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

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!

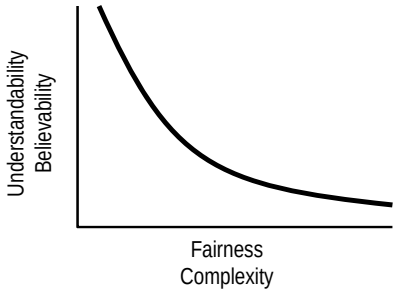
Anesth Analg 2005;100:490

Incentive vs. Variable Pay Systems

Incentive	Variable Pay
• Only activities don't want to do	• All productive activities
• Simpler	• Complex
• Easier to understand and administrate	• Information system needed
• Base salary + incentive (20%)	• Small base + large variable (75%)
• Feedback immediate	• Feedback not immediate
• Example: late rooms, call	• Example: work done during regular shift, late rooms, call

Anesth Analg 107:1765-7, 2008

Simple vs. Complex



Anesthesia Clinical Work & Incentives

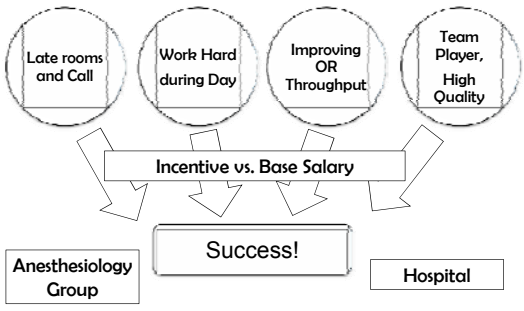
- Definition of Incentive: Work one does not want to do
- Behavior Modification
- Real Questions
  - What behavior does the incentive promote?
  - Who wants this incentive?
  - Golden Rule of Life
    - "Do onto others as you wish them to do onto you"
  - Golden Rule of Business
    - "He who has the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

Folly of paying for A to get B!

Is the anesthesiology group or the hospital? Same priorities?

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

Behaviors to make you successful!



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…

Appendix, Anesthesiology 2000; 93:1509

Individual Productivity Measurements

	Valued	Devalued
Total units billed or charges	•Total charges billed •Specialty Care (high base units) •Short cases •High concurrency	•Total time billed •Remote sites •"Sparse" schedule •MD only cases
Time Billed	•Time billed (not worked) •Long cases •High concurrency	•Specialty Care (high base unit cases) •Remote sites •"Sparse" Schedule •MD only cases
Shifts Worked	•Shift worked •Availability •Not affected by confounding factors •Remote sites	•Units billed (base or time units)

Which do you like?

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

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- 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?[1]
  - 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

Fallacy of the "Field of Dreams" Business Plan …

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

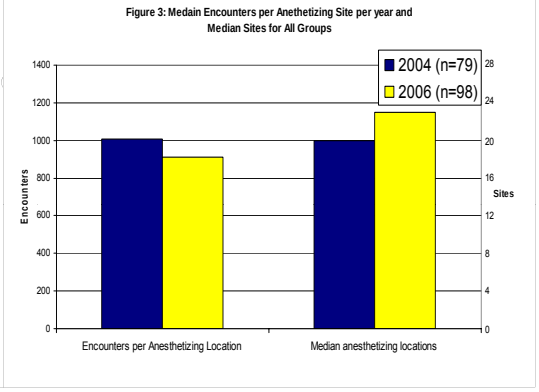
Anesth Analg 96: 1109-1113; 2003

1 ASA Newsletter August 2001;

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

ASA Newsletter, December 2007



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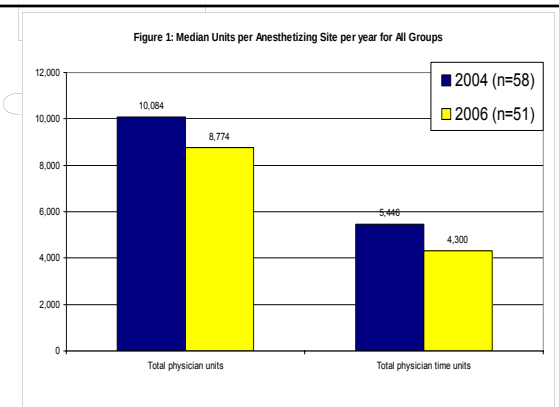

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  - Benchmarking your group by using "per FTE" measurements

"Per FTE" vs. "Per OR"

		Physician Only	>1 CRNA/MD
Cases	Per FTE	914	1,460
	Per OR	975	935
tASA	Per FTE	8,444	13,974
	Per OR	9,194	8,667
Hours per Day	Per FTE	4.3	7.3
	Per OR	3.9	3.9

* physician only, FTE ≠ OR

tASA = total ASA units

Hours per day = (time units/4) / 250 days
*billed time only

2007 MGMA Cost Survey of Anesthesia Practices

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

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Type	OR Sites	Cases	tASA/ OR Site	Hrs/ OR/ Day	Hrs/ Case
AMC	23	15,000	12,600	7.6	2.6
ASC	3	1,900	8,200	3.8	1.6*

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

Anesth Anal 2003; 96:802-12

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 activately 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