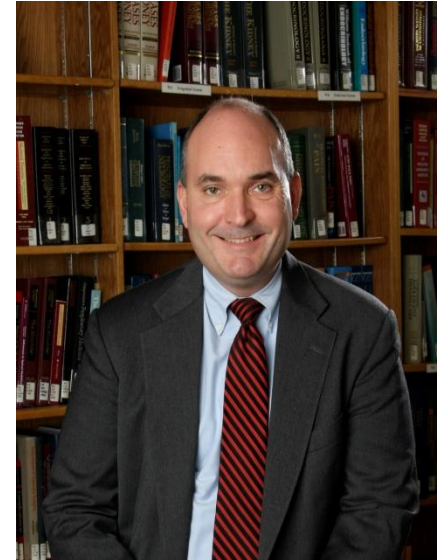
Today's Speakers



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Anesthesia Management

“Management by objectives works if you first think through your objectives. Ninety percent of the time we haven't.”

-- Anonymous

The Anesthesia Impact

- 70% of the hospital's revenue is generated either directly or through surgical services provided by the hospital
- Anesthesia plays a major role in the OR
- Efficiency of the operating room
 - Delayed surgeries
 - Case cancellations
- Quality and outcomes
- Anesthesia performance affects clinical standards
 - Pre-, peri-, and post-op patient care/experience

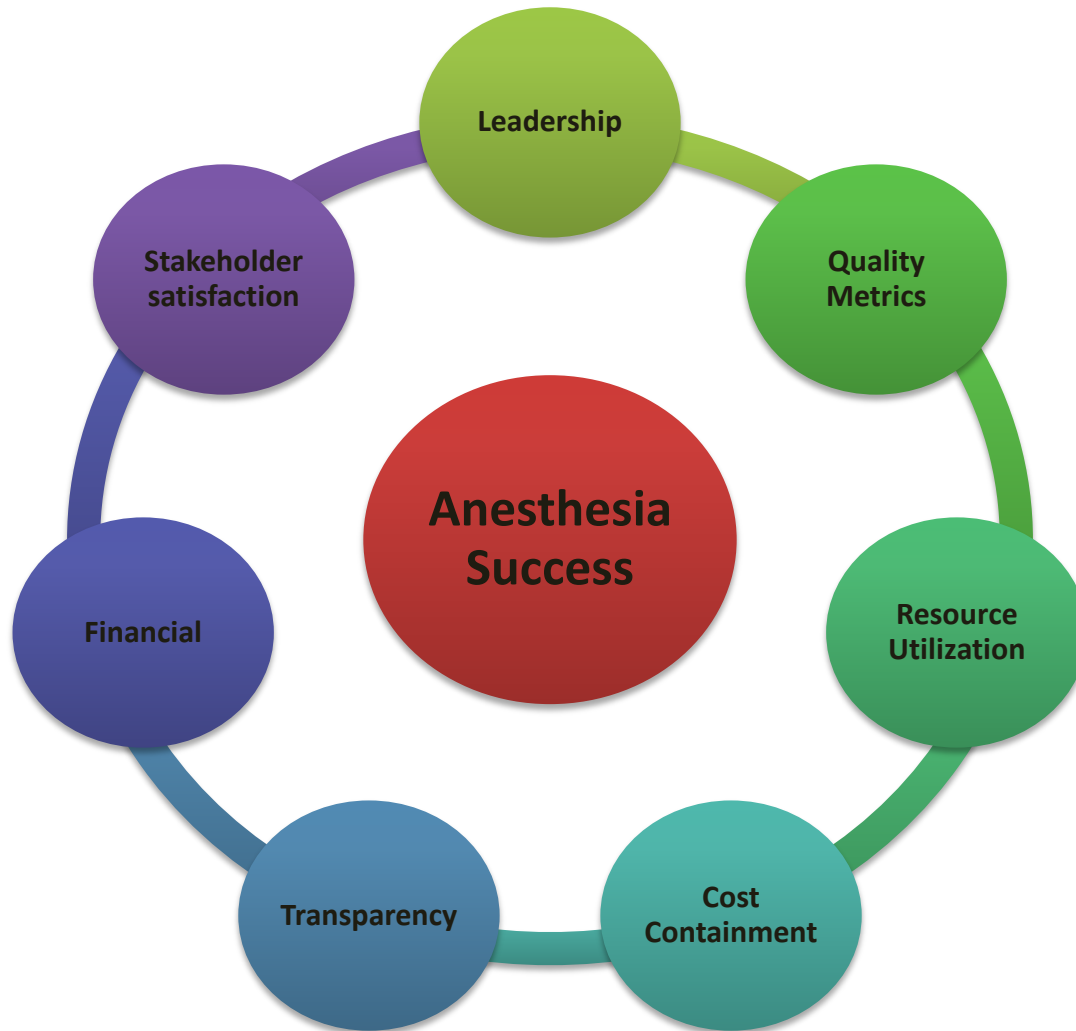
Why Evaluate Anesthesia Services

- Critical care and perioperative services are most costly units, accounting for 75% of hospital's expenditure
- Since November 2008, 31% of hospitals had a moderate decline in elective procedures
- Declining volume and revenue demands tighter efficiencies
- Declining volume resulting in declining anesthesia revenue
- Increasing compensation of anesthesia clinicians is resulting in increasing cost and subsidy

Why Evaluate Anesthesia Services

- Group's alignment with hospital's mission and goals
- Does the group possess adequate leadership?
- Does the hospital pay subsidy to the group?
- What is the current staffing model?
- What are the current expenses and revenue of the anesthesia department?
- Does the group's quality program meet or exceed hospital's expectations?
- Hospital's strategy to overcome "Anesthesia Challenges"

The Recipe for Anesthesia Success



Anesthesia Evaluation Process



Leadership

- Evaluate the leadership structure and quality
- Leadership alignment with goals and objectives of the hospital
- Leadership role in managing the OR
- Leadership role in managing surgeon expectations and relationship



Quality

- Group's ability to meet the current quality requirements (TJC, HCAHPS, CMS, etc)
- Impact on "Value-Based Purchasing"
- Data collection and benchmarking
- Evidence-Based Practice

Anesthesia Evaluation Process

Financial

- Is the hospital paying subsidy? If so, what are the factors affecting subsidy?
- Staffing model, group's compensation methodology
- Group's ability to bill and collect
- Group's ability to identify additional revenue sources in the hospital

Clinical Services

- Group's ability to manage the operating room
- Improve turn-around and OR start times
- Improve staffing efficiency
- Overall surgeon, patient and nursing satisfaction

Evaluation Process

- Determine if current structure is sustainable and adaptable
- Define expectations and outcomes
- Create **Evaluation Tool** and criteria
- Engage stakeholders in the process and evaluation
- Determine internal “process” between stakeholders – actions before and after evaluation
- Knowledge is power and data is knowledge
- Leverage data during and after evaluation to achieve desired outcome

Anesthesia Evaluation Tool App



ANESTHESIA EVALUATION TOOL

Leadership

Financial

Quality

Clinical Services

On a scale of 1 to 5, with 1 being "poor" and 5 "excellent", please rate:

1. Your current provider's ability to contract with payors and manage the anesthesia revenue process (If you do not know, please select 1)

1 2 3 4 5

2. Your level of confidence in your current provider's billing and collections process (If you do not know, please select 1)

1 2 3 4 5

3. The financial compensation of the anesthesia providers, as compared with your local market

3a. Anesthesiologists

1 2 3 4 5

3b. CRNAs

1 2 3 4 5

4. Your current provider's need for financial support from the hospital, where "5" indicates, no need for subsidy?

1 2 3 4 5

5. Your current provider's ability to respond to healthcare reform and the impact anesthesia quality will have on your hospital's reimbursement

1 2 3 4 5

“Good management is the art of making problems so interesting, and their solutions so constructive, that everyone wants to get to work and deal with them.”



David Perlstein, MD, MBA
Medical Director
St. Barnabas Hospital

About St. Barnabas Hospital

- St. Barnabas Hospital
 - Level 1 trauma center, stroke center
 - 461 bed acute care community and teaching hospital located in south central Bronx, NY
 - Founded in 1860s
 - 199 nursing home beds
 - 100,000 ED visits yearly
 - 500,000 ambulatory visits



History of Former Anesthesia Group

- Private homegrown anesthesia group (2nd in 10 years)
- Quality was inconsistent
- Leadership unaligned with hospital mission
- Hospital paid the group a contracted fee in exchange for services

Evaluation of Former Anesthesia Group

- Very little transparency and no long-term strategic plan
- No partnership in perioperative services
- Lack of communication from anesthesia
- Ambulatory surgical growth was an institutional goal that former group could not support
- Lack of tracking and trending of data
- Quality improvement and compliance questionable
- Unaligned with institutional goals

Evaluation of Former Anesthesia Group

- Inconsistent and inadequate leadership
- Unsuccessful attempts to change:
 - Accountability
 - Availability
 - Behavior
 - Quality improvement
 - Strategic planning

The Search for A New Anesthesia Provider

- Hospital underwent RFP process
 - Obtained proposals from three groups
 - Two large national providers and one local group
 - Meetings with administration followed
 - VP Perioperative Services
 - CMO
 - COO
 - VP of Quality
 - Director of Surgery
 - Decision was made quickly after evaluating the proposals

RFP Evaluation

- Ten-point objective and subjective criteria were used to evaluate
 - Leadership
 - Realistic proposal
 - Expertise
 - Personable
 - Local presence
 - Data driven
 - Goal oriented
 - Accountability obvious
 - Quality and safety as central focus
 - Track record

Decision Time

- Criteria for choosing a new group
 - Extensive management experience
 - Strong, dedicated leadership with onsite management
 - Outstanding quality data
 - Experienced national infrastructure

Evaluating New Anesthesia Group

- New on-site leadership was much improved
 - Responsive, professional, collaborative
- Transitional challenges
 - Incumbent group exercised restrictive covenant and non-compete
 - New group had to hire all-new staff due to 100% turnover
 - Initial quality of clinicians was variable
 - Took some time to get the right staff hired
 - Initially resistant to an expanded CRNA model but it has been most successful
- Pain management
 - Pain management not included in original scope
 - New group is developing comprehensive pain program

Annual Performance Review

- New director of the service is a star, and active in the medical staff and medical board
- Strong leadership and succession planning in place
- Quality improvement data available and transparent
 - OPPE/FPPE, PAT Surgeon, Utilization report

Lessons Learned

- Understand the current contract arrangements of your providers
- Have someone with anesthesia expertise assisting in the search and evaluation
 - Didn't realize the impact of the loss of a pain service and the benefit of the CRNA model
- Take a more proactive role in vetting future members of the service as well as the director
- Have clearer understanding of the rolls of the on site administrator
- Meet often during the first few months of the transition



Thomas Dean
Chief Administrative Officer
San Juan Regional Medical Center

About San Juan Regional Medical Center

- San Juan Regional Medical Center
 - Independent, acute care 186-bed facility located in Farmington, NM, serving Four Corners region
 - Level III Trauma Center
 - 1,000 deliveries annually
 - 6,200 surgeries performed yearly



SJRMC Overview

- Expanded operating rooms to 8 in 2006
- Staff six ORs for peak block time, Monday to Friday, 7-3
- GI suite is remote from the ORs
- Obstetrical unit is four floors above the ORs
- ASC in town that is a joint venture between the hospital and its surgeons, which adds 3 ORs during those times
 - Performs about 2,000 surgeries each year
- Since at least 1990, all anesthesia services were provided to both facilities through a stand-alone, local group

Challenges in Anesthesia

- Quality and standards of surgical expectations has changed substantially over twenty years
 - Last JCAHO survey identified some issues with H&Ps in the surgical area
 - Switched accrediting agencies and the new agency found deficiencies specific to anesthesia
 - Inefficient utilization of staffing resources

Leadership and Subsidy

- Inadequate presence of leadership
- Inability to manage staff and department effectively
- Director was rarely on-site
- Cost of subsidy was increasing

Clinical Services Dilemma

- OR utilization was inefficient
 - More surgeries were scheduled outside block time
 - Increase in cost due to inadequate block utilization
 - Delayed starts
 - OR staff
 - Surgeons
 - Anesthesiology

Healthcare Reform

- Concerns with meeting requirements of healthcare reform
 - Lack of data
 - Lack of metrics, tracking, trending
 - Anesthesia lack of measuring utilization
 - Absence of standard operating policies and procedures

Time to Make a Change

- Realized that it had been at least 10 years since benchmarking our incumbent anesthesia provider against outside agencies
- SJRMC had 12-month renewal terms for the anesthesia service
- Researched anesthesia providers while also looking for benchmarks of the subsidy hospitals our size pay to providers
- Data led us to believe that there was room for improvement and thus issued an RFP

The Search for A New Anesthesia Provider

- SJRMC issued a full, formal RFP, including a draft contract for services for bidders to mark up and comment on
 - Twelve providers of service expressed interest
 - Regional companies could not provide documentation of their quality metrics
 - Five national companies and two local providers, including the incumbent, issued complete responses to the RFP
 - Invited the five front-runners to come onsite for presentations

SJRMC Criteria for Evaluating Proposals

- Leadership
 - Lack of perception on how much the concept of physician leadership has changed recently
 - Importance of a unified system that provides training to the local leader
 - Changes in standard of care, as we move from “cowboy” to “pit crew” models
 - Leadership fosters standards, which means standardization
 - Standardization allows quality measurement
- Quality
 - Size of database really matters
 - Benchmarking outcomes against similar sites is a real value

Decision Time

- Awarding of contract hinged on quality and leadership
 - Physician input was vital, and they were very focused on quality metrics, ability to benchmark their own performance against multiple sites
 - Also valued the physician-led quality of the lead contender
 - Local *and* national leadership
 - An anesthesia provider led by physicians and not run by hospital administrators
- Unanimous vote for national group, Somnia

Evaluating New Anesthesia Group

- Initial distrust about bringing in an “outsider”
- Changeover in January 2012 – surgery volume dropped as some surgeons adopted a “wait and see” attitude
- By late March, consensus was universal – the change is an improvement
- Increased number and consistency of providers while remaining at same cost of previous group
- Unanimous agreement that there is a great deal of value added in uniform processes, physician oversight

Lessons Learned

- Involve surgical stakeholders
- Gain local community support
- Prepare board of directors
- Create a contingency plan

Thank You!

Resources:

**Resource Document: A Hospital's Guide to Evaluating
Anesthesia Services:**

www.somniainc.com/anesthesiaevaluation

Access Somnia's Evaluation Tool App @

www.somniaevaluation.com

using your smart phone/tablet

