



Fiscal Impact of Standardized Surgeon Preference Cards for an Acute Care Surgery Program



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Background

Government and commercial payers are considering a transition to “bundled payments.” Fixed amounts are reimbursed for a specific diagnosis regardless of costs incurred. The sustainability of individual physician practices and health systems depends on cost containment without sacrificing quality or patient safety. Because many acute care surgery (ACS) programs receive operational support from hospitals, active participation to achieve this goal is mutually beneficial. We hypothesized that creating a standardized surgeon preference card for operations common to an ACS practice would reduce costs and improve hospital reimbursement.

Methods

The cost of equipment for four common operations (laparoscopic appendectomy, laparoscopic cholecystectomy with cholangiogram, open inguinal hernia repair, and tracheostomy) for each surgeon in the group was calculated using existing individual preference cards. A standardized card was created for each procedure, which included the equipment each surgeon felt necessary to safely perform the operation. Medicare reimbursement rates for each procedure were used. Cost variability, case volume, and savings after standardization were examined.

Results

FY 2009-2010 included 381 cases for review. Individual surgeon costs varied widely. After standardization, total savings from each category of operation was:
Lap appendectomy \$258,744.93
Lap cholecystectomy \$127,721.83
Open inguinal hernia \$14,247.24
Tracheostomy \$101,838.15

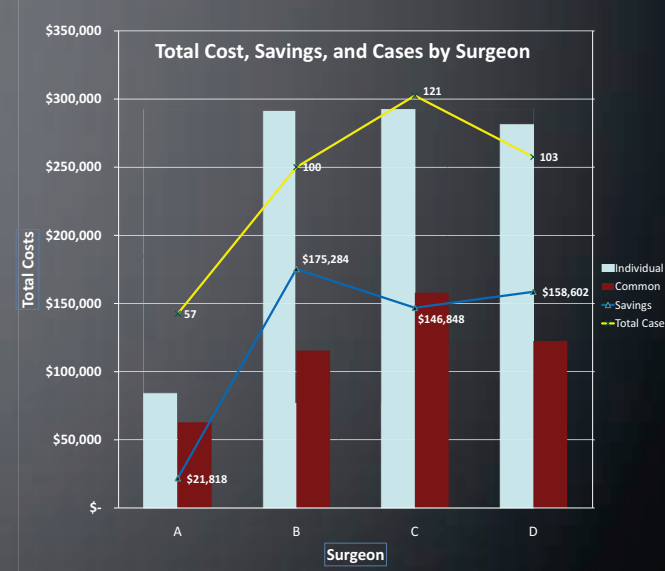
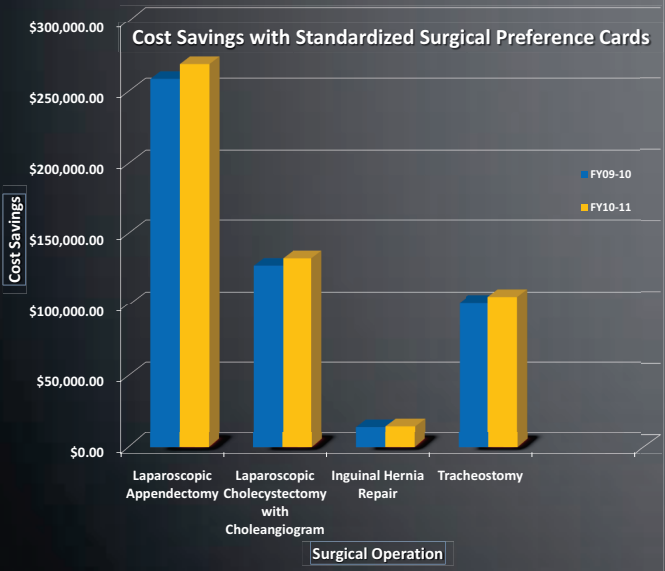
Total savings, had standardization been applied, was \$502,552.15 for FY 2009-2010.

Conclusions

Standardized surgeon preference cards for common ACS procedures reduce cost and potentially increase hospital reimbursement.

The cost savings could be used to hire an additional FTE surgeon, further increasing productivity.

Future study should apply standardization prospectively to determine actual cost savings.



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