

Funding the Surgery Program Gainshare

September 2007

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Surgical Services Taskforce



Background

- **Prostheses Cost vary significantly from Hospital to Hospital**
 - For Hospitals doing over 100 of each hip and knee
 - Average prosthesis cost for hips \$5,400 - \$15,100
 - Average prosthesis cost for knees \$6,100 - \$9,600
 - Hospital ALOS Range 5.6 – 12.7 days
 - Hospital average Costs Range \$6,100 - \$ 11,800
- **Transfer rate to Rehabilitation**
 - Range from 0% to 100% Average 26%
 - Classical example of resource sensitive utilisation
- **No evidence of better outcomes**
- **National Joint Registers**

Prosthesis Selection

- Evidence
 - **Difficult to get accurate data as the benchmark is better than 95% success @ 10 years**
 - **National Joint Register**
- Marketing
 - **Fact of Life**
 - Aimed at surgeons and patients
- Cost
 - **Not a positive factor – more likely a negative factor**
 - Accused of using cheap prostheses – implication is no good.

Orthopaedic Model

- Essentially 2 operations
- Ideal for protocol driven
 - Pre operative assessment
 - Regular work load for OR
 - Post operative protocols with discharge planning
- Reduction of inventory
- Evidence based prosthetic selection

Thought for the day

- If all hips and knee prostheses were selected on evidence based measures and the current schedule list price (RRP) was paid, the annual savings for NSW Health would be **\$22,367,440**.
- Sufficient to do all of the long waits and the increase demand in the State within current budget

Challenge from 2006

- Arthroplasties are ideal for a protocol driven Unit
- The savings need to be returned to the Unit to permit research and add value to the Department
- There is enormous potential savings
- Arthroplasty demand is still increasing and a good model is essential if we wish to provide care to the community in the future.

Gainshare

- The aim of the Gainsharing program is to increase awareness of the costs involved in orthopaedic implant purchase for Total Hip and Total Knee replacement. The Gainsharing Tool is designed to track these costs, create regular reports to inform surgeons and management about implant selections by scoring each case against a threshold cost and aggregating the results through a gainsharing 'cycle' of typically 4-6 months.

Pilot

- 4 Pilot sites: St . Vincent's, Sutherland, Fairfield and Royal North Shore
- Started in April 2007
- Very Promising results so far
- Gainshare Thresholds
 - Hips \$6000
 - Knees \$4500

In Practice

- When implant costs are under these thresholds, the difference will be credited to the Gainsharing account. For example, if the implant cost for a THR is \$4,200, then \$1,800 will be credited.
- **Orthopaedic surgeons and hospital management will split the Gainsharing contribution pool 50/50.** Once the pool has grown to \$200,000 - \$250,000, surgeons will be asked to determine what non-budget capital equipment would be beneficial for purchase with their split of the funds.

Essential for Successful Gainshare Implementation

Involvement of:

- Accountable Manager/ Executive
- Clinicians
- OT/Orthopaedic Unit
- Finance
- Information Management and Technology
- Procurement/Purchasing
- Weekly Teleconference with DOH during implementation stage

Gainshare Tool

- Simple MS Access Tool
- Half Day Information/Training session will be organised by NSW Health

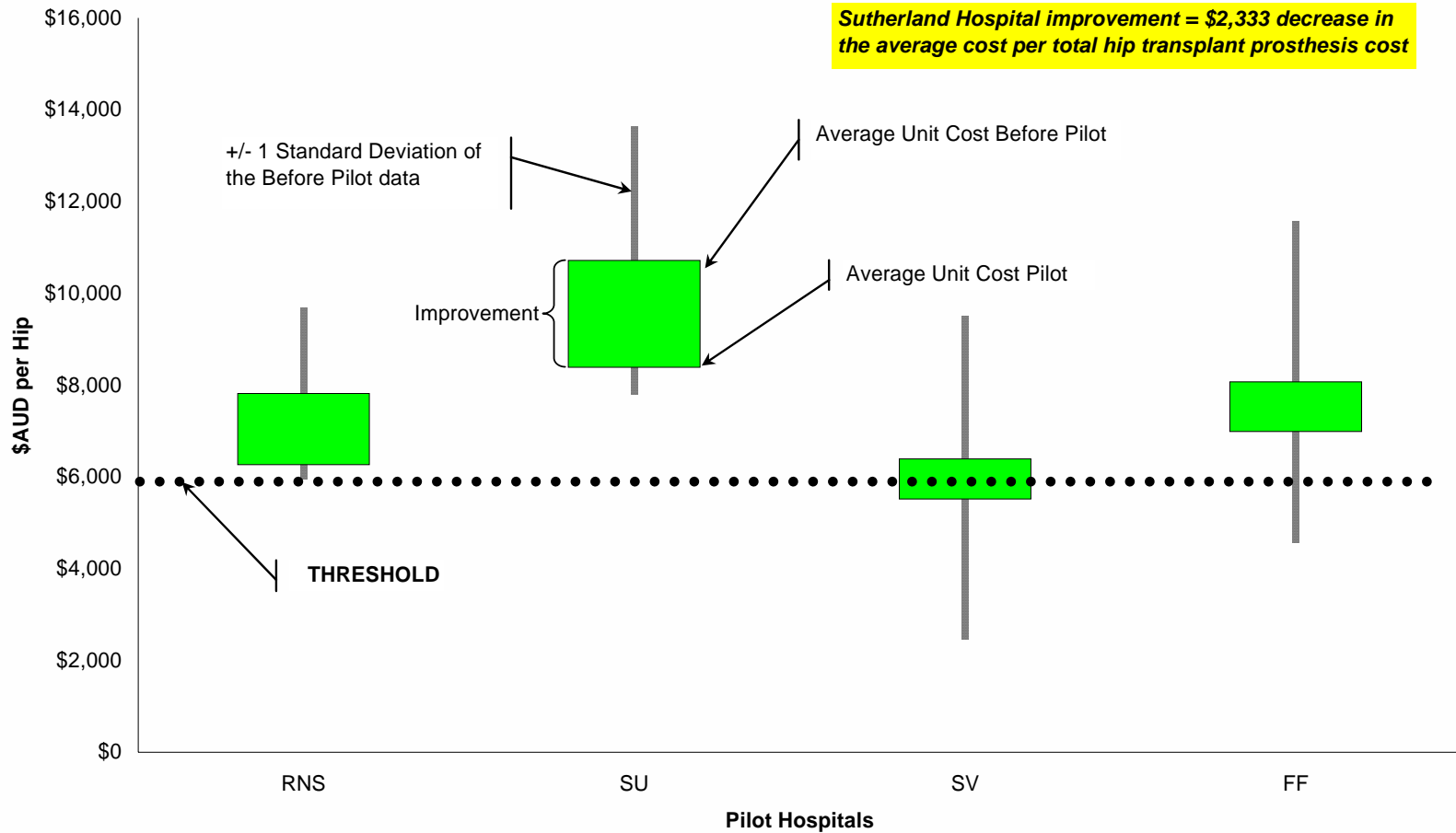
Gainshare

The project was in consultation with Kelly Styles, Director, KPMG. However Kelly has now moved on to join another Company.

Pilot - Hips

Joint Gainsharing Pilot - Hips

Sutherland Hospital improvement = \$2,333 decrease in the average cost per total hip transplant prosthesis cost

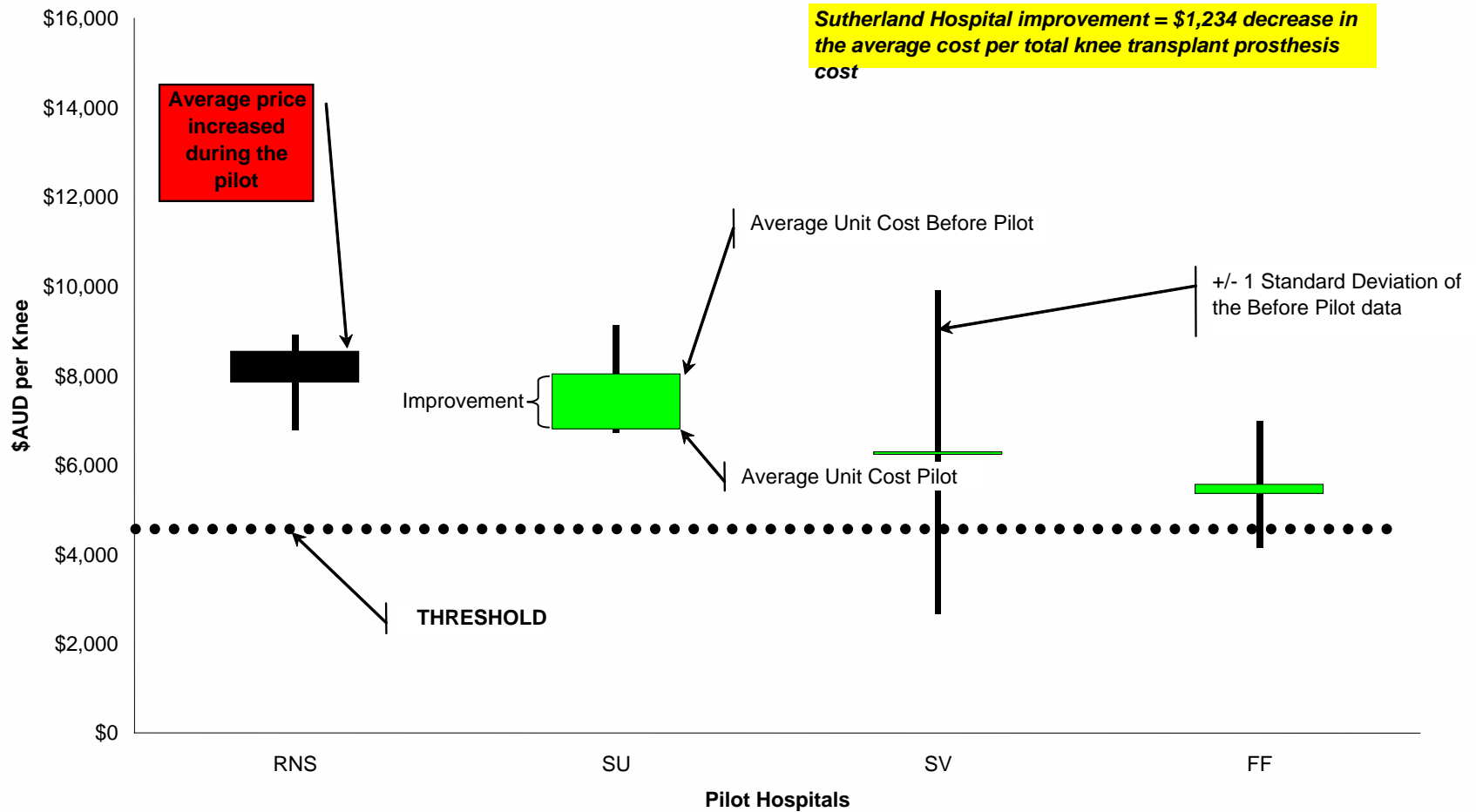


Source of "Before" data – 6 months total joint replacement provided by each hospital June 2006 to November 2006

Source of Pilot data is April to June 2007

Pilot –Knees

Joint Gainsharing Pilot - Knees

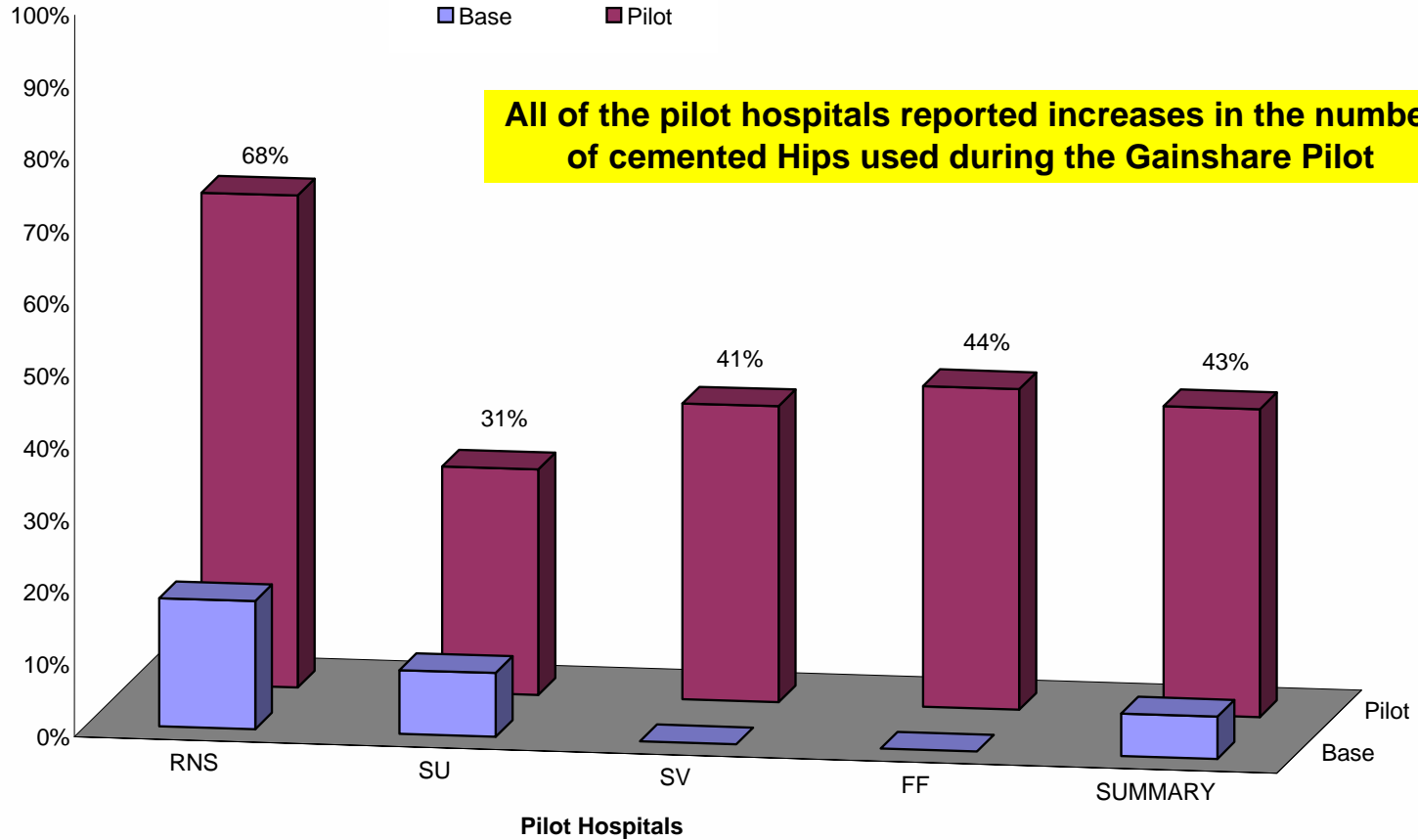


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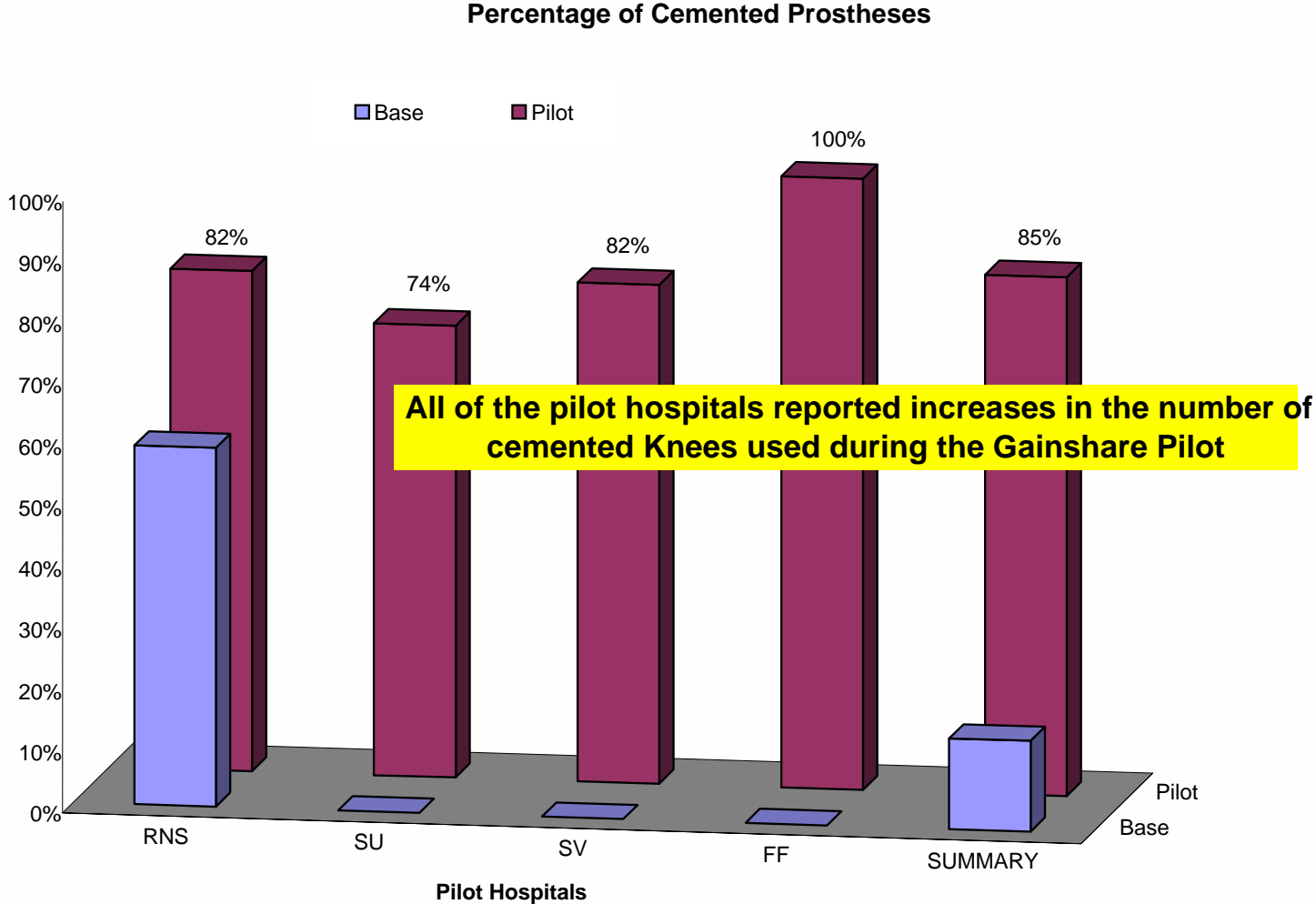
Source of Pilot data is April to June 2007

Pilot – Increase in reported use of cemented hips

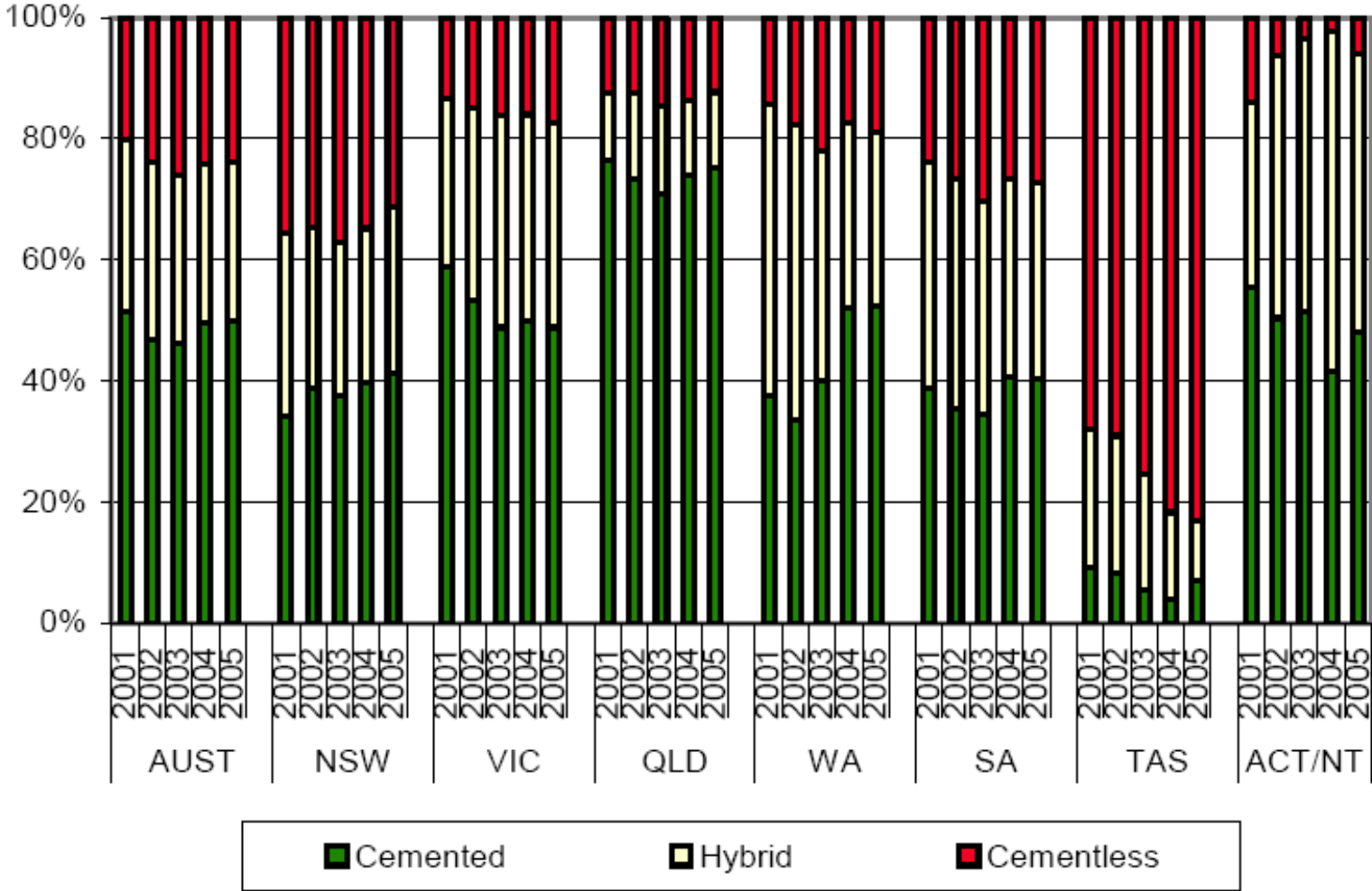
Percentage of Cemented Prostheses



Pilot – Increase in reported use of cemented knees



National Data



Pilot -

Till Date (April – Aug 2007) Savings as a result of Gainshare:

\$200,000 (approx.)

St Vincents Experience Mar-Aug 07

Surgeon	Hips	Knees	Total	Gainshare	%GS
1	6	8	14	12,483	71%
2	12	8	20	8,970	65%
3	18	10	28	24,638	32%
4	3	4	7	509	57%
5	1	0	1	3,268	100%
6	12	10	22	27,213	82%
7	3	12	15	9,555	68%
8	6	1	7	22,565	100%
Total	61	53	114	109,201	72%

St Vincents Experience Mar-Aug 07

Surgeon	Hips	Knees	Total	Gainshare	%GS	Over Run
1	6	8	14	12,483	71%	17,792
2	12	8	20	8,970	65%	14,879
3	18	10	28	24,638	32%	127,337
4	3	4	7	509	57%	6,386
5	1	0	1	3,268	100%	0
6	12	10	22	27,213	82%	15,510
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Is it Working

- Definitely starting to make awareness of cost an issue
- No spending as a result but will have a positive affect
- Needs to be made public in hospitals
- Need to monitor the over runs as well
 - Not a penalty but pressure to please explain

Way Forward

- Need for commercial rigor to procurement
 - **Despite so called deals price variation unacceptable**
- Need for better engagement of middle management
- Will not solve all budget problems
- Will not change culture overnight

Thank You

