

Innovative Strategies for Growing Surgical Revenue

Quick-Hitting Survey

Executive Summary

Methodology

In August 2022, The Health Management Academy conducted a quick-hitting survey of Leading Health Systems (LHS) to understand how executives consider the current and future state of surgical services, including innovative strategies to grow revenue.

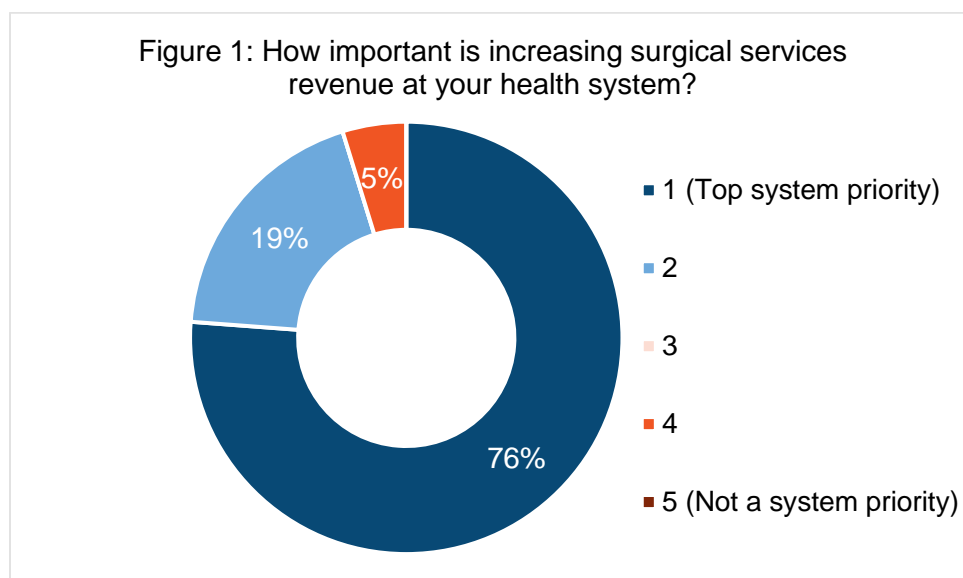
The 21 responding executive titles include Chief Medical Officer, Chief Operating Officer, VP of Perioperative Services, VP of Operations, VP of Surgical Specialties, Surgical Chair, Clinical Enterprise Lead, and Business Operations Director for Surgical Services. The responding executives represent 19 health systems with an average total operating revenue of \$6.3 billion.

Key Findings

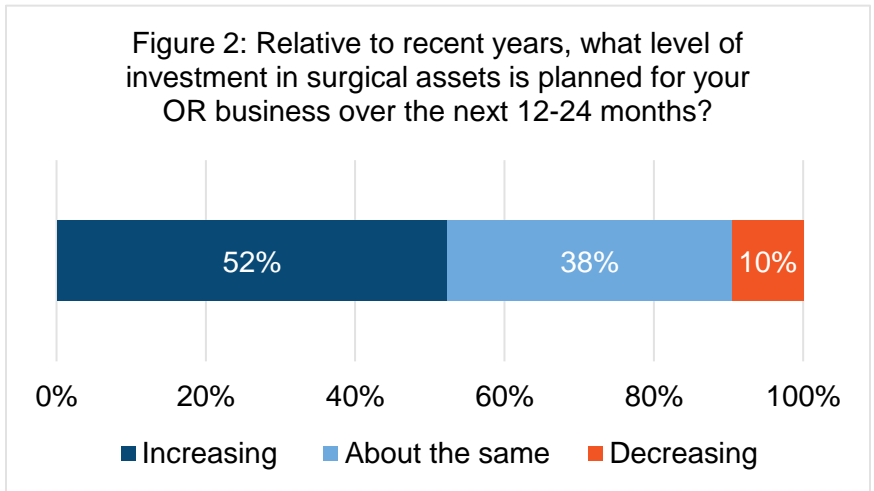
- Increasing surgical services revenue is a top priority for the majority (76%) of LHS executives. About half (52%) of health systems are planning to increase investments across the surgical service line in the next 2 years.
- Top strategies to increase surgical revenue growth include improving operating room (OR) scheduling and access (81%), growing case volumes (71%), and increasing surgical referrals to reduce patient leakage (57%).
- All (100%) surveyed LHS are looking to automate OR scheduling and rely less on manual processes.
- All (100%) LHS executives agree there is opportunity to improve surgeon satisfaction rates.

Results

The vast majority (76%) of LHS see increasing surgical services revenue as a top health system priority—with no respondents reporting it as a non-priority (Figure 1).



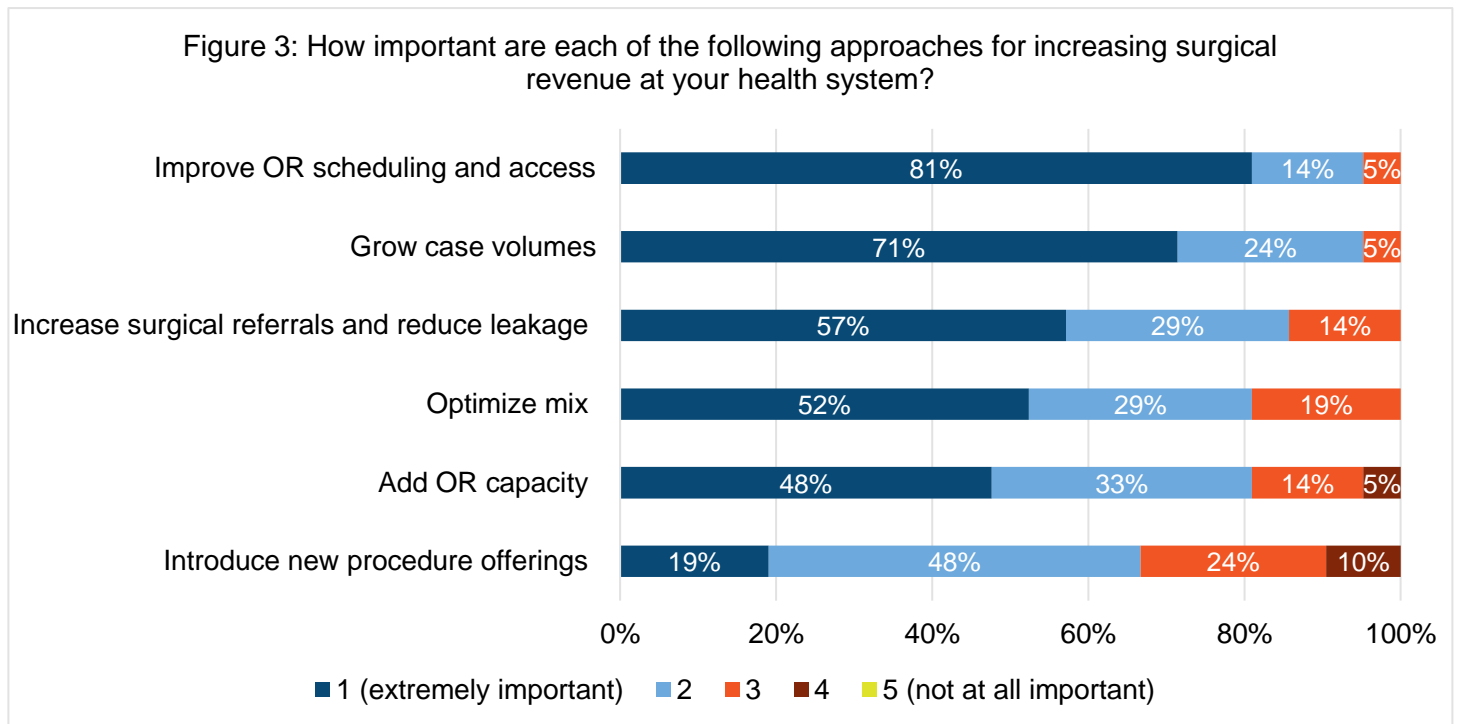
Over half (52%) of health systems also plan to increase investment in surgical assets over the next 1-2 years (Figure 2). This is unsurprising as surgical services is a top revenue generator for health systems. In light of the ongoing COVID-19 pandemic and corresponding workforce pressures, health systems are exploring all possible avenues to increase revenue and recoup margins.



Health system leaders identified several approaches for growing surgical revenue. The top three strategies are:

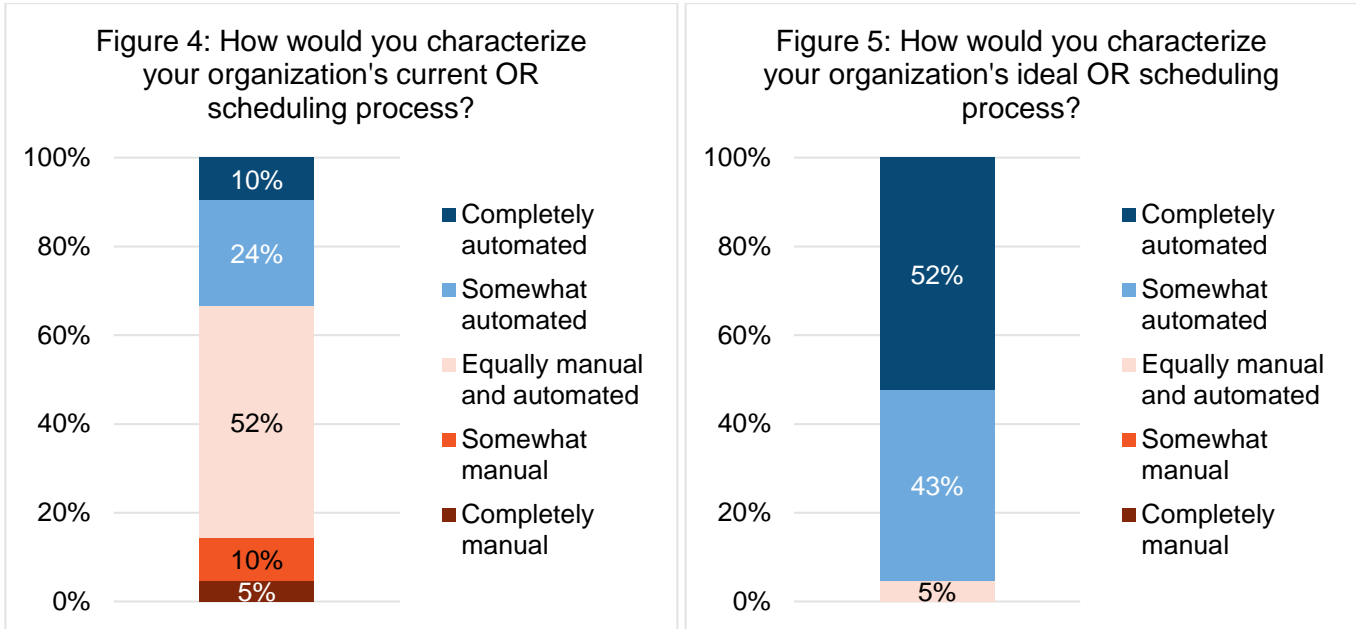
- Improving OR scheduling and access (81%)
- Growing case volumes (71%); and
- Increasing surgical referrals to reduce patient leakage (57%).

Figure 3 outlines additional strategies that some health systems are exploring ways to optimize their patient mix (e.g., leveraging ambulatory settings), add OR capacity (e.g., expanding operating room facilities) and introduce new procedure offerings.

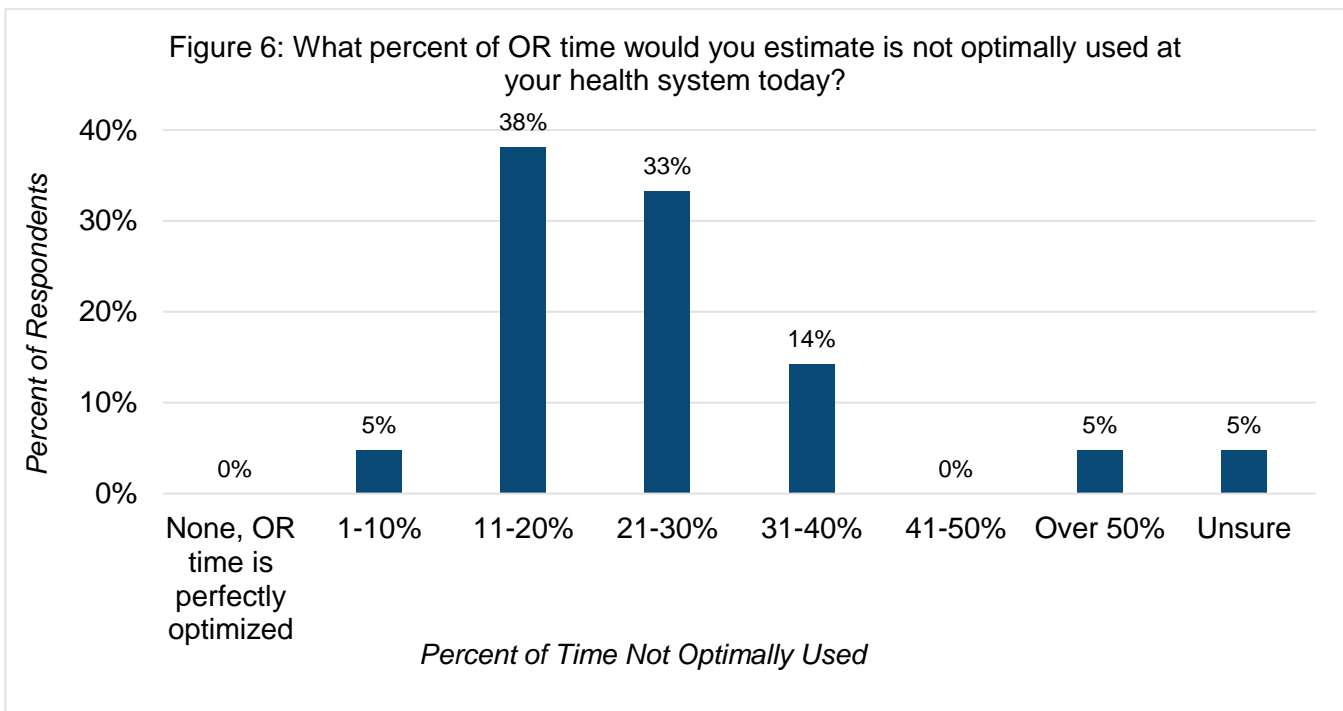


About half (52%) of LHS *current* OR scheduling processes equally rely on manual and automated capabilities, with only 24% of systems having somewhat automated OR scheduling (Figure 4). In considering the *ideal* state of OR scheduling, executives are hungry for automation to streamline processes and allow both clinical and non-clinical staff to work top of license.

Nearly 52% of leaders want a completely automated scheduling process while 43% of leaders want a partially automated process. Regardless, all participating LHS report some level of automation is needed to support financial growth across the surgical service line (Figure 5).

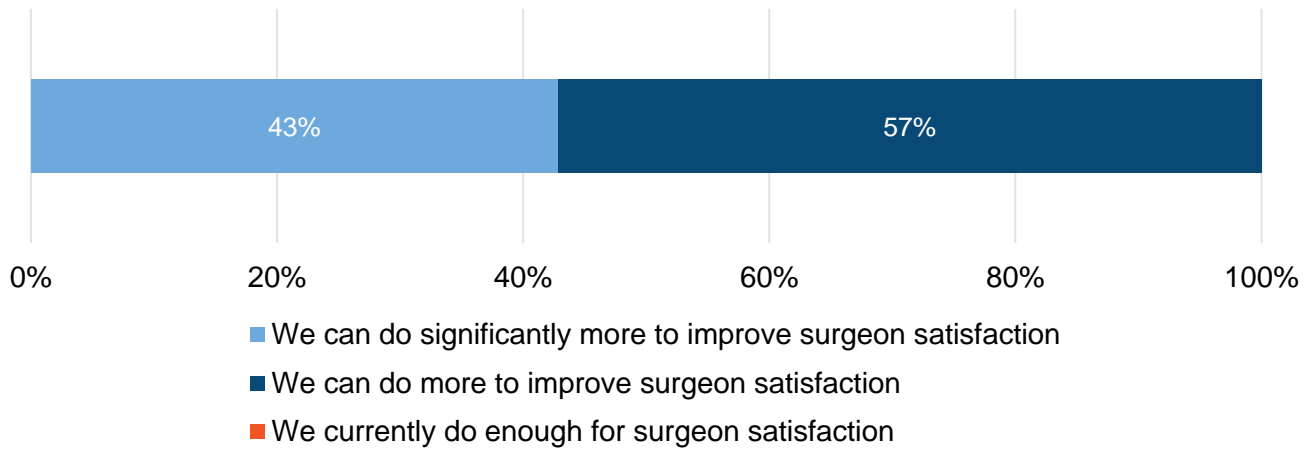


When unpacking opportunity areas to grow surgical revenue, the majority (71%) of executives report 11-30% of their health system's OR time is not optimally used (Figure 6), indicating ample opportunity to improve OR efficiencies.



LHS executives also recognize they are not doing enough to support surgeon satisfaction and believe there is much progress to be made—respectively, 57% and 43% of LHS leaders report the need to do more or *significantly more* (Figure 7). In turn, addressing factors related to burnout, streamlining internal processes, and using technology to augment manual tasks are top-of-mind strategies among the C-suite to improve surgeon satisfaction and overall wellbeing.

Figure 7: Which of the following statements best characterizes how you see the opportunity to improve surgeon satisfaction at your health system?



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