Clinical Incentives & Anesthesia Care

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Parenting and Management Skills
“So why did I get a MBA?”

- Sibling Rivalry
- Potty Training
- “Ferber”ing
- Parenting Style – Leadership/Follower
- Incentives
  - Behavior Modification (bribery)
  - Reward must be relevant
  - KISS principle
  - Not the same for everyone
  - Folly of paying for A and getting B

Clinical Incentives and Anesthesia Care

- Incentive vs. Variable Pay
- Incentives for Anesthesia Care
  - Late Rooms
  - Call
  - Work done during day
    - Individual Measurements
    - Benchmarking group’s work
  - Improving OR Throughput
  - Quality and Teamwork
Ideal Incentive Plan

To All Employees:
NEW INCENTIVE PLAN—WORK-OR GET FIRED

What is an Incentive?

- If all things were equal, how do you decide what to do each day?
- To do something that is at odds to your personal preference, you need an incentive (that outweighs personal satisfaction):
  - Why get up and go to work?
  - Why sit in this lecture rather than in the hot tub?
  - Why not have that dessert (or extra dessert)?
  - Why stay in academics? (non-financial incentives)
- Therefore, incentives are really …
  - Behavior Modification Systems
  - Bribes
  - Used in all parts of your life including Parenting!

Incentive vs. Variable Pay Systems

<table>
<thead>
<tr>
<th>Incentive</th>
<th>Variable Pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Only activities don’t want to do</td>
<td>All productive activities</td>
</tr>
<tr>
<td>Simpler</td>
<td>Complex</td>
</tr>
<tr>
<td>Easier to understand and administer</td>
<td>Information system needed</td>
</tr>
<tr>
<td>Base salary + incentive (20%)</td>
<td>Small base + large variable (75%)</td>
</tr>
<tr>
<td>Feedback immediate</td>
<td>Feedback not immediate</td>
</tr>
<tr>
<td>Example: late rooms, call</td>
<td>Example: work done during regular shift, late rooms, call</td>
</tr>
</tbody>
</table>

Anesth Analg 2005;100:490
Simple vs. Complex

Anesthesia Clinical Work & Incentives
- Definition of Incentive: Work one does not want to do
- Behavior Modification
- Real Questions
  - What behavior does the incentive promote?
  - Who wants this incentive?
  - Golden Rule of Life
    - “Do unto others as you wish them to do unto you”
  - Golden Rule of Business
    - “He who has the gold rules”

Incentive paid by hospital → so it is for behavior the hospital administrator “believes” will improve the hospital

Behaviors to make you successful!
- Late rooms and Call
- Work Hard during Day
- Improving OR Throughput
- Team Player, High Quality

Incentive vs. Base Salary

Anesthesiology Group

Success!

Hospital
Late Rooms

- Definition: not on call but have to stay late
- Biggest hardship for the individual, but essential activity to meet hospital needs
- Group
  - Incentive pay makes sense
  - Covers rooms as needed
- Hospital
  - Essential to cover
  - Easy to see where money is going

Call (In-house, At-home)

- Also big hardship and essential
- Incentive pay makes sense
- Group
  - Helps compensate for more work done during the day as well
    - Less people, same work done (day and afterhours), more work per person, more pay per person
    - More people, same work done
    - Less work per person, less pay per person
    - Hence Cost-Shift call pay
- Hospital
  - Essential to cover
  - Easy to see where money is going

Work Hard During Day

- Group
  - Base Salary or Variable Pay
  - NOT incentive (complicated, and not hardship)
  - Individual clinical productivity measurements
  - MUST understand what you are valuing…
Individual Productivity Measurements

<table>
<thead>
<tr>
<th>Total units billed or charges</th>
<th>Valued</th>
<th>Devalued</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total charges billed</td>
<td>Specialty Care (high base units)</td>
<td>Remote sites</td>
</tr>
<tr>
<td>Specialty Care (high base units)</td>
<td>Remote sites</td>
<td>MD only cases</td>
</tr>
<tr>
<td>Short cases</td>
<td>High concurrency</td>
<td>Specialty Care (high base unit cases)</td>
</tr>
<tr>
<td>Time billed</td>
<td>Specialty Care (high base unit cases)</td>
<td>Remote sites</td>
</tr>
<tr>
<td>Time billed (not worked)</td>
<td>Specialty Care (high base unit cases)</td>
<td><em>Sparse</em> schedule</td>
</tr>
<tr>
<td>Long cases</td>
<td>Specialty Care (high base unit cases)</td>
<td>MD only cases</td>
</tr>
<tr>
<td>High concurrency</td>
<td>Specialty Care (high base unit cases)</td>
<td>MD only cases</td>
</tr>
<tr>
<td>Shift worked</td>
<td>Shift worked</td>
<td>Availability</td>
</tr>
<tr>
<td>Shift worked (not worked)</td>
<td>Shift worked</td>
<td>Availability</td>
</tr>
<tr>
<td>Not affected by confounding factors</td>
<td>Availability</td>
<td>Remote sites</td>
</tr>
<tr>
<td>Remote sites</td>
<td>Units billed (base or time units)</td>
<td></td>
</tr>
</tbody>
</table>

Confounding Factors: Surgical Duration, Type of Surgery, Scheduling, Concurrency

Work Hard During Day

- **Group**
  - Base Salary or Variable Pay
  - NOT incentive (complicated, and not hardship)
  - Individual clinical productivity measurements
  - MUST understand what you are valuing…
- **Hospital**
  - Be careful
  - Objective measures of staffing needs …

For Anesthesiology Groups
Staffing Needs and Workload

- For the next day, what determines how many anesthesiologists you need?
  - Number of clinical sites
  - Concurrency Ratio
  - 2nd Shift? – Hours of operations
  - Call and PostCall
- What is not relevant?
  - Number of cases in each room
  - Amount of charges
  - Productivity measurements

Number of clinical sites CAN be determined by workload. But this is not the only factor.

Anesthesiology 2000; 93:1509

Appendix, Anesthesiology 2000; 93:1509

Which do you like?
Fallacy of the “Field of Dreams” Business Plan

- If you will build, they WON’T come!
- Groups to have to cover more anesthetizing locations – within existing facilities and new facilities
- But there has not been an equivalent increase in cases or workload
- Results in 10-20% decrease in productivity
- Supporting Evidence
  - Comparisons of 2004 and 2006 data
  - Cost Survey of Anesthesia Practices, MGMA

Figure 1: Median Units per Anesthetizing Site per year for All Groups

ASA Newsletter, December 2007
Work Hard During Day

- **Group**
  - Base Salary or Variable Pay
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- **Hospital**
  - Be careful
  - Objective measures of staffing needs
  - Benchmarking your group by using “per FTE” measurements

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“Per FTE” vs. “Per OR”

<table>
<thead>
<tr>
<th>Cases</th>
<th>Physician Only</th>
<th>&gt;1 CRNA/MD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per FTE</td>
<td>914</td>
<td>1,460</td>
</tr>
<tr>
<td>Per OR</td>
<td>975</td>
<td>935</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TASA</th>
<th>Physician Only</th>
<th>&gt;1 CRNA/MD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per FTE</td>
<td>8,444</td>
<td>13,974</td>
</tr>
<tr>
<td>Per OR</td>
<td>9,194</td>
<td>8,667</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Hours per Day</th>
<th>Physician Only</th>
<th>&gt;1 CRNA/MD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per FTE</td>
<td>4.3</td>
<td>7.3</td>
</tr>
<tr>
<td>Per OR</td>
<td>3.9</td>
<td>3.9</td>
</tr>
</tbody>
</table>

2007 MGMA Cost Survey of Anesthesia Practices

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Facilities are different

- Biggest mistake is to assume all goals need to be the same
- Compare ASC and Academic Hospital
  Academic Anesthesiology Groups: Median Values

Anesth Anal 2003; 96:802-12
**Facilities are different**

- Biggest mistake is to assume all goals need to be the same
- Compare ASC and Academic Hospital

### Academic Anesthesiology Groups: Median Values

<table>
<thead>
<tr>
<th>Type</th>
<th>OR Sites</th>
<th>Cases</th>
<th>Hrs/ OR Site</th>
<th>Hrs/ OR/ Day</th>
<th>Hrs/ Case</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMC</td>
<td>23</td>
<td>15,000</td>
<td>12,600</td>
<td>7.6</td>
<td>2.6</td>
</tr>
<tr>
<td>ASC</td>
<td>3</td>
<td>1,900</td>
<td>8,200</td>
<td>3.8</td>
<td>1.6*</td>
</tr>
</tbody>
</table>

*mean private practice is 1.6 hrs/case; ASC 0.75 hrs/case

**Facilities are different**

- Benchmarks should be different
- Behavior to change may be different or not even broke in all places
  - Turnover Time: ASC compensation structure
- Even true within a facility
  - Remote sites
  - Service specific

**Incentives for Improving OR Throughput**

- Group: Already has incentive to get as many cases done and to go home!
- Hospital: New buzz word
- Be careful of tying to any performance measurement
- Approach is multidisciplinary and is not under sole control of your group
- Recommend: Will actively work with improvement initiatives
Quality Matters? Team Work

- Peer or Leader evaluation
  - For emergency ASA IV case, who can you assign it to?
  - Who helps out without complaining?
  - Are there people that surgeons refuse to work with?
- Small amount works
  - Take $500 each month and pay as one-time every 6 months = $3000
  - Reduce for low scores
- Also works for incentive to complete documentation, evaluations, training, etc.

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Reality

Healing is an Art

Medicine is a Science

Healthcare is a Business