




## The Accelero Advantage IN THIS ISSUE:

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## *The Accelero Advantage: Cardiovascular Service Line Management*

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# A LETTER FROM ELIZABETH BERRINGER, PRESIDENT OF ACCELERO HEALTH PARTNERS

As Accelero Health Partners continues to grow, our knowledge and expertise in Service Line Management is becoming an even greater influence in changing the way that healthcare is delivered. Having partnered with over 150 hospitals nationally and internationally, this service line management philosophy is being applied to a variety of healthcare services. This edition of *The Accelero Advantage* is dedicated to the discipline of service line management as it is applied to cardiovascular services.

The complex issues imbedded in the management of a cardiovascular service line require an innovative approach and unique program design to effectively and efficiently improve care, increase margins and build volume in the product lines related to cardiovascular care. Evaluating and implementing this comprehensive philosophy requires professionals with service line management expertise and strong business acumen in order to drive excellence in cardiovascular care. Our cardiovascular team draws experience from varied backgrounds including service line management, project management, cardiovascular nursing, hospital administration and cardiovascular physician practice administration.

This issue provides practical information on how this team evaluates, analyzes and makes recommendations regarding the highest level of strategic decision making to the actual tactical execution of various initiatives. This expertise provides our partners with the guidance and discipline required to manage this complex and comprehensive service line.

After reviewing this cardiovascular edition of *The Accelero Advantage*, we welcome your feedback and will be happy to provide more information or answer any questions you may have. Please call Carol Owens, Vice President of the Cardiovascular Division at 724-743-3760 or e-mail [carol.owens@accelerohealth.com](mailto:carol.owens@accelerohealth.com) if you have questions or are interested in learning more about how Accelero can help you create a sustainable competitive advantage in your cardiovascular service line.

Best regards,

**Elizabeth Berringer**  
Accelero Health Partners

# Cardiovascular Service Line Management

Each year approximately 930,000 Americans die of cardiovascular related diseases... one person every thirty-three seconds. Consequently, cardiovascular care is an essential component of every acute care hospital and represents nearly a quarter of the revenue stream for some hospitals.



The broad scope of cardiovascular services across the organization requires aggregation of these services as a service line. This is the first step in understanding and managing the service line as a business. Next, a disciplined approach to service line management will provide the insight to strategically position the hospital for success in a highly competitive market.

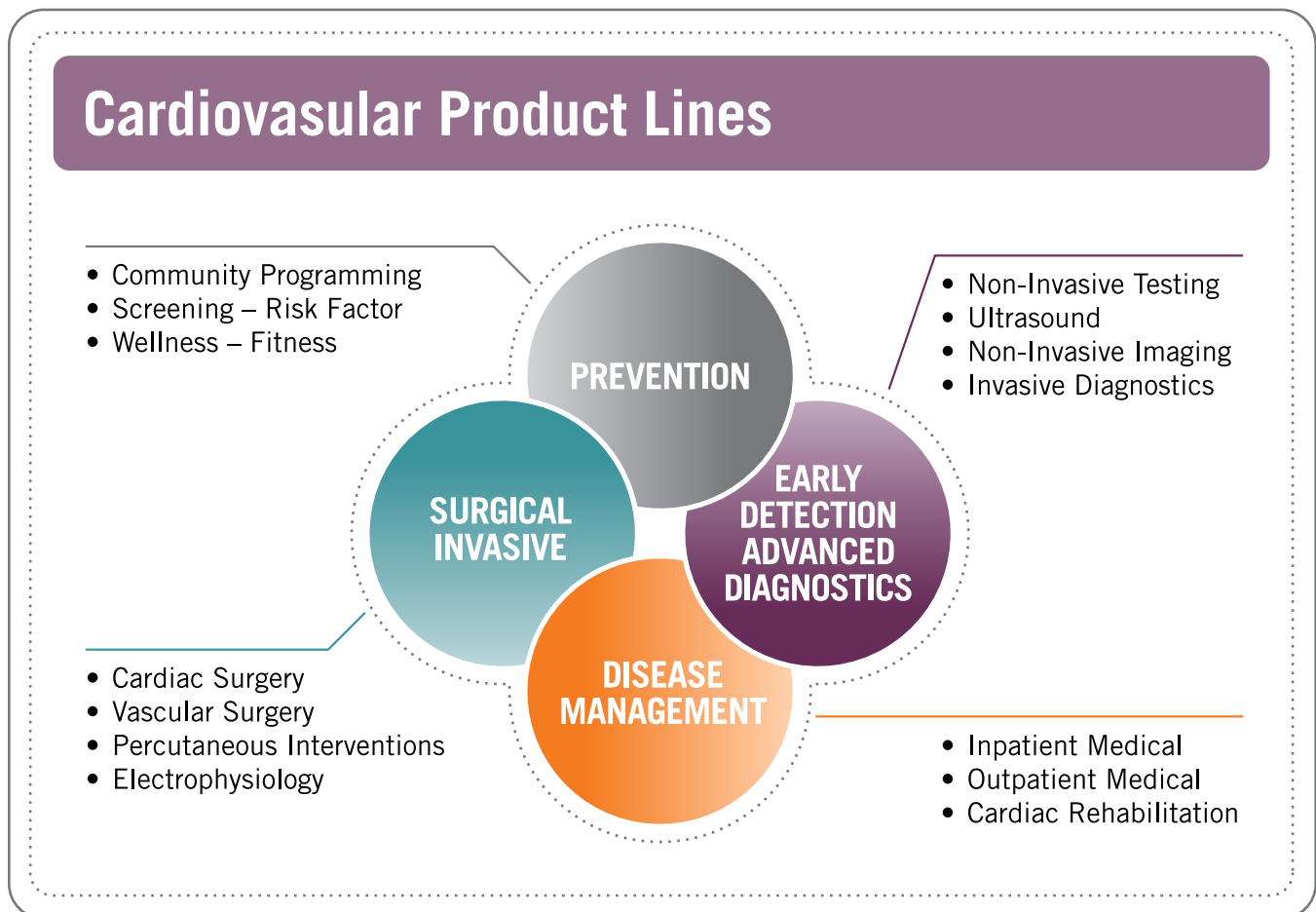
One example of this fundamental change toward the service line philosophy is the hospital's perception of the cardiovascular care continuum. Most view the continuum as linear: birth to death, admission to discharge, with specific entry and exit points. An alternative way to think about the care continuum is that it is circular in nature, deliberately organized in this fashion to actively transport the cardiovascular patient into the continuum, then never giving them a reason to leave.

This concept is key... the customer must have a reason to choose your hospital. This is especially true in cardiovascular care, because cardiovascular disease is progressive in nature and, if managed effectively, can provide the opportunity to have a life-long relationship with the patient. The patient can enter the continuum at any point, not only through the Emergency Department, but through scheduled visits in cardiovascular-related departments throughout the hospital. They may require diagnostic testing, medical management, and more than likely, procedural interventions and/or surgery throughout the progression of their disease. All of these areas in the diagram above must be effectively linked to provide consistent, quality care established on a sound base of exemplary customer service so that the patient stays within the continuum.

# Goals of the Cardiovascular Service Line

Improve Care > Increase Margins > Build Volume

Every recommendation for change should be based on accomplishing these goals simultaneously, so that a change in one is not detrimental to the others. To achieve this result, hospitals must organize the cardiovascular services into manageable pieces: Major Product Lines and Sub-products. The four major product lines, which are easily recognizable to the public, are: Prevention, Early Detection/Advanced Diagnostics, Disease Management and Surgical/Invasive Interventions. As demonstrated in the diagram below, these major product lines are then classified into sub-products which are deliberately categorized by services that have similar procedures, diagnoses and utilization of resources.



## Cardiovascular Applications & Success Factors

### MARKET

### CLINICAL RESOURCES



REINFORCE  
SERVICE LINE  
INFRASTRUCTURE

BALANCE  
GOALS

LINK CARE  
CONTINUUM

ENGAGE  
PHYSICIANS

INTEGRATE  
REFERRAL  
SOURCES

STRENGTHEN  
CUSTOMER  
SERVICE

BUILD  
BRAND  
STRATEGY

### RELATIONSHIPS

### TECHNOLOGY / FACILITIES

To begin to understand the cardiovascular service line as a business, a hospital should assess how they are impacted by the following variables: Market Forces, Technology and Facilities, Clinical Resources and Relationships. We define these variables as Service Capabilities and a thorough understanding of the organization's position within them is required to achieve success in meeting overall goals. Strategic and tactical recommendations must then be developed based upon the proven Success Factors listed above. It has been demonstrated repeatedly that, to truly create a program of distinction, hospitals must fully implement strategies to:

- Create a programmatic infrastructure through administrative commitment and physician leadership
- Balance goals of improving care, increasing margin and building volume
- Create a fully linked care continuum
- Engage physicians
- Integrate referral sources
- Strengthen customer service to build a strong foundation for your program
- Create a brand strategy to encompass all services within the care continuum

Using these proven Success Factors, your organization must now develop strategic goals to be applied within select product lines (e.g. cardiac surgery, interventional cardiology, etc.). To achieve these goals, key hospital stakeholders must be committed to the implementation of strategies and tactics required to create a program of distinction in cardiovascular care. The identification of core individuals with the responsibility and authority to act creates a service line that is opportunistic and capable of competing in an entrepreneurial world. This is vital because in today's healthcare environment, traditional hospitals are no longer the greatest competition. Hospitals are now forced to compete with non-traditional boutique specialty care centers as well. These types of centers not only have a deep understanding of their product offerings but are customer centric as well thereby commanding recognition in today's market.

Adopting a sound service line management strategy creates a competitive market advantage and will help transform the care delivery for your cardiovascular program. When executed appropriately, these changes have both a positive impact on profitability and can position your organization as the preferred choice for care in the community.

### 9th Annual Capture the POWER Conference – February 23-24, 2009

The Venetian Palazzo Hotel in Las Vegas will be the setting for this interactive conference focused on the Orthopaedic and Cardiovascular service lines. Case studies along with networking sessions will uncover strategies, tactics, and tools to differentiate your programs. We invite you to assemble a team and attend to learn our market proven strategies. Visit [www.accelerohealth.com](http://www.accelerohealth.com) for additional details.



# Examples of Applying the Discipline of Cardiovascular Service Line Management

Effective Service Line Management requires the correct organizational structure.

This structure has built-in delegation of responsibility and authority to the right individual(s). This leads to a disciplined process which deliberately focuses on the right tactics and tools.

Identifying volume opportunities for growth is an inherent component of any business development plan. As an example, let us look at the need to grow Cardiac Surgery, specifically valve procedures. With an overall decline in cardiac surgery due to the utilization of less invasive procedures such as angioplasty and stents rather than the traditional Coronary Artery Bypass Graft Surgery, a paradigm shift in care delivery has occurred requiring hospital cardiac services to respond. Valve procedures present one prime opportunity to accomplish this objective. Bypass surgery and percutaneous interventions have extended the longevity of the population. With that increased longevity more valvular disease is being identified. Understanding your Service Capabilities can identify an opportunity for growth in this area as can be seen in the following case example:

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## MARKET

- University Hospital currently captured 56% (114 cases) of valvular surgery in its primary service area
- Competitors captured 44% (91 cases)
- 40 incremental valvular cases would achieve a 75% market share goal

## RELATIONSHIPS

- Employed primary care network of >20 practices
- A loyal cardiology group of 23 physicians practicing exclusively at University Hospital

## CLINICAL RESOURCES

- Two employed cardiovascular surgeons with capacity to grow
- A cardiology group of 23 physicians with full scope of sub-specialties to support growth of referrals for valvular surgery

## TECHNOLOGY / FACILITIES

- New “heart center” with state-of-the-art technology and facilities
- OR and bed capacity to accommodate growth

Contribution Margin opportunity of 40 additional valve cases: \$489,960

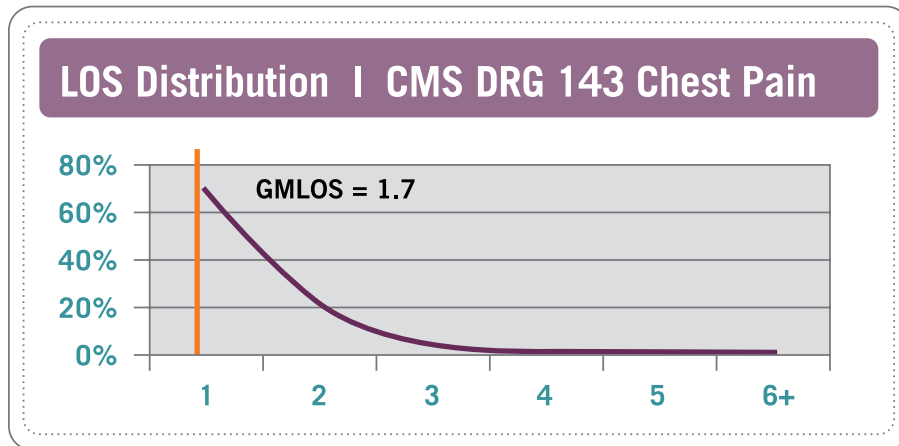
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To recognize this opportunity, specific tactical execution of the Success Factors was required. Administrative commitment was needed to provide the necessary marketing resources. Integrating PCP and cardiology referral sources was necessary to generate referrals. Aligning the goals of the cardiovascular surgeons, cardiologists and the hospital was necessary to capitalize on this opportunity. A deliberate brand/marketing strategy was necessary to identify specific areas of opportunity at the zip code level for target marketing directly to the consumer, as well as, physician referral sources. And finally, a hospital commitment to delivering outstanding customer service was essential to enhance consumer loyalty. Forty cases do not seem like an insurmountable task, but without a deliberate execution of the Success Factors this goal could not be achieved.

*Differentiation* is the key to establishing your program as the clear regional choice for care.



Another case example of application of the discipline of service line management is clinically appropriate length of stay engineering.



The above graph demonstrates the opportunity that was realized by engineering length of stay management through application of our Success Factor, “Link Care Continuum.” First and foremost, appropriate clinical care must be delivered. A comprehensive assessment of the flow process of the patient was completed. By eliminating variation in the standard care and treatment of the chest pain patient, and managing operational delays by implementing measures to ensure timely reporting of test results, the staff and physicians were able to reduce the length of stay for those patients who were one day over the Geometric Mean Length of Stay (GMLOS), thus maximizing their revenue and decreasing cost. This change demonstrated over \$110,000 in economic performance improvement in just one DRG on a small population of patients. Over the next nine months, this same consistent approach to clinically appropriate length of stay engineering resulted in an annualized improvement of greater than \$1,188,893 of bed day cost reduction. This was achieved through diligent physician and staff involvement. It cannot be accomplished over night; but by appropriately targeting the DRGs that have the highest potential, the practice of disciplined service line management will ultimately result in improved care, margin and volume.

Additional case examples that were identified and implemented for this specific hospital’s cardiovascular program were the following:

- Managing length of stay for cardiac surgery patients, not only from admission to discharge, but by measuring the length of stay by unit throughout the episode of care. Is the right level of care being delivered by the right provider at the right time? Comparatively assessing these variables identified opportunity to improve consistency in compliance with accepted standards of care as well as operational issues that impact length of stay.
- Inappropriate documentation and coding of patients with and without complications in paired DRGs, impacting revenue.
- Inconsistent utilization of devices in the cath lab resulting in higher cost per case at the provider level.

Through assessment of hospital Service Capabilities and application of our Success Factors, an opportunity of \$3,038,869 across the service line was identified. With the application of our delivery model of providing education, tools and execution, this organization is now in the process of implementing strategic initiatives to achieve even greater success. This is representative of what can be achieved at other organizations through the implementation of process improvements that are driven by disciplined service line management.