

SPECIALTY SURGERY CENTER of CNY

COST SAVINGS PRESENTATION



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ABOUT US

- Opened Business in December 1999 w/ 5 MDs
- Started as Single Specialty Ophthalmology
- Added ENT & Pain Management in 2008
- Perform 8000 + Procedures Per Year w/ 19 MDs
- 4 ORs, 1 YAG Room
- Ophthalmology Still 91 % of Our Business
- 11 Partners
- Associated with Ambulatory Surgical Centers of America

PROCEDURES

OPHTHALMOLOGY - 91%

- Cataract
- Corneal Transplant – PKP, DSAEK, DALK
- -
- Strabismus
- Glaucoma Procedures
- -

ENT - 2%

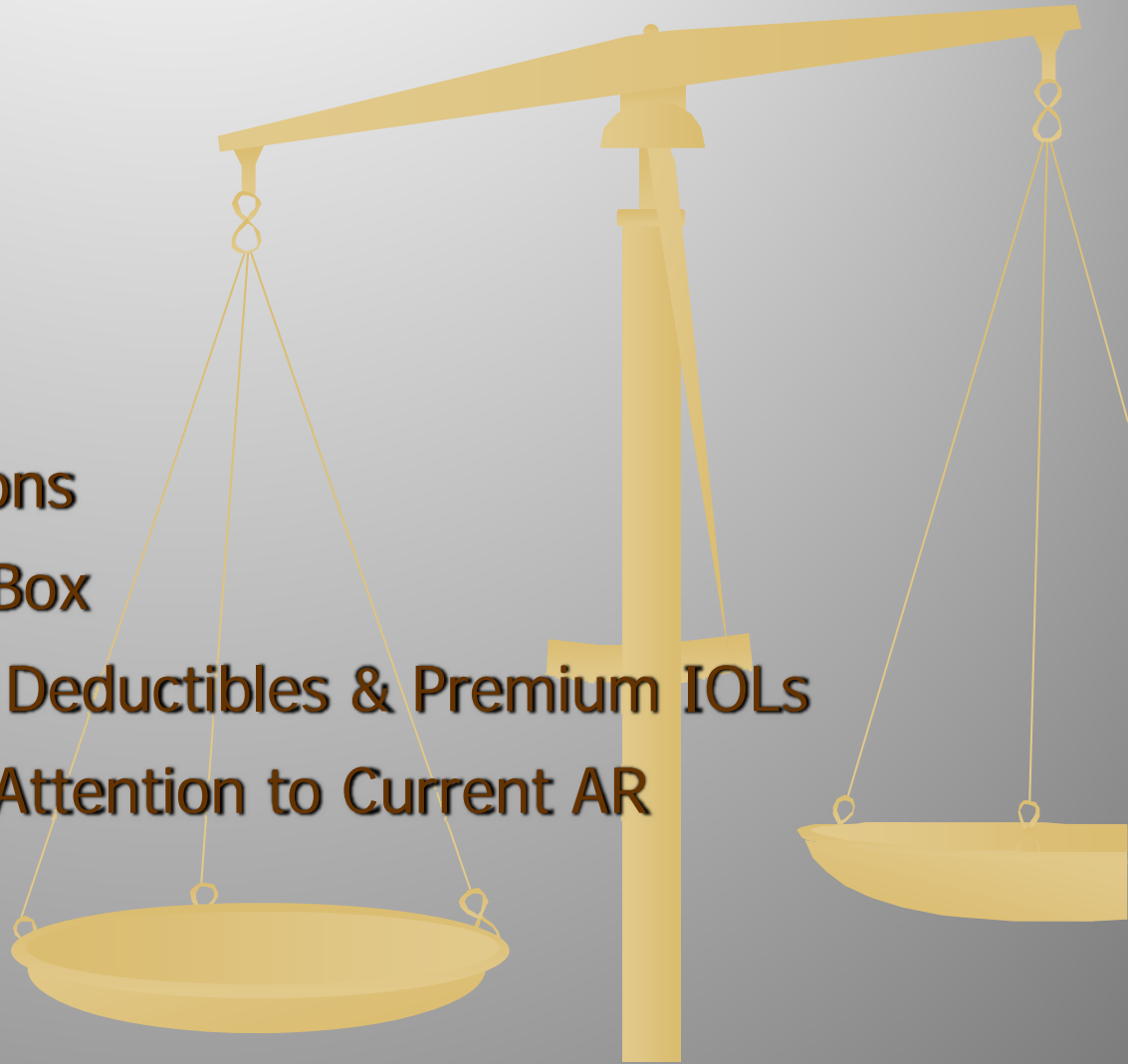
- Endoscopic Sinus Procedures – Some w/ Image Guided

PAIN – 7%

- Lumbar & Cervical Injections

COST SAVING INITIATIVES

- Center Culture
- Standardization
- Efficiency
- GPO Purchasing
- Aggressive Negotiations
- Thinking Out of The Box
- Collection of Co-Pay, Deductibles & Premium IOLs
- Timely Collections & Attention to Current AR
- Case Costing
- Recruiting



CENTER CULTURE

- Employee Buy-in
- Develop Feeling of Ownership
- Incentive Program
- Develop Non Hospital Environment
- Collegial Managers & Members
- Administrative Staff
- Develop Special Services That Make You Different



STANDARIZATION

- Instrument Trays
- Equipment
- IOLs
- Packs
- Pre-op Process
- Post-op Process
- Collections



EFFICIENCY

- **Seamlessness**
- **Zero Turnover Time**
- **Teamwork**
- **Utilization of Time**
- **Staff Satisfaction**



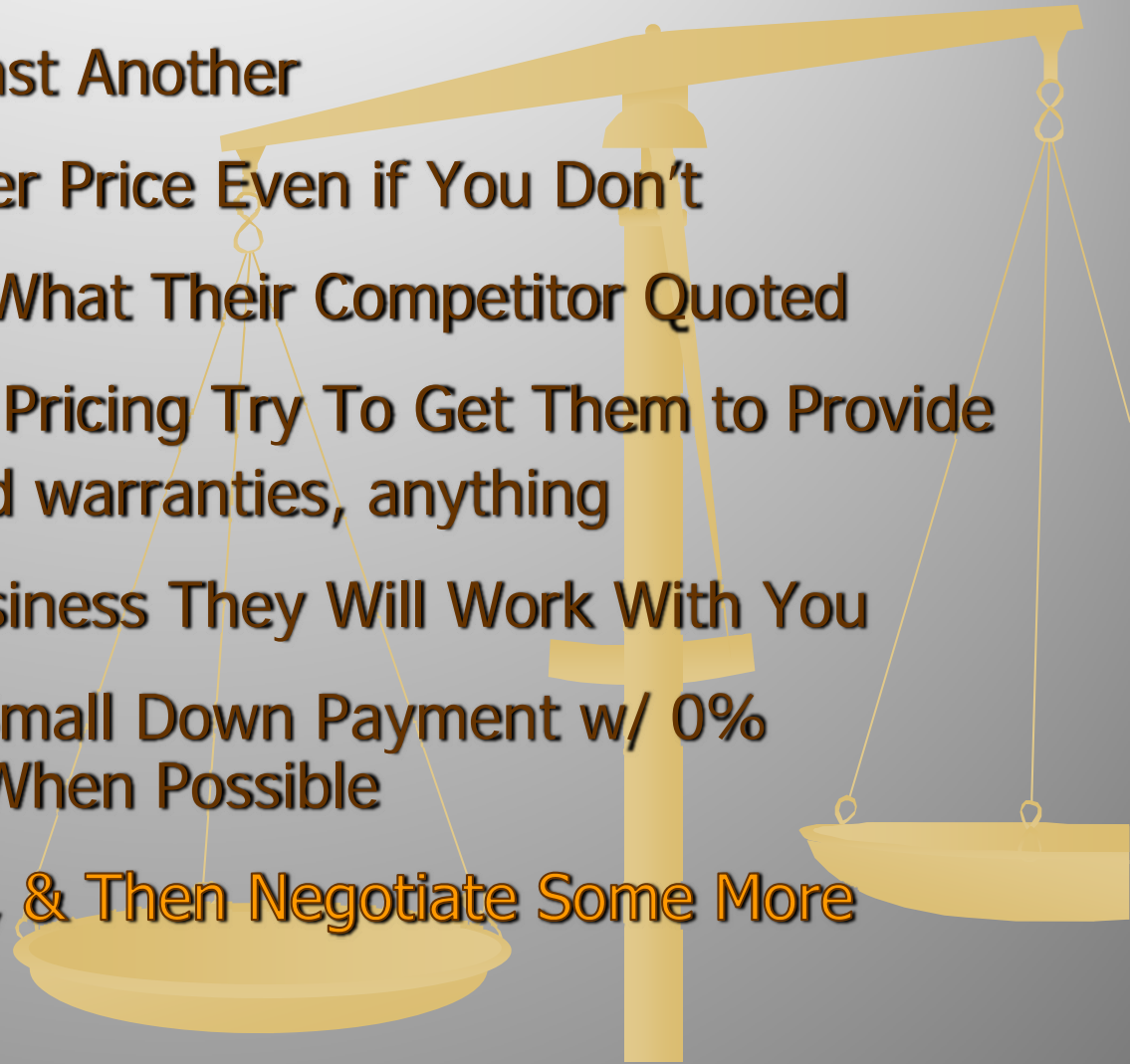
GPO PURCHASING

- Broadlane Contract Thru ASCOA
- Corporate Contract
- Check W/ State ASC Association
- Negotiate Your Own Contract
- Do Not Accept Bundled Pricing
- Apple to Apple Comparisons



AGGRESSIVE NEGOTIATIONS

- Pit One Vendor Against Another
- Say You Have a Lower Price Even if You Don't
- Never Tell a Vendor What Their Competitor Quoted
- Once You Get Lower Pricing Try To Get Them to Provide Extras, i.e.: extended warranties, anything
- If They Want the Business They Will Work With You
- Always Negotiate a Small Down Payment w/ 0% Interest on Balance When Possible
- Negotiate, Negotiate, & Then Negotiate Some More



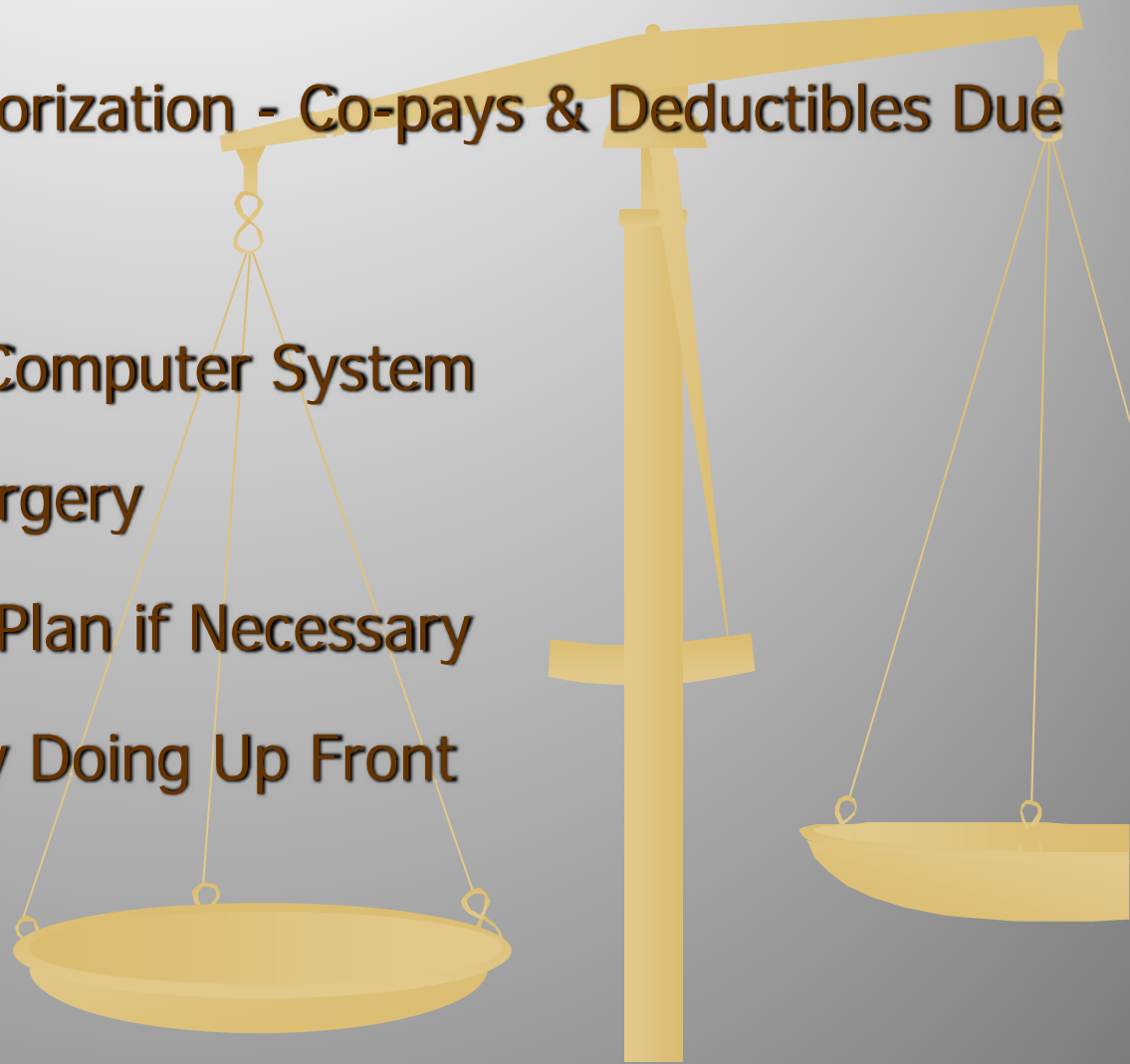
THINKING OUT OF THE BOX

- Staff Can Be Amazing if Culture is Right
- Disney World Type Customer Service
- Living Room Type Atmosphere
- Silent Marketing
 - Quality of Care
 - Massage Services
 - Violets
 - Pens
 - Magnet Clips



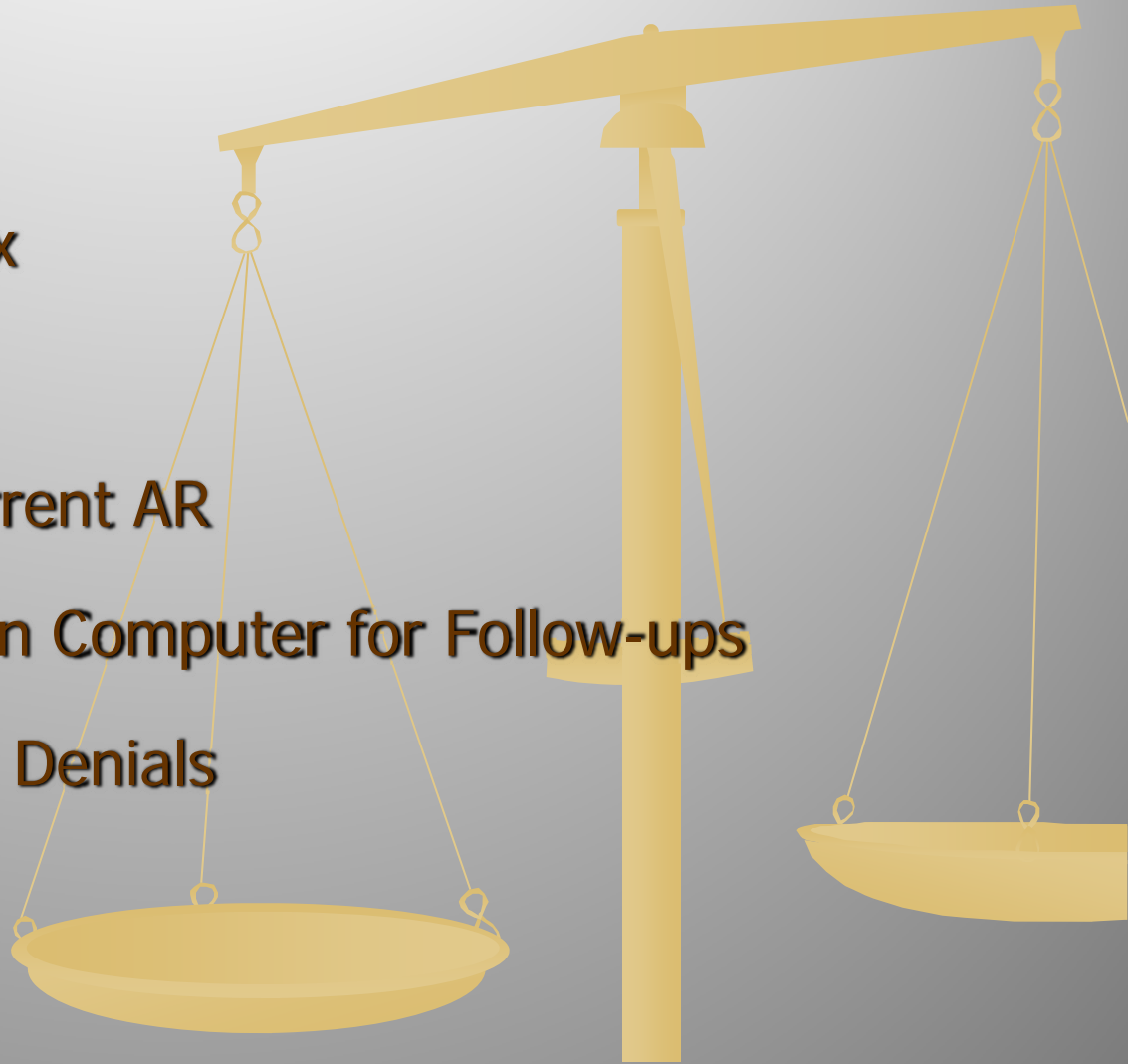
COLLECTION OF CO-PAYS, DEDUCTIBLES, & PREMIUM IOLS

- Check Eligibility/Authorization - Co-pays & Deductibles Due
- Contact Patients
- Enter Amounts Into Computer System
- Collect the Day of Surgery
- Implement Payment Plan if Necessary
- Save Many Dollars by Doing Up Front



TIMELY COLLECTIONS & ATTENTION TO CURRENT AR

- Develop Collection Matrix
- Follow it to the Tee
- Aim For 75% – 80% Current AR
- Develop Tickler System in Computer for Follow-ups
- Immediate Follow-up on Denials



COLLECTION MATRIX

	\$0 - \$35	\$36 - \$100	\$101 - \$200	\$201 - \$500	\$501 - \$1100	\$1100+
0 - 30 Days	S	S	S	S	S	S
30 Days	S	L1	L1	L1	L1	L1
40 Days	L1	L2 - PC	L2 - PC	L2 - PC	L2 - PC	L2 -PC
50 Days	PC	L3	L3	L3	L3	L3
60 days	WO	PC	PC	OCL/OC PC	OCL/OC PC	OCL/OC PC
70+ Days		WO	WO	MD & Admin	MD & Admin	MD & Admin

S = Statement

WO = Write Off

L1=Collection Letter # 1

L2=Collection Letter # 2

L3=Collection Letter # 3

PC = Phone Call

OCL/OC PC=Outside Collection Letter & PC

MD & Admin = MD & Administrator Approval

CASE COSTING

- Avenue to Decrease Cost
- Peer Pressure Amongst Physicians
- Case Cost on Same Procedures
- Preference Cards
- Perform Regularly on All Services
- Present @ Board Meetings



YAG CASE COST

DR # 3
Jan 2010

Key DOS	Acct	Primary Proc	Prim Payer	OR Min	Surg Min	Supply Cost	Over-Head / min	Total Cost	Total Rev Per Case	Profit/Loss Per Case	
01/11/10	14879	66821	MCR	2	2	5.17	34.84	40.01	231.51	191.50	
01/11/10	18133	66821	POMCO	2	2	5.17	34.84	40.01	1,050.00	1,009.99	
01/11/10	14887	66821	BC/BS	2	2	5.17	34.84	40.01	436.97	396.96	
01/11/10	18860	66821	MCR	1	1	5.17	17.42	22.59	231.51	208.92	
01/11/10	2685	66821	BC/BS	2	2	5.17	34.84	40.01	608.97	568.96	
YAG TOTALS				9	9	\$ 25.85	\$ 157	\$ 183	\$ 2,559	\$ 2,376	

DR # 3

REVENUE versus COST

Jan 1-31, 2010

Key DOS	Account	Prim	Primary	OR	Surgeon	Supply	Overhead	Total	Total Revenue	Profit/ Loss
		Proc	Payer	Min	Minutes	Cost	Per min	Cost	Per Case	Per Case
01/11/10	32783	66984	SECHORIZON	19	9	237.48	330.98	568.46	1,004.43	435.97
01/11/10	33062	66984	MCR	20	9	237.12	348.40	585.52	1,001.78	416.26
01/11/10	12451	66984	MCR	34	25	236.68	592.28	828.96	1,002.09	173.13
01/11/10	32786	66984	TDYSOPTION	22	11	368.44	383.24	751.68	929.14	177.46
01/11/10	32784	66984	MCR	19	12	237.48	330.98	568.46	1,002.09	433.63
01/11/10	33057	66984	RMSCO	20	10	237.48	348.40	585.88	1,143.96	558.08
01/11/10	33055	66984	MCR	22	11	237.12	383.24	620.36	1,002.09	381.73
01/11/10	32985	66984	MCR	20	9	239.51	348.40	587.91	1,002.09	414.18
01/11/10	32953	66984	TDYSOPTION	35	12	237.48	609.70	847.18	929.14	81.96
PHACO TOTALS				211	108	\$2269	\$3676	\$5944	\$9017	

DR # 3

Jan 1 - 31, 2010

YAG CASE COSTING SUMMARY			CATARACT CASE COSTING SUMMARY	
Cases	5		Cases	17
Avg OR Min	1.8		Avg OR Min (in & out rm)	21
Avg Surgeon Min	1.8		Avg Surgeon Min	11
Avg Supplies	\$5.17		Avg Supplies	\$ 246.23
Avg Overhead	\$31.36		Avg Overhead	\$ 364.80
Avg Total Cost	\$36.53		Avg Total Cost	\$ 611.03
Avg Revenue	\$511.79		Avg Revenue	\$ 1,023.57
Avg Profit/Case	\$475.27		Avg Profit/ Case	\$ 412.54

PHACO CASE ONLY

MD	CPT Code	# Proc	Payor	Total Cases	- OR min/ Case	Avg Surgeon Min/ Case	Avg Supply Cost/Case	Average Overhead/Case	Average Total Cost/Case	Average Revenue/Case Profit/Case
Dr # A	66984	1	MCR	1	21	14	\$237	\$366	\$603	\$1,002	\$399
Dr # B	66984	1	MCR	1	18	10	\$242	\$314	\$556	\$1,002	\$446
Dr # C	66984	1	MCR	1	22	11	\$237	\$383	\$620	\$1,002	\$382
Dr # D	66984	1	MCR	1	26	12	\$237	\$453	\$690	\$1,002	\$312
Dr # F	66984	1	MCR	1	23	13	\$243	\$401	\$644	\$1,002	\$359
Dr # G	66984	1	MCR	1	23	13	\$237	\$401	\$638	\$1,002	\$365
Dr # H	66984	1	MCR	1	24	12	\$247	\$418	\$665	\$1,002	\$337
Dr # I	66984	1	MCR	1	24	9	\$236	\$418	\$654	\$1,002	\$348
Dr # J	66984	1	MCR	1	23	13	\$240	\$401	\$641	\$1,002	\$361
Dr # K	66984	1	MCR	1	17	8	\$241	\$296	\$537	\$1,002	\$465
Dr # L	66984	1	MCR	1	17	9	\$240	\$296	\$536	\$1,002	\$466
Dr # M	66984	1	MCR	1	40	18	\$426	\$697	\$1,122	\$1,387	\$265

RECRUITING

- Develop Strategic Recruiting Plan w/ Board
- Emphasize Efficiencies
- Emphasize Patient Satisfaction
- Fill Open Block Times
- Increases Revenue
- Decreases Overhead



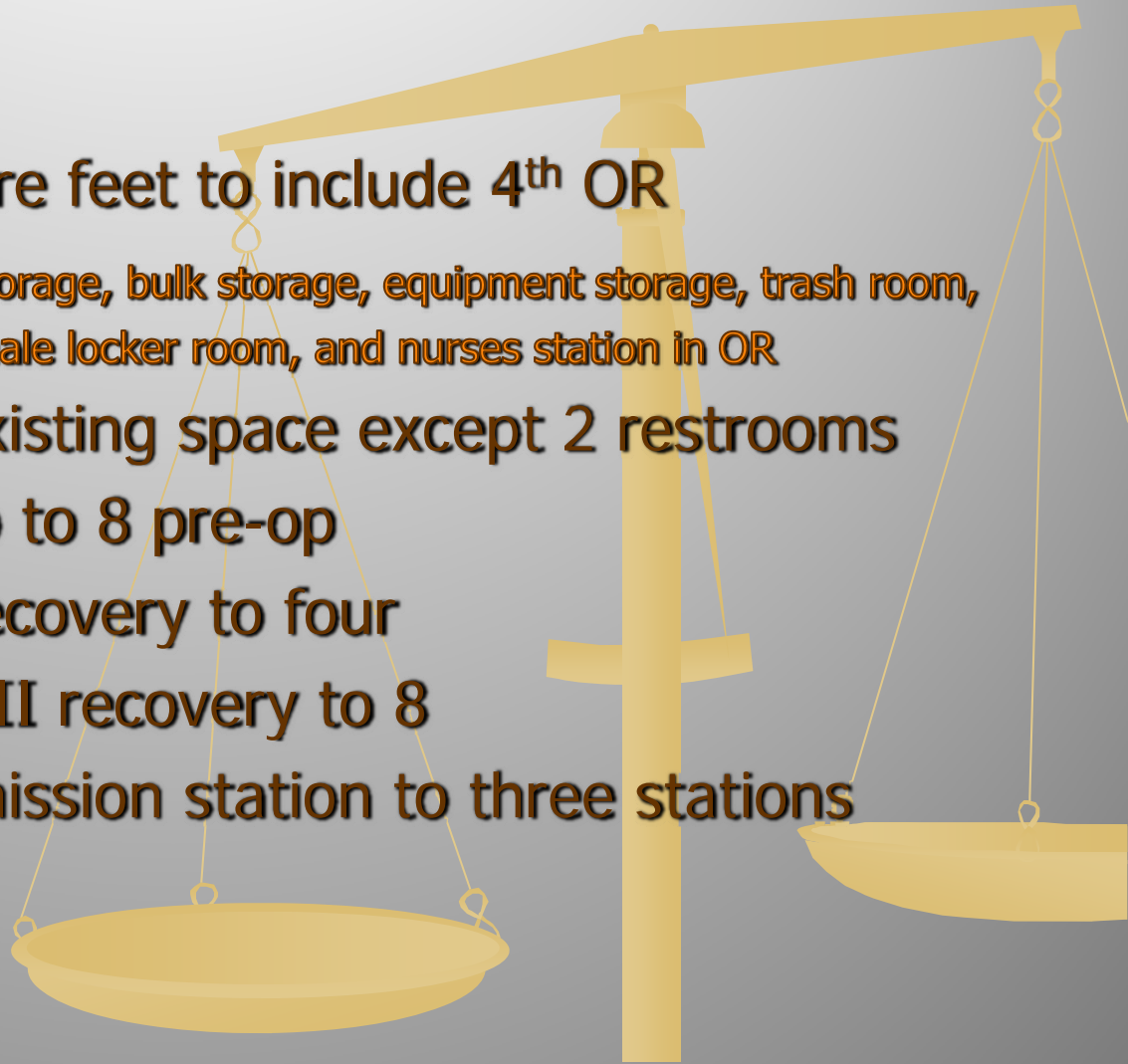


2009 EXPANSION

COST SAVINGS

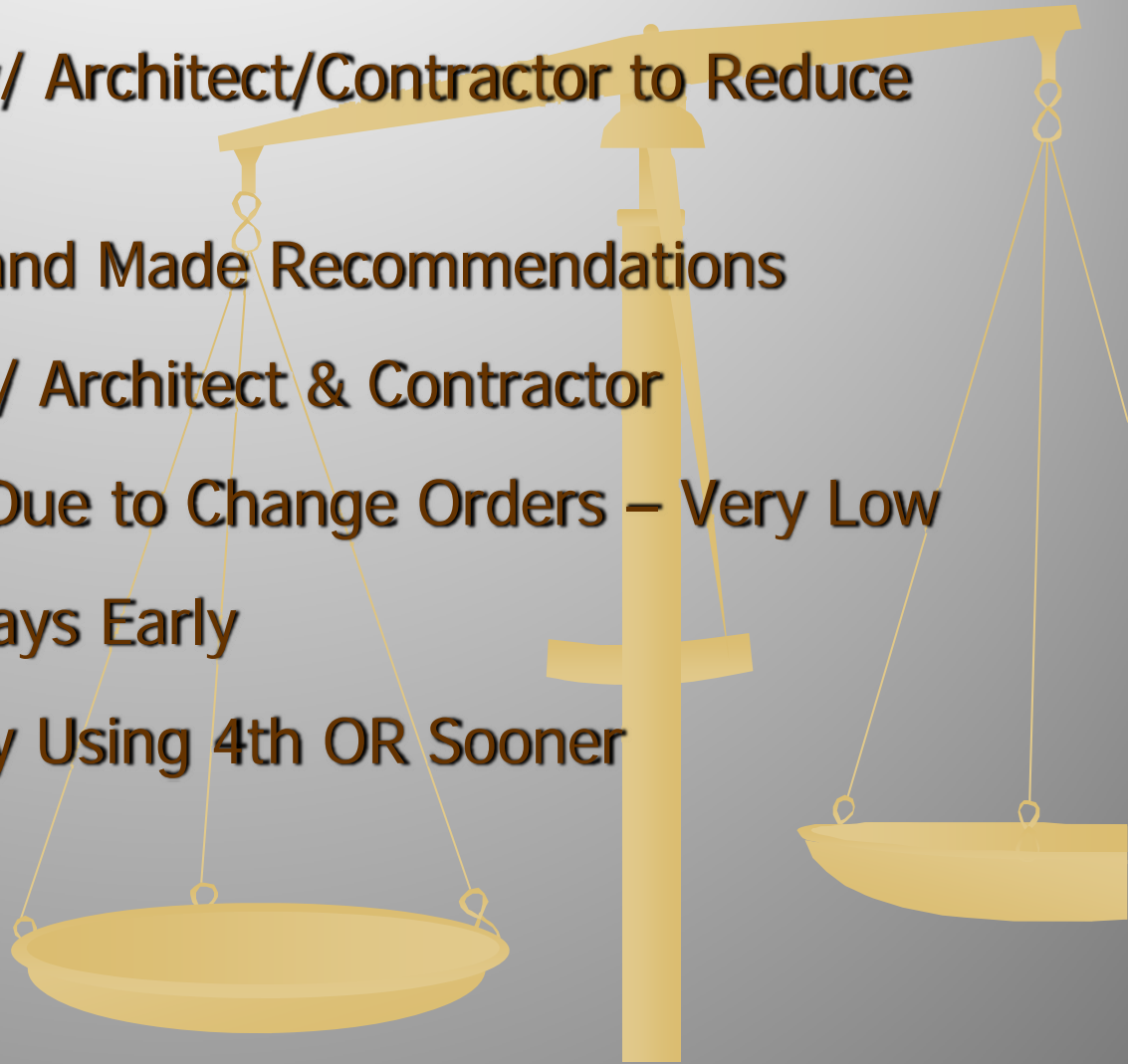
2009 EXPANSION & RENOVATION

- Expanded 3820 square feet to include 4th OR
New Staff Lounge, Sterile storage, bulk storage, equipment storage, trash room, soiled linen room, new female locker room, and nurses station in OR
- Renovated entire existing space except 2 restrooms
- Went from 6 pre-op to 8 pre-op
- From one PACU I recovery to four
- Went from 6 PACU II recovery to 8
- Went from one admission station to three stations



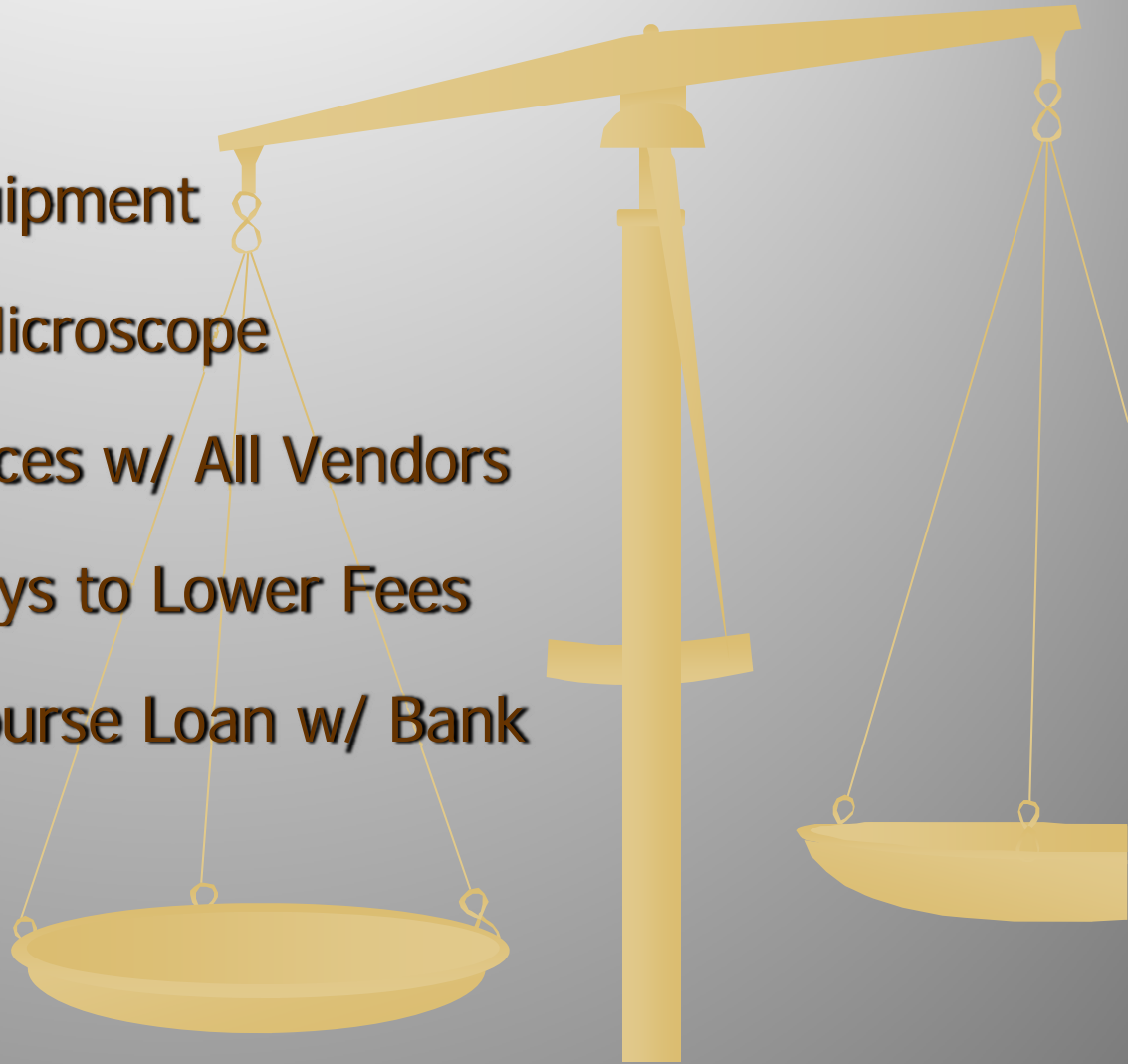
EXPANSION COST SAVINGS EXAMPLES

- Continually Worked w/ Architect/Contractor to Reduce Cost
- Reviewed Plan Daily and Made Recommendations
- Weekly Conference w/ Architect & Contractor
- 2% Increase in Cost Due to Change Orders – Very Low
- Finished Project 23 Days Early
- Increased Revenue By Using 4th OR Sooner



EXPANSION COST SAVING EXAMPLES

- Purchased Demo Equipment
- Purchased 2 yr Old Microscope
- Negotiated Lower Prices w/ All Vendors
- Worked With Attorneys to Lower Fees
- Negotiated Non-Recourse Loan w/ Bank



2009 EXPANSION & RENOVATION

Total Cost Savings

	Budget to DOH	Actual
■ Demolition & Renovation	\$1,600,000	\$ 885,739
■ Construction Contingency early finish	160,000	50,000
■ Architect/Engineering Fees	150,000	158,003
■ Consultant Fees	80,000	56,447
■ <u>Equipment/Furniture, etc</u>	<u>313,222</u>	<u>368,033</u>
■ Total Project Cost	\$2,303,222	\$1,518,222

DIFFERENCE \$ 785,000

CONCLUSION

- Review all Processes – Look for Cost Savings Everywhere
- Reward Staff for Ideas
- Negotiate w/ Vendors
- Standardize as Many Processes as Possible
- Tighten Up Collection of Patient Payments Upfront
- Become Efficient
- Remember – “TIME IS MONEY”

AND



SPECIALTY SURGERY CENTER OF CNY

- Went For One
- Negotiated
- Came Home w/ Two
- Saved Some Money

THANK YOU !!!!!!!!!!!!!!!

