Solving Inflated OR Costs

with Renown Regional Medical Center

Sullivan
Healthcare Consulting

Before Renown Regional Medical Center, a leading hospital system in Reno, Nevada, contacted Sullivan Healthcare Consulting, it spent a lot of money in the operating room (OR). It was overly reliant on costly travelers, regularly had delays to start the day, and was slow in its room turnovers, among other problems. Each of these challenges was costly. For example, travelers made up 40% of its staff. With traveling nurses costing as much as $160/hour, it burned cash at an unsustainable rate.

In the areas where Renown Regional Medical Center was not investing in resources, it was also not optimizing revenue. Delays were a major problem, leading to cancellations and empty ORs. With each minute in the OR worth as much as $46, they left money on the operating table.

Renown could no longer justify the cost of doing nothing, so they turned to the perioperative experts: Sullivan Healthcare Consulting. Here, we'll explore three core issues that led Renown Regional Medical Center to reach out after so much struggling: staffing, efficiency, and performance. Plus, we'll share what Sullivan changed to address their problems and how things improved as a direct result of Sullivan's expertise.

> **"If I had an hour to solve a problem I'd spend 55 minutes thinking about the problem and 5 minutes thinking about solutions."**
>
> – Albert Einstein

Identifying the Problems

In Renown Regional Medical Center's case, identifying and defining the issues at hand was the foundation that enabled our team to implement the appropriate solutions. In accordance with that, Sullivan's team was meticulous in defining the problems they sought to solve. A new perioperative executive governance committee (PEC) was formed and given authority to review issues and solutions, make decisions on improved resource management, and more importantly ensure implementation.

Staffing

Staffing was one of Renown Regional Medical Center's biggest concerns, as it appeared to be an intractable drain on their bottom line. The organization was firmly dependent on staffing agencies for travelers to make up the delta in their needed and staffed full-time equivalents. They had a significant reserve of clinicians who could fill some of the roles travelers held, but training programs were drawn out affairs that meant there was a year-long delay between a clinician joining Renown and being prepared to contribute to the immediate staffing needs of the perioperative department. Plus, Renown was familiar with another staffing-related challenge that had downstream impacts on efficiency and performance: a lack of coordination between anesthesia and other departments.

The PEC established a workforce management task force with membership from Human Resources, Finance, Education and department leadership. They were tasked to meet in person weekly to explore all options for recruitment and retention, growth and development of staff from onboarding/orientation and ongoing development programs and monitor successes and learn from failed tactics. Ultimately, they were held accountable to the PEC to drive to a stable and motivated employed staff.

> **"Through our collaborative approach during the assessment of confirming preliminary findings and discussing potential recommendations with key leaders the members of the PEC were in alignment with the direction and vision and eager to work through problem resolution."**
>
> – Gerald Biala, RN, MS, CNOR, CSSM, Senior Vice President of Sullivan Healthcare Consulting

Efficiency

Efficiency troubled Renown Regional Medical Center, which stemmed in part from the lack of coordination between anesthesia and other departments. First-case-on-time-starts (FCOTS) were extremely inconsistent, with just over half (52%) of all first-cases beginning on time.

The delays experienced on the other 48% of days were compounded by slow room turnover times, which sometimes took as long as 40 minutes. Each delay—whether at the start or in the middle of the day—impacted Renown's ability to fully optimize the use of precious resources like OR time, nurse time, and anesthesiologist time.

Daily scheduling review huddles with nursing and anesthesia leadership were established to drive implementation of solutions and optimize the schedule and dependent resources.

Poor Financial Performance

The bottom line was that Renown Regional Medical Center was struggling with unremarkable operational and financial performance in its perioperative department. Unreliable pre-anesthesia testing procedures, schedule management issues, and overall inefficiencies led to low prime utilization rates and block use across the organization's three facilities, costing them millions of dollars over a year.

Implementing Proven Solutions

Identifying root causes of problems is just one part of consulting. Too many hospital systems settle for consultants who stop at that point. Sullivan's Total Surgery Approach doesn't stop with a recommendation: our consultants go the extra mile, not only helping clients identify the problems that hold them back from reaching their full potential but also working side by side to implement those solutions.

Here's what Sullivan did to drive change at Renown Regional Medical Center.

Reduce Traveler Dependence by Strengthening Internal Training and Education

Given the major impacts staffing had on efficiency, performance, and Renown Regional Medical Center's bottom line, it was one of the first things Sullivan addressed. This work started by assessing the actual staffing needs across sites based on workloads, and then right-sizing coverage based on the reality of that assessment.

When Sullivan's consultant initially observed the staffing challenges created by shortages, they wondered how it could be overcome in a realistic, attainable way. Renown was dependent on travelers, yet they had a reserve of staff who should be able to take on much of those responsibilities. The trouble was twofold: it took far too long for clinicians to go through Renown's OR orientation, which prevented facilities from moving clinicians into surgical technologist roles.

To address the roadblocks that prevented staff from entering roles in a timely manner and forcing Renown to use travelers, Sullivan focused on enhancing Renown's education programs. Sullivan streamlined the OR orientation process, compacting it into a seven-month period. Additionally, our consultant supported establishing an in-house sponsored Surgical Technician training program. The overall program goals focused on moving clinicians along a clearer career path, advancing their skills, and bringing in home-grown talent to fill their vacancies rather than depending on travelers.

Improve Efffciency With Standardization – Room Turnover & Preference Cards

Renown Regional Medical Center's perioperative department struggled to move at the speed that modern surgical facilities demand. Nothing illustrated this more than turnover times of nearly three-quarters of an hour. Sullivan quickly developed and implemented a standardized workflow for OR turnovers. By addressing this bottleneck, Renown was able to move forward with procedures as scheduled instead of constantly dealing with delays.

However, turnover wasn't the only factor influencing Renown's efficiency—they also suffered from an abundance of preference cards. With over 9,000 preference cards on file and multiple close matches for each surgeon and procedure, mistakes crept in, increasing setup time, waste, and frustrating staff to the point of reducing morale. Sullivan's team helped cull the vast collection of preference cards by about 4,000, simplifying search, easing setup, and reducing errors.

"Expanding the role of surgical specialty teams was a critical success factor in quickly addressing preference cards and turnover processes."

– Gerald Biala, RN, MS, CNOR, CSSM, Senior Vice President of Sullivan Healthcare Consulting

Create Clarity in Scheduling With an Anesthesiologist In Charge

Finally, Sullivan's team knew that without improvements to block utilization, their improvements in staffing and efficiency would do little to help Renown's bottom line. To create lasting change in how ORs—each facility's revenue engine—were utilized, Sullivan's team revised Renown's schedule management guidelines to align schedules with staffing levels, anesthesia services availability, and room turnover times.

To add a further degree of certainty to scheduling, Sullivan's team implemented an Anesthesiologist In Charge (AIC) role to manage and oversee daily schedule management. Sullivan's AIC ensured that pre-anesthesia testing (PAT) was complete and accurate and communicated to the appropriate teams to reduce delays, prevent cancellations, and ultimately improve OR utilization.

"In Anesthesia, Sullivan supported a seamless transition for our anesthesia practice group, and their introduction of the Anesthesia Information Coordinator (AIC) role has greatly improved our overall workflow and patient safety."

– Chris Nicholas, FACHE, CEO of Renown Regional Medical Center

Generating Sustainable, Long-Term Results

By the end of Sullivan's engagement, results were coming in and impressive, both immediately and directionally long-term.

Shrunk Renown's Dependence on Travelers in Half

The combination of streamlined training programs and aligning staffing needs with the realities of workloads was significant, reducing Renown Regional Medical Center's dependence on agency staff by more than 50%.

> **"By decreasing our dependence on agency staff and aligning staffing to our actual workload, we've achieved greater financial stability."**
>
> – Amy McCombs, RN, MSN, Chief Operating Officer, Renown Regional Medical Center

Eliminated Hundreds of Wasted Hours in the OR Each Year

Sullivan's standardized room turnover workflows enormously impacted Renown's efficiency. Room turnovers went from 40 minutes to 30 minutes and under, reducing delays and helping Renown improve its FCOTS rate from just over 50% to 70% and climbing.

Impact from engagement with Sullivan Healthcare Consulting

+20% Increase in First-Case-On-Time Starts	**+17%** Increase in Prime OR Utilization	**$2MM** Saved Through Cost Avoidance
-10 Minutes Cut From OR Turnover Times	**4,000** Preference Cards Eliminated	**-50%** Reduction in Dependence on Travelers

Saved Millions of Dollars Through Error Avoidance and Optimized Utilization

With Sullivan's help eliminating over 4,000 preference cards, Renown transformed its facilities' performance. They saved over $2 million through cost avoidance associated with errors and delays due to the overwhelming amount of preference cards. Plus, by improving scheduling and PAT processes, Sullivan was able to improve prime utilization across all three locations by 17%, increase block utilization by 12%, and keep day-of-surgery cancellations to 4% or less.

Overall, the expertise and guidance provided by Sullivan Healthcare Consulting have had a lasting positive impact on our perioperative services."

– Chris Nicholas, FACHE, CEO of Renown Regional Medical Center

Facing Perioperative Challenges? Get Realistic Solutions

The only thing more frustrating than facing an intractable challenge in the perioperative department is receiving a solution you can't implement. It's costly, including the consulting fees you spent to get the recommendation and the continued costs of your challenges, and it leaves you facing even more costs to implement the solution. At Sullivan Healthcare Consulting, we know the pain. That's why we always help clients implement our recommendations.

Not only can you be confident that Sullivan's recommendations will be rooted in data and the best practices developed over our 50 years of experience in surgical consulting, but you can be sure they'll be sustainable. After all, we're consultants: we won't be around forever to support the changes we make. That's why we place such a high value on creating realistic changes and empowering your team with the skills to maintain results for years to come.

Tired of pie-in-the-sky recommendations?

▶ Get boots-on-the-ground solutions. Start with a free 30-minute consultation to discuss your organization's challenges.