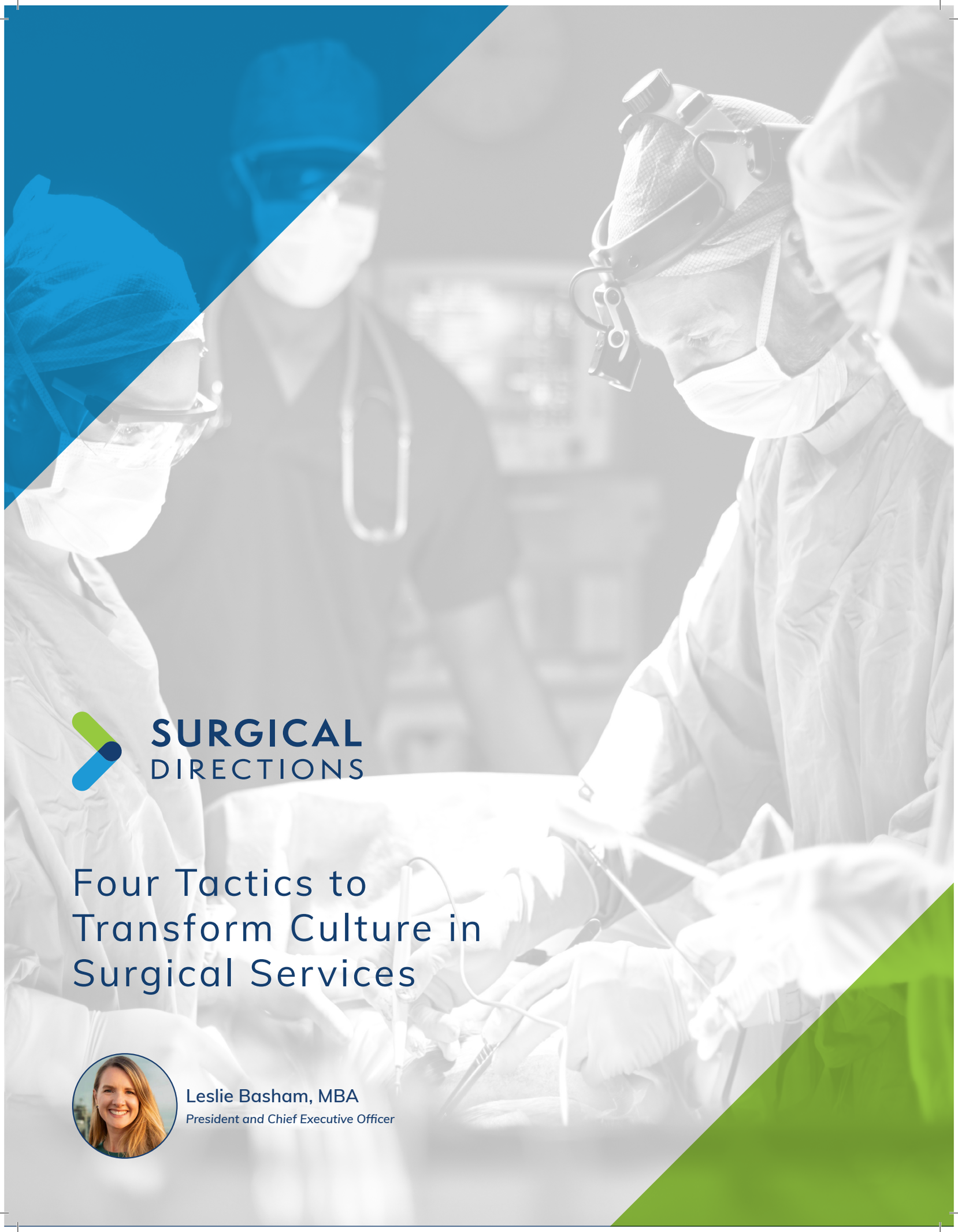

SURGICAL DIRECTIONS

Four Tactics to Transform Culture in Surgical Services

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President and Chief Executive Officer

Executive Summary

Cultural friction in surgical services negatively impacts clinician turn-over, efficiency, access, and financial performance. These four tactics are key to transforming your hospital or ASC's culture and, through Surgical Directions' research, tied to a 20% improvement in primetime block utilization.

Establish a Collaborative Physician-run Governance Committee

- Establish a collaborative operationally focused surgical services governance committee
- Ensure senior executive administration (e.g., CEO, COO) sponsorship and attendance
- Empower surgeon and anesthesiology co-leads; keep members mostly surgeons (a mix of change agents and nay-sayers)
- Ensure senior nursing leadership is actively involved
- Thoughtfully expand governance for maximum impact; e.g., for health systems, create a governance structure at each major hospital that roles up to system-level services. Also, create structures for Non-Operating Room Anesthetizing (NORA) locations.

Create a Fair and Transparent Surgeon Access System

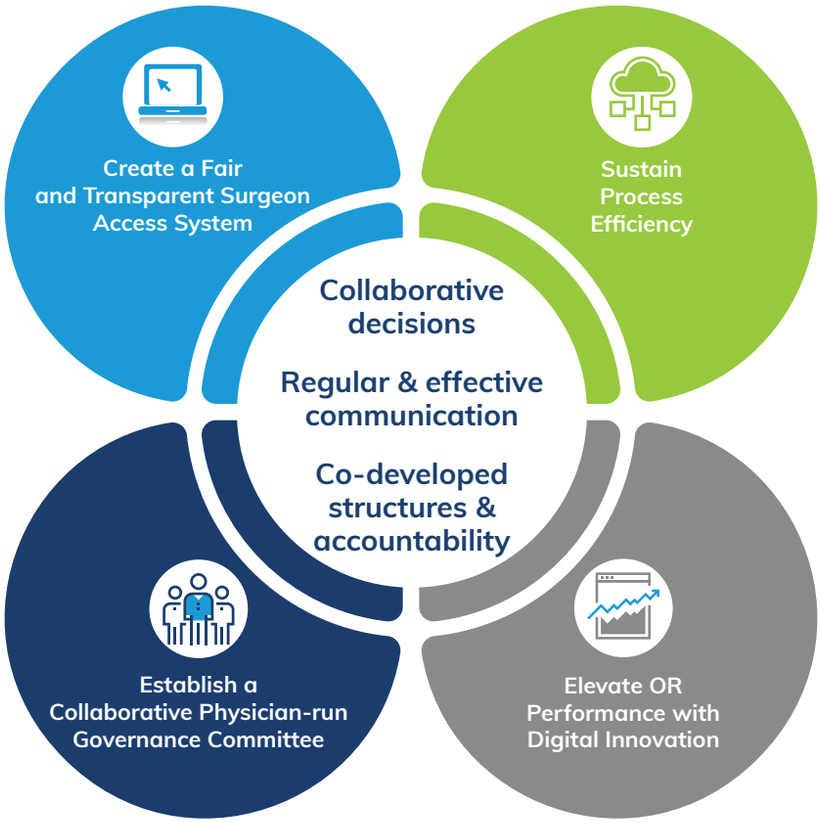
- Establish a surgeon access subcommittee
- Establish and socialize clear protocols and definitions for block release, bumping, utilization, urgent and emergent cases, first case on-time starts (FCOTS), and turnover time data points
- Use the surgeon access subcommittee to create strategies for surgical growth, hold peers accountable for block utilization, and to establish thresholds for adjustment of block scheduling
- Don't forget the impact on staffing. Ensure weekday evening and weekend draw down, and match RN and Anesthesiology staffing. Example: Nursing is staffed for 10 rooms but only 7 anesthesiologists are available.

Sustain Process Efficiency

- Enhanced patient throughput: Reduce delays, turnover time, and cancellations for higher efficiency
- Establish a Collaborative Daily Review (CDR) to ensure preparedness for cases 72 hours in advance
- Create a well-run and responsive Sterile Processing Department
- Reduce surgical length of stay and improve bed capacity

Elevate OR Performance with Digital Innovation

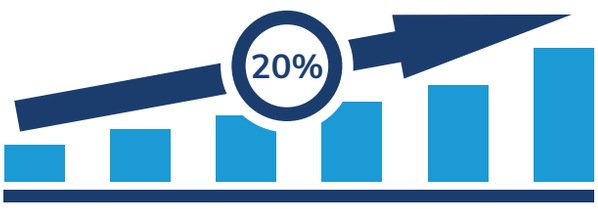
- Optimize the use of your current electronic health record (EMR) to ensure you are making the most of its capabilities
- Deploy a perioperative and anesthesia analytics solution, like Merlin™, to optimize efficiency, block scheduling, and staffing
- Harness AI to enhance preoperative processes and eliminate waste



Cultural friction in the operating room creates high clinician and staff turnover, surgical case volume outmigration, and patient care risk. So, no wonder it is one of the greatest complaints I hear about across the 500 or so U.S. hospitals that Surgical Directions and I have worked with.

Improving culture is necessary to deliver great surgical care…but you must play the 'long game'. It takes a multi-faceted approach over months to truly get surgeons, anesthesiologists, nurses, administration, and staff effectively communicating, collaborating, and building a strong culture.

It is worth the investment. We have implemented cultural transformation efforts at hundreds of hospitals across the country and have seen improvements not only in retention and satisfaction, but also in financial performance. On average, hospitals that have enacted these tactics have seen their primetime OR utilization increase by over **20% within six to 12 months** following implementation.



Here are four tactics that can help to transform the culture of your surgical services departments.

1. Establish a Collaborative Physician-run Governance Committee

The culture of a procedural care department is defined by the behaviors of its constituents – surgeons, anesthesiology, nursing, staff, and administration.

A better culture is created when:

- These groups are empowered to make collaborative decisions
- Communicate regularly and well
- Co-establish mechanisms to define success
- Hold each other accountable

To start, create structures that encourage regular and constructive communication across the constituents. We recommend an operationally focused, administratively sponsored Surgical Services Executive Committee that is co-chaired by a surgeon and an anesthesiologist. Key players, like the OR Director and service line surgeons and leads, should be voting members. Through this committee, decisions on success metrics, surgeon access standards, and OR operational management should be escalated, discussed, reviewed, voted on, and socialized.

It is critical that a senior administrator sponsors and attends each meeting and empowers the physician co-leads to set the meeting agenda, lead the meeting, and lead the attendees to vote on key decisions. This will encourage attendance at each of the meetings and keep engagement high. It also helps to create a culture of accountability. Senior leadership can hold people accountable to decisions and use surgeon scorecards to measure and manage the committee process.

This governance structure can also scale across a health system, where each hospital-level governance committee rolls into a system-level surgical services executive committee. One way to do this is have the co-chairs of each hospital-level committee serve at the system level to ensure bi-directional communication and accountability. The governance structures can also work for the non-operating room locations, like endo, interventional Radiology (I/R), and labor & delivery.

2. **Create a Fair and Transparent Surgeon Access System** Next, form a surgeon access subcommittee that reports into the Surgical Services Executive Committee.

This committee can help to establish and hold surgeons accountable to block policies and utilization targets. This group will also analyze surgeon scheduling and utilization patterns and identify their impact on block utilization. Many committees set a threshold of 75%-80% that a surgeon must use his or her block to keep that block during the next evaluation period.

A lot of improving surgeon access is helping to build predictability so a hospital can deliver on surgeon expectations and improve the surgeon and nursing experience. Once you build in predictability, that is when you can get efficient and ultimately improve your bottom line and add room for growth.

3. **Sustain Process Efficiency** We like to say "it's better to get your house in order before you ask someone to change theirs." The same applies to surgery. It's hard to ask a surgeon to change when or how she or he does a procedure if the surgical department has slow turn-around times, surgical trays are missing instruments, or a patient is not appropriately prepped.

We saw hospital primetime utilization go up by nearly 20%, on average, through shorter turn-around times, improved patient preparation, and better designed surgeon access schedules. This means greater patient access, better utilization of resources, and reduced overtime and waste. It also improves staff retention and stability of the ORs.

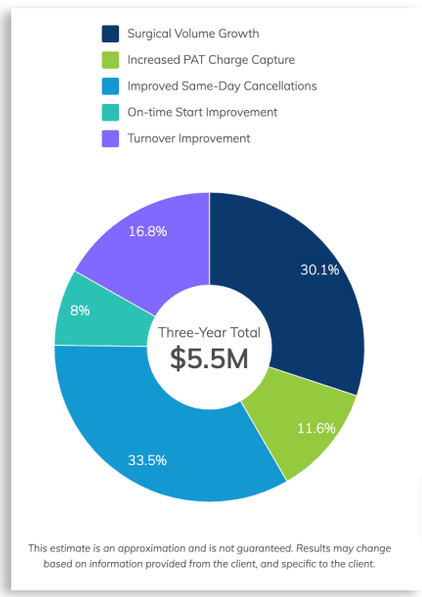
To mobilize this type of change, we establish multi-disciplinary performance improvement teams that focus on areas like central sterile processing, materials management, OR throughput, and pre-anesthesia testing. We also recommend setting up a Collaborative Daily Review.

Value Estimator: How Much Money Are You Leaving on the Table?

Enter information below to see the potential results.

Surgical Case Volume 6500	Percent of Add-On/Urgent/Emergent Cases 30 %
Face-to-Face PAT Visit (%) for Elective Cases 30 %	Same-Day Surgery Cancellation (%) 5 %
First Case On-time Start Rate (%) 50 %	First Case Average Delay (Minutes) 10
First Case Starts/Day 9	Average Room Turnover (Minutes) 35

Get Your Full Report



This estimate is an approximation and is not guaranteed. Results may change based on information provided from the client, and specific to the client.

4. **Elevate OR Performance with Digital Innovation** Most hospitals only use a fraction of the capabilities in their current information systems. Fully commit to a digital strategy that leverages technology in ways that contribute to OR efficiency, save costs, and boost retention.

Actionable analytical tools, like Merlin™, create powerful insights in areas such as workforce strategies, financial and operational decision-making, and patient experience improvements. For example, data-driven block scheduling helps create a more "vertical" schedule based on optimal utilization during primetime hours. This helps control nursing costs by reducing the OR's dependence on travel nurses. It also helps ORs respond to the anesthesia provider shortage by allowing current anesthesia staff to cover rooms more efficiently, which can reduce the need for a financial stipend.

One of our health system clients generated a 25% surgical volume jump upon leveraging Merlin to redesign the block schedule, re-allocate cases across the main OR and same-day surgery centers, and improve surgeon access.

Leslie Basham, MBA, is President and CEO of Surgical Directions.

Sources

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