



EDUCATIONAL RESOURCES

ASC Wellness

Five Crucial Checkups to Keep Your ASC Thriving

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Introductions

Michael McClain, MHS, MS, PA-C

Michael is the Founder and Managing Member for LeftCoast Healthcare Advisors, an ambulatory surgery operations, strategy, and management advisory firm located in Seattle WA.

Michael is a former EMT and Hospitalist PA, with over 25 years of healthcare experience. He has led both physician-owned and non-profit healthcare organizations in the Midwest and West Coast. Most recently he served as the Chief Executive for ASCs at Providence Health System, overseeing more than 40 ambulatory surgery facilities across 7 states.

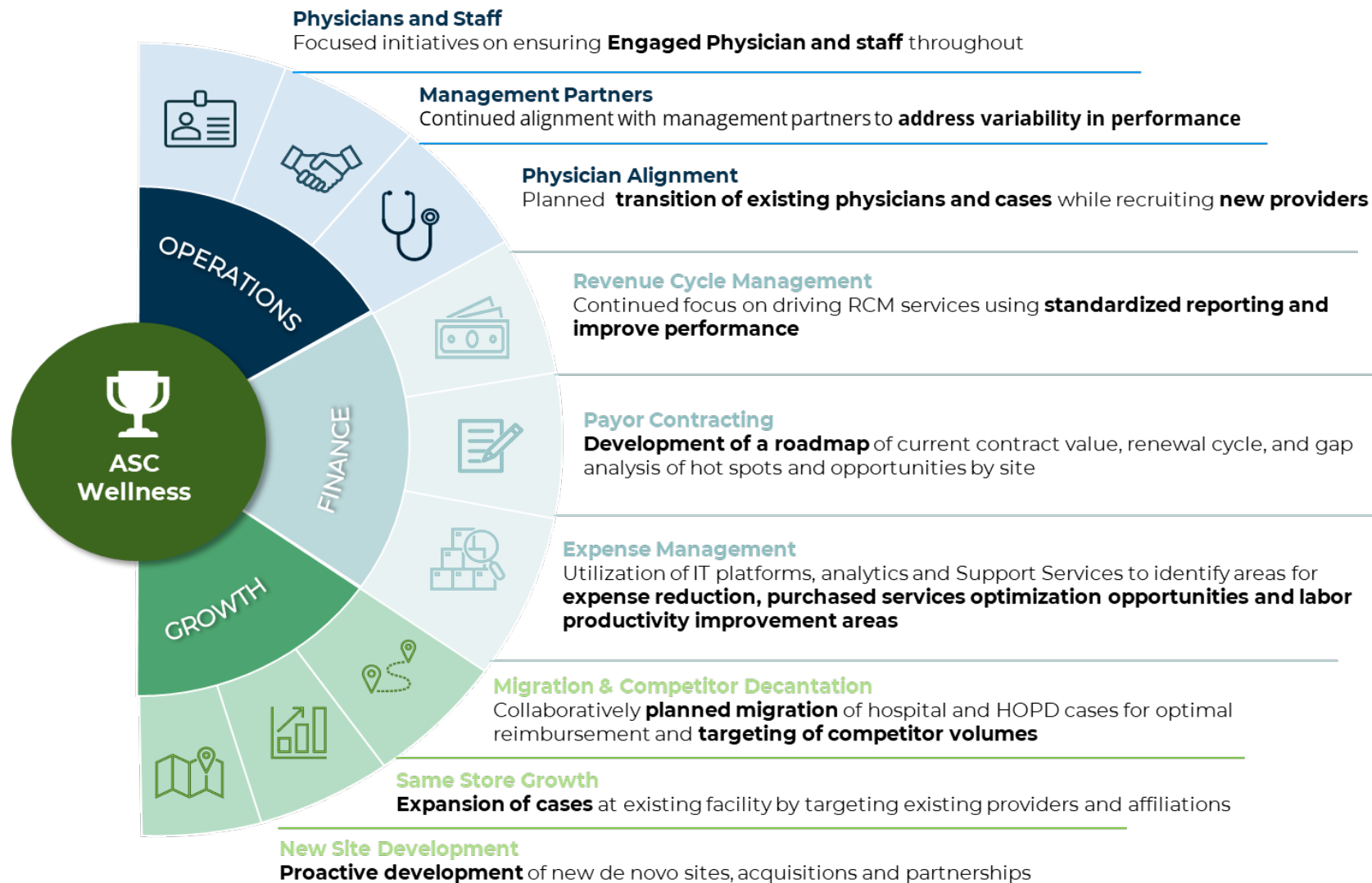


Workshop Goals

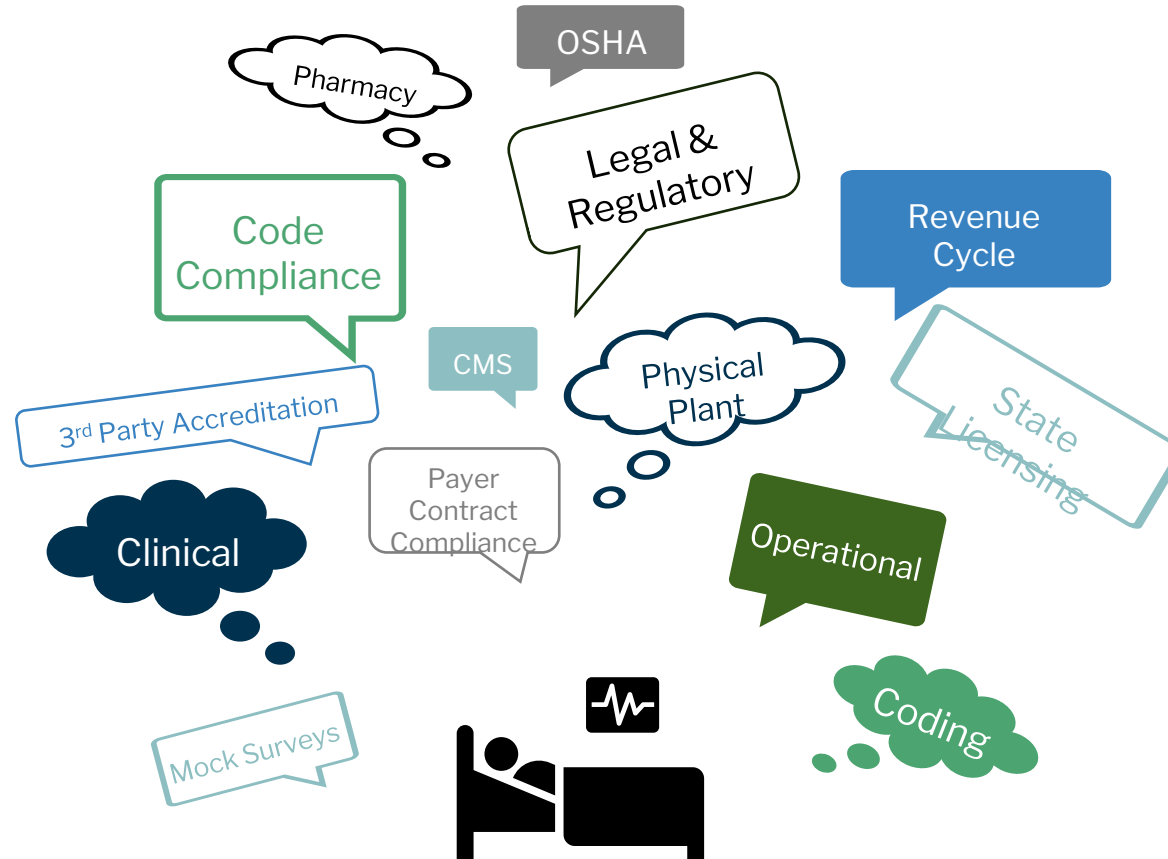


1. Understand what constitutes a healthy business and how to incorporate routine checkups into standard operations
2. Explore the 5 different areas of checks ups that should be routinely performed and documented
3. Understand how and when to seek help from outside professionals and avoid costly compliance and safety issues

“Wellness” is Multifaceted



What Kind of Wellness Checks COULD You Do?



What Kind of Wellness Checks SHOULD You Do?

Self-Checks & Internal Audits

Monthly

- Clinical
- Operational
- Physical Plant

State & Federally Mandated

As Required

- Pharmacy
- OSHA
- CMS
- State Licensing



Accreditation

Quarterly/Annually

- ACHC
- Other accreditation organizations

3rd Party & Formal Audits

As Required

- Service Contract Compliance
- Payor Contract Compliance
- Coding
- Legal and Regulatory Compliance
- Rev Cycle
- Mock Surveys

- ✓ Develop standard reports & dashboards to make it easy
- ✓ Not just admin staff – “volun-tell” clinical staff to assist
- ✓ Include results in Board Meetings & Minutes to empower your Board to hold you accountable

Profitability Alone Isn't Enough



- **Distributions are an easy metric, but will they last? Are they sustainable?**
- Cannot look at financial performance in isolation
- Financial benchmarks are lagging indicators of performance issues
- Standard benchmarks give a high-level but you should go deeper to "see around corners"

▪ **Strategic Performance Reporting: The Big Picture**

- Evaluate multiple elements of performance across time
- Integrate multiple elements into single "picture"
- Combine leading indicators of performance with standard metrics
- Improve accountability in real-time



5 Key Areas for a Check-Up



5 Key Areas of Focus for a Check-up



People: Relationship Focused



People: Relationship Focused

- Early indicator of challenges
 - Hardwire at Board Level
- Measure at least one aspect every month
- MBWA (management by walking around)
- Patient Satisfaction
 - Find a tool that you can compare to others and stick with it
- Staff Engagement
 - Annual surveys
 - Turnover rates (in the first 90 days, in the first year, overall)
- Physician Alignment
 - Annual Surveys as part of Privileging and Credentialing
 - Physician Clinic / Scheduler Surveys and Meetings
- Management Partners
 - Objectively review management agreement and performance yearly

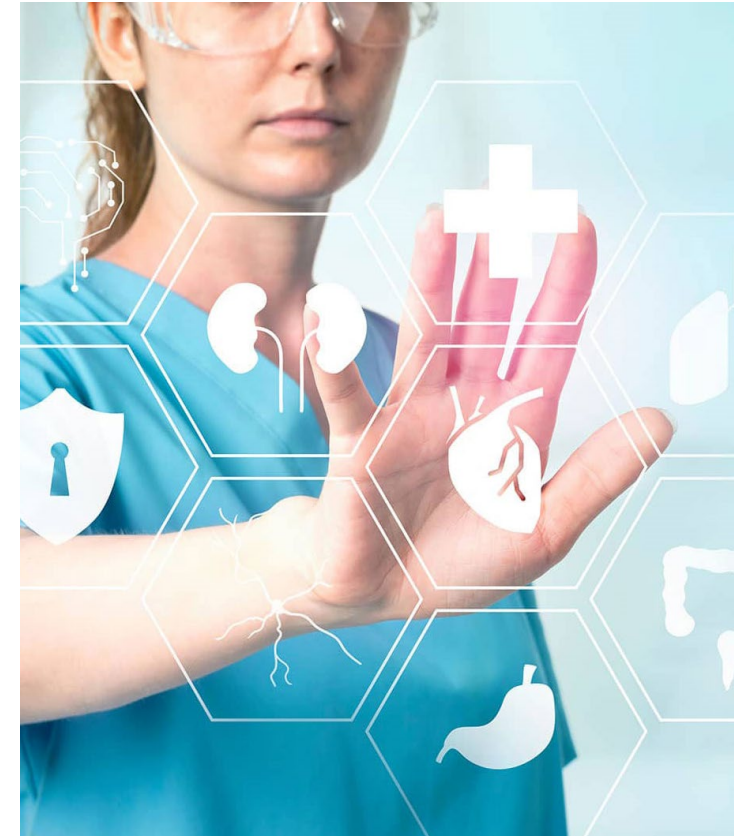


Clinical Excellence: Outcome Focused



Clinical Excellence: Outcome Focused

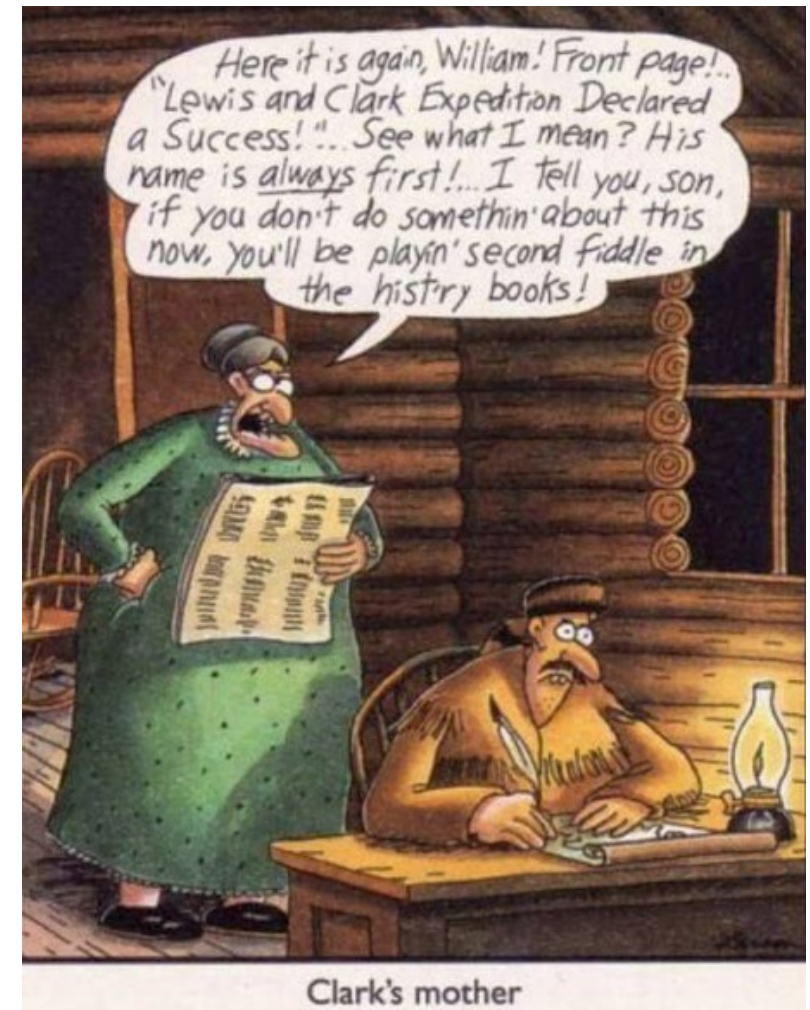
- **Internal AND External Outcome Reporting**
- Multiple levels of Check-Ups
 - Bi/Tri Annually - Accreditation surveys
 - Annually - Mock surveys/clinical operations surveys
 - Semiannually/Quarterly - QAPI projects and reports
 - Monthly - Fallouts/clinical indicators/metrics
 - Periodic / Market Specific
 - Patient Reported Outcomes
 - Payor Reported Outcomes
 - Social Media



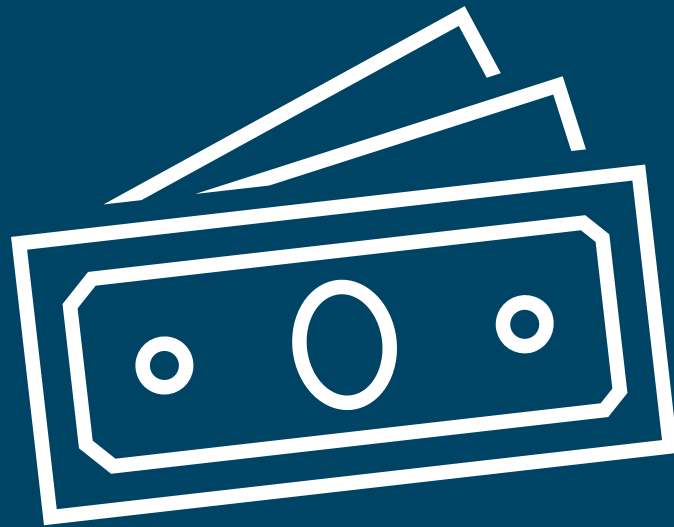
Patient-Centered Care

- Celebrated by ASCs & physicians.
- Assumed as a given by patients & payors.
- Clinical excellence means more than great outcomes and high patient satisfaction.
- Facilities with outstanding clinical outcomes can still turn away patients and fail financially.
- Success means marrying financial efficiency and clinical efficiency with patient safety and comfort.

Source: Larson, Gary. "Clark's Mother." The Far Side Gallery 5, 1995, pg. 27.



Financial: Management Focused



Financial: Management Focused

Revenue Management

- Managed Care Contract Review
- Optimizing Contract Negotiations
- Chargemaster Review

Expense Management

- Vendor Contracts
- Labor Costs

Volume & Case Management

- OR Utilization
- Case Compression
- Physician Scheduling

Financial: Revenue Management



Revenue Cycle Performance

1. Define success & DOCUMENT for each stage of the business office process
2. IDENTIFY the data is available that can measure performance of the process, and is impacted by your team
3. MEASURE performance against goals on a regular basis.
4. Trend & REPORT performance and adjust goals, data, process, measurement & document again.



Let outcomes guide your metrics, not the other way around!!

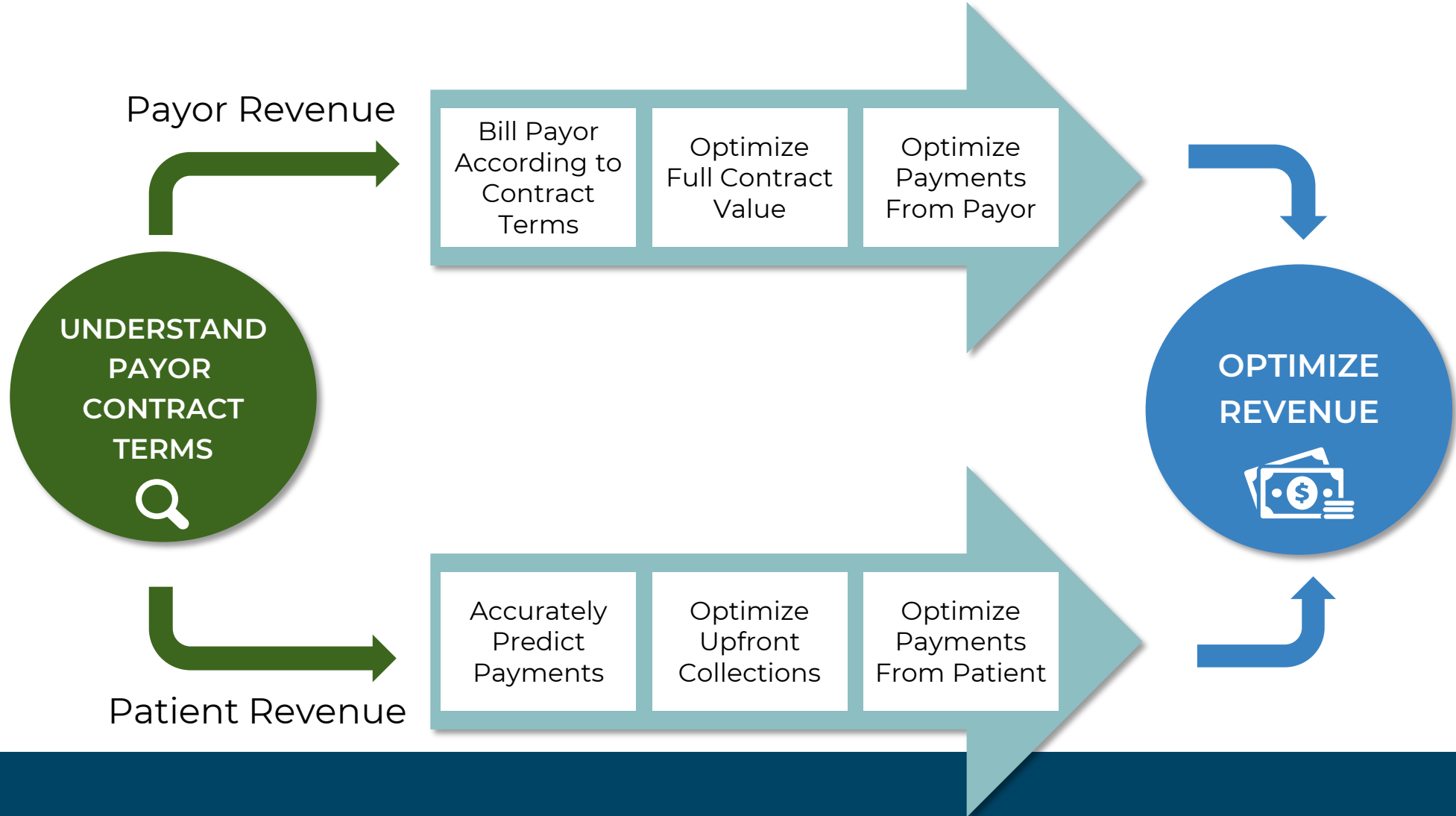
Managed Care Contract Performance

- Periodically evaluate managed care contracts and compare them to performance
- Become familiar with the term, termination, structure, and methodology
- Routinely assess rates and language

Don't assume you are being paid according to contract!

Work Both Elements Of Reimbursement

Revenue Cycle Wellness



Financial: Expense Management

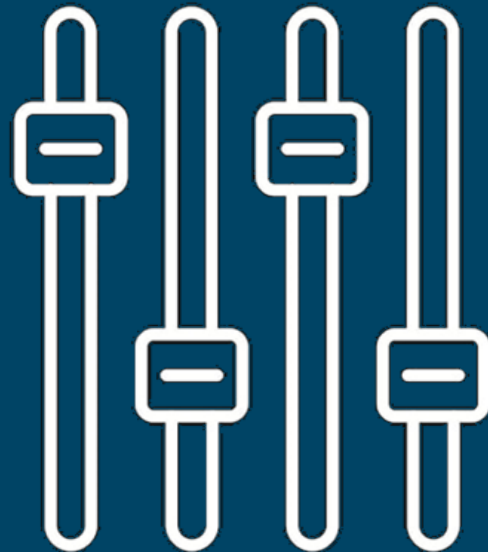


Expense Management

- Interrogate your P&L, Payor Mix, and Case Mix monthly
 - Not enough to see what happened, need to understand WHY
- Organize financial statements so that you can track specific expense areas
 - Implants separate from supplies
 - Fixed vs variable costs
 - EBITDA % versus Dollars
- Integrate Operational & HR Metrics
 - Cases, Payor Mix, Case Mix
 - Labor compared to volume and revenue

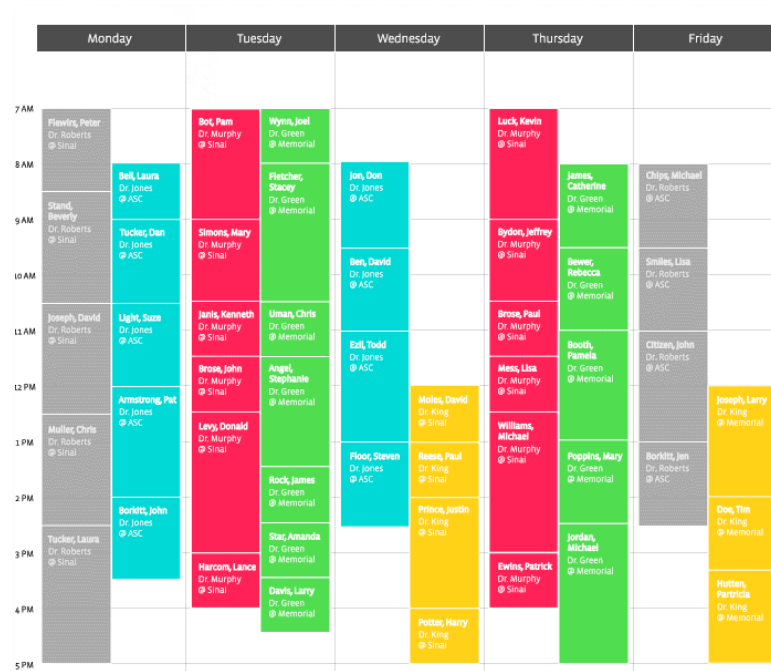
Example: High SWB costs aren't always bad

Financial: Volume Management



Volume Management

OR Capacity:
Measures available
OR time, NOT
surgeon efficiency



Block Time Utilization:
Measures Surgeon Use
of Block time, NOT
surgeon efficiency

Broken Record Time:
Outcomes should
drive metrics

OR Schedule Compression:
Differentiates good centers
from GREAT centers

Access = Convenience vs Accountability

Growth & Development: Future Focused



Future Wellness

Same Store Growth

- Efficiency
- Physician recruitment
- Case migration

New Store Growth

- Expansion of existing site
- New site development
- Acquisitions & Partnerships

TIP:

BEFORE bringing new services to your ASC, make sure Payor Contracts will cover them and reimburse them appropriately

Environment of Care: Facility Focused



Physical Plant Health

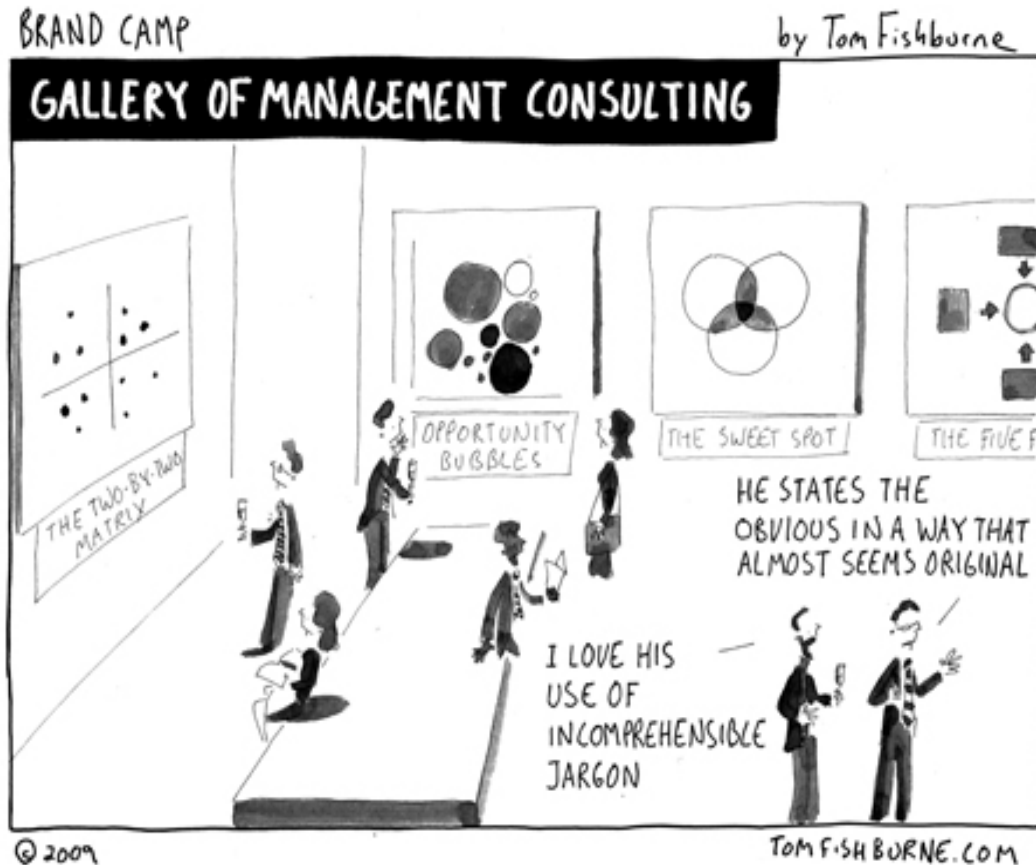
- Create awareness of space across staff
 - Monthly “in the shoes of a patient” facility self-checks
 - Use staff from different areas
 - Provide “awards” for adverse findings (trinkets, food, etc)
- Map out facility service contract dates and deadlines in board and staff meetings
 - Med Gas, Generator, Boilers, Lamps
 - Add it to board AND staff meetings
- Mock surveys & self-checks



When to Seek Help



When & How to Use a Specialist



Source: Fishburne, Tom. "Gallery of Management Consulting." tomfishburne.com, 2009.

- **Quarterly or annually** AND when time and/or expertise is in short supply.
- When incidental findings or **abnormal outcomes become trends**
- Every business has a different comfort zone
- Administrators are professional firefighters – they already have multiple full-time jobs
- Cost is a factor, but so is time and knowledge
- Don't be afraid to **pay for expertise, time savings**
- Cheaper to find a resource on your own timeline versus under threat



Discussion

In Closing...

- No single check-up plan can be all things to all businesses
- Do the hard work of establishing your goals first, then build actionable reports based on reliable data that helps in achieving those goals
- As with all things, trust but verify all sources of data. No seriously, double-check it!
- Document **DOCUMENT DOCUMENT!!!**
- Recognize your limitations and don't be afraid to ask for help sooner than later.



LeftCoast Healthcare Advisors

LCHA is a West Coast-based healthcare consulting and advisory firm with a proven track record of delivering exceptional results. We are professional operators committed to driving REAL change in the way healthcare is delivered in our communities.

We are committed to your success by developing holistic ambulatory solutions that meet the needs of the unique communities we serve





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Thank you

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