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EHR in the ASC: How to Drive Cost Savings with Point-of-Care Charting

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The Surgery Center at Pelham***
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Benefits of an EHR

Clinical

- ◆ Patient Safety
 - Medication alerts
 - Allergy alerts
 - Decision support
 - Legible documentation
- ◆ Physician Satisfaction
 - Offsite chart access
 - Automated op reports

Financial/ROI

- ◆ Eliminate paper
- ◆ Eliminate chart storage
- ◆ Labor efficiencies
- ◆ ***Better costing data***

Case Costing



“What do you mean you lose money on every case you do, but you make up for it in volume!”

Case Costing

“If you don’t know your case costs, you aren’t managing your business, you’re babysitting it...”

- Joan Dentler, MBA, Principal ASC Strategies

Majority of centers today do not utilize case costing and are leaving money on the table

- ◆ Lower reimbursements
- ◆ Higher supplier costs
- ◆ Higher administrative costs

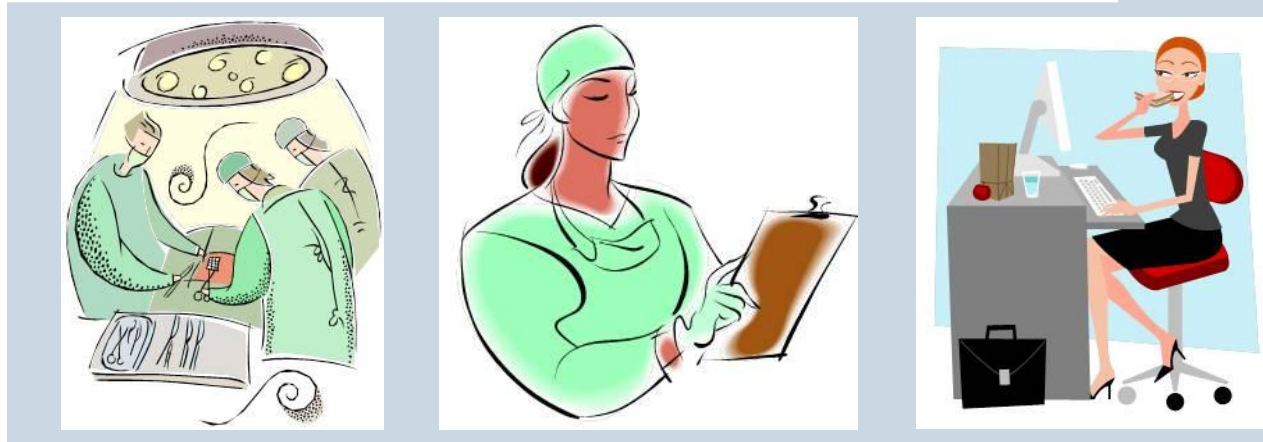
Across the Country

- ◆ 1/3 of centers are financially successful
- ◆ 1/3 are break-even
- ◆ 1/3 are operating in the red

- ◆ If you could improve profit of each case by an average of \$50 = \$200,000 to the bottom line

Current Process

- ◆ Nurses chart on paper
- ◆ Gives chart to someone clerical to re-enter data into information system



- ◆ Charges are missed
- ◆ Data entered incorrectly

Point-of-Care Charting

- ◆ Capture all charges
- ◆ Accurately represent what is being used
- ◆ Eliminate duplicate data entry



Actual Report

Revenue:			\$1,400.00
Knee Arthroscopy/repair Ligament	1	\$900.00	
2.0 Mm Screw - E1399	1	\$500.00	
Fixed Costs:			\$353.33
Rent/Lease		\$120.00	
Utilities		\$20.00	
Labor		\$90.00	
Insurance		\$40.00	
Professional Fees		\$16.67	
Marketing		\$11.67	
Debt Service		\$48.33	
Other		\$6.67	
Staffing:			\$78.33
Asst. Circulating Nurse (SERRANTINO, EDJOHNETTA M)	85	\$35.25	
Circulating Nurse (DENNISON, WILLIAM I)	85	\$43.08	
Disposable Supplies			\$479.53
2.0 mm Screw - E1399 (201.016E)	0	\$0.00	
Arctic Flow Cold Therapy, Knee (11-1316-0-02000)	1	\$49.56	
Arthroscopy "Y" Tubing ADAPTER, Arthrex (AR-6215)	1	\$24.78	
Arthroscopy PATIENT tubing, Arthrex (AR-6215)	1	\$24.78	
Arthroscopy PUMP Tubing, Arthrex (AR-6215)	1	\$24.78	
Blade, 15 (371215)			
Cautery, Pencil with Holster (E2515H)			
Drape, Light Handles (LB41)			
Drape, Mayo Stand Cover (8337)			
Drape, Pack Arthroscopy (SOP13ARFSA)			
Dressing, EZE bandage 6" X 10 Yards (5038483134306)			
Dyonics 4.5mm Incisor Plus Blade (7205)			
Fiberwire 2-0 Meniscal Repair Needles (7205)			
Genzyme Carticel kit (Genzyme Carticel)			
Glove, Biogel 8 (30480)			
Glove, Biogel 8 1/2 (5038483134306)			
Marcaine/Sensorcaine 0.5% 30 ml with e			
Morphine 10mg/ml (2771293)			
Osteomed Screw 2.4mm x 6mm (319-24)			

Profit/Loss Analysis Report (Continued, Page: 2)

Prolene 2-0 (FS-2) (8685H)	1	\$2.62	
Solution, Sodium Chloride 0.9% Irrigation 250ml Pour Bottle (2F7122)	1	\$1.13	
Solution, Sodium Chloride 0.9% Irrigation 3000ml (2B7127)	4	\$25.58	
Suction, Cannister 3000cc (5054-65651230)	4	\$7.79	
Suction, Sterile 10 tubing (N510)	1	\$1.57	
Suture, 2-0 Vicryl (CT-1) (J839D)	0	\$0.00	
Syringe, 20cc LL (8881520657)	1	\$0.22	
Vicryl 0 (CT-1) (J946H)	0	\$0.00	
Vulcan Large Chisel (7209647)	0	\$0.00	
Equipment Depreciation			\$0.00
Arthrex Arthroscopy pump (Arthrex Arthroscopy pump)	1	\$33.33	
Arthroscopy Tray (Arthroscopy Tray)	0	\$0.00	
Chondrocyte Implantation Tray (chondrocyte tray)	0	\$0.00	
Leg Holders (Leg Holders)	2	\$100.00	
Meniscal Stitch System (Meniscal Stitch System)	1	\$62.50	
Minor Orthopedic Tray (Minor Orthopedic Tray)	1	\$480.95	
Tourniquet ATS (Tourniquet ATS)	1	\$30.00	
Vulcan Generator (Vulcan Generator)	1	\$0.00	
Total Cost:		\$911.19	
Profit/Loss:		\$488.81	

Does this work in the real world?

How The Surgery Center at Pelham uses Point-of-Care data to:

- ◆ Improve reimbursements through accurate reports
- ◆ Drive down supply costs by sharing this data with distributors
- ◆ Reduce administrative costs by eliminating duplicate data entry

Actual Report

Fixed Costs: **\$831.33**

Rent/Lease		\$156.41	
Utilities		\$26.83	
Labor		\$175.56	
Insurance		\$13.56	
Professional Fees		\$258.79	
Marketing		\$2.98	
Debt Service		\$0.00	
Other		\$197.21	

Staffing: **\$49.72**

Circulating Nurse (SCHATTEMAN, FAY)	11	\$4.91	
PACU 2 Nurse (SCHMIDT, BRANDY)	22	\$9.82	
Pre-Op Nurse (BROWN, ANGIE)	72	\$32.15	
Scrub Nurse (CASTILLO, ADAM)	11	\$2.83	

Disposable Supplies **\$63.91**

ADVERTISING, 4-PACK CRAYON (CRAYON)	1	\$0.09	
ADVERTISING, COLORING BOOK (COLORING BOOK)	1	\$0.60	
ANES, CIRCUIT PEDS (518439)	0	\$0.00	
ANES, LINE GAS SAMPLE W/ MALE CONN 10 (20/CS) (5640i)	0	\$0.00	
ANES, MASK TODDLER (321983)	0	\$0.00	
BAG, PATIENT BELONGING (30431100)	1	\$0.15	
BAND, PATIENT ID (100/BX) (204474)	1	\$0.11	
BANDAGE, COBAN 2" (1582)	1	\$0.29	

BLADE, MYRINGOT
CAP, BOUF PERFM I
COVER, MAYO (833
ELECTRODE, EKG (2
ENT, SILICONE COL
EXT. SET, SMALL B
GLOVE, SURG LTX I
ID BAND, SHORT ST
IV ADMIN SET, PED

Cost Analysis - Individual (Continued, Page: 2)

IV ADMIN SET, BURETTE 60DPM (20/CS) BURO (375111)	1	\$3.80	
MASK, OXY MED CONC ELNG PED W/7TU (1042)	1	\$0.75	
SENSOR, MASIMO, PED, DISP (060000004401)	1	\$17.60	
SOD CHL, IVSOL 0.9% 500ML (24/CS) BURON (186661)	1	\$1.14	
SPONGE, UNSTERILE 2X2 (92242000)	3	\$0.03	
STRIP, TEMP (100/CS) MDSEAL (81-010000)	1	\$1.25	
STYLET, ENDOTRACH DISP 6FR (25/BX) RUSCH (421136)	0	\$0.00	
SYRINGE, LL 30CC (40/BX) BD (309650)	0	\$0.00	
SYRINGE, TWINPAK 3CC (100/BX) (366279)	0	\$0.00	
TUBING, STERILE SUCTION (N610)	1	\$0.86	
Equipment Depreciation			\$0.00
ENT, BLACK CHAIR (565)	0	\$0.00	
MICROSCOPE-ENT (318)	0	\$0.00	

Total Cost: \$944.97
Profit/Loss: \$-944.97

Buy In

- ◆ Perfect place to work
- ◆ Employee driven decisions
- ◆ Work myself out of a job
- ◆ Loyalty two-way street
- ◆ My sandbox

True Cost

- ◆ Coloring books
- ◆ 2 X 2
- ◆ Sutures

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	BAND, PATIENT ID (100/BX) (204474)	1	\$0.11
	BANDAGE, COBAN 2" (1582)	1	\$0.29
	BLADE, MYRINGOTOMY SPEAR TIP (12/BX) (AU05733)	1	\$8.03
	CAP, BOUF PERFM LF SB 24? BLU (100/BX) M (40181100)	1	\$0.10
	COVER, MAYO (8337)	1	\$0.91
	ELECTRODE, EKG (2560)	0	\$0.00
	ENT, SILICONE COLLOR BUTTON (ULTRASIL) EAR TUBES (510-132)	2	\$19.36
	EXT. SET, SMALL BORE T-PORT (473439)	1	\$2.46
	GLOVE, SURG LTX PF STR SZ8.5 (50P/B, 4B/ (5795006)	2	\$1.92
	ID BAND, SHORT STAY RED (1000/BX) PREDYN (300-16)	1	\$0.11
	IV ADMIN SET, PEDS SET (50/CS) (375101)	1	\$4.37

Employee Buy In

- ◆ Live costing
- ◆ Teaches pricing
- ◆ Physician education
- ◆ Coffee

Motivation

- ◆ Bonus structure
- ◆ Every dollar is \$.05
- ◆ Budget by Vision
- ◆ Vendor negotiation
- ◆ Payer negotiation

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