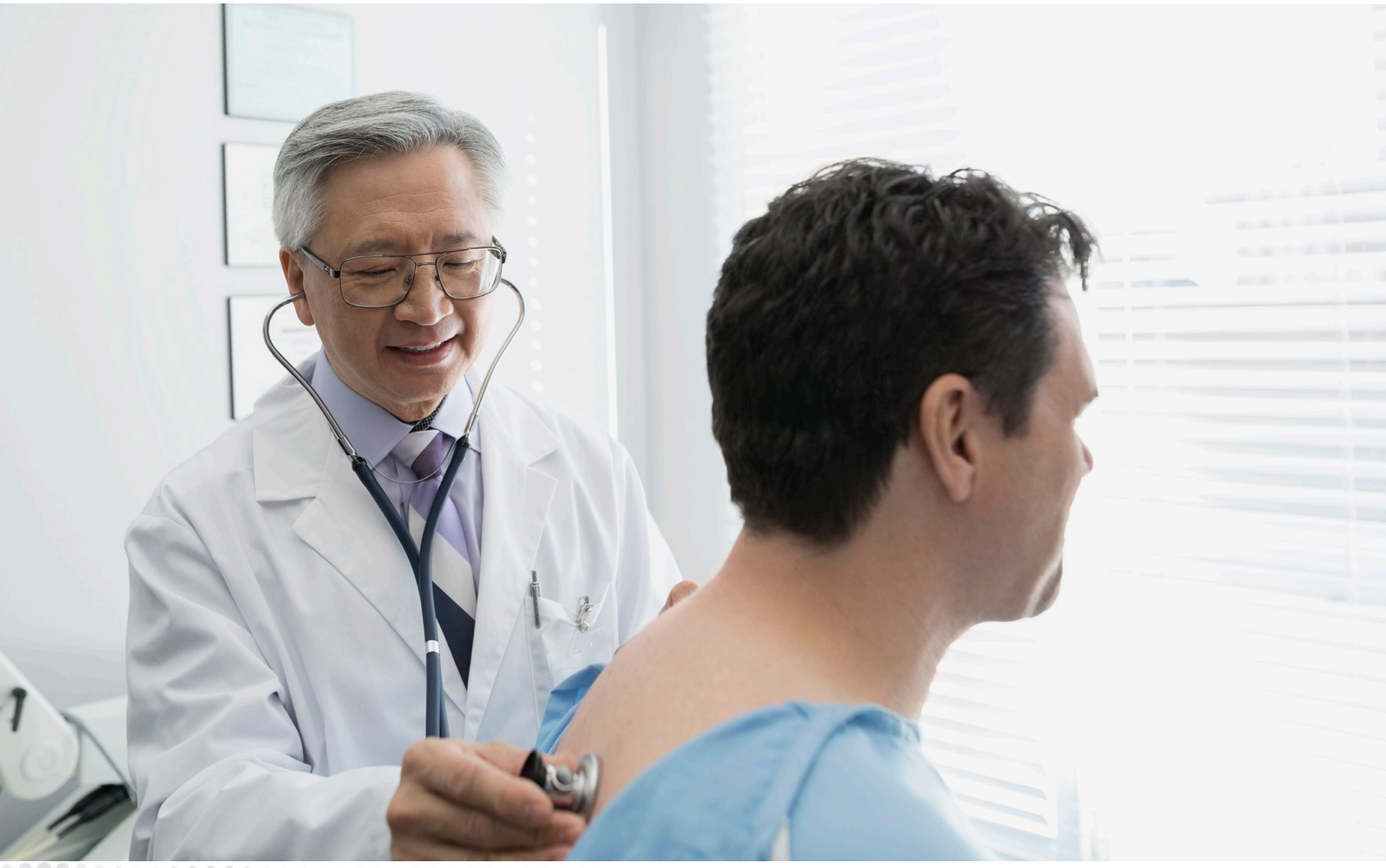
OPTUM®

Case Study: Surgical Management Solutions captures an average of 50% savings for surgical procedures

Analyzing the cost for surgical services across communities helps empower consumers to shop for quality, price and convenience.



Surgical Management Solutions (SMS) works with health plans and employers across the country to help their members find lower-cost options for quality surgical procedures. They have access to over 10,000 surgeons in 96 communities and are aligned to 400 ambulatory surgical centers.

C-suite takeaways



1

Most leaders review surgical cost as a single line item. But significant savings can be identified by taking an in-depth look within each specialty category and examining the costs of each site of service.



2

Innovative programs can add on to existing health benefits and offer significant savings without any changes to benefit plan design, customer communication pathways or provider networks.



3

Reducing the cost of surgical procedures can save money and help reduce consumer uncertainty and have a positive impact on an employer's NPS.

The high cost of surgical settings has been hard to assess

Employers, health plans and consumers are all seeking to reduce the cost of health care. One cost that remains hidden to many is the additional and unnecessary costs for surgical services that are performed in an acute care setting versus an ambulatory surgery center (ASC). In fact, many procedures can cost more than twice as much in a hospital than in an ASC.

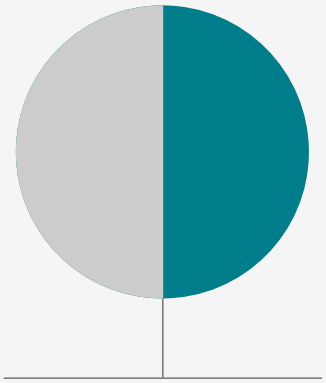
One reason this continues is because the cost analysis surrounding surgical procedures has not been granular enough. The common analysis includes counting the spending on surgery. But an in-depth focus on that spend has the potential to reduce the cost of care every year.

Analysts often look at higher acuity cases such as total joint and spine expenditure but may not focus resources on other surgical categories such as gastrointestinal, women's health or ear, nose and throat (ENT). Certainly, if plans and employers can't evaluate all surgical costs, consumers are not likely to have the appropriate tools to make an informed and cost-effective decision.

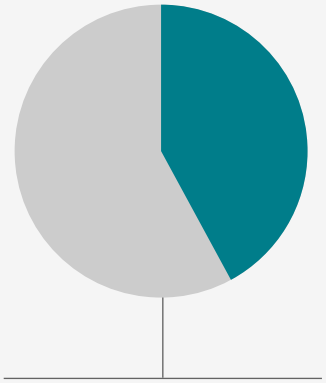
Aside from the extra spending associated with an acute care setting, downstream consequences may occur when consumers avoid surgery due to cost. A delayed diagnosis of a disease can lead to significant cost and trauma at a later event due to any unrecognized complex conditions.

New insight developed by SMS reveals that many surgeries could potentially cost 50% less when performed in an ASC setting.[1] If a plan or employer looks at their total surgical spending, they may find significant savings hidden within the category.





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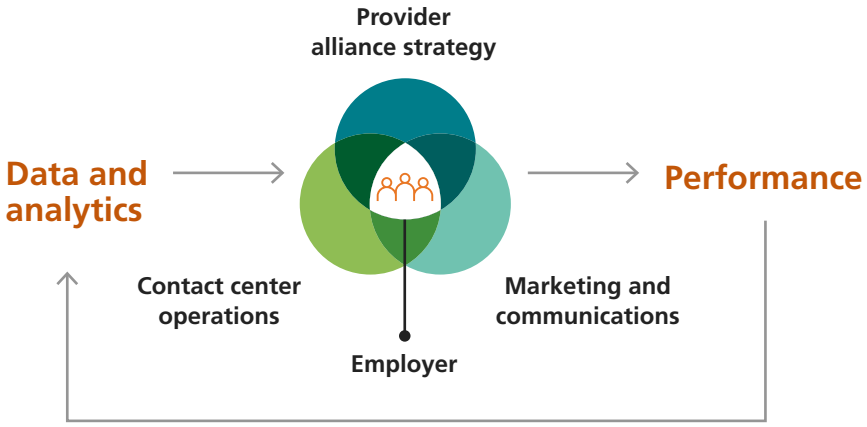


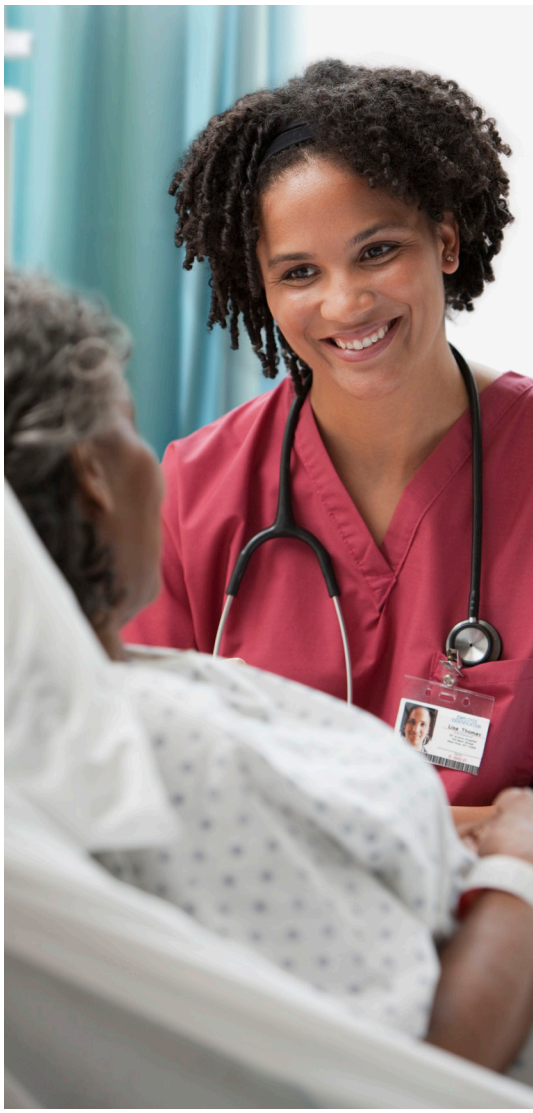
Data also indicates that **43% of surgeries** that could be done in an ambulatory environment are still being performed in more costly hospital settings.

The solution — as SMS sees it

Capturing the total amount of surgical spending is the most accessible starting point for all employers. However, SMS takes an in-depth look into those costs. They review 12 unique specialties to understand where areas of potential savings can be found — simply by encouraging members to the right provider.

Then SMS reviews the member base. Through their multiple reviews, SMS has found additional cost savings by proactively identifying likely surgical candidates, guiding them to cost-effective specialists and reducing downstream consequences caused by delayed preventive screenings. These are often procedures that individuals have delayed due to cost, inconvenience and uncertainty. The SMS services that lead to these savings include data analysis, physician engagement and a strong end-to-end consumer experience.





In-depth analysis of surgical candidates guides savings and decision-making

Surgical Management Solutions takes on data analysis as part of a holistic surgical solution. They look deeply into the codes sets and across a breadth of specialties. This expands the surgical cost analysis and helps employers find fresh savings opportunities while maintaining the highest quality of care for the consumer. The analysis SMS executes is granular enough to estimate savings at the individual member level. Employers see where they overspent in the past and the savings they could accrue moving forward.

Next SMS will look across the entire member population for consumers who are likely to need surgical procedures in these specialties. They identify members who have incurred claims for imaging or injections and project the next logical clinical steps. These consumers are then slated for outreach.

The patient experience: An end-to-end approach

Once likely surgical candidates have been identified, SMS conducts integrated, sustained outreach. They introduce consumers to the program prior to the need for surgery. And the surgical candidate outreach is customized and based on each specialty. Whether the dialogue is proactive or reactive by responding to a sudden health event, the SMS team educates and informs the consumer to assist them in making high-quality, cost-effective decisions related to their surgical needs — including cost and quality comparisons. SMS answers the individual's questions and guides them to providers that meet their care needs and preferences. They also facilitate a consultation with the specialist.

These small, yet effective actions empower consumers.

Once an individual has made their decision, the SMS care team schedules the appointment and remains with patients throughout their journey. The key performance indicator that SMS measures is connecting the right patient to the right specialist — not the total number of surgeries. This supports the priority of quality care. The SMS team becomes an advocate for the patient. To the member, the surgical journey is simplified, and the financial benefits can be significant.

Connection to the physician: Education and advocacy

The next component of the SMS solution is to partner with physicians in each local community. SMS provides them with the insight that helps to direct the appropriate patients to the providers who can help guide them to high-quality and lower-cost care settings. SMS guides the appropriate patients to the right physician. SMS will reach out to physicians in the area to prepare them and inform them that they are sending patients their way. They will also explain the clinical and financial value of redirecting appropriate patients to ambulatory settings.

Specialists appreciate the connection. And the specialists that SMS contracts with are already credentialed at various ASCs. These physicians are predisposed to lower-cost ancillary services such as the imaging and labs that occur before a patient ever arrives to their surgery as well as the pharmaceutical costs that are incurred post-care.



All outpatient surgical specialties

- Gastrointestinal
- General
- Orthopedic
- Women’s health
- Urology
- ENT
- Cardiovascular
- Ophthalmic
- Podiatry
- Pain management
- MSK/spine



Case study results

$1.6M
realized savings

$4.81
PEPM savings

86
NPS

Previously untapped savings across 12 surgical specialties

Optimizing surgical spending at the individual level delivers savings to the individual, the employer and health plans. The site of service alone can deliver millions in cost savings and further savings may be collected from a higher rate of completed screenings.

The broad array of surgeries available for the program also expands the savings potential. Individuals may require an orthopedic service one year and gastro-intestinal surgery in the future. The SMS program has found savings in 12 distinct specialties and over 5,500 types of surgeries.

10,593 physicians in more than 40 states

SMS has built a provider alliance in each community through strong provider relations and advocacy programs. Most of the providers are unaffiliated with a hospital. But those who are can still choose to send their patients to an ASC, when appropriate. Employers and patients benefit from the added support and guidance given to consumers. This added quality of care is an important success factor in bridging the connection between patients and specialists.

1.2M lives and growing

In the past year, SMS has had over 32,000 member interactions across 40 states. And by the end of 2022, 3 million people will have access to this benefit. A strong local presence and the largest alliance of in-network quality providers and ambulatory surgery centers make it possible for these members to see quality and beneficial cost impact.

Employers appreciate that the experience is presented to employees as an employer benefit — an add-on to their existing program. It does not require a benefit plan change and has a positive impact on NPS scores.



"We take available data and technology to improve the human experience. Whether we are talking to consumers or physicians, we recognize the importance of a direct human connection and how important that is to health care."

— Nicole Semeraro, CEO, Surgical Management Solutions

Source

1. Surgical Management Solutions. Many outpatient surgeries cost more than they should. Accessed Nov. 18, 2021.

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