

## POSTER 43

### FISCAL IMPACT OF STANDARDIZED SURGEON PREFERENCE CARDS FOR AN ACUTE CARE SURGERY PROGRAM

Daniel A. Lyons (M2)

(Jeffrey Coughenour, MD)

Department of Surgery, Division of Acute Care Surgery

**Objectives:** Increasing numbers of government and commercial payers are considering a transition to “bundled payments.” A fixed amount is reimbursed for a specific diagnosis regardless of costs incurred while providing care. The sustainability of individual physician practices and health systems depends on proactive cost containment without sacrificing quality of care or patient safety. Because many acute care surgery programs receive salary or 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 acute care surgery practice would reduce costs and improve reimbursement.

**Methods:** The average cost of equipment held and opened for five operations (laparoscopic appendectomy, laparoscopic cholecystectomy with cholangiogram, tracheostomy, inguinal hernia repair, and exploratory laparotomy) 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. Institutional cost and reimbursement differences were examined.

**Results:** Costs for 564 cases from FY 2009-2010 were examined. Using Medicare reimbursement rates for each of the five procedures, implementation of the standardized cards yielded a significant savings for 4 of the 5 operations examined.

Savings	Lap appy	Lap chole	Inguinal hernia	Exp lap	Trach
FY09-10	\$258,744.93	\$127,721.83	\$14,247.24	\$155,186.90	\$101,838.15
FY10-11*	\$269,094.73	\$132,830.70	\$14,817.13	\$161,394.38	\$105,911.68

\*FY10-11 savings estimates presume a 4% increase in practice volume

Because of case volume and savings realized with the new cards, one surgeon would increase reimbursement by \$228,137.18. Total institutional savings for fiscal year 2009-2010 would have been \$657,739.05.

**Conclusion:** Standardized surgeon preference cards for common acute care surgery procedures significantly reduces hospital cost and positively affects reimbursement.