10 Steps to Reduce Costs in Your ASC

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Anita Lambert-Gale
&
John Snyders

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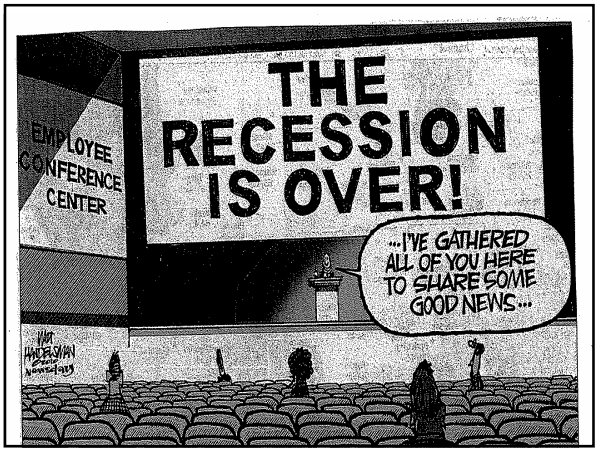


Step 1
Know Your Costs

- You cannot control or change that which you do not completely understand
- Validate the actual costs to perform procedures
- Salaries & Supplies
- Minimally monitor monthly
  - Preference cards inaccurate
  - Cost in inventory incorrect
  - Implants not accurately captured

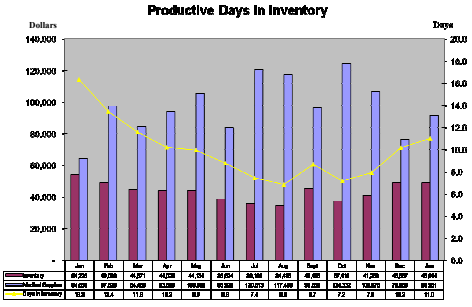
Step 2
Benchmark Cost Between Surgeons

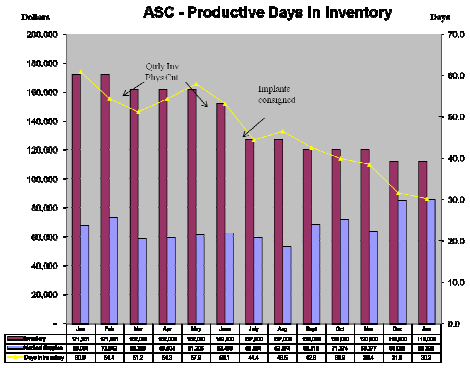
- Benchmark the procedure specific cost data (at least annually per specialty)
- Share the data
- Set stage for discussion among the surgeons/proceduralist who perform those procedures
- Physicians are naturally competitive and sensitive to their costs relative to their peers, so sharing cost data with physicians forces you to validate all your costs

Ophthalmology Per Case Data (1st Qtr. 2010)			
Physicians	**Supply Costs**	**Implant Costs w/o Specialty Lenses**	**Total Costs w/o Specialty Lenses**
A	$154	$149	$302
B	$139	$127	$266
C	$104	$116	$221
D	$98	$120	$218
E	$150	$147	$297
F	$114	$117	$230
G	$169	$115	$284
H	$70	$116	$186
Weighted Avg.	$110	$121	$232

Step 3
Control Inventory

- Have what is needed but not too much
- Waste of money having excess supplies setting on shelves
- Standardize what you have on the shelves
- Use consignment when possible
- Reassess your custom packs





Days of Supply Expense in Inventory Calculation
As of September 30

Month	Supply Exp	Work Days
Jul	$ 55,000	21
Aug	58,000	22
Sep	53,000	21
Total	$ 166,000	64

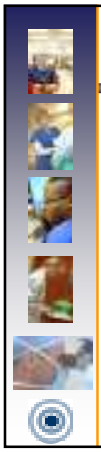
Using the average daily supply cost of the past three months is typical

Average Supply Cost Per Work Day $ 2,594

Inventory Balance as of September : 120,250

Days in Inventory at Sep 30 46.4 Days

Divide Avg Supply Cost per Day into the Inventory Balance to determine Days in Inventory



Step 4
Get the Most out of Your GPO

- If you do not belong to a GPO, join one after careful evaluation
- Once you join, educate your staff on how to maximize savings and how to use
- Create a partnership with your GPO representative
- Ensure that you are getting the contract price
- Monitor compliance with purchasing
- Rebates
  - When are they coming?
  - How much is expected?

Step 5
Maximize Utilization of OR/Procedure Room

- Avoid opening all rooms for brief periods of time
- Minimize open spots in middle of day
- Identify “filler” cases

Step 6
Hire the Right People

- If at all possible hire staff experienced in the ASC world (tough to overcome hospital mentality)
- Seek staff who are flexible in both time and attitude

Step 7
Control Staffing

- Monitor closely
- Develop a tool that works well for your setting (this can assist you in identifying where staff members are used)
- Flex staff according to workload

Name of Center — **Daily Staffing Tool**

Week of _____

		Monday		Tuesday		Wednesday		Thursday		Friday		Total	
		Schdl	Actl	Schdl	Actl	Schdl	Actl	Schdl	Actl	Schdl	Actl	Schdl	Actl
Cases													
Yag		0	0					0		0	0	0	0
GI												0	0
Surgery												0	0
Total Cases												0	0
Total Rooms Running													
Staffing (Hours)													
Job Function	Staff Person	Hours											
Pain												0.00	0.00
Pain												0.00	0.00
Pain												0.00	0.00
GI	*Employee Name*											0.00	0.00
GI Scrub	*Employee Name*											0.00	0.00
Surgery RN	*Employee Name*											0.00	0.00
Surgery RN	*Employee Name*											0.00	0.00
Surgery Scrub	*Employee Name*											0.00	0.00
Surgery Scrub	*Employee Name*											0.00	0.00
Surgery Scrub	*Employee Name*											0.00	0.00
Pre-Op RN	*Employee Name*											0.00	0.00
Pre-Op RN	*Employee Name*											0.00	0.00
PACU RN	*Employee Name*											0.00	0.00
PACU RN	*Employee Name*											0.00	0.00
PAT	*Employee Name*											0.00	0.00
PAT	*Employee Name*											0.00	0.00
Total Hours												0.00	0.00
Overall Hours Per Case													
Pain Hours Per Pain Case													
GI Hours Per GI Case													
OR Hours Per Surgical Case													

Excluded: OR Manager, Mat Mgmt, Administrator, and business office staff.
Please update and submit regularly.

Ambulatory Surgery Center — **Daily Staffing Tool**

Wk 2/15/10-2/19/10

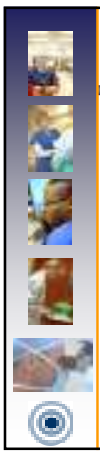
	Monday Schdl	Monday Actl	Tuesday Schdl	Tuesday Actl	Wednesday Schdl	Wednesday Actl	Thursday Schdl	Thursday Actl	Friday Schdl	Friday Actl
Cases										
Pain	3	3	3	3	1	1	2	2	2	2
GI	11	11	8	8	9	9	9	9	5	5
Surgery	4	4	2	2	2	2	8	8	4	4
Total Cases	18		13		12		19		11	
Staffing (Hours)										
Job Function / Staff Person					Hours					
Pain — *Sally*										
Pain — *Cynthia*			2.00		1.00		2.00		2.00	
Pain — *nurse **	2.00									
GI — *Sally*										
GI — *Cynthia*	6.03		6.45		6.38		7.08			
GI — *Other #*			2.00							
GI — *Employee*										
Surgery RN — *Suzann*	9.02		5.87							
Surgery RN — *Lindsay*	7.58		5.73		4.87		8.13		7.22	
Surgery RN — *Employee*							3.85			
Surgery Scrub — *Dan*										
Surgery Scrub — *Moe*	7.38		5.43		5.25		7.85		6.92	
Surgery Scrub — *Stacy*	7.82		5.65		5.30		7.97		6.77	
Surgery Scrub — *Employee 6*										
Pre-Op RN — *Vicky*					5.40		7.45			
Pre-Op RN — *Michael*	4.88		5.53		6.73		5.17		9.62	
Pre-Op RN — *Kathy N*	8.23		8.02		6.85		7.23			
Pre-Op RN — *Employee*					4.75				7.30	
PACU RN — *Sharon*	7.43		6.35		5.73		7.95			
PACU RN — *Kathy D*	7.00				5.62		8.18		8.10	
PACU RN — *Employee*										
PACU RN — *Employee*										
PAT — *Employee 1*	3.00		4.00		2.00		3.00		2.00	
Post-Op Calls — *Employee 1*	1.48		1.00		1.00		1.00		1.00	
Total Hours	71.85		58.03		60.89	0.00	76.86	0.00	50.93	0.00
Overall Hours Per Case	4.0		4.5		5.1		4.0		4.6	
Pain Hours Per Pain Case	0.7		0.7		1.0	0.0	1.0	0.0	1.0	0.0
GI Hours Per GI Case	0.5		0.8		0.7	0.0	0.8	0.0	0.0	0.0
OR Hours Per Surgical Case	8.0		11.3		7.7	0.0	3.5	0.0	5.2	0.0

SurgiCenter of _____ — **Daily Staffing Tool**

Week of: _____

Instr Room
Charge Nurse
Observation

	Monday Schdl	Monday Actl	Tuesday Schdl	Tuesday Actl	Wednesday Schdl	Wednesday Actl	Thursday Schdl	Thursday Actl	Friday Schdl	Friday Actl	Total Schdl	Total Actl
Cases												
Pain	0	0	0	0	8	6	1	1	3	3	12	10
GI	8	8	3	3	3	2	0	0	0	0	14	13
Surgery	2	2	8	8	3	3	8	8	7	7	28	28
Total Cases	10	10	11	11	14	11	9	9	10	10	54	51
Total Rooms Running	2	2	2	2	3	3	2	2	2	2		
Staffing (Hours)												
Job Function / Staff Person					Hours							
Pain — *Ann*					8.00	8.00					8.00	8.00
Pain — *Melissa , RT*					8.00	8.13	8.00	8.12	8.00	8.00	24.00	24.25
Pain — *Risa, RN*									8.00	8.00	8.00	8.00
GI — *James, ORT*											0.00	0.00
GI — *Risa,RN*											0.00	0.00
GI — *Kate, RN*	8.00	7.67									8.00	7.67
Surgery RN — *Diana, RN*			8.00	8.00	8.00	8.00	8.00	7.80			24.00	23.80
Surgery RN — *Risa, RN*	8.00	8.00									8.00	8.00
Surgery RN — *Kate, RN*			8.00	7.90	8.00	8.00	8.00	8.00	8.00	7.83	32.00	31.73
Surgery Scrub — *James, ORT*											0.00	0.00
Surgery Scrub — *Employee Name*											0.00	0.00
Turnover — *Don*			8.00	8.00	8.00	8.00	8.00	8.00			24.00	24.00
Pre-Op RN — *Kathy, RN*											0.00	0.00
Pre-Op RN — *Sue, RN*							8.00	7.42			8.00	7.42
Pre-Op RN — *Marcia, RN*											0.00	0.00
PACU RN — *Kathy, RN*					8.00	8.00					8.00	8.00
PACU RN — *Marcia, RN*					8.00	8.00	8.00	8.00	8.00	7.00	24.00	23.00
PACU RN — *Kathy, RN*	8.00	7.50									8.00	7.50
PAT — *Kathy, RN*									8.00	6.75	8.00	6.75
PAT — *Beth, RN*	8.00	7.60									8.00	7.60
PAT — *Karen, RN*											0.00	0.00
Total Hours	32.00	30.77	24.00	23.90	56.00	56.13	48.00	47.34	40.00	37.58	200.00	195.72
Overall Hours Per Case	3.2	3.1	2.2	2.2	4.0	5.1	5.3	5.3	4.0	3.8	3.7	3.8
Pain Hours Per Pain Case					2.0	2.7	8.0	8.1	5.3	5.3	3.3	4.0
GI Hours Per GI Case	0.0	1.0	0.0	0.0	0.0	0.0					0.0	0.6
OR Hours Per Surgical Case	4.0	4.0	3.0	3.0	8.0	8.0	3.0	3.0	1.1	1.1	3.1	3.1



Step 8
Schedule Creatively

- Work with the Medical Staff to schedule appropriately
- Compare what your surgeons say is their time for procedures and what they actually use
- If long PACU time is required, schedule early to prevent overtime

Step 9
Study Your Throughput Process

- Periodically study the entire process of patient flow through your facility (may use flow charts)
- Identify where time improvements may be made
- Where are the "slow downs"?
- Where are the "bottle necks" ? How may we eliminate or improve them?

Examples of "Bottle Necks"

- Scheduling
- Pre-operative phone calls (cost and health screening)
- Pre-operative area (insufficient beds, IV skills of staff, insufficient staffing for case load, anesthesia staff)
- OR – (late surgeon, insufficient equipment, inadequate time scheduled for case)
- PACU (extended time due to PONV or pain control)

Step 10
Ask!!!

- Ask your staff, physicians, vendors and patients how you might improve
- Listen carefully to the customers

Overview (Most Important)

- Know your cost
- Control staffing
- Control supplies
- Streamline your processes

Finally

- Finally, continually reassess and evaluate how you may improve
- That which does not get examined will not improve
- "It is not necessary to change. Survival is not mandatory." *W. Edwards Deming*

Questions

Contact Information

- Anita Lambert-Gale
  - (615) 545-1625
  - alambert@healthmarkpartners.com
- John Snyders
  - (615) 329-9971
  - jsnyders@healthmarkpartners.com