

Gold Coast SurgiCenter

A Client Success Story

From the surgical center's perspective with Craig Filippi, Administrator, and Renee Hluska, Materials Manager of Gold Coast SurgiCenter

Health System Overview

Gold Coast SurgiCenter is an ambulatory surgery center offering outpatient surgical procedures focused on orthopedics, while providing a full array of medical related services including full x-ray and lab.

All 14 physicians are dedicated to leveraging the latest surgical equipment and medical technology to care for their patients. It's a small and very busy healthcare environment.

Summary of Needs

In 2016, Gold Coast SurgiCenter added total joint replacements to their long list of outpatient surgery center services.

Craig Filippi, Administrator, and Renee Hluska, Materials Manager of Gold Coast recognized that total joint implants were three to five times more expensive than other clinical materials they sourced.

Also, Gold Coast did not have the bandwidth to adequately focus on negotiating with their physician's preferred vendors. Additionally, according to national benchmarking tools, they knew they were spending too much. They expected the volume of patients to grow rapidly and the expenses of this new service to add up quickly.

In order to maximize profitability, Gold Coast SurgiCenter needed someone to quickly and efficiently focus on decreasing their overall total joint implant spend for hip, shoulder, and knee.

Key Benefits of Working With SHS

Without SHS, Mr. Filippi said, "other parts of our business would have suffered. We spend millions of dollars on materials other than total joint."

He explained that the ROI was obvious. Reduction in spend well outweighed the cost of engaging with SHS, and they didn't have to "water down" other areas of focus to achieve it. Benefits to working with SHS:

- Established savings benchmarks for five to seven vendors, and met those goals
- Quarterly reports clearly show spend savings
- Easy going, easy to work with team
- Focused attention on an expensive resource decreases worry about overspending

"Unless you are a very large hospital group with dedicated materials managers and more purchasing power..." Mr. Filippi began when we asked about what advice he would give other healthcare systems considering SHS. He continued, "The majority of us are smaller entities that are fighting and scrapping" for savings for the hospital and the patients. SHS is for them.

The Solution

Mr. Filippi turned to Strategic Healthcare Services (SHS) to help ensure that their contracts for total joint implants were competitive and to renegotiate on their behalf as they discovered opportunities for spend reduction.

"It's very crucial that we're not overspending. That impacts our profitability tremendously," Mr. Filippi explained.

SHS was "responsive, proactive, and had experience with the vendors we used. They knew how to go about engaging them and to start negotiations to reduce pricing."

Craig Filippi, Administrator

This allowed Mr. Filippi and Ms. Hluska time to focus on the other areas they knew best, while feeling confident that total joint spend was taken care of.

The Results

"If we can save 10-20%, it is HUGE for us," Mr. Filippi said. SHS provided the results they were looking for within the total joint category, approximately a \$600,000 annual spend, while allowing them to continue to do great work in other areas.

Specifically, SHS achieved:

- A **24% reduction in the unit cost** for total knee replacement products. As a result, Gold Coast is on track to save **\$45,000 annually** on total knees.
- A **10% reduction in the unit cost** for total shoulder replacement products. As a result, Gold Coast is on track to save **\$20,000 annually** on total shoulders.

That's a 16% reduction in spend in just one year in one category. A big deal for a small entity.

"It's been a smooth process," Ms. Hluska said. SHS "establishes a quarterly report. The program work. It helps us track our spending and takes the guesswork out. **We sit back and wait for the savings to present themselves.**"

SHS and Gold Coast SurgiCenter are now discussing adding other clinical spend reduction projects to the mix.