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Consulting

White paper

Don't put your trauma center at risk

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Achieve clinical excellence and operational efficiency while improving financial performance

Whether designated as a Level I, II, III, or IV, a trauma center can be very important to the financial viability/stability of a hospital. If managed, staffed, and structured properly, the center can have operational and financial benefits outside the trauma department.

A trauma center is a hospital that has dedicated clinical expertise and resources to treat serious, life threatening injuries. It is equipped and staffed to provide care for patients suffering from trauma such as falls, motor vehicle collisions, major burns, or gunshot wounds.

Despite the importance of this type of care, trauma centers must constantly ensure appropriate coding and billing, restore budget cuts, and recruit and retain trauma specialists. While the value proposition for trauma care is well documented, additional fiscal and regulatory pressures and challenges can sometimes overshadow trauma center advocacy.¹ Hospitals focused on delivering against the Quadruple Aim of better health outcomes, improved patient experience, enriched staff work life, and lower cost of care, must balance the value-add of a trauma center with strong fiscal responsibility.

There is a common assumption among healthcare executives that trauma centers don't make money. This is simply not true. With strategic guidance from industry experts, hospitals can focus closely on trauma center leadership, operations management, and clinical and financial performance to enable sustainable revenue generation. For hospitals seeking trauma center status, new program development and implementation services can help facilitate a successful designation.

Don't put your trauma center at risk. Evaluate your facility's financial and clinical processes to assure peak operating performance.

Acknowledging the financial challenges

It is well established that the expense of maintaining a trauma center is substantial. If not properly managed, trauma services can become a financial drain on the institution. In the early 1990s, a "crisis" in trauma injury care was declared by the General Accounting Office

(GAO) of the Federal Government after the closure of over 60 trauma centers because of financial hardship. The GAO concluded that such closures "jeopardized the lives of many severely injured Americans."²

Even today, costs associated with trauma center development, management, and ongoing readiness can be a challenge. Significant cost drivers include salary and benefits for program administrative and support staff, compensation for the on-call medical staff, and additional costs for departmental readiness (OR, ICU, blood bank, radiology, etc.). Some hospitals succeed at this, others do not.

Trauma center dynamics

When a hospital becomes a designated/verified trauma center, it receives increased traffic from emergency medical service agencies. Benefits of trauma center designation/verification also include overall hospital performance improvement, improved patient experience, and increased physician, surgeon, and nursing recruitment and retention. As a designated trauma center, hospitals can bill and collect for certain activation fees and accommodation codes that are paid by both Medicare/Medicaid and private insurance companies.

Trauma centers in the United States are designated by the state and verified by the American College of Surgeons— Committee on Trauma (ACS-COT). Verification may be optional or required depending on state regulations. Obtaining state designation and/or ACS-COT verification requires allocation of resources in many areas. It also mandates complete "buy-in" at all levels, most importantly from members of the departments of surgery, emergency medicine, anesthesia, radiology, and nursing.³ Operating a trauma center requires financial and operational commitment by the hospital leadership, physician staff, and board of directors.

Considerations and decisions are many

Program development

Initial trauma center designation is a complicated process that can seem overwhelming to many hospital administrators. There are both operational and financial benefits outside the trauma department that can act as “ripple effect” improvements that stem directly from solid trauma service implementation. However, many hospital administrators say the reason they have not attempted to become designated as a trauma center is they have no “buy-in” from their medical staff.⁴ Therefore, hospitals seeking to add trauma services often require expert guidance.

Today, various clinical specialties are involved in trauma center development including: radiologists, neurosurgeons, orthopedic surgeons, plastic surgeons, vascular surgeons, anesthesiologists, and experts on transfusion/blood bank, just to mention a few.⁵ It is therefore critically important strong organizational/management skills are available to assure the trauma center designation effort is successful. Outside assistance provided to hospital administrators during initial stages of trauma center development can jump start the process and establish a solid path to designation.

Financial performance

A well-run trauma center can contribute to the financial success of a hospital. Effective use of the standard billing system is vital to the stability of a trauma center. However, all too often unique trauma billing codes are not properly utilized. Often the problem is that no one in the hospital is an expert in trauma coding and billing, and there are no in-house experts to conduct a proper financial analysis. Many hospitals don't pursue reimbursement beyond the DRG (diagnosis-related group) payment. As a result, the trauma program misses out on legitimate reimbursement opportunities. This can result in trauma centers not collecting all of the reimbursement money to which they are entitled. When this happens, hospital leaders may consider downgrading their trauma designation or even closing their trauma center.

While trauma center coding and billing are unique, they can be mastered with some attention from management. A trauma center financial expert can provide the assistance necessary to assess the situation and present recommendations for proper adherence to coding and billing. Effective coding, billing and collection practices can add revenue for the trauma center if correctly utilized.



Program leadership

Identifying and training a suitable staff member to manage a busy trauma center can be a difficult, time consuming process. Therefore, in order for a hospital to achieve and maintain sustainable results, it may be necessary to appoint a strong interim trauma program leader who can help lead and develop a positive culture focused on maintaining trauma center standards, achieving optimal patient outcomes, and ensuring financial stability. It is not unusual for hospitals to turn to an outside resource to assist in this area.

During the absence of a permanent leader, the interim trauma program leader focuses on both the day-to-day operations and performance optimization. This interim trauma leader works collaboratively with the hospital medical and program staff, department leadership, and senior leadership team to formulate recommendations and implement process changes to improve trauma center performance.

An interim trauma program PI (performance improvement) nurse often works side-by-side with the interim trauma program leader to maintain compliance with trauma center standards and help achieve optimal patient outcomes. The interim trauma PI nurse focuses on concurrent data abstracting, analysis, and report development during the absence of a permanent PI nurse. The interim trauma PI nurse also provides regular written reports outlining progress toward completion of trauma center actions plans.

Together, the interim trauma program PI nurse and the interim trauma program leader work collaboratively with the trauma center medical director to improve trauma center performance. Both may also participate in the interview process for permanent candidates, making recommendations and providing assistance with the transition to permanent staff positions.



Site survey

To achieve trauma center designation or verification, periodic review of the hospital site is required by the state (for designation) and the ACS (for verification). The designation of trauma centers is a regulatory and bureaucratic process performed by state government agencies. Not all states require a designation process, deferring to ACS verification instead.

The ACS (American College of Surgeons) Verification, Review, and Consultation Program (VRC) helps hospitals to evaluate and improve trauma care. It provides an objective, external review of a trauma center's resources and performance. A team of ACS trauma experts completes an on-site review of the hospital. The team assesses relevant features of the program. These include commitment, readiness, resources, policies, patient care, and performance improvement.⁶ Proper ACS trauma center verification takes a substantial amount of time, resources and money, which is why it is imperative to get it right the first time. Upon a successful review, the ACS then 'verifies' the center for a three-year time period.

Often, hospitals engage outside consultants to support the trauma center in planning and preparation for their designation or verification-site visit. This assistance includes help with the survey process and guidance in providing the ACS reviewers with the most up-to-date information regarding implementation and ongoing development of the trauma program. The process typically begins by performing a gap analysis of trauma center standards and results in an action plan for correction where opportunities exist. Additionally, trauma consultants will assess the current state and develop a performance scorecard to measure and compare to leading best practices, hence avoiding deficiencies.

For trauma centers that have undergone a recent ACS site survey and received notable deficiencies, consultants can offer expert guidance in post-survey corrective action planning and implementation.



Mitigating the risk

No trauma center should run the risk of financial deficit, under performance, or closure. If the business case is strong, trauma center performance should be too. Complex resource management can be challenging, but with professional assistance it is manageable.

Philips Trauma Center Consulting Services are provided through a team of nationally recognized Trauma Program leaders with the experience and commitment to implement real and effective change. The methodology employed covers every aspect of trauma care including data review and

measurement, interviews with leadership and clinicians, observations of departmental processes and communication, assessment of equipment and supplies, and evaluation of coding and billing practices. Recommendations are data-based and prioritized to align with an institution's short- and long-term goals to achieve sustainable results.

Don't put your trauma center at risk, contact Philips Trauma Center Consulting Services for strategic guidance in helping you achieve clinical, operational, and financial excellence.

Case in point

A large regional medical center in the Midwest had been operating as an ACS-verified Level II trauma center for more than two decades. The leadership team was strategically reviewing their portfolio of services and needed guidance to help determine whether the trauma center was contributing to the profit of the hospital.

A Philips trauma center consultant with expertise in trauma center financial analysis was brought in to assess the situation and present recommendations based on three prospective scenarios:

- Remain as a Level II Trauma Center
- Downgrade to a Level III Trauma Center
- Close the trauma center

As a result of a financial assessment and process improvements, remaining as a Level II trauma center, while taking advantage of additional charge opportunities, was shown to be the most profitable decision. At the same time, the assessment uncovered additional opportunities to optimize the trauma program in the areas of communication, development of metrics, organizational structure, billing, and protocols.

Importantly, Philips Healthcare Trauma Center Services helped prevent the shutdown of a Level II trauma center, allowing it to continue its 20-year legacy of providing exceptional care for the patient population.

Results*



**Nearly
\$1 million**
service line
revenue confirmed



**Prevented
trauma center
closure**



**Validated
retaining Level II
trauma status**



**Identified
opportunities for
revenue improvement**

* Results are specific to the institution where they were obtained and may not reflect the results achievable at other institutions.

Philips Trauma Center Consulting Services

Faced with transformational challenges, hospital executives often reach out to expert consultants for support. Whether it is assistance for initial trauma center development, improvement in clinical outcomes, or financial oversight for improved revenue, Philips Trauma Center Consulting Services provides a comprehensive set of solutions.

Philips trauma consultants are industry experts that work closely with hospital trauma teams to develop a strategic approach for optimal trauma center management. By collaborating with leadership and staff, these consultants help hospitals achieve clinical excellence and operational efficiency while improving financial performance and delivering quality patient care.

Key Benefits:

- **Interim leadership** to help improve operational, financial, and staff performance
- **Interim PI nurse staffing** for oversight of the performance improvement process
- **New trauma center development guidance** to determine feasibility
- **Financial performance evaluation** to identify opportunities for revenue improvement
- **Pre- and post-site survey review** for corrective action planning and execution

Philips performance improvement methodology follows the American College of Surgeons Committee on Trauma (ACS-COT) model of continuous monitoring, evaluating, and benchmarking trauma care. The process begins by assessing the current PIPS plan (performance improvement and patient safety) and developing a performance scorecard to measure and compare to leading practices. A team approach is then applied,

involving key stakeholders, to determine the best solutions for the hospital's environment and political landscape. These key stakeholders often become champions in the transformational process, creating excitement and buy-in from medical and clinical staff. Philips works with the hospital trauma team to hardwire these changes, so they can continue to execute their strategy and sustain improvements post-consulting engagement.



Interim leadership



Interim performance improvement nurse



Development guidance



Financial assessment



Site survey support



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Learn more

Through collaborative and people-focused engagements, Philips Healthcare Transformation Services can help develop innovative solutions to solve your most complex challenges of care delivery. We can help you achieve meaningful and sustainable improvements in clinical excellence, operational efficiency, care delivery, and financial performance to improve value to your patients. For more information, please visit

www.philips.com/healthcareconsulting.

