

Cost-Effectiveness Strategies in the Era of Declining Reimbursement, Outpatient Facilities, and Reduced Pandemic-Related Revenue

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Economic Analyses: It's All About Perspective...

- Societal
- Payer
- Hospital
- Patient

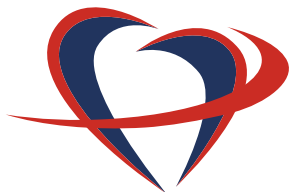


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Cath Lab Economics 101

- In current payment climate, financial success (viability) requires that:
CCL physicians & managers optimize outcomes & efficiency of care by aligning CCL leadership strategy, organization, processes, personnel, and culture.
- **Optimizing operating margin (profitability) requires maximizing revenues and minimizing expenses.**
- Expense reduction depends on efficiency (on-time starts, short turn-around times, smooth day-to-day schedules) and procurement of cost-effective materials.
- Revenue optimization requires accurate documentation and coding of procedures, comorbidities, and complications. In FFS and bundled payment reimbursement systems, higher procedural volumes yield higher revenues.



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Blankenship JC, et al. SCAI/ACVP expert consensus statement on cardiovascular catheterization laboratory economics. *Catheter Cardiovasc Interv.* 2019;94:123–135

Expense Reduction

- Always
 - Procure lower cost supplies (best price and best value)
 - Best Price (e.g., leverage system-wide volumes where possible; GPOs)
 - Best value (e.g., \$50 vs. \$100 per radial artery sheath...worth it for all cases?)
 - Avoid unnecessary costs (e.g., overnight PCI stay; TAVR CTA for non-urgent procedure)
 - Optimize outcomes (e.g., TR PCI, CQI program, M&M, random case review)
- During a Pandemic
 - Redeploy staff and physicians (i.e., “right-size”)
 - Reuse PPE where possible
 - Isolate/protect equipment (e.g. anteroom with equipment ‘runner’)
 - Perform non-emergent cases during off hours/weekends
 - Defer capital purchases (‘how long can you live without it?’)



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Revenue Optimization

- Always
 - Document & Code accurately (e.g., random audits)
 - Submit/resubmit claims in a timely fashion
 - Optimize efficiency (increase case volume per day)
 - On-time starts
 - Shorter turnaround times
 - Expand services
 - Market growth
 - New procedures
- During a Pandemic
 - Defer procedures to later episode when possible (e.g., non-cardiac reason for admission)
 - Encourage those with urgent/emergent conditions not to defer care
 - Advocate for stimulus \$\$?



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Concluding Thoughts

- Cost-effectiveness essential to ensuring CCL viability
- CCL leadership must remain nimble wrt threats and opportunities
- Need 'peace-time' and 'war-time' strategies
- Dyad partnerships essential to success
- Network with leadership colleagues (intramural and extramural) to identify best practices



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