Applying a managerial approach to day surgery

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ABSTRACT

The present article explores the day surgery topic assuming a managerial perspective. If we assume such a perspective, day surgery can be considered as a business model decision care and not just a surgical procedure alternative to the traditional ones requiring patient hospitalization. In this article we highlight the main steps required to develop a strategic approach [Cotta Ramusino E, Onetti A. Strategia d’Impresa. Milano; Il Sole 24 Ore; Second Edition, 2007] at hospital level (Onetti A, Greulich A. Strategic management in hospitals: the balanced scorecard approach. Milano: Giuffe; 2003) and to make day surgery part of it. It means understanding:

- how and when day surgery can improve the health care providers’ overall performance both in terms of clinical effectiveness and financial results, and,
- how to organize and integrate it with the other hospital activities in order to make it work.

Approaching day surgery as a business model decision requires to address in advance a list of potential issues and necessitates of continued audit to verify the results. If it does happen, day surgery can be both safe and cost effective and impact positively on surgical patient satisfaction. We propose a sort of “check-up list” useful to hospital managers and doctors that are evaluating the option of introducing day surgery or are trying to optimize it.

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1. Introduction

The present article explores the day surgery topic assuming a managerial perspective. If we assume such a perspective, day surgery can be considered as a different method of organizing patient care and not just a surgical procedure alternative to the traditional ones requiring patient hospitalization. Assuming a managerial approach to day surgery does not exclusively mean focusing on the potential benefits in terms of reduction of the patients’ average length of stay. It means understanding:

- how and when day surgery can improve the health care providers’ overall performance both in terms of clinical effectiveness and financial results, and,
- how to organize and integrate it with the other hospital activities in order to make it work.

Thus day surgery has to be considered as a business model decision and has to be consistent with the long-term strategic objectives of the hospital.13

2. Day surgery: definition issues

Day surgery is generally defined as a surgical procedure that is performed when the patient is able to be safely discharged on the same day or after a short stay. It is also termed as “same-day services”, “one-stop surgical service”, or “office-based surgery”.

We can distinguish between two main models of day surgery:

- Outpatient surgery, i.e. surgical procedures performed without patient hospitalization;
- One day surgery, i.e. when the patient is admitted and discharged within 24 h, with or without overnight stay.

Day surgery may be performed in many different places. However, almost all day surgical procedures are performed in either:

- Free-standing units, i.e. an independent unit, or
- Integrated units, i.e. a ward or unit within a hospital facility, or
- Dedicated beds, i.e. hospital beds reserved to day surgery within conventional hospital units.

A comprehensive, broadly adopted definition of day surgery is still missing. This makes difficult to collect data on day surgery.
services and to compare them on an international basis. As a consequence arises a lack of criteria for the collection of uniform statistically comparable data. Actually:

- sometimes data on day surgery do not include routine hospitalization and refer only to dedicated facilities;
- day surgery is often performed within conventional interventions and not only in dedicated interventions;
- day surgery services can end with same day discharge, but the patient discharge can often happen the subsequent day. Sometimes the latter case is not taken into consideration in day surgery statistics.

Since homogenous data collection criteria are still missing, figures about day surgery diffusion can differ in a considerable way. An additional problem is represented by the poor quality of the data collected. Actually what does exist is merely raw data taken from hospital discharge forms. These data say nothing about the organizational structure of the facility where day surgery is performed and the different business models behind them.

3. The managerial approach: from strategy to business model

For a hospital adopting a managerial approach means to identify and define its own strategy and business model. It is not the purpose of this paper to go through the issues related to strategic management for hospitals. We will just provide a generic framework about strategy management for hospital. In the following we highlight the main steps required to develop a strategic approach at hospital level.6

- Understanding the competitive dynamics: an external analysis of the environment where the hospital operates is required. Such an analysis has to include the regulatory framework and its possible evolutions.
- Identifying the strengths and weaknesses of the hospital: an internal analysis of the hospital distinctive resources and competences has to be carried out.
- Choosing a strategy: based on the results of the above described analysis (both external and internal), the hospital has to define which strategy to follow among the different strategic options available. The strategy chosen should allow the hospital to gain a sustainable competitive advantage in the medium-long term run.
- Selecting a business model: the hospital must identify the business model able to effectively execute the chosen strategy. Through the business model design the hospital organizes its own activities and operations.15 Designing its own business model means answering to questions such as: which fields/activities take priority? (health care focused factories versus general hospitals),10,11 which activities can be outsourced and which ones have to be done in house? (outsourcing, partnership, alliances, a.s.o.),16 which technologies/procedures are used to perform the different activities (i.e. day surgery versus traditional procedures)? Where the different activities are performed (outpatient structures versus integrated units)?

As described above, a hospital business model comes out from multiple decisions in terms of activity allocation, location, and organization.15 All these decisions should be consistent with each other and with the overall strategy of the hospital. As we anticipated in the Introduction, day surgery is a typical business model decision, since it affects how and where a single (relevant) activity (surgery) is performed. Assuming a managerial approach means to make this decision aligned to the strategy and long term goals of the hospital on the one hand and consistent with the other action plans on going.

4. Day surgery as business model decision

The increasing trend in day surgery procedures, resulting from continuous improvement in medical practice as well as cultural and economic factors, has deeply changed the management of patient hospitalization. In all the countries the diffusion of day surgery has progressively increased: in the United States, in 1985, 35% of all surgery performed was day surgery, compared with current figures when it is between 72 and 85%. Australia is currently performing more than 50% of all surgery as day surgery.1 The estimated mean percentage of day surgery services in Italy (ranging from 15% up to 32% of the interventions, depending on the different data sources used) is far below the US and Australia and below that of most other European countries.5 Anyway day surgery is becoming more and more widespread also in Italy: from 2000 to 2006 the percentage of day surgery has more than doubled, and from 1998 to 2003 the one day surgery has increased from 8.6% to 10.2%.1 The point that is worth singling out is that often the decision to move to day surgery has not been a business model decision consistent with the hospital strategic plan, but merely a “stand-alone” decision. The lack of a comprehensive managerial and strategic approach to day surgery could impact on the results of this decision, independently of the quality of the medical and care staff involved. Some studies show how day surgery units need tools for planning and controlling the operations, like activity-based costing systems,2 and how day surgery often necessitates a “re-engineering project”, as well as an internal marketing approach involving all the employees of the hospital.7,12 Day surgery requires to be fully integrated not only with all the other hospital activities but also with ambulatory and home care. For instance, the patient requires to receive adequate information pre-operatively to make informed decisions; patients require a person (often a relative or a partner), who stays with him/her for the first 24 h. The person supposed to assist him/her has to have enough information and a call back number to address some potential issues. Moreover, the patient has to be clinically eligible for day surgery (e.g. uncontrolled diabetes or recent cardiac episodes suggest that the patient requires overnight monitoring due to his/her pre-existing health conditions rather than the type of surgery he/she is having); this requires a strict coordination between the day surgery unit and other units. Some authors reveal that about 1.5% of patients return within 30 days due to problems related with the prior surgical procedure.5 So an integrated business model that focus on day surgery need to manage and anticipate pain-related issues.

Therefore, approaching day surgery as a business model decision requires to address in advance a list of potential issues and necessities of continued audit to verify the results. If it does happen, day surgery can be both safe and cost effective4 and impact positively on surgical patient satisfaction.9

In the following we propose a sort of “check-up list”, we believe, it is useful to hospital managers and doctors that are evaluating the option of introducing day surgery or are trying to optimize it. This is obviously a generic blueprint. Specific cases have to be addressed one by one.

- What are the reasons behind the decision of introducing a day surgery unit? If the goal is cost cutting, is this target consistent with the overall strategy and positioning of the hospital? Has a feasibility study been performed? Have the health needs of the population, the demand of hospital services, and the appropriateness of the new approach been previously assessed?
• Which organizational model does fit better for your hospital? An autonomous unit, an integrated unit, or just some dedicated beds?
• Which surgical procedures have been chosen (short list versus broader approach)?
• Has adequate training of medical staff, involved in the one-day-surgery performance, been organized?
• Has appropriate equipment for the operating rooms and other facilities (i.e. overnight beds) been budgeted?
• Has the flow of patients for one-day surgery separated from that of the in-patients?
• Have guidelines for one day surgery performance and training/information memorandum aimed at patient and people supposed to assist them at home been prepared?
• Has a quality assurance program been developed?
• Is there full conviction at the managerial and board level about this decision? Is this a shared decision or a "one-man band" action?

This check-up list is not exhaustive, but could give managers and doctors a first-aid tool for assessing the day surgery option and developing it as a thriving business.

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