

The Effect of a Hospitalist Nurse Manager and Reporting Tool on Cost-Effectiveness and Hospital Throughput

Summary

Engagement of hospitalist physicians in all aspects of performance improvement in the hospital organization is crucial to the success of a hospitalist program, but perhaps especially so for improvement in cost-effectiveness of care and patient throughput. The development of a severity-adjusted cost-per-case and length of stay (LOS) practice metric that is reported regularly in a timely and actionable manner to the hospitalist team encourages and reinforces continuous improvement in hospitalist performance. The process is accelerated by the coordinating and collaborating role of the specialized nurse-hospitalist case manager. This role facilitates the planning and implementation of efficient patient transitions through the organization as well as coordinates the sharing of “best practices” for cost-effective and patient appropriate resource utilization and throughput management for the hospitalist team members. Successful implementation of this strategy maintained safe and quality patient outcome and reduced cost-per-case and LOS by 15 to 20% over six months.

Objectives

- To engage hospitalist physicians in cost-effectiveness and throughput improvement by expanding and enhancing the existing reporting tool to include meaningful cost-savings data to be reported monthly.
- To create awareness of individual physicians of their own cost-effectiveness and through-

put patterns by comparison to each other, their group as a whole, non-hospitalist practitioners, and themselves over time.

- To foster discussion and collaboration among the hospitalist team and continuously challenge practice of care to implement clinical best practices.
- To translate the reduction in LOS and improved performance into financial metrics for the hospital value proposal.
- To optimize patient safety and quality of care with well developed and documented patient transfer practices and resource utilization.

Methods Used to Achieve Objectives

A graphic display of severity-adjusted average cost-per-case and LOS was developed. The display consisted of a scatter graph having vertical and horizontal axes of cost-per-case and LOS respectively. A data point for each hospitalist physician was represented on the graph, as was an aggregate hospitalist data point. A benchmark was also shown, which consisted of the aggregate cost and LOS data point for all primary care non-hospitalist physicians. The desirability of low-cost and reduced LOS performance was outlined clearly to the hospitalist team.

Cost-per-case was derived through analysis of the Medicare Cost Report for the institution. Cost-to-charge ratios were developed for organizational cost centers and were applied to individual inpatient accounts to estimate the cost of care.

The data was measured and reported monthly, and trended quarterly. The tool was reviewed with the hospitalist management team at the regular monthly meeting with the primary goals being maintaining safe, quality care, cost efficiency and reduced LOS performance. Best practices in patient management were identified and shared. Quality and patient satisfaction scores were tracked separately.

The nurse-hospitalist case manager was involved in these discussions and assisted in identifying opportunities in advancing the workflow through communications between referring physician and the hospitalist team. Areas of opportunity included discharge instructions, physician follow up and outpatient testing.

Results

Regular preparation and review of the reporting tool as a group caused notable movement in individual and group performance over time with a decrease in variation in practice among the group members. Over six months, cost-of-care and LOS improved approximately 17% within the hospitalist group. In this particular facility this equated to an average cost-per-case reduction of approximately \$1500 and LOS reduction of about 0.75 days per case.