

# Benchmarking Your Way to Success: Raising Your Center's Performance

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# Learning Objectives

- Define benchmarking and the different types
- Determine what to measure / benchmark
- Identify potential pitfalls to successful benchmarking
- Spot trends in data to address problem areas
- Provide recommendations for improvement



# New Driver



Have you ever  
taught someone  
else to drive?

# Lots of Input

- Speedometer
- Gas gauge
- Tire Pressure
- Engine Temperature
- RPM gauge
- Door Alarms
- Battery Alarms
- Odometer
- Check Engine Light



# Overwhelmed / Complacent / Stagnant



- Too much to look at, consider, or evaluate
- Set a number of metrics and never look at anything else
- Status quo: if it's working don't fix it
  - How do you choose?
  - How many are enough?
  - When do you stop?
  - How to know the difference?

# Benchmarking

**Definition:** A standard or point of reference against which things may be compared or assessed. (Merriam-Webster)

## Types:

- Internal: the process of making meaningful comparisons within the company to set the best internal practice
- Competitive: used to evaluate the company's position within the industry and to identify leadership performance targets
- Strategic: used to identify and analyze work-class performance outside of the company's own industry.

# What to Benchmark



“A goal properly set is halfway reached” by Zig Ziglar

What are the center goals?

- Revenue
- Efficiency
- Satisfaction
- Quality
- Volume
- Materials Management

What is most important to your key stakeholders?

- Quality Care
- Distributions
- Patient Satisfaction
- Recruitment

# What NOT to Measure

- Information that does not impact center goals
- Data that is not reviewed
- Metrics that are no longer relevant



"THIS IS A 'PLACEBO' LINE. IT SERVES NO PURPOSE BUT IT MAKES US FEEL GOOD."



# Data Collection

Establish metrics that track, trend, and make an impact on the center's goals.

- Set goals across each area of the business
  - ✓ Clinical
  - ✓ Financial
  - ✓ Operational
  - ✓ Developmental



# Center Specific Metrics

Becker's ASC publishes "101 ASC Benchmarks to Know" each year

- Choose metrics to meet the center goals
  - Example: Improve the center's supply costs by decreasing the Direct Supply Costs as a % of Net Revenue by 4 % from the 2017 calendar year - excluding implants. (21% to 17%)
- Choose metrics that address center issues
  - Example: All surgeons will complete dictations the day of service. (Avg 1<sup>st</sup> Q 74% to 100%)

# Potential Pitfalls

➤ Definition – details on how items are defined could mean the difference between meaningful benchmarks and apples to oranges.

Examples:

Cancelations on the DOS – what are the time frames to be considered canceled on the DOS?

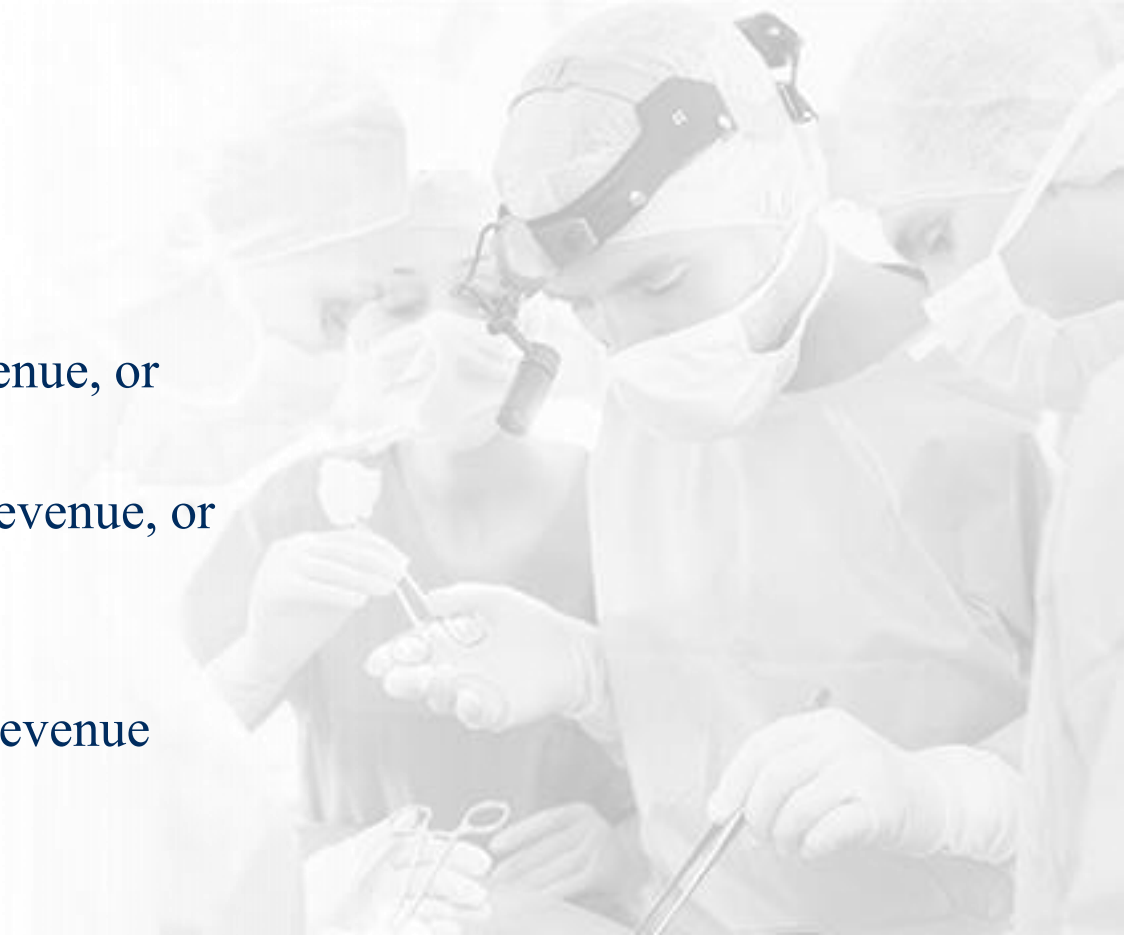
- Arrived in Pre-op and canceled?
- No show?
- Left a message on the answering machine overnight?
- Canceled at the surgeon office three days ago, but did not tell the center?

# Definitions Make the Difference

- Turn Over Time – Wheels-in to Wheels-out,  
Close time to Wheels-in, Anes complete to  
Wheels-in,
- Start Cases on Time – Wheels-in time, Cut Time,  
Surgeon in-room time,
- Supply costs per case – total supplies with implants,  
Supplies without implants, supply costs without  
taxes and freight,
- AR Days – all cases included; all cases excluding LOP,  
all cases excluding W/C,

# Common Metrics

- Financial:
  - Labor as a % of net revenue, or  
Labor as a cost / case
  - Supplies as a % of net revenue, or  
Supplies as a cost / case
  - AR Days
  - EBIDTA as a % of net revenue
  - Net revenue per case



# Key Metrics

## Cancelation on the DOS

\*\*Benchmark across other centers

- Assess PAT process
- Effectiveness of instructions to patients
- Staffing issues
- Trends among specific surgeons
- Variation in anesthesia preferences



# Key Metrics Cont.

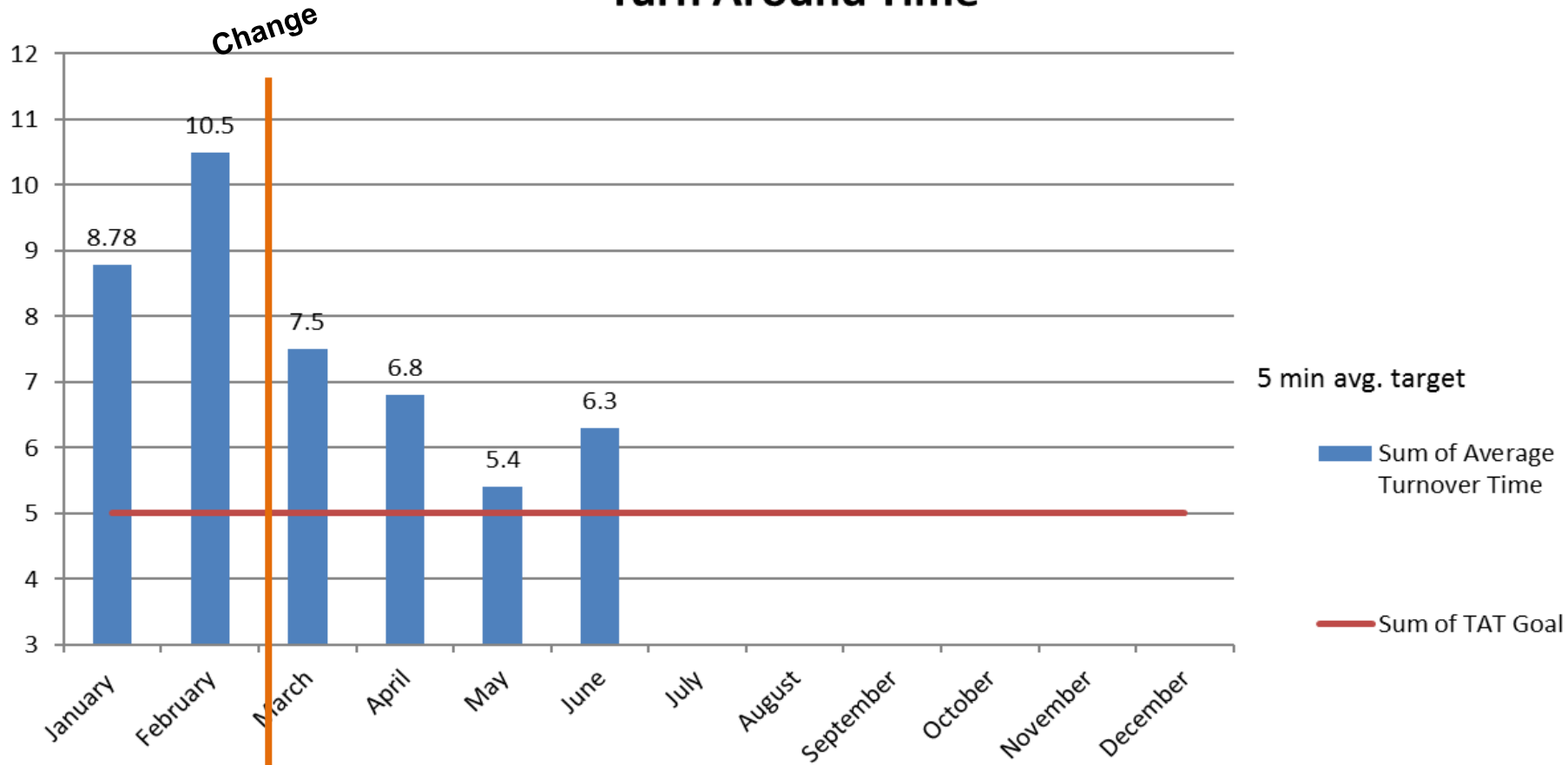
## Turn Over Time / Turn Around Time

\*\*Compare to other centers

- Efficiency of operations
- Scheduling effectiveness – too short, too long, time between cases
- Appropriate staffing



# Turn Around Time





# Impact 3.5 mins can make

The 3.5 minute difference can decrease 17.5 hrs / month

Example:

15 cases avg 9.7 min turn = 145.5 min

15 cases avg 6.2 min turn = 93 min

Difference = 52.5 min

x 20 working days = 1050 min / month

17.5 hrs less per month

# Key Metrics Cont.

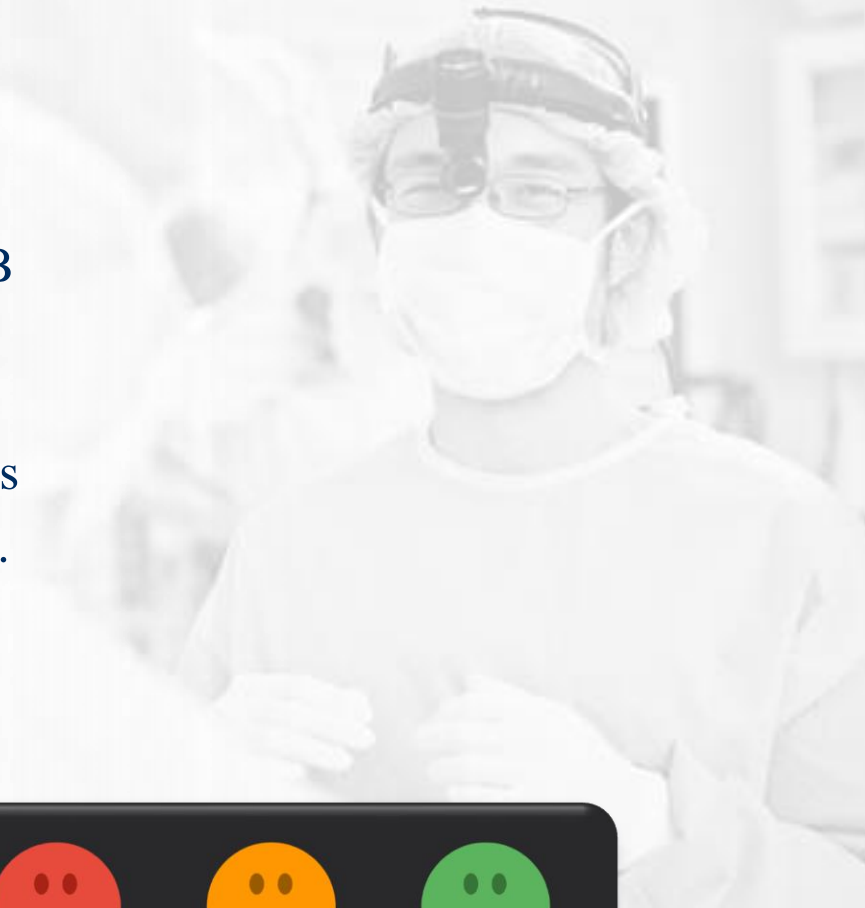
## Start Cases on Time

- Efficiency of operations
- Staffing appropriateness
- Surgeon / anesthesia trends
- PAT / Admission effectiveness



# What is the impact for starting on time?

- Appropriate staffing / management of SWB / overtime
- Surgeon satisfaction
  - Decrease delays for following surgeons
  - Decrease delays to office, hospital, etc. when surgeon leaves
- Decrease patient wait time
- Improve patient satisfaction
- Manage potential equipment conflicts



# Key Metrics Cont.

## Manhours / case

\*\*compare to centers with similar specialty  
mix

- Staffing efficiency
- Labor expenses
- Assess flex staffing
- Analyze schedule compression

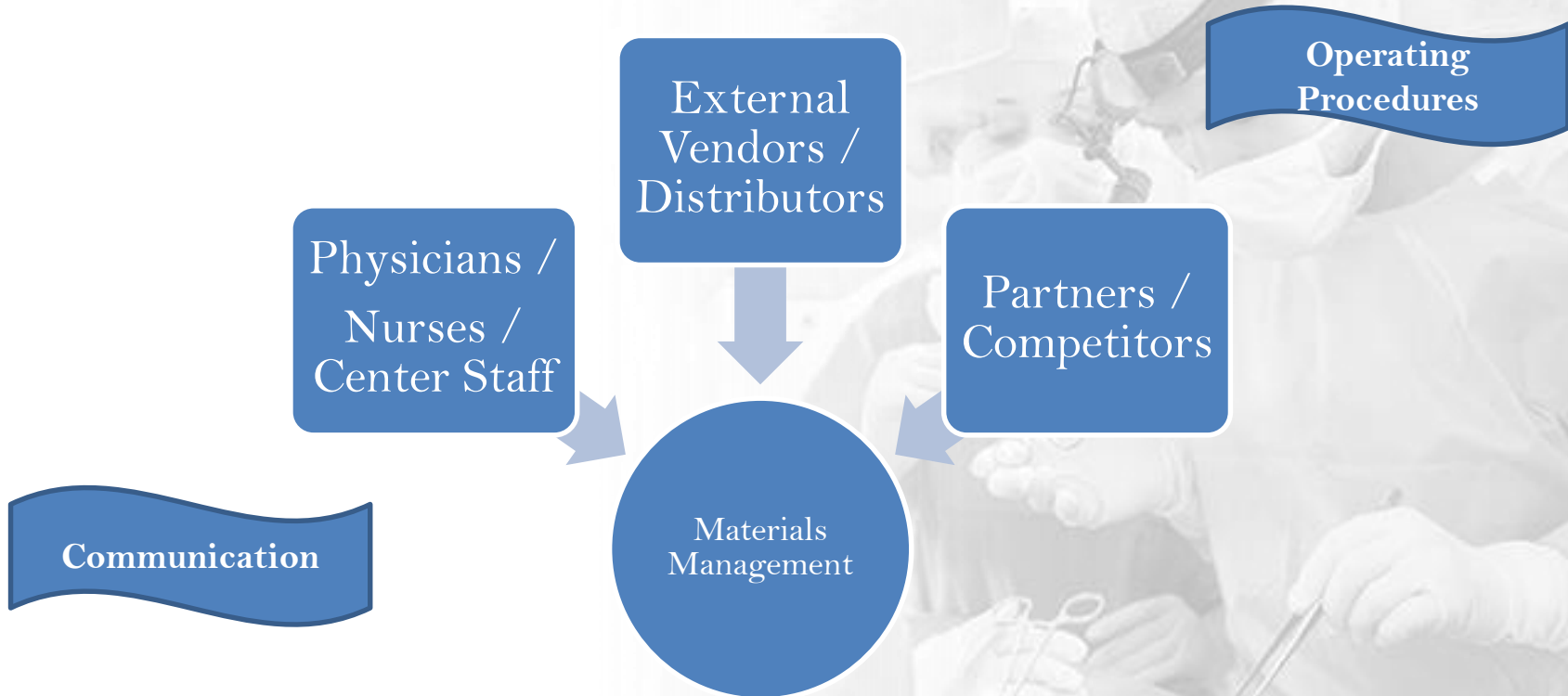


	OR 1	OR 2	OR 3	ENDO	EYE
07:00 AM	█		█		
07:15 AM	█		█		
07:30 AM		█			█
07:45 AM		█			█
08:00 AM	█	█	█		█
08:15 AM	█	█	█		█
08:30 AM		█			█
08:45 AM		█			█
09:00 AM	█	█			█
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9:30 AM

10:30 AM

# Materials Management – A Collaborative Function



- Supplies tend to be a large expense in centers and managing them can be as multifaceted as any other department of the business

# Benefits of Materials Management Metrics

The background of the slide is a faded, grayscale image of several surgeons in an operating room. They are wearing surgical masks, caps, and gloves, and are focused on a procedure. The image is positioned behind the text and boxes, providing a professional and clinical context for the content.

Process  
Management  
Improvements

Inventory  
Management  
Improvements

Cost  
Containment  
Opportunities

# Identify Process Management Improvements

% of invoices with no purchase orders

- Orders are not captured electronically therefore loose insight for key decision making

% of match exceptions between invoice, PO, receipt

% on-time delivery

- Informs order lead time

- Streamlined ordering process, receiving, and payments processing will reduce the risk of errors.



# Identify Inventory Management Improvements

## Inventory Days of Supply

- Number of days it takes to run out of supply if not replenished
- Inventory on hand / average daily usage
- Minimize inventory days of supply

## Inventory Turnover

- Number of times inventory cycles per year
- Total direct supply cost / average inventory
- Higher inventory turns = more efficient supply chain

- Reduce the risks of excess and obsolete inventory, expired inventory, wastage.
- Excess inventory ties up operational cash flow.
- Standardize and optimize procedure trays and packs.

# Identify Cost Containment Opportunities

Amount of savings achieved over a set period of time

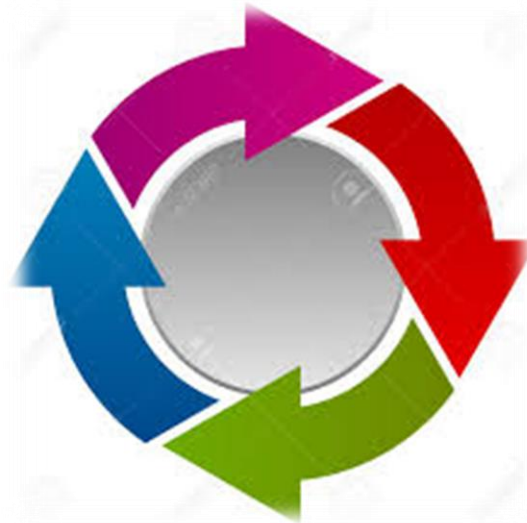
Supply Cost as % of Revenue

- Overall (consider any change in case mix) and by specialty

Average Supply Cost / Procedure across physicians

- Review the terms of your contract periodically. For example vaporizers and anesthesia gases.
- Review GPO contract connection and eligibility for tier enhancement.
- Opportunities for reprocessing and substitution.
- Discounted supplies distributors.

**Benchmarking doesn't tell you what to do:  
it helps point you in a direction for further  
inquiry, analysis and possible action.**



# What Does It Really Mean?

\*Ask 'Why' 5 times to get to the real issue.

1. Why do we start late – the surgeon is always late
2. Why is the surgeon late – the patient is never ready
3. Why is the patient not ready – the patient arrived late
4. Why did the patient arrive late – the patient got lost
5. Why did the patient get lost – our brochure map is confusing

Give me a lever long enough  
and a fulcrum on which to place it,  
and I shall move the world.

Archimedes

**Operating  
Financial  
Combined**





Q & A