



Driving Operational Efficiency and Sustainable Growth Within Surgical Services

This brief describes GE Healthcare Consulting's unique capabilities and experience to collaborate with our clients to optimize the operational efficiency of their surgical services while positioning for sustainable and profitable growth.

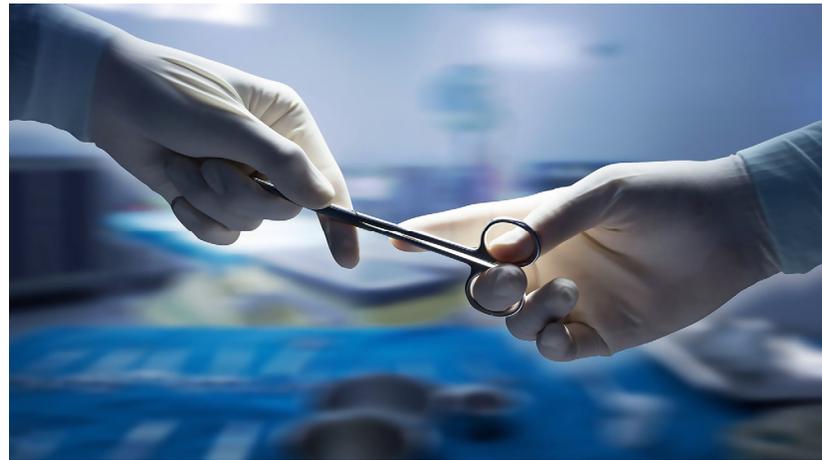
Surgical services continue to be a high-priority area of growth for health systems. With significant market evolution over the past 20 years from inpatient to outpatient case migration, and the proliferation of ambulatory surgical centers competing for low/medium complexity cases, health systems that have historically relied on surgical volume to balance their financials have felt the market shift. Clinical revenue—associated with surgical services—accounts for nearly half of revenues for many health systems across the country. Failure to strategically and holistically address challenges and opportunities will lead to mounting financial deterioration, stagnate or decreasing market share, and growth opportunity loss.

With never-ending competitive pressures, reimbursement changes, and industry evolution, health systems must transform their surgical services operations to drive smart growth through market differentiation, and to create a flexible yet reliable operation to best utilize its costly resources.

The Challenge

Hospital and health system surgical services programs face a wide variety of challenges that hinder performance and limit growth. The most common include:

- **Strategic** – Lack of clear vision and strategy; growth and expansion plan uncertainty; and indecision on building new, partnering with, or competing against regional ASCs
- **Operational** – Significant capacity and access constraints; lack of efficiency in operational processes (start-time, turn-over-times, etc.); and block time availability/unavailability
- **Clinical** – Inconsistent access to specialists; poor patient experience; poor coordination with anesthesiologists; and clinical outcome variation
- **Financial** – Rising operational and capital costs; cost per case variation; and financial profitability



While many organizations aim to tackle one or two of these challenges annually to turnaround their underperforming surgical programs, efforts often fall short and positive outcomes regress due to a lack of ongoing operational rigor and an inability to recognize the need to foundationally transform operations to create sustainable results. Organizations that have been able to successfully and sustainably revive struggling surgical programs have done so by taking a holistic approach to establishing a core operational foundation and engaging the diverse stakeholder groups that impact surgical services. This dual focus helps ensure that both patients and physicians find value in the programmatic offerings, and that health systems can optimize their performance and maximize their investment for a sustainable revenue stream.

Our Solution

The capabilities, expertise and experience that GE Healthcare Consulting brings to its clients are designed to inform and position them for both short-term impact and

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long-term success. Using a highly collaborative approach, GE Healthcare Consulting leverages rapid perioperative assessment methodologies, advanced analytics, a proprietary “Block Optimizer” tool, and activation specialists to customize proven performance improvement strategies and tactics that will be jointly evaluated with client leadership to ensure risks, both operational and cultural, are fully vetted and mitigated before execution.

Focused on driving transformational change, GE Healthcare Consulting has proven success with demonstrated outcomes leading organizations through a multi-phased design and activation process. It is our experience that driving this type of transformational change requires collaboration and attention in each of the following five areas:

1. Governance and Culture

A Governance Structure that creates accountability and decision-making clarity is a cornerstone for sustained improvement. The GE Healthcare Consulting team works with leadership, surgeons, anesthesiologists, and staff to implement a governance structure and operating mechanisms that enable the department to establish standardized set policies, clear roles/responsibilities and data-driven monitoring and accountability.

Performance measures not only align to process improvement activities, but also to both short- and long-term organizational goals. It is imperative to establish clear, centralized authority for real-time decision making around block schedule usage and operating standards (e.g., first-case start times, on-time case starts, turnaround times, etc.) to promote, encourage and sustain performance improvements. The data-driven accountability structure creates a permanent performance improvement mechanism to continuously enhance and iterate processes to meet an organization’s most important goals.

2. Strategy and Activation

GE Healthcare Consulting’s team of strategic advisors and perioperative transformation experts are skilled at assessing market demand and designing business plans for service line growth. Our Consulting team works collaboratively with hospital, financial and departmental leadership to identify and remedy facility constraints to volume growth and partners with departmental operations to understand current and future needs. Together we develop a growth strategy with supporting financial pro-formas and return on invested capital (ROIC) analyses which are designed to address operational, clinical, and financial organizational needs while informing volume shift between hospital outpatient departments (HOPDs) versus ambulatory surgery centers (ASCs) and/or building, buying, or joint-venturing decisions.



3. Block Schedule and Scheduling Policies

Our experienced team understands that block schedules and scheduling policies are the most critical lever to achieve optimal operating room access, efficiency and productivity. While process and workflow improvements contribute to overall efficiency, the schedule represents the most challenging but most impactful driver. Leveraging GE Healthcare’s proprietary advanced analytics, the “Block Optimizer”, and deep subject matter expertise in block scheduling, we quickly identify root causes for under-utilized blocks and add-on case trends, in order to open capacity and improve operating room utilization at both the specialty and surgeon level, aligning to established strategic, financial, and operational goals.

4. OR Access

Performing cases in the right setting is crucial to fully maximizing surgery and procedural efficiencies and volumes. The GE Healthcare Consulting team works closely with organizational leadership to make critical decisions on how to best optimize utilization of inpatient, HOPDs, ASCs, and other surgical services care settings. Ease of access to the operating room time and getting the right case to the right setting in the most efficient manner leads to surgeon satisfaction as well as an organizational ability to accommodate smart growth. Both are dependent on the capability of the organization to drive high suite utilization and ensure accuracy of the schedule. High utilization and scheduling accuracy positively affect the utilization of limited resources and lead to high profit margins for the organization.



5. Process and Flow

GE Healthcare Consulting has the experience to optimize the operating room as a “system” by creating a system-level view of operations. This provides focus on the operational opportunities that ultimately deliver desired net impact, and effectively align resources and processes. The team works with surgeons, anesthesiologists, staff and perioperative leadership to guide the development/refinement of standardized operating room workflows such as first-case starts, room turnover, PACU boarding time, and/or other processes to improve efficiencies.

Our experts are trained in GE’s Change Acceleration Process (CAP) designed to more quickly achieve sustained improvements in process and outcomes. We are experts in using these tools to ensure buy-in that will lead to surgeon, anesthesiologist, and staff satisfaction while providing sustainable, efficient changes to the environment for patient care. GE Healthcare is also able to leverage its Hospital of the Future™ digital twin simulation modeling capabilities to align operating room volume enhancements to downstream impacts on inpatient bed capacity considerations to help smooth admissions flow across the organization.

Proven Client Outcomes

GE Healthcare Consulting has helped numerous hospitals, health systems, physician organizations, and U.S. Anesthesia Partners physician groups to optimize their surgical services platforms. Examples of these results are provided in the table below:

Client	Outcomes
850 bed Academic Medical Center (Southwest)	<ul style="list-style-type: none"> • Freed up OR capacity for 750 additional surgical cases per year • Reduced variability of elective surgical cases by 15.0% • Removed 45 minutes of slack time in room turnover
400 bed Academic Medical Center (Southwest)	<ul style="list-style-type: none"> • Improved first-case starts by 57 percentage points • Improved room turnover times by an average of 7 minutes • Governance structure designed to sustain and continue improvements
250 bed Community Hospital (Northeast)	<ul style="list-style-type: none"> • Increased overall room utilization by 6 percentage points • Improved first-case start percentages from 18.0% to 84.0% • Created 100 hours of incremental capacity ~\$8.4M in annual CM • Improved room turnover times from 35 min. to 28 min.
300 bed Regional Medical Center (MidAtlantic)	<ul style="list-style-type: none"> • Freed up OR capacity for 71 additional prime time hours per week • Block management committee updated • Redesigned block policy document approved and communicated
400 bed Academic Medical Center (Southwest)	<ul style="list-style-type: none"> • Increased overall room utilization by 9 percentage points • Improved first-case start percentages from 50.1% to 81.0% • Created 96 hours of incremental capacity ~\$8.4M in annual CM • Improved room turnover times from 46.8 min. to 33.3 min.
400 bed Academic Medical Center (Northeast)	<ul style="list-style-type: none"> • Created 100 hours of incremental capacity • Smoothed demand for inpatient beds by “level-loading” block schedule • Shifted outpatient volume from inpatient ORs to ASCs
200 bed Community Hospital (Mountain)	<ul style="list-style-type: none"> • IOR utilization grew 7.7% in one year • Available open OR time increased from 11.0% to 20.0% • Procedural volume increased by 6.0% in one year • Contribution margin increased by 10.0% in one year
250 bed Community Health System (Southwest)	<ul style="list-style-type: none"> • Increased overall room utilization by 10 percentage points • Improved first-case start percentages from 43.0% to 88.0% • Scheduling scenarios generated a potential \$4.0-7.5M in annual CM
200 bed Specialty Community Hospital (Southeast)	<ul style="list-style-type: none"> • Incremental CM of \$8.0M/year • Reduced overtime by 67.0% • Improved first-case start percentages from 13.0% to 72.0% • Improved room turnover times 20.0%