COST REDUCTION IN A VALUE BASED WORLD: A SERVICE LINE APPROACH

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BACKGROUND
Healthcare continues to shift from procedural-based reimbursement to a system focused on cost, quality and outcomes. Due to its contribution margin, the cardiovascular service line (CVSL) is a highly visible target for reimbursement changes. Strategies to improve operational efficiencies within the CVSL to reduce cost, length of stay and readmission rates, while maintaining high quality and excellent patient outcomes, remains a focus.

METHODS
Clinical Optimization is a multidisciplinary, physician-led initiative designed to reduce cost, while maintaining or improving quality, through best practices and standardized care. The CVSL was divided into three multidisciplinary work groups: Cardiothoracic Surgery, Vascular Surgery and Invasive Cardiology. Clinical cost data was analyzed and compared to known benchmarks to identify cost-saving opportunity. Two categories of savings were created to reduce costs per case: Curve Shifters- negotiating lower prices for supplies, and Curve Narrowers- reducing variation in clinical practice. The workgroups identified and executed price negotiation strategies to lower acquisition costs or supply consolidation. Additionally, they developed standard protocols and/or guidelines to decrease variation among facilities and providers to eliminate waste and decrease costs.

CLINICAL OPTIMIZATION—DESIRED OUTCOME

VALUE = QUALITY + EXPERIENCE + ACCESS - COST

Shifting the Curve Narrowing the Curve

CLINICAL IMPLICATION
With physician-led initiatives, significant CVSL cost savings can be attained without erosion of clinical quality.