More ORs are adding a business manager role—and seeing responsibilities expand. More than one-third (38%) responding to this year’s OR Manager Salary/Career Survey have an OR business manager, up from 20% in 2003. This year’s survey asked more questions about this position.

The average salary reported for OR business managers is $73,000, ranging from over $100,000 to less than $60,000. Salary information was provided by 83 of the 114 respondents who have an OR business manager.

Most often, business managers (77%) report to the OR director. For about three-fourths (73%), a specific degree is required. Two-thirds (66%) do not have a clinical background.

Their top 5 responsibilities are:
• financial analysis/reporting
• annual budget
• billing/reimbursement
• value analysis/product selection process
• materials management.

OR Manager interviewed 7 OR business managers to learn more about their roles.

Business managers see themselves as a link between the clinical and business sides of surgery.

“Today the business functions are critical to our survival,” says Cara Mueller, business manager for surgical services for the 14 ORs at Memorial Hospital of South Bend in Indiana.

“Ten years ago, you didn’t see many OR business managers. Now you see the role being expanded,” she says, as some organizations elevate the role to the director level.

At Inova Mount Vernon Hospital in Alexandria, Virginia, the role grew out of a materials management position. With the advent of computers, “IT became a big responsibility, and the materials manager took on this role,” Kate Holmberg, RN, OR business manager, wrote in an e-mail. A materials coordinator was hired to manage purchasing and stocking of supplies.

“As computers became a mainstay, the materials manager position turned into the business manager,” she said. More finance and budget responsibilities have been added since.

Eclectic titles, responsibilities

Titles reflect a range of responsibilities.

At Scott & White Hospital in Temple, Texas, which has 24 ORs and is expanding, Gerry Collier is director of supply chain management for surgery. Originally a respiratory therapist, Collier was previously the hospital’s director of value analysis. His role was created to guide supply chain improvements following a consulting engagement. Though Collier focuses on supply chain, he reports directly to the chief nursing officer.

Courtney Gorgone, MBA, project and strategic manager for perioperative services at Geisinger Medical Center, Danville, Pennsylvania, moved over from the health system’s business planning department. She oversees the perioperative information system, materials management, and operational and capital budgets, and performs operational analysis. She has 4 direct reports, who in turn supervise about 70 employees. The medical center has 24 ORs.
Gorgone is in an unusual reporting structure as 1 of 3 surgical services operations managers, each reporting directly to the associate vice president for nursing with a dotted line to the vice president for surgery and chief of surgery. The other 2 operations managers are responsible for the OR and the other perioperative areas.

At St Luke’s Hospital in Cedar Rapids, Iowa, which has 14 ORs, Jenifer White, MHSA, describes herself as the “go-to person” for financial information. As manager of business and decision support for surgical services, her duties include managing the revenue cycle (eg, maintaining the chargemaster, auditing, and managing claims denials) and generating reports.

White started as a medical technologist, has a graduate degree in health services administration, and previously was business supervisor for the hospital’s ambulatory surgery center.

Beverly Allen, RN, CPA, business manager for surgical services for 2 surgical areas with 38 ORs and related departments at St Francis Hospital in Tulsa, Oklahoma, has a long list of responsibilities: operational and capital budgets, capital research and purchasing, business plan preparation, overseeing supply acquisition and billing, managing OR scheduling, and strategic data analysis and reporting, among others.

A variety of backgrounds

OR business managers come to their positions by various paths. Though most don’t have a clinical background, those interviewed have spent a large part of their careers in health care.

Mueller was in industry before coming to Memorial in 1990. Prior to becoming OR business manager 7 years ago, she was director of purchasing for the hospital and later for surgical services.

Melissa Monreal, MBA, OR business manager for 3 surgical sites with 23 ORs at Morton Plant Hospital in Clearwater, Florida, started as a unit coordinator at age 17, went to college, became a coder, worked in physicians’ offices, and went on to get her MBA. She was previously in the finance department, serving as liaison with surgery. Monreal says she speaks both languages, clinical and finance.

Allen, both an RN and CPA, was clinical manager for cardiovascular services and got her accounting degree because she was interested in the subject.

Her experience as an RN “probably adds credibility,” she says. “I can say to the nurses, ‘I’ve been where you are. I know what it’s like.’”

Though Gorgone does not have a clinical background, she does not see that as a disadvantage. Her undergraduate degree was in political science and anthropology, and she has an MBA.

“My mother is a nurse. I wear scrubs every day and am seen in the department,” she says. When
challenged that she is not a clinician, Gorgone responds, “Talk to me about your concerns. I keep an open mind. I’m here to make the department a financial success but first and foremost a success for patients.”

Holmberg, who will soon receive her master’s in nursing, thinks a business degree would be helpful. “Balancing budgets and variance reporting are important; the ability to read and process finance reports is necessary,” she says. Understanding reimbursement and coding is very important, as I am responsible for ensuring the bills can get paid.”

—Pat Patterson