

# 3 Ways Anesthesia Can Drive ASC Growth



Surgery center leaders are facing incredible challenges and equally dynamic opportunities in today's market. The challenges include fierce competition for cases coupled with lower reimbursements and higher costs to deliver care. The offsetting opportunity is the number of new cases being approved for outpatient treatment. These cases range from high acuity such as total joint replacement, to minimally invasive procedures from specialties not normally associated with surgery centers such as cardiology, vascular, and nephrology.

In any scenario, surviving and thriving in this new marketplace requires the ability to add case volume through center efficiencies and/or flexibility in operating hours.

"Anesthesia can either be a competitive advantage or a limiting disadvantage in this process," says Dan Kohl, CEO of CarePlus Anesthesia Management. "Providers must embrace a growth-mindset and bring a sense of urgency to helping centers achieve their operational and financial goals."

Beyond delivering exceptional clinical quality, this white paper will examine three ways anesthesia can help combat challenges and capture opportunity in today's ASC environment:

1. Adding new cases and specialties
2. Establishing operational flexibility
3. Optimizing center efficiency



**"Providers must embrace a growth-mindset and bring a sense of urgency to helping centers achieve their operational and financial goals."**

**Dan Kohl, CEO CarePlus Anesthesia Management**



## Adding New Cases & Specialties

Value-based care is driving procedures to the lowest cost/best outcome environment, and in an increasing number of cases that means utilizing surgery centers. Industry analysts believe 60% of all eligible procedures will be performed in an outpatient center in the next two years. This is driving heavy M&A activity, as well as de novo centers and HOPD-to-surgery-center conversions. Research & Markets, a leading global market analytics organization, predicts this pace will continue through 2020.

Centers are focused on bringing on new cases, new specialties, new partners, and new utilizing physicians. To capture opportunity, ASCs need their anesthesia group to have a growth-mindset. An executive at a leading management group, who is focused on new growth opportunities, says he needs anesthesia to be proactive in helping bring in new cases, but his experience with anesthesia leadership varies by center. He adds that whether it is low acuity or high, he wants anesthesia at the table early bringing their expertise on the financial aspects of volume, throughput, and case-costing. As a next step, he says, it is anesthesia protocols that allow new cases to come to centers.

“We are always asking our clients ‘what’s next’ so we can help with the clinical, operational, and financial



aspects of preparation,” says CarePlus Chief Medical Officer, John Morgan, M.D. “The staffing and costs related to an anesthesia team that can safely and efficiently cover higher acuity cases, could be dramatically different than what is currently in place. We get ahead of this issue by providing guidance on what specialization, protocols, and training will be required and show partners a path to get there quickly.”

Clinical leadership, along with strong recruiting expertise, are often necessary for centers to add higher acuity cases such as total joints.

Centers preparing for higher acuity cases need to consider:

- Does my current team have experience with these cases?
- Do they have the expertise to set the protocols and procedures that will protect patients and ensure center efficiency?
- Can they provide all the necessary regional blocks?
- Is more training required, can my team provide it?
- Can my current anesthesia team recruit providers with the necessary specialization?



Training and ongoing management of proper policies ensures new procedures will be followed and even improved. “Whenever a new case is added, training is paramount,” adds Dr. Morgan. “Anesthesia should provide procedure and protocol training for providers. Quarterly Medical Operating Committee (MOC) meetings should be held to ensure anesthesia can/is meeting the needs of each client. A leadership infrastructure including a Clinical Director, Medical Director, and Chief Medical Officer should be in place to ensure anesthesia is operating at the highest levels of efficiency, safety, and coordination; while aligning with a center’s wants and needs.”

Of course, knowing what cases should not be performed in a surgery center is equally important. A partner at a multi-specialty center explains that anesthesia expertise is among the most important inputs he considers when identifying new procedures.

### **The Competitive Landscape Breakout**

#### **Hospitals**

Research and Markets reports 21% of ASCs are now hospital-owned/nonprofit and rising. Health systems are launching or expanding ambulatory footprints for services that do not need to be performed in the higher cost hospital setting such as surgery, urgent care, and imaging. The “wait and see” period is over, and hospitals are racing toward value-based care. Ambulatory facilities help hospital systems significantly lower the cost of delivering care, while also

increasing their system’s geographic footprint. The 28-members of the Health Care Transformation Task Force, an alliance of providers, payers, and purchasers with a mission to accelerate the industry’s transformation to value-based care, has committed to put 75% of their business into value-based payment arrangements by 2020. Member systems include Dignity Health, Trinity Health, and Cleveland Clinic.

#### **Management groups**

ASC management companies are quickly taking control of the market. Research and Markets tracked a 43% increase in management group ownership from 2010 to 2015. That trend does not appear to be slowing down as higher acuity procedures such as total joint replacement become approved for outpatient, and centers add less invasive cases within specialties not traditionally associated with ASCs such as nephrology, cardiology, and vascular.

#### **Office-based procedure rooms**

Some management group professionals have noticed a trend of high-reimbursement, low-acuity cases, primarily pain and GI procedures, being moved from the ASC to the office-based procedure room. Physicians who move their cases to their practice lose the ability to be reimbursed for facility fees, but, according to a leading ASC consultant, they are offsetting that with the additional control they have over professional fees and reimbursement for supplies.

## Operational Flexibility

The next evolution of anesthesia service is a focus on flexibility. “Case throughput is most often driven by limitations in anesthesia; whether through provider availability, limitations on scheduling, and, unfortunately, sometimes work ethic,” says Paul Weir, Senior VP of Operations at CarePlus Anesthesia Management.

**“We work on our clients’ schedules, not the other way around. Anesthesia should never drive the schedule.”**

Centers need anesthesia that can smoothly adapt to shifts in case volume and daily scheduling. ASCs in growth mode want to add a single day to their schedule each week with the hopes that volume will allow them to add a second, third, etc. day each week. Slowly growing the schedule is very difficult for most anesthesia providers to accommodate. It requires a partner who is both willing to invest in the relationship and who has a large network to recruit, credential, and train talent. A management group with a strong recruiting arm, and a network of hundreds of providers working in Level 1 trauma centers, rural hospitals, and ASCs is best equipped to develop and manage a financially efficient and clinically excellent plan.

Weir, explains, “Simply covering cases isn’t good enough. The goal is to identify providers who are both

qualified and who will culturally be a good fit. Then we must manage QA on each provider to make sure they are delivering on every level. If we identify any problems, or if the center has any sort of issue with behavior, we fix it.”

Operational flexibility also means allowing centers to give physicians and their patients more scheduling options. Many centers are also implementing (or considering) longer daily operating hours, and weekend hours, to capture new case volume. This decision is in response to the industry shift toward a patient-centric, or a retail care model.

Physicians practicing patient-centered care seek to improve their patients’ clinical outcomes and satisfaction rates by improving cost, convenience, communication, and forming a relationship. A retail strategy means treating the patient as a customer and focusing on the service aspect of care in addition to clinical excellence. ASCs play a significant role in both strategies as they have a proven record of delivering higher quality and lower costs – and now can maximize their advantage by offering extended hours of operation to their physician partners and their patients.



### 3 tips for staffing anesthesia for extended hours and weekends

1. Anesthesia should not dictate your operating schedule, work with a partner with built-in redundancy
2. Flexibility is a mindset, work with a partner who knows how to recruit, train, and retain providers who embrace growth
3. Centers shouldn’t have to keep anesthesia happy. If providers need placating, they don’t have a growth mindset



## Optimizing Center Efficiency

The big question for center leadership: How can we do more with the resources we currently have available? Whether a center performs one case per day or 20, the fixed costs remain largely the same. The flexibility to add just one additional low-acuity case per day can translate to a six-figure number annually that goes directly to the bottom line.

“They are always focused on efficiency,” says a center owner who has partnered with CarePlus for nearly a decade. “They optimize to make sure we can perform our case load. A normal GI is busy at 15 – 20 cases in a block time. We do 20-25.”

Optimizing efficiency requires both improving turnover time and reducing cancellations and delays.

Monitoring benchmarks like time-per-case, and turnover time by procedure, team, and physician, provides valuable insight that can drive operational improvements. A management group like CarePlus provides additional insight by being able to compare benchmarking data with centers across the country and share findings and best practices.

“Our national clinical and operational team meets with each center’s Medical Operating Committee on a quarterly basis,” explains CMO Morgan. “We use the data at that center, compared with



data from our partner centers around the country, to recommend new processes or to implement training that will both improve patient care and create the ability to add more cases.”

Driving efficiency means constantly looking to identify procedures that will reduce unnecessary case cancellations. Having CRNAs involved in pre-op interviews with patients to help ID drug issues or co-morbidities protects the center in multiple ways. This involvement can protect efficiency by keeping cases on schedule or protect risk by identifying the need to move patients who should not receive treatment in an outpatient center.

“When a patient is cancelled on the day of service, it not only affects efficiency for the center, but patient satisfaction,” says SVP Weir. “Patients go through a lot of mental and physical

strain preparing for even simple procedures. They, and usually a loved one, have taken a day off work, they have fasted, they woke up early, they have scheduled a sitter to watch the pets. They have every right to be angry that something simple (and preventable) derailed their plans.”

CRNA Pre-Op Involvement:

- Pre-Op ID:
    - Drug issues
    - Co-morbidities
  - Cardiac clearances
  - Records requests from primary care
- “We like to say, ‘OK service isn’t OK,’” emphasizes Weir. “The right providers with the right attitude do whatever it takes to improve efficiency. That could mean starting IVs, or pushing gurneys, and staying until the last patient has left the center. It sounds simple, but it is a major shift in thinking for most anesthesia providers.”



Today's centers need anesthesia leadership who embrace flexibility and have a growth-mindset. Each hour and each case must operate at peak efficiency to drive center growth.

**Questions to ask:**

- Do you consider your anesthesia provider a partner in center growth?
- Can you easily extend hours or accommodate add-on cases? Or does anesthesia drive your schedule?
- Does your anesthesia provider implement processes that prevent delays and cancellations?
- Will your coverage be affected if a provider can't work unexpectedly?
- Can your provider help you improve efficiency without compromising quality?

**Finding the Anesthesia You Need**

Industry experts forecast increasingly tighter margins and growing competition for outpatient cases. Centers who will be successful in this next phase of ambulatory surgery growth will need to raise their expectations for anesthesia. Beyond clinical care, anesthesia must help drive operational and financial efficiency.

**CarePlus is a national leader in anesthesia with integrated services that include revenue cycle and staffing. To learn more, connect with a member of the CarePlus team at 706.381.6001.**



706.381.6001  
INFO@CAREPLUSMP.COM  
CAREPLUSMP.COM