

Surgeons self-manage cost reduction, achieving \$2.4 million in annual savings

Engaging physicians in preference card optimization drives strong gains in the O.R.

Reliance on physician preference card content to provide accurate utilization data and demand signals for efficient, cost-effective supply chain function is a significant issue for most health systems, resulting in higher supply costs in surgical/procedural environments, and as well as direct supply waste.

Multiple factors drive preference card chaos. In many instances cards with outdated, redundant or unnecessary items lead to excess picking for procedures. In extreme cases, up to 90% of items picked are returned to the shelf, according to Pearce McCarty, MD, MBA, an active surgeon at Allina Health and co-founder of DOCSI. This leads to product waste, excessively long case prep times and inflated labor requirements.

Outdated cards require maintenance, a close eye on which products are indicated for use and how much these items cost.

Additionally, contract compliance issues can lead to excessive variation in supply use. The solution involves finding an easy way to provide data to physicians to help them make more informed decisions about the products they use and the switching cost/benefit to move to a more common product.

Confronting these challenges requires bridging the huge gap between supply chain and physicians. By aligning these two groups, meaningful progress can be made on preference card optimization, lowering costs, improving patient outcomes and leading to more productive surgeons and clinical staff.

Like many health systems, Allina Health faced challenges communicating price and utilization transparency to its surgeons to illustrate their costs, and to engage them in becoming better economic stewards. Specifically, Allina Health needed a way to present physicians with accurate, easy-to-digest, actionable supply cost and utilization data within a platform that required just minutes of their time.

Partnership with technology supplier

Allina partnered with DOCSI, a surgical supply analytics and optimization software company, to implement a scalable software solution that addresses supply cost and utilization transparency, product variation and contract compliance. The solution merges preference card level optimization with emerging visual management technology to present a personalized, web-based dashboard displaying supply usage analytics for each physician.

When using the dashboard, surgeons view data on the mobile app such as utilization rates for a specific product or procedure along with associated cost. They review their utilization data at the item level and can modify item quantities and/or types specified on their preference cards. Change requests are fed into a database that is managed by DOCSI, and most changes are uploaded to cards within a week. Thus, with a simple tap, surgeons can engage in self-managed cost reduction.

The platform is currently in use for operating rooms and in other procedural based areas such as cardiac catheterization labs. Based on the strong return on investment, the expanded program now includes two full-time procedure specialists and creates about \$2.4 million in annual savings.

The goal was to accelerate change management at scale inside the operating room around surgical supplies. DOCSI, co-founded by McCarty, engages physicians through a platform that integrates gamification into an intuitive, mobile device-based user interface. The digital approach to preference card management presents a more effective way to engage physicians than tracking them down between procedures with an excel sheet and data they might not understand. Furthermore, gamification of the process entices them to track the supplies they used, their costs, and how they compare to their peers.

Increased approvals and compliance

Generally, Allina Health tracks an average card cost reduction of 12% per surgical specialty by using the DOCSI platform, leading to hundreds of thousands of dollars in actual supply expense reduction. The digital technology approach to preference card management has become very popular with surgeons, who generally use the tool during off-hours to perform updates. Allina Health is considering scaling the solution into other procedure areas, such as interventional radiology or even a GI lab.

In a recent implementation, 15 surgeons were engaged with the solution with greater than 90% approval of recommended item-level, preference card optimizations. The solution has also helped Allina to improve contract compliance by adding visibility to market share agreements and which surgeons might be falling short on those requirements. Additional benefits have included:

- Decrease in supply costs
- Reduced clinical variation
- Increased billable revenue

“We need to continuously push down the cost of supplies across the organization.”

– Thomas Lubotsky, Vice President Supply Chain, Allina Health

Governance and physician engagement leads to trust

Ultimately, the digital physician engagement solution implemented by Allina can be rolled out whenever there is a physician making decisions about anything that costs money. Given the high cost of associated supply items, the surgical/procedural space is an obvious place to start. Allina started with general surgical endomechanical, primarily based on historical efforts in this space.

Allina Health began its process by teaming up with the Director of Perioperative Services at United Hospital in St. Paul, MN, as well as stakeholders ranging from revenue cycle to IT, to lay out the overall game plan regarding how to reach a better standard activity of work around maintaining and sustaining a preference cards. The organization also worked hard to socialize the downstream impacts of the program in addition to the changes made to preference cards.

Keep in mind that results do not happen overnight. Allina took six months to plan and roll out the solution. Furthermore, it is important to set up a governance structure to work with procurement, billing and IT departments to ensure that implementation goes smoothly and drives the best results possible.

Begin with one or two service areas that represent quick wins, and work with surgeons who are eager to get on board to make an immediate difference. Internal champions are always essential to successful implementation of such initiatives.

Additionally, the “secret sauce” contributing to the success of physician engagement initiatives hinge around three design principles – the solution has to be convenient to use, actionable, and must present curated data to make the most efficient use of physician time.

Finally, relationship-building across the enterprise is crucial to build trust with surgeons and to obtain buy-in. Mature health systems likely have built these relationships with the surgeons, including the resource staff within the hospital. This is key to making any type of procedure changes on the preference card because so much is based on trust.

About Allina Health

Allina Health is a nonprofit health system that cares for individuals, families and communities throughout Minnesota and western Wisconsin. Its compassionate and expert team provides care for people at every age and stage of life. Allina Health comprises 12 hospital campuses, over 60 primary care clinics, 20 same-day urgent care clinics and eight ambulatory surgery centers. In aggregate, it operates 131 O.R. units across its system.

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