Economics of Reducing Turnover Times

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Economics of Reducing Turnover Times

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Financial Disclosure

• I am employed by the University of Iowa, in part, to consult and analyze data for hospitals, anesthesia groups, and companies

• Department of Anesthesia bills for my time, and the income is used to fund our research
  – I receive no funds personally other than my salary and allowable expense reimbursements from the University of Iowa, and have tenure with no incentive program
  – I own no healthcare stocks (other than indirectly through mutual funds)
Why Focus on Turnover Times (Cleanup Time + Setup Time)?

- Lean manufacturing principles
  - Value added time when labor is “touching” product, changing its form or function
  - Non-value added activity is the opposite
- Times when patients are in or out of an OR
  - No reliable and valid instrument and process to record times of the start and stop of value-added activity for most procedures
  - Turnover times can be measured reliably
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- Times when patients are in or out of an OR
  - No reliable and valid instrument and process to record times of the start and stop of value-added activity for most procedures
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Baseline

Extended OR Schedule

Intervention

Regular OR Schedule

Extended OR Schedule

Regular OR Schedule
Economics of Reducing Turnover Times

- Potential benefits of reducing turnover times
  - Increase OR efficiency on the day of surgery by reducing over-utilized OR time
  - Increase OR productivity by reducing staffing, even if have under-utilized OR time each day
  - Increase number of cases

- Focus not just on setup and cleanup times, but also the frustrating prolonged turnovers
Economics of Reducing Turnover Times

• Potential benefits of reducing turnover times
  ➢ Increase OR efficiency on the day of surgery by reducing over-utilized OR time
  – Increase OR productivity by reducing staffing, even if have under-utilized OR time each day
  – Increase number of cases
• Focus not just on setup and cleanup times, but also the frustrating prolonged turnovers
Example of Under-Utilized OR Time

- OR staffing is planned from 7 AM to 3 PM
- Yesterday, the last case of the day in OR 1 ended at 1 PM
- There were 2 hours of under-utilized OR time
  - Under-utilized time was from 1 PM to 3 PM

Strum DP et al. Anesthesiology 1999
Example of *Over-Utilized OR Time*

- OR staffing is planned from 7 AM to 3 PM
- Two days ago, the last case of the day in OR 1 ended at 5 PM
- There were 2 hr of *over-utilized OR time*
  - Over-utilized OR time was from 3 PM to 5 PM
Precise Meaning of “Maximize Efficiency of Use of OR Time”

Inefficiency of use of OR time ($) =
(Cost per hour of under-utilized OR time) × (hours of under-utilized OR time)
+ (Cost per hour of over-utilized OR time) × (hours of over-utilized OR time)

Reducing Turnover Times on Day of Surgery

• OR nurses & anesthesiologists full-time, hourly employees scheduled months ahead
• Staffing is planned from 7 AM to 3 PM
• There is estimated to be 9 hr of cases including turnover times
• Because of quick setup and cleanup times, OR finishes at 3 PM, instead of at 4 PM
• Has ↓ turnover times ↑ OR efficiency?
Reducing Turnover Times on Day of Surgery

- OR nurses & anesthesiologists full-time, hourly employees scheduled months ahead

➢ On the day of surgery, the cost of an hour of under-utilized OR time is negligible relative to the cost of an hour of over-utilized OR time
Meaning of Maximizing OR Efficiency on Day of Surgery

Inefficiency of use of OR time ($) $\approx$
\[(\text{Cost per hour of under-utilized OR time}) \times (\text{hours of under-utilized OR time}) + (\text{Cost per hour of over-utilized OR time}) \times (\text{hours of over-utilized OR time})\]

Dexter F, Traub RD. Anesth Analg 2002
McIntosh C et al. Anesth Analg 2006
Meaning of Maximizing OR Efficiency on Day of Surgery

Inefficiency of use of OR time ($) \approx (Cost \ per \ hour \ of \ over-utilized \ OR \ time) \times (hours \ of \ over-utilized \ OR \ time)$
Meaning of Maximizing OR Efficiency on Day of Surgery

Inefficiency of use of OR time ($) \approx (\text{Cost per hour of over-utilized OR time}) \times (\text{hours of over-utilized OR time})

Constant
Meaning of Maximizing OR Efficiency on Day of Surgery

Inefficiency of use of OR time ($) \approx \left(\text{Cost per hour of over-utilized OR time}\right) \times \left(\text{hours of over-utilized OR time}\right)

• Implication
  - Maximize OR efficiency on the day of surgery by minimizing hours of over-utilized OR time
Meaning of Maximizing OR Efficiency on Day of Surgery

Inefficiency of use of OR time ($)$ \approx \frac{\text{(Cost per hour of over-utilized OR time)}}{\text{(hours of over-utilized OR time)}}

• Implication
  – Maximize OR efficiency on the day of surgery by minimizing hours of over-utilized OR time
Reducing Turnover Times on Day of Surgery

- **Scenario**
  - Staffing is planned from 7 AM to 3 PM
  - By reducing turnover times, cases finished in 8 hr instead of in the expected 9 hr
  - Finished at 3 PM instead of at 4 PM
Reducing Turnover Times on Day of Surgery

• Scenario
  – Staffing is planned from 7 AM to 3 PM
  – By reducing turnover times, cases finished in 8 hr instead of in the expected 9 hr
    • Finished at 3 PM instead of at 4 PM
  ➢ Reducing turnover times *increased* OR efficiency by preventing 1 hr of over-utilized OR time
Reducing Turnover Times on Day of Surgery

- OR nurses & anesthesiologists full-time, hourly employees scheduled months ahead
- Staffing is planned from 7 AM to 3:5 PM
- There is estimated to be 9 hr of cases including turnover times
- Because of quick setup and cleanup times, OR finishes at 3 PM, instead of at 4 PM
- Has ↓ turnover times ↑ OR efficiency?
Reducing Turnover Times on Day of Surgery

• Scenario
  – Staffing is planned from 7 AM to 5 PM
  – By reducing turnover times, cases finished in 8 hr instead of in the expected 9 hr
  • Finished at 3 PM instead of at 4 PM
Reducing Turnover Times on Day of Surgery

• Scenario
  – Staffing is planned from **7 AM to 3 PM**
  – By reducing turnover times, cases finished in **8 hr** instead of the expected **9 hr**
  – Finished at **3 PM** instead of at **4 PM**

➢ Reducing turnover times **did not** increase OR efficiency by preventing **10 hr** of over-utilized OR time
Reducing Turnover Times on Day of Surgery

• Implications of the two scenarios
  – Impact of reductions in turnover times and delays on OR efficiency is highly sensitive to the staffing for each OR
  – Efforts to reduce turnover times should be targeted based on the staffing for each OR

McIntosh C et al. Anesth Analg 2006
Implications of the two scenarios

- Impact of reductions in turnover times and delays on OR efficiency is highly sensitive to the staffing for each OR
- Efforts to reduce turnover times should be targeted based on the staffing for each OR

➢ Staffing for each OR that minimizes the inefficiency of use of OR time generally are the most important values to be calculated using local OR management data
Principles Apply to First Case of Day Starts

- If OR has 3 cases and the first case of the day enters the OR 8 min late, that is same as increasing mean turnover time by 4 min
  - Thus same principles apply

McIntosh C et al. Anesth Analg 2006
Dexter F, Epstein RH. Anesth Analg 2009
Principles Apply to First Case of Day Starts

- If OR has 3 cases and the first case of the day enters the OR 8 min late, that is same as increasing mean turnover time by 4 min
  - Thus same principles apply

- For scenarios involving more than 1 OR, such as anesthesiologist medically directing CRNAS, many decisions that increase % cases with on-time first case start reduce OR efficiency

Principles Apply to First Case of Day Starts

• Important for anesthesiologists supervising multiple ORs, because must use staggered starts (\(\approx 20 \text{ min}\)) at first cases of the day for anesthesiologist to be present at inductions
  – Otherwise 1:2 MD:CRNA, lapses > 30% of days
  – Otherwise 1:3 MD:CRNA, lapses > 96% of days

Epstein RH, Dexter F. Anesth Analg 2012
Principles Apply to First Case of Day Starts

• Let the surgeons know so that those with the later starts are not waiting in the ORs

Koenig T et al. Anaesthesia 2011
Principles Apply to First Case of Day Starts

- Let the surgeons know so that those with the later starts are not waiting in the ORs
- Yes, preferentially focusing on ORs with over-utilized time, since ordered priorities are first performing all the cases safely and second reducing expected over-utilized time

Dexter F et al. Anesthesiology 2004
Principles Apply to First Case of Day Starts

- Let the surgeons know so that those with the later starts are not waiting in the ORs
- Yes, preferentially focusing on ORs with over-utilized time, since ordered priorities are first performing all the cases safely and second reducing expected over-utilized time

- Important to understand since fixation on first case starts is due to cognitive bias that starting late results in all cases being tardy

Dexter EU et al. Anesth Analg 2009
Impact of Staffing on Benefit of Turnover Time Reduction

- Outpatient Surgery Center with 6 ORs, all staffed from 7 AM to 5 PM
- Mean ORs in use before intervention
  - 2 PM – 5 ORs        4 PM – 1.4 ORs
  - 3 PM – 2 ORs        5 PM – 0.3 ORs
- Mean ORs in use after intervention
  - 2 PM – 4 ORs        4 PM – 0.8 ORs
  - 3 PM – 1.2 ORs      5 PM – 0.1 ORs
- Increased OR efficiency?
Impact of Staffing on Benefit of Turnover Time Reduction

1) Evaluate the OR allocation (staffing)
Impact of Staffing on Benefit of Turnover Time Reduction

- Outpatient Surgery Center with 6 ORs, all staffed from 7 AM to 5 PM
- Mean ORs in use before intervention:
  - 2 PM – 5 ORs
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- Mean ORs in use after intervention:
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  - 4 PM – 0.8 ORs
  - 5 PM – 0.1 ORs
- Increased OR efficiency?

Unchanged
Impact of Staffing on Benefit of Turnover Time Reduction

2) Evaluate the over-utilized OR time assuming (and might be incorrect) that 7 AM to 5 PM allocation minimizes the inefficiency of use of OR time
Impact of Staffing on Benefit of Turnover Time Reduction

- Outpatient Surgery Center with 6 ORs, all staffed from 7 AM to 5 PM
- Mean ORs in use before intervention
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  - 3 PM – 1.2 ORs
  - 4 PM – 0.8 ORs
  - 5 PM – 0.1 ORs
- Increased OR efficiency? Small & same
Impact of Staffing on Benefit of Turnover Time Reduction

1) Evaluate the OR allocation (staffing)
2) Evaluate the over-utilized OR time
   - No impact on OR efficiency, because staffing and over-utilized OR time are effectively the same
Impact of Staffing on Benefit of Turnover Time Reduction

1) Evaluate the OR allocation (staffing)
2) Evaluate the over-utilized OR time
   • No impact on OR efficiency, because staffing and over-utilized OR time are effectively the same
     ➢ Impact of intervention would be mostly an increase in hours of under-utilized OR time
Impact of Staffing on Benefit of Turnover Time Reduction

1) Evaluate the OR allocation (staffing)
2) Evaluate the over-utilized OR time
   - No impact on OR efficiency, because staffing and over-utilized OR time are effectively the same
   - Impact of intervention would be mostly an increase in hours of under-utilized OR time
     ➢ “would” since “over-utilized” and “under-utilized” are relative to OR allocation that minimizes inefficiency of use of OR time
Impact of Staffing on Benefit of Turnover Time Reduction

- Outpatient Surgery Center with 6 ORs, all staffed from 7 AM to 5 PM
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- Increased OR efficiency?
Impact of Staffing on Benefit of Turnover Time Reduction

- **Increase** in OR efficiency by reducing hours of over-utilized OR time
  - Reduction from 3.7 hr a day to 2.1 hr a day
Impact of Staffing on Benefit of Turnover Time Reduction

• Which is right?
Impact of Staffing on Benefit of Turnover Time Reduction

• Which is right? Plan staffing from 7 AM to 3 PM or to 5 PM to maximize OR efficiency?

McIntosh C et al. Anesth Analg 2006
Precise Meaning of “Maximize Efficiency of Use of OR Time”

Inefficiency of use of OR time ($) =
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Impact of Staffing on Benefit of Turnover Time Reduction

• Which is right? Plan staffing from 7 AM to 3 PM or to 5 PM to maximize OR efficiency?
  ➢ Suppose that from long-term perspective the relative cost of an hour of over-utilized OR time to hour of under-utilized OR time is 2.0
Impact of Staffing on Benefit of Turnover Time Reduction

- Which is right? Plan staffing from 7 AM to 3 PM or to 5 PM to maximize OR efficiency?
  - Suppose that from long-term perspective the relative cost of an hour of over-utilized OR time to hour of under-utilized OR time is 2.0
    - Reasonable, as equals time and a half plus increment for intangible cost of working late
Impact of Staffing on Benefit of Turnover Time Reduction

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  • Reasonable, as equals time and a half plus increment for intangible cost of working late

➢ Staff so 2/3\textsuperscript{rd} ORs finish early, 1/3\textsuperscript{rd} finish late
Impact of Staffing on Benefit of Turnover Time Reduction

• Which is right? Plan staffing from 7 AM to 3 PM or to 5 PM to maximize OR efficiency?
  – Suppose that from long-term perspective the relative cost of an hour of over-utilized OR time to hour of under-utilized OR time is 2.0
  • Reasonable, as equals time and a half plus increment for intangible cost of working late
  – Staff so $\frac{2}{3}$rd ORs finish early, $\frac{1}{3}$rd finish late
  ➢ Staffing that minimizes the inefficiency of use of OR time is from 7 AM to 3 PM
Impact of Staffing on Benefit of Turnover Time Reduction

• Which is right? Plan staffing from 7 AM to 3 PM or to 5 PM to maximize OR efficiency?
  – Suppose that from long-term perspective the relative cost of an hour of over-utilized OR time to hour of under-utilized OR time is 2.0
  • Reasonable, as equals time and a half plus increment for intangible cost of working late
  – Staff so 2/3rd ORs finish early, 1/3rd finish late
  – Staffing that minimizes the inefficiency of use of OR time is from 7 AM to 3 PM

➢ “Over-utilized OR time” is relative to 8 hours
Impact of Staffing on Benefit of Turnover Time Reduction

• If:
  – Staffing planned and cases scheduled based on maximizing the efficiency of use of OR time
• And:
  – There are more than 8 hr of cases and turnover times in ORs
• Then:
  – Reducing turnover times can increase OR efficiency
Impact of Staffing on Benefit of Turnover Time Reduction

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  – Staffing planned and cases scheduled based on maximizing the efficiency of use of OR time

• And:
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If: 

- Staffing planned and cases scheduled based on maximizing the efficiency of use of OR time

And: 

- There are more than 8 hr of cases and turnover times in ORs

Then: 

- Reducing turnover times can increase OR efficiency
"You are not going to get the elephant to shrink or change its size. You need to face the fact that the elephant is 8 OR tall and 11 hr wide."

Steven Shafer, MD
Consideration of Appropriate OR Staffing is Useful

• For 12 of 14 suites, staffing plan to maximize OR efficiency had costs at least 10% less than that being used by the managers
  – Managers did not have right number of staff, working the right number of hours, on the right days of the week, for specific surgical services

Freytag S et al. Der Chirurg 2005
McIntosh C et al. Anesth Analg 2006
Lehtonen JM et al. Int J Health Care Qual Assur 2013
Experimental Studies Explain Why Method Often Unused

- Pull to center bias
  - Essentially schedule staff as if allocated hours were based on a relative cost ratio of 1.10 instead of 1.75
  - Invariant to demand distribution and to problem context
Pull to center bias
- Essentially schedule staff as if allocated hours were based on a relative cost ratio of 1.10 instead of 1.75
- Invariant to demand distribution and to problem context

✓ Issue is psychology, not politics, culture, buy in, personalities, or organizational inertia

Wachtel RE, Dexter F. Anesth Analg 2010
Impact of Staffing on Benefit of Turnover Time Reduction

• If:
  – Staffing planned and cases scheduled based on maximizing the efficiency of use of OR time

• And:
  – There are more than 8 hr of cases and turnover times in ORs

• Then:
  – Reducing turnover times can increase OR efficiency
Screening Question Useful Since Often Fewer Than 8 Hr of Cases

- Average 6.0 hr of anesthesia time per OR per day at 11 US community anesthesia groups
- Average 5.5 hr of OR time per OR per day at 8 US community hospitals’ ORs with knee and hip replacement surgery
- Most (≥ 59%) US facilities complete majority of their weekly anesthesia workload in the mornings of regular workdays

Abouleish AE et al. Anesthesiology 2002
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Screening Question Useful Since Often Fewer Than 8 Hr of Cases

- US national average for ambulatory surgery cases in 2010
  - 64% OR case time completed by 12 noon
  - 77% among pediatric cases (0 to 14 years)
  - 90% OR case time completed by 3:00 PM
  - 94% among pediatric cases

Dexter F et al. Periop Care OR Manag 2019
Impact of Staffing on Benefit of Turnover Time Reduction

• Two screening questions to determine if <option below> can increase OR efficiency by reducing turnover (or even OR) times
  – Reduced delays on day of surgery
  – Product to reduce setup and cleanup times
  – Changes in anesthetic care, drugs, monitors

1. How many ORs have at least 8 hr of cases?
2. What is the achievable average reduction in total time per OR per day?
Impact of Staffing on Benefit of Turnover Time Reduction

- Two screening questions to determine if <option below> can increase OR efficiency by reducing turnover (or even OR) times
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1. How many ORs have at least 8 hr of cases?
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Conclusion
Economics of Reducing Turnover Times

• Potential benefits of reducing turnover times
  – Increase OR efficiency on the day of surgery by reducing over-utilized OR time
    ➢ Increase OR productivity by reducing staffing, even if have under-utilized OR time each day
  – Increase number of cases

• Focus not just on setup and cleanup times, but also the frustrating prolonged turnovers
Increasing OR Productivity Even if Under-Utilized OR Time

• Facility with 6 ORs, all staffed for the same period, calculated based on OR efficiency
• Mean ORs in use before intervention
  2 PM – 5 ORs  4 PM – 2.0 ORs
  3 PM – 4 ORs  5 PM – 0.6 ORs
• Mean ORs in use after intervention
  2 PM – 4 ORs  4 PM – 1.3 ORs
  3 PM – 2.0 ORs  5 PM – 0.1 ORs
• Increased OR productivity?
Increasing OR Productivity Even if Under-Utilized OR Time

- Mean ORs in use before intervention
  - 2 PM – 5 ORs
  - 3 PM – 4 ORs
  - 4 PM – 2.0 ORs
  - 5 PM – 0.6 ORs

- If staffing options are 7 AM to 3 PM or 7 AM to 5 PM, staff 7 AM to 5 PM to maximize efficiency of use of OR time
  - Excess over-utilized OR time if 7 AM to 3 PM
Increasing OR Productivity Even if Under-Utilized OR Time

- Mean ORs in use after intervention
  - 2 PM – 4 ORs
  - 3 PM – 2.0 ORs
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- If staffing options are 7 AM to 3 PM or 7 AM to 5 PM, staff 7 AM to 3 PM to maximize efficiency of use of OR time
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- Facility with 6 ORs, all staffed for the same period, calculated based on OR efficiency.
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- Increased OR productivity?
Increasing OR Productivity Even if Under-Utilized OR Time

• On day of surgery, no impact of intervention on OR efficiency, because staff scheduled to 5 PM have no less over-utilized OR time

• On long-term basis, if staffing were changed from 7 AM – 5 PM to 7 AM – 3 PM, then intervention would increase OR productivity
Caution: Need to Consider Also the Labor Cost per OR in Use

- Reduced productivity from 3 versus 2 anesthesia providers assigned to 2 ORs
- Increased productivity from 4 versus 3 anesthesia teams assigned to 3 ORs
  - Increased productivity from 5 versus 4 anesthesia & nursing teams assigned to 4 ORs

Hanss R et al. Anesthesiology 2005
Torkki PM et al. Anesthesiology 2005
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  ➢ Results insensitive to specific workflow

Marjamaa RA et al. Health Care Manag Sci 2009
Caution: Need to Consider Also the Labor Cost per OR in Use

- Reduced productivity from 3 versus 2 anesthesia providers assigned to 2 ORs
- Increased productivity from 4 versus 3 anesthesia teams assigned to 3 ORs
- Increased productivity from 5 versus 4 anesthesia & nursing teams assigned to 4 ORs
- Results insensitive to specific workflow
  - Facilitate by coordinating dates surgeons operate ("blocks") to best use the shared OR(s)

Bai M et al. J Biomed Inform 2019
Caution: Need to Consider Also the Labor Cost per OR in Use

• For 1 surgeon and a 2\textsuperscript{nd} adjacent OR or anesthesia induction area, and with a member of the surgical team that can leave when skin closure begins, mean reduction in turnover time was 8.5 minutes

Service, Day of Week, and Procedure Specific Analysis

• Orthopedics’ staffing is 3 OR each day for 8 hr
• Mean 6.8 hr (SD 0.8 hr) cases per OR per day
• Even if reduce turnover times, would still have 3 ORs for 8 hr
  – No increase in OR productivity
• No resulting reduction in staffing cost
Service, Day of Week, and Procedure Specific Analysis

- ENT’s staffing is 3 OR each day for 10 hr
- Mean 11 hr (SD 0.8 hr) cases per OR per day
- If reduce turnover time, would reduce over-utilized OR time, and perhaps also reduce some OR’s staffing to 8 hr
  - Increase in OR productivity
- Resulting reduction in staffing cost
Monitor Impact of Reducing Turnover Times by Service

1. Calculate current service-specific staffing
2. Reduce all turnovers that are longer than a collective maximum value to the maximum
3. Recalculate service-specific staffing
4. Report reduction in staffing costs, if any, in units of minutes per 8 hr of staffed OR time

Abouleish AE et al. Anesthesiology 2004
McIntosh C et al. Anesth Analg 2006
Monitor Impact of Reducing Turnover Times by Service

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## Monitor Impact of Reducing Turnover Times by Service

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Service, Day of Week, and Procedure Specific Analysis

- Factors to consider about each service:
  - Mean turnover time
    - Opportunity if mean is long
  - Turnover times per OR each day
    - Opportunity if many turnovers per OR
  - Hours of cases including turnovers each day
    - Hours of under- and over-utilized OR time
  - Variability in workload among weeks
    - Benefit if less variability
Operational Implications for *Benchmarking*

- Factors to consider about each service:
  - Mean turnover time
    - Not simply overall turnover time for suite
  - Turnover times per OR each day
    - Not simply overall turnover time by service
  - Hours of cases including turnovers each day
    - Turnover times per se are not useful
  - Variability in workload among weeks
    - Surgeon blocks are taken into account
Review – Summarize the Facts of the Talk
Prioritize Goals in Reducing Turnover and Anesthesia Times
Prioritize Goals in Reducing Turnover and Anesthesia Times

- Hospital daily has 65 anesthesia practitioners (CRNAs and resident physicians) in ORs
  - Unscheduled absence rate 1.81%
- When assessing risk of inconvenient waiting of patients and surgeons, hospitals will accept as high as 5-6% risk (e.g., weekends)

Dexter F et al. Perioper Care Oper Room Manag 2020
Dexter F et al. AANA Journal 2002
Dexter F, Epstein RH. Anesth Analg 2006
## Prioritize Goals in Reducing Turnover and Anesthesia Times

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<td>12.2%</td>
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Create an ordered prioritized list of clinical activities of those 3 extra nurse anesthetists scheduled daily.
Economics of Reducing Turnover Times

• Potential benefits of reducing turnover times
  – Increase OR efficiency on the day of surgery by reducing over-utilized OR time
  – Increase OR productivity by reducing staffing, even if have under-utilized OR time each day

➢ Increase number of cases

• Focus not just on setup and cleanup times, but also the frustrating prolonged turnovers
Reducing Turnover Times *Can* Increase Number of Cases

- How does turnover time reduction achieve this?
  - Increase from median of 3 to median of 4 general surgery cases per day per OR
  - Increase from mean of 1.78 to mean of 2.34 general surgery cases per day per OR
  - Increase from mean of 2.6 to mean of 3.4 orthopedic surgery cases per day per OR

Sandberg WS et al. Anesthesiology 2005
Cendán JC, Good M. Arch Surg 2006
Smith MP et al. Anesthesiology 2008
Reducing non-surgical times of preceding cases can prevent last case of day from being canceled out of concern that it may finish in over-utilized OR time, increasing OR costs.

One fallacy to the argument is that cancelling a case to perform it another day increases overall costs whether analyzed from societal, hospital, physician, or patient perspective.

Stepaniak PS et al. Anesth Analg 2009
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Stepaniak PS et al. Anesth Analg 2009
Irrational: Reduce Turnover Times to Reduce Cancellations

• Studied elective cases cancelled after 7:00 AM of the working day before surgery
  – Elective considered those not American Society of Anesthesiologists’ Physical Status E or scheduled within 5 hours of start of surgery
• For 90%, the patient underwent the procedure or a similar procedure at the hospital within 2 years

Epstein RH, Dexter F. Anesth Analg 2013
Irrational: Reduce Turnover Times to Reduce Cancellations

• Studied cancellations on the day of surgery at freestanding ambulatory surgical center
• For 87%, the patient underwent the procedure at the surgical center or the organization’s hospital within 2 years

Smith BB et al. J Ambulatory Care Manage 2018
Another fallacy of argument is that, except for very short cases, mean turnover times are less than mean squared difference between estimated and actual case durations.

- Achievable turnover time reductions practically only permit another case to be scheduled if willing to often (> 20%) cancel and keep patient on ward another day waiting for OR.

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More in case #12

Monitor Δ Cancellation Rates – Expect General Surgery High

<table>
<thead>
<tr>
<th>Service</th>
<th>Cancellation Rate</th>
<th>95% Confidence Interval</th>
<th>Full Name of Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gyn</td>
<td>12.9%</td>
<td>7.5% to 19.4%</td>
<td>Gynecology Group</td>
</tr>
<tr>
<td>Urol</td>
<td>13.2%</td>
<td>11.2% to 15.3%</td>
<td>Urology</td>
</tr>
<tr>
<td>OralS</td>
<td>14.1%</td>
<td>7.9% to 21.7%</td>
<td>Oral Surgery</td>
</tr>
<tr>
<td>Nsurg</td>
<td>14.6%</td>
<td>9.5% to 20.6%</td>
<td>University Neurosurgeons</td>
</tr>
<tr>
<td>Ortho</td>
<td>15.2%</td>
<td>11.3% to 19.6%</td>
<td>Orthopedics</td>
</tr>
<tr>
<td>ENT</td>
<td>16.1%</td>
<td>13.3% to 19.1%</td>
<td>Otolaryngology</td>
</tr>
<tr>
<td>Gen</td>
<td>16.5%</td>
<td>11.8% to 21.9%</td>
<td>General Surgery</td>
</tr>
<tr>
<td>Thor</td>
<td>22.0%</td>
<td>18.3% to 26.0%</td>
<td>Thoracic Surgery</td>
</tr>
<tr>
<td>Wolf</td>
<td>24.0%</td>
<td>14.5% to 35.0%</td>
<td>Elizabeth Wolf, MD</td>
</tr>
<tr>
<td>Vascu</td>
<td>20.4%</td>
<td></td>
<td>Vascular</td>
</tr>
<tr>
<td>Waters</td>
<td>35.4%</td>
<td></td>
<td>Rachel Waters, MD</td>
</tr>
</tbody>
</table>

Dexter F et al. Anesth Analg 2005
Monitor Δ Cancellation Rates –
Apply Valid Statistical Methods

Seidel JE, Beck CA, Pocobelli G, Lemaire JB, Bugar JM, Quan H, Ghali WA. Location of residence associated with the likelihood of patient visit to the preoperative assessment clinic. BMC Health Services Research 6:13, 2006

2005


Ferschl MB, Tung A, Sweitzer B, Huo D, Glick DB. Preoperative clinic visits reduce operating room cancellations and delays. Anesthesiology 103:855-859, 2005

Finegan BA, Rashiq S, McAlister FA, O’Connor P. Selective ordering of preoperative investigations by anesthesiologists reduces the number and cost of tests. Canadian Journal of Anesthesia 52:575-580, 2005


2004


Ferrari LR. Preoperative evaluation of pediatric surgical patients with multisystem considerations. Anesthesia & Analgesia 99:1058-1069, 2004
Monitor Δ Cancellation Rates – Apply Valid Statistical Methods

Pre-Anesthesia Evaluation Economics, Including Case Cancellation

Seidel JE, Beck CA, Pocobelli G, Lemaire JB, Bugar JM, Quan H, Ghali WA. Location of residence associated with the likelihood of patient visit to the preoperative assessment clinic. BMC Health Services Research 6:13, 2006

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Irrational: Reduce Turnover Times to Permit Another Case

- Staffing is planned from 7 AM to 5 PM
- Laparoscopic surgeon does 4 cases per day, finishing between 4 PM and 4:30 PM
- Turnover times 40 min, because of ...
  - Cleaning up OR in haphazard manner
  - Setting up poorly organized instruments
  - Wheeling and setting up incompatible video
- “If reduce turnover times, we would not reduce staffing to 8 hr, but do 5th case a day to increase revenue.”
Irrational: Reduce Turnover Times to Permit Another Case

• Argument
  – “If reduce turnover times, we would not reduce staffing to 8 hr, but do 5th case a day to increase revenue.”
Irrational: Reduce Turnover Times to Permit Another Case

• Variable costs
  – Change relative to volume of activity
  – Examples of variable costs
    • Patient-care employees’ time
      – Maybe: discussed later
    • Implants
    • Disposable supplies
    • Medications
Irrational: Reduce Turnover Times to Permit Another Case

• Fixed costs
  – Do not change relative to volume of activity
  – Examples of fixed costs
    • Maintenance of building and grounds
    • Billing office and information systems
    • OR equipment and instruments
  – Since fixed costs are fixed, irrelevant to decisions regarding reducing turnover times
• Profit = revenue − variable costs − fixed costs
• Contribution margin = revenue − variable costs
• If contribution margin is positive, case contributes to covering a facility’s fixed costs
• Financial goal of tactical decision-making is not to increase revenue, but to increase contribution margin

Irrational: Reduce Turnover Times to Permit Another Case
Irrational: Reduce Turnover Times to Permit Another Case

- Hospital 1 with annual loss $114 million
- Hospital 2 with positive operating margin

Irrational: Reduce Turnover Times to Permit Another Case

- Methodology
  - Limit to outpatient and same day admit cases, since once patient is admitted want no delay
  - Operating room time used by each surgeon from operating room information system
  - Overall contribution margin for each surgeon from hospital accounting information system
  - Make a graph with one circle for each surgeon
Hospital Losing Money Has + Cont. Margin For 97% Surgeons

Cont. Margin per OR Hr by Surgeon ($) = Revenue - Variable Costs
Other Hospital Positive
Contribution Margin all Surgeons

Cont. Margin per OR Hr by Surgeon ($)
Irrational: Reduce Turnover Times to Permit Another Case

- Summary of contribution margins (FY04 US$)
  - $1,864 per OR hour, 97% surgeons > $0
  - $1,773 per OR hour, 99% surgeons > $0
    - Dexter F et al. Anesth Analg 2005
  - $1,530 per OR hour, 100% surgeons > $0
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➢ Irrational financially not to encourage nurses and anesthesia providers to get cases done regardless of whether reduce turnover time
Irrational: Reduce Turnover Times to Permit Another Case

- Staffing is planned from 7 AM to 5 PM
- **Laparoscopic surgeon** does 4 cases per day, finishing between 4 PM and 4:30 PM
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Laparoscopic surgery (e.g., cholecystectomy) consistently achieves a contribution margin around $1,800 per OR hour.

Even if paid nurses $300 per hour, revenue far exceeds costs for the case.
• Laparoscopic surgery (e.g., cholecystectomy) consistently achieves a contribution margin around $1,800 per OR hour
• Even if paid nurses $300 per hour, revenue far exceeds costs for the case

➢ Rational manager has case done regardless of whether turnover time is reduced

Irrational: Reduce Turnover Times to Permit Another Case
Variable costs
  - Change relative to volume of activity
  - Examples of variable costs
    • Patient-care employees’ time
      - Maybe: *discussed later*

> Conclusion even stronger if were to consider employees’ time to be a fixed cost, because then contribution margin is even larger
Reducing Turnover Times Can Increase Number of Cases

- When turnover times are reduced, some surgeons schedule additional cases that could otherwise have been scheduled, but which the surgeon otherwise chose not to schedule.

Sandberg WS et al. Anesthesiology 2005
Dexter F. Anesthesiology 2005
Cendán JC, Good M. Arch Surg 2006
Smith MP et al. Anesthesiology 2008
Reducing Turnover Times *Can* Increase Number of Cases

- When turnover times are reduced, some surgeons schedule additional cases that could otherwise have been scheduled, but which *the surgeon* otherwise chose not to schedule.

- Reducing turnover times can rationally increase cases and revenue.
Reducing Turnover Times *Can* Increase Number of Cases

- When turnover times are reduced, some surgeons schedule additional cases that could otherwise have been scheduled, but which *the surgeon* otherwise chose not to schedule.

- Reducing turnover times can rationally increase cases and revenue *indirectly*. 
Reducing Turnover Times *Can* Increase Number of Cases

- When turnover times are reduced, some surgeons schedule additional cases that could otherwise have been scheduled, but which the surgeon otherwise chose not to schedule.
- Reducing turnover times can rationally increase cases and revenue *indirectly*.
  - Small reductions in turnover time are sufficient to increase surgeons’ feelings of personal competence and achievement.

Stahl JE et al. Surgery 2005
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- How does turnover time reduction achieve this?
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*Conclusion*
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• Potential benefits of reducing turnover times
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- Focus on these studies as tools to understand behavior, since reductions in turnover times cannot account for much growth in surgery.

- Average hospital in Iowa had minority of annual growth in inpatient and outpatient cases amongst surgeons who performed $N > 2$ cases per *week* in baseline year (23.0% ± 2.5% [SE]).
  - Little growth in outpatient surgery Relative Value Units amongst those surgeons (18.1% ± 2.2%).

Dexter F et al. J Clin Anesth 2018
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Dexter F et al. J Clin Anesth 2018

Value of Benchmarking Facilities’ Average Turnover

- Benchmarking report of typical turnovers
  - Turnovers longer than 90 min are excluded
- “Average” assesses setup and cleanup times
- Average turnover times can be reduced
  - For avg. turnovers < 40 min, reductions ≈ 7 min
  - For avg. 57 to 65 min, reductions ≈ 15 min

Adams R et al. J Nurs Adm 2004
Cendán JC, Good M. Arch Surg 2006
Value of Benchmarking Facilities’ Average Turnover

31 Hospitals in USA

Average Turnover Time (min)

Dexter F et al. Anesthesiology 2005
Value of Benchmarking Facilities’ Average Turnover

➢ Both anesthesiologists & surgeons poor expert judges of their personal (actual) turnover times

• Responses essentially indistinguishable between subjects with many versus very few turnovers
  – Number of complaints (comments)
  – Estimate of personal average turnover time
  – Estimates of incidence of prolonged turnovers

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- Responses essentially indistinguishable between subjects with many versus very few turnovers
  - Number of complaints (comments)
  - Estimate of personal average turnover time
  - Estimates of incidence of prolonged turnovers
- Responses influenced by perception of team activity and how contributes to turnover times
Value of Benchmarking Facilities’ Average Turnover

• Example of surgeon “estimate of the percentage of all your turnovers, wheels out to wheels in, which were longer than 45 minutes” in 2009
  – Those with very few turnovers and with many turnovers had same mean response, 54%
• Actual mean 25%

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Those with “very few” turnovers had mean of just 15 turnovers for the entire year

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  – Those with very few turnovers and with many turnovers had same mean response, 54%

• Actual mean 25%
  – Those with “very few” turnovers had mean of just 15 turnovers for the entire year

➢ Not only do the surgeons overestimate turnovers, perception is not literally about turnovers
Monitor Incidence of Prolonged Turnovers Times by Time of Day

• Turnover “prolonged” if time from one elective case ends until another starts in the same OR is > 15 min longer than the average turnover
  – “Average” includes just setup & cleanup times

Dexter F et al. Anesthesiology 2005
Monitor Incidence of Prolonged Turnovers Times by Time of Day

Turnovers > 15 min Over Avg with 95% (Simultaneous) Confidence Intervals

Prolonged Turnovers (Over 56 Wk)

Start of the Hour of the Day

Turnovers > 15 min Over Avg with 95% (Simultaneous) Confidence Intervals
Monitor Incidence of Prolonged Turnovers Times by Time of Day

**Most Turnovers Early in Day**
Monitor Incidence of Prolonged Turnovers Times by Time of Day

Turnovers > 15 min Over Avg with 95% (Simultaneous) Confidence Intervals

Start of the Hour of the Day

Prolonged Turnovers (Over 56 Wk)

Mean Longer Later in Day
Monitor Incidence of Prolonged Turnovers Times by Time of Day

- Balance of incidence (earlier in day) and magnitude (later in day) is for most prolonged turnovers to occur in the middle of the day.
Monitor Incidence of Prolonged Turnovers Times by Time of Day

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➢ Most anesthesiologists and surgeons surveyed thought that the time of the day with his or her largest number of prolonged turnovers was at least 2 hr later than actual (P < 0.001)

Perceptions Related to Team Activity

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➢ Bias due to mental model of cause as being related to team activity (e.g., shift change)
Perceptions Related to Team Activity

- Observation in OR, counting annoying or angry tone, specifically “tense communication”
- Triggers of tensions involved teamwork and coordination for 88% of events
- Initiation of tension, 97% surgeons

Keller S et al PLoS ONE 2019
Reducing Incidence of Prolonged Turnovers Times

• Interventions to reduce prolonged turnovers
  – Δ schedules of staff (e.g., housekeepers) to focus on those times of day
  – Add 1 or occasionally more turnover teams
  – ↓ scheduled delays between cases ("holes")
  – Coordinate using decision-support systems
  – Have sufficient equipment on site to do all cases of the day without reprocessing
  – Enhance equipment standardization
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Lunch Breaks

• Most prolonged turnovers occur middle of day

Dexter F et al. Anesthesiology 2005
Lunch Breaks

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  ➢ After first cases of day, period of day with the largest numbers of anesthesia providers needed is also middle of day because of lunch breaks (at hospitals with ORs lasting >8 hours)

Epstein RH, Dexter F. Anesthesiology 2012
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- Plan staff scheduling to have providers for all ORs during middle of day, no gap for breaks

Marjamaa RA et al. Health Care Manag Sci 2009
Smallman B et al. Anesth Analg 2013
Lunch Breaks

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- After first cases of day, period of day with the largest numbers of anesthesia providers needed is also middle of day because of lunch breaks (at hospitals with ORs lasting >8 hours)
- Plan staff scheduling to have providers for all ORs during middle of day, no gap for breaks
  - Use displays with evidence-based dynamic assignment of providers to ORs for breaks

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Number of Teams Affects Turnover Times and Tardiness

Gül S. Serv Sci 2018
Simultaneous Turnovers to Decide If Add Turnover Team

- 5 OR facility has 2 turnover teams
- Turnover times longer when >2 cases were finishing close to simultaneously
  - 50th percentile 40 minutes
  - 90th percentile 55 minutes
  - Among turnover times 60 minutes or longer, 66% were when there were >2 turnovers

Simultaneous Turnovers to Decide If Add Turnover Team

- Analyze minutes of time with simultaneous turnovers exceeding a threshold number of teams

Simultaneous Turnovers to Decide If Add Turnover Team

- Time is plotted along the horizontal axis
- Each row represents an OR
- Long light gray bars represent patients in ORs
- Dark gray bars represent cleanup and setup times
- White bar represents 10 min delay in starting cleanup waiting for turnover team from other OR
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2 Teams
Simultaneous Turnovers to Decide If Add Turnover Team

- Adding 1 team reduces the minutes of simultaneous turnovers exceeding the threshold of the number of teams from 10 min to 0 min
- Adding the 1 team also reduces the total surgeon experienced turnover time by 10 min
Simultaneous Turnovers to Decide If Add Turnover Team

- Removing 1 team increases the minutes of simultaneous turnovers exceeding the threshold of the number of teams from 10 min to 40 min.
- Removing 1 team also increases the total surgeon experienced turnover time by 30 min.
Mean ↓ Min of Turnovers per Day From Each 1 Increase in # of Teams

- 24 min = (5% of 8 hr) × (60 min per hr)
  - Threshold of 24 min per day is reasonable threshold if hiring for an 8 hr workday
- 12 min = (5% of 4 hr) × (60 min per hr)
  - Threshold of 12 min per day is reasonable threshold if can hire for an extra 4 hr per day

Dexter F, Traub RD. Anesthesiology 2000
Wachtel RE, Dexter F. Anesth Analg 2007
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Mean ↓ Min of Turnovers per Day
From Each 1 Increase in # of Teams

- P < 0.05 is common balance in medicine
- 5% is median annual compensation in US of housekeeper divided by that for (one patient + anesthesiologist + general surgeon + two nurses + FTE housekeeper)
- 5% is measured actual % of occurrences ORs waiting for patients at hospital without policy

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Mean ↓ Min of Turnovers per Day From Each 1 Increase in # of Teams

<table>
<thead>
<tr>
<th>Change in Number of Turnover Teams at 6 Room Suite</th>
<th>Reduction in Minutes of Simultaneous Turnovers per Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 vs 1</td>
<td>82</td>
</tr>
<tr>
<td>3 vs 2</td>
<td>19</td>
</tr>
<tr>
<td>4 vs 3</td>
<td>2.8</td>
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<tr>
<td>5 vs 4</td>
<td>0.23</td>
</tr>
<tr>
<td>6 vs 5</td>
<td>0.01</td>
</tr>
</tbody>
</table>
Confidence Intervals Based on Normal Distribution

- Use 13 four-week periods of results to calculate lower 95% confidence limit for savings with Student’s $t$ distribution
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Conclusion
Review – Summarize the Facts of the Talk
Prioritize Goals in Reducing Turnover and Anesthesia Times
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1. Increase OR efficiency on the day of surgery by reducing over-utilized OR time
2. Increase OR productivity by reducing staffing, even if have under-utilized OR time each day
3. Increase number of cases
4. Reduce frustrating prolonged turnovers
5. Add turnover team(s)
Additional Information on Operating Room Management

- [www.FranklinDexter.net/education.htm](http://www.FranklinDexter.net/education.htm)
  - Example reports with calculations
  - Lectures on service-specific OR staffing, day of surgery decision making, anesthesia staffing, drug and supply costs, comparing surgical services among hospitals, strategic decision making, and PACU staffing

- [www.FranklinDexter.net](http://www.FranklinDexter.net)
  - Comprehensive bibliography of peer reviewed articles in operating room and anesthesia group management