How are we doing on supply cost per case? Is our program growing fast enough that we need more instrument trays? What happened to that capital equipment request?

The surgical services management team at St Joseph Hospital in Orange, Calif, can tell at a glance.

Every month, the team reviews a snapshot report that shows how each of the surgical services departments is doing on the budget, volume, and key indicators.

“The report allows managers to see trends in black and white,” says Terrence Wooten, business and materials resource manager for surgical services and endoscopy.

Before, Wooten ran reports on specific areas, but they didn’t give managers the big picture.

“I wanted to expand our reports into a monthly trending system. This gives managers a place to start. Then if they see a trend, such as a change in volume, and want to dig into it, we can do that,” says Wooten, who developed the tool, called the BOSSE—“bossy”—report, short for Business Office Surgical Services and Endoscopy.

The report is an Excel spreadsheet that is distributed to the director of surgical services and endoscopy, Joanne Sterner, RN, MBA, CNOR, as well as to managers and clinical leaders from each department in surgical services.

Foreseeing needs

The report has helped the department stay on budget, control costs, and plan for future needs. The instrument budget, which was overspent in the past, is now within limits. Service coordinators are able to foresee needs for their services. For example, if the neurosurgery coordinator sees an upward trend in volume, she can say, “How many trays do I need for this service? Do I have enough?”

“It’s one thing to say that a service ‘feels busy.’ It’s another to look at the trends and be able to see that it is growing,” Wooten observes. “Then we can make a decision to say, ‘OK, we need to support this service line.’”

The team can see how new programs are faring, such as those for bariatric surgery and robotics. They can see if procedures that are supposed to be moving to the outpatient surgery center are actually moving there.

If managers see hard-to-control orthopedic implant costs rising more rapidly than expected, they can examine surgeons’ practice patterns to see if the implants they are using are on contract.

Meeting incentive targets

The report also helps managers inform the staff about progress toward meeting targets used for employee incentives. Under the incentive program, staff can earn bonuses for meeting targets for first-case on-time starts, supply costs per unit of service, and turnover time. (See September OR Manager.) If supply costs per unit of service aren’t meeting the monthly goal, for example, managers can share that data with the staff so they will be mindful when opening supplies. Charts on progress are posted each month so the staff can review them.

Wooten got the idea for the BOSSE from the hospital’s finance department, which generates a high-level report on financial trends for the hospital’s executive team.

He sees the report as part of his role as a business manager for surgical services. “One of my goals and objectives is to make sure all of our clinical managers are
educated on our finances and volume trends in the OR and endoscopy,” he says. “This report is one tool for helping them in making decisions, knowing what we need to concentrate on, and knowing what our successes and losses were.”

The template for the BOSSE report is in the OR Manager Toolbox at www.ormanager.com.

**Surgical services trend report**

St Joseph Hospital’s tracking tool, called BOSSE, includes these categories for the 8 departments in surgical services:

**Budget**
- Controllable cost/unit of service (operating cost excluding benefits and depreciation)
- Supply cost/unit of service (cost of supplies, including implants, divided by the surgical minutes for the month)
- Labor cost/unit of service (direct labor costs)
- Instrument purchases (dollar amount)

**Volume**
- Units of service for each department in surgical services
- Cases by specialty: OR
- Cases by specialty: Outpatient surgery center

**Tracked data**
- Implant cases
  - Spine
  - Total hip
  - Total knee
  - Pacemaker
  - AICD
  - Heart valve
  - CryoLife
- Implant costs
  - Costs for each of the above items
- Implant average costs
  - Costs for each of the above items
- Heart cases
- Pain management cases
- Bariatric cases
- Robotic cases

**Business office tracking**
- Late charges: Encounters
- Quality tracking
  - Wrong account number
  - Acuity/observation
  - Charges not zeroed
- Incentive tracking*
  - First case on-time start
  - Supply cost/unit of service
  - Turnover time

**Value analysis**
- New products approved for use or evaluation
Capital
   — Status of capital equipment requests

*Used for staff financial incentives.