

## Jackie Gonzalez

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**From:** Nestor Ventura  
**Sent:** Monday, December 09, 2013 9:35 AM  
**To:** Jackie Gonzalez; Carolyn Domina  
**Subject:** Surgical Profitability Compass

Jackie,

Surgical Profitability Compass connects data from our supply chain information system (Lawson) with clinical data from Surginet and billing / reimbursement data from AS-400 (later from Cerner when we convert the billing system). It combines the data from each of these which can then be drilled down to the encounter level.

This data will be used to determine high cost / low reimbursement cases to address variations, differences in procedure cost due to physician preferences, variations among teams for supply cost, turnover times and first case starts all of which can be benchmarked within the cohort and can be accessed by an unlimited number of users at MCH.


It allows us to benchmark with the 240 member cohort with 5 million surgical cases including 26 children's hospitals. The benchmark includes cost for 7 million supply items down to the item level providing data on competitive or alternative products giving us additional leverage for negotiating supply costs. Benchmarking will allow comparison by procedure based on ICD codes as well as demographics such as age.

The block management tool connects all the data to block utilization down to the hour of day allowing us to more precisely manage blocks based on surgeon performance and profitability of cases.

All of this is estimated to reduce supply cost by at least 2 % in the first year (\$200,000). Our overall goal is to reduce by at least 4% in 2014.

Let me know if there are any other questions.

Thanks,

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