

# Anesthesia Technology in the Age of Healthcare Reform

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# Three Numbers – 30% 18% 25

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## ➤ 30%

- Average tax burden per person in the US
- Expected to grow to 60% in 10-15 years given current rate of growth of healthcare costs

## ➤ 18%

- Percent of GNP spent on healthcare
- 50% more than similar developed countries

## ➤ 25

- Typical healthcare ranking on quality indices

# Its about the Money

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- Fee for service model
  - Capacity drives utilization
  - Volume drives income
  - No incentive to limit utilization
- Payment Models
  - Value Based Payments
  - Risk Sharing Payments

# ACA & Medicare Payment Models

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- Medicare Hospital Value Based Purchasing
  - Withhold percentage of payment (1% in 2012) (increases each year)
  - Return for documentation of best practices
- Bundled Payments Initiative
  - Episode based payment
- Home Based Primary Care for High Risk Patients
  - Savings shared for reducing hosp/readmissions
- No payment for preventable complications
  - eg. Wound infections, hospital acquired infections

# VALUE = OUTCOME ÷ COST

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- Managing costs is not enough
  - Reduce cost without knowing impact on outcome will not improve value
  - Total cost of care is typically not known
- Outcomes must be measured
  - Condition specific
  - Multi-dimensional
  - Longitudinal outcomes not measured
- Comparative Effectiveness Research (PCORI)

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# Implications for Anesthesia Practice

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- Change from Fee for Service Model
  - Hospital & surgeon partnership - payment and outcome
  - Negotiation for resources
- Consolidation of practices
  - Large public companies – NAPA, Sheridan, Somnia
  - Improved negotiating skills and position
  - Ability to measure performance
- Expansion of services – Periop Medicine
  - No longer paid just for OR activities
  - Opportunity to bring value but payment ? & need to demonstrate improved outcome

# Implications for Device Companies

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- IT is an enabling/critical technology for meaningful healthcare reform
  - Significant resources devoted to IT by institutions
  - Must collaborate with IT vendors
  - Anesthesia groups do not have IT infrastructure
    - » IT management
    - » Reporting and data analysis

# Opportunities & Challenges

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- Durable products
  - Control costs to maintain margins
  - Document “Added Value” to justify cost
- Value oriented product lines
  - Postoperative Monitoring
  - IT Reporting
    - » Individual Productivity
    - » OR Utilization and Efficiency



# Opportunities

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- Infection control
  - Hospital acquired infection
  - Cross contamination between patients
- Safe drug administration
  - Drug errors still a large percentage of preventable errors
- PATIENT FLOW MANAGEMENT
- Information technology
  - Interfaces
  - Reporting
- Workspace improvements
  - OR table design
  - Device integration

# Examples

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- Anesthesia Delivery Systems
  - Vapor delivery & conservation
  - IT communication
    - » Large HIS eg. EPIC
- Anesthesia carts:
  - Access control/security
  - Inventory and drug control
  - Infection control

# Examples

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- Monitoring Technology
  - IT integration – large HIS
  - “Cableless” monitoring in the OR
  - Postoperative monitoring
- Workspace integration
  - Video access: airway management, ultrasound
  - Support airway devices
  - Infusion technology
  - OR Table Design
- Value Oriented
  - Infection control
  - Safe Drug Administration

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