Big 5 report keeps perioperative leaders at the University of Kansas Hospital in Kansas City abreast of leading financial metrics for the 31-OR department (illustration, p 9). The report displays financial variances for the 5 surgical supply-focused expense areas:

- medical-surgical supplies
- instrumentation
- implants
- wound closure supplies
- drug supplies.

“These are the biggest areas we want to make progress on due to their high correlation with overall expense,” says Brian Dolan, MHSA, RHIA, CHDA, SSGB.

“I was looking for a way to present this information so my customers could easily digest and understand it,” says Dolan, who is the perioperative services business operations manager and developer of the dashboard.

Nurse managers often didn’t have time to sift through the larger monthly reports. The Big 5 report is a snapshot that he and the managers can discuss.

“We sit down and talk about the variances, what happened last month, and how do we improve our product review processes to eliminate future variances,” he says.

The group then adds review notes about the variances under each area. For example, a new surgeon joined the staff and requested a new type of implant, causing a variance in the implant budget.

Listed under the notes are projects for managing costs in that area, with an action plan and champion.

The report has also helped Dolan to see that product codes are falling into the proper accounting buckets. Products that aren’t entered in the system correctly can land in the wrong bucket, throwing off the budget.

The review has led into “a huge concurrent auditing project,” he says, enabling them to refine the process.

With the report, they can also see how ordering patterns affect the budget. For example, implementing new suture carts and modifying room inventories caused big variances in the wound closure area.

The Big 5 report is also useful to senior management. The vice president for perioperative services finds it is helping in responding to questions at operations meetings.

“It’s a good work tool and a communications tool,” Dolan notes.
Perioperative Business Operations Management - Financial Variance Report*
FY 2011 ORFIN#

Implant Supplies Analysis

<table>
<thead>
<tr>
<th>Month</th>
<th>Var $</th>
<th>Var %</th>
<th>Review Notes</th>
</tr>
</thead>
</table>
| Jul-10 | -$300,000 | -20.00% | - Cyberonics Bulk-Buy Value $120,000  
- Synthes Expenses Inflation (Trade Outs and New Tech)  
- Hospital Based Research - Trinity MTF Bone Implants (Arnold)  
- Review impact of FY2010 Account Reclassification on Run Rate |
| Aug-10 | -$100,000 | -6% | - Med El Bulk Buy Value $108,000  
- New Ophthalmic Surgeon - Oculoplastics - Suprafilm $36,500 New Expense |
| Sep-10 | -$100,000 | -5.26% | - Delayed purchasing for CR Bard - $300,000 - Vendor Retro Bill Only's |
| Oct-10 | $250,000 | 11.90% | - $87,000 Cyberonics Bulk Buy  
- $150,000 Delayed purchasing for KC Medical  
- Increased volume of Neuro implantables, DBS and Neurostimulator over previous month  
- Increase in trauma volume resulting in implant inc |
| Nov-10 | -$100,000 | -5.88% | - Increased volume of Neuro implantables, DBS, and Neurostimulator over previous month  
- $14,000 New Spacers for Neuro Surgeon Use |

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Action Plan</th>
<th>Champion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bill Only Timeline</td>
<td>Implemented timeline for bill-only filing within the OR Vendor Policies Manual; Addressed retrospective and delayed submission of documentation required for remittance of payment. Addressing additional staffing processes.</td>
<td>Manager</td>
</tr>
<tr>
<td>Capitation Program for Spinal Implants</td>
<td>Reviewing pricing program opportunities with implantables in the spinal program; potential for projected annual savings through setting a capitated price by component.</td>
<td>Manager</td>
</tr>
</tbody>
</table>

*Note: This is a mock report. All numbers are fictional.
Dashboard summary

**Audience:** Perioperative managers and leaders

**Metrics:** Major supply account areas

**Frequency:** Monthly

**Software:** Budget Advisor, commercial software, creates the larger financial statements. The Big 5 report, a subset, is generated using Excel. ✤