



CASE STUDY: EHC STAFFING STRATEGY REDUCES ANESTHESIA SUBSIDIES BY 40%

SITUATION An important Surgical Service Line expansion forced a West Coast community hospital to face a dramatic increase in anesthesia costs that threatened its financial viability.

CRITICAL ISSUE

At the time, the hospital utilized an all-anesthesiologist model to cover its eight staffed operating rooms and its busy obstetrics department. In planning to expand its services, the provider was notified that its anesthesia subsidy would increase by 80 percent.

REASONS FOR THE ISSUE

- The planned expansion required the hospital to open one additional anesthetizing location, as well staff an anesthesiologist during regular business hours for pre-admission testing.
- Using the hospital's all-anesthesiologist model, the additional staffing costs were projected to be \$800,000 per year.

SOLUTION

The hospital engaged Enhance Healthcare Consulting (EHC) to evaluate its entire anesthesia service line and recommend cost-savings that would not sacrifice quality. EHC began by modeling the detailed anesthesia coverage requirements both during staffed hours and while physicians were on call. Ultimately, EHC proposed several alternative coverage models that all represented cost savings over the 80 percent subsidy increase request. Working with hospital leadership, EHC narrowed the field to three models and partnered surgical and anesthesia staff to explore the myriad clinical implications of each model.

RESULTS

Once approved by clinical staff, EHC's new model was implemented during a nine month period. Specific results included:

- The initial subsidy amount was reduced by 40 percent.
- The 80 percent subsidy request was avoided.
- Hospital coverage increased to accommodate one additional anesthesia location.
- Surgeon satisfaction improved.