

REGIONAL ANESTHESIA

The Financial Impact of

Nerve Blocks

In our 2nd annual survey, readers describe how regional anesthesia affects their facilities' bottom lines.

Kent Steinriede | Associate Editor



▲ **LEAN TEAM** Starting blocks in a pre-op area reduces the time a patient spends in the OR and shaves about 39 minutes off a PACU stay.

The clinical benefits of regional anesthesia — better pain control, lower PONV rates, faster recoveries — are well-documented. But did you know that nerve blocks can also be good for your bottom line? By a nearly 2-to-1 margin, respondents to an *Outpatient Surgery* survey said nerve blocks reduce the cost of each case. Only 18% said regional anesthesia raises costs. To understand the financial benefits of nerve blocks, you must reconcile the cost of supplies and the time it takes to start a block against the savings in time, post-op complications and medications the technique affords.

Shorter stays save money

Regional anesthesia lets you forego or reduce the amount of opioids you administer to patients for pain control during and after surgery. As a result, patients emerge less groggy, experience less post-op nausea and vomiting, spend less time in the PACU and can go home earlier. In our survey of 107 *Outpatient Surgery* readers, 82% said that peripheral nerve

blocks reduce the amount of time patients stay in the PACU, with a median time reduction of 39 minutes.

Survey respondents estimated that PACU care costs a median of \$10 per minute, so saving 39 minutes per patient adds up quickly. “It’s reduced our overtime and having staff stay late,” says Carol O’Hara, RN, BS, clinical administrator of the regional anesthesia program at West Kendall Surgery Center in Miami, Fla. Fifty-eight percent of our respondents said that regional anesthesia reduced an average patient’s *total* stay by a median of 45 minutes.

If your facility doesn’t administer blocks effectively, the extra time it requires on the front end can add minutes to a case. Twelve percent of survey respondents said that regional anesthesia adds a median time of 30 minutes to a patient’s stay. Speed comes with practice, says Ms. O’Hara. “The more blocks you do, the better you get.”

Once the block team is up to speed, regional anesthesia can shave time off the front end of the perioperative period, says Philip Bilello, MD, attending

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▲ WORTH EVERY CENT Administering nerve blocks costs about 23¢ in supplies and shortens a patient's stay by about 45 minutes.

anesthesiologist at the Paoli (Pa.) Surgery Center. When blocks are administered in a pre-op area, much of the time saved is in

the operating room, which is much more expensive per minute than the pre-op area or PACU. What's more, general anesthesia can increase the risk of airway complications, which may require longer OR times, increased costs and delays in the schedule, says Dr. Bilello.

Lower medication costs

Nearly 52% of survey respondents said regional anesthesia reduces the per-case medication cost for general anesthesia. With a nerve block, patients need fewer or no narcotics for intraoperative pain control. A patient's heart rate and blood pressure, which can be indicators of pain while under general anesthesia, often are very stable. "With regional anesthesia, you just don't see that up and down," says Eric Crabtree, MD, an anesthesiologist who practices at the Brainerd Lakes Surgery Center in Baxter, Minn. "Their vital signs are like railroad tracks."

Fentanyl costs about \$20 per patient and sufentanil about \$30 per patient, so the savings on narcotics can be great when you consider how much you'd use over the course of a year without nerve blocks, says Dr. Crabtree. He notes that the potential cost savings are particularly substantial during shoulder procedures. "Rotator cuff surgery is quite painful when they put in the anchors."

Relying less on general anesthesia also decreases your facility's expenses for inhalational drugs (\$120 to \$200 per bottle), laryngeal mask airways, tubing and other anesthesia supplies, says Dr. Bilello.

Finally, with 74% of survey respondents reporting lower rates of PONV since they began their regional anesthesia program, consider how much you could

be saving in antiemetics. Drugs like ondansetron or scopolamine cost just \$2 to \$3 per dose, but multiplied by thousands of cases per year, the savings can be considerable, notes Dr. Bilello.

Get paid for blocks

Collecting facility reimbursement for nerve blocks adds directly to a surgical facility's bottom line.

Outpatient Surgery Reader Survey

Regional Anesthesia's Money and Time Savings

What percentage of your non-Medicare nerve block facility fee claims are reimbursed by third-party payors?

None	29.3%
Some	29.3%
Most	22.4%
Nearly all	19%

How do peripheral nerve blocks affect your per-case cost for general anesthetics?

Lower cost	51.6%
Increase cost	3.3%
No effect	14.3%
I don't know	30.8%

Accounting for the time needed to administer a peripheral nerve block, does a nerve block reduce or add to an average patient's stay in your facility?

Saves time	58% (median time saved: 45 minutes)
No change	30%
Adds time	12% (median time added: 30 minutes)

Do peripheral nerve blocks add to, or reduce from, a patient's stay in the PACU?

Saves time	82% (median time saved: 39 minutes)
No change	15%
Adds time	3% (median time added: 32.5 minutes)

SOURCE: *Outpatient Surgery Magazine* Reader Survey, September 2010, n=107

However, about 3 out of 10 survey respondents said they never collect a facility fee for nerve blocks, and only 7% percent have their nerve block facility fee claims reimbursed 90% of the time or more.

While Medicare doesn't reimburse a facility for peripheral nerve blocks, many third-party payors do. "It depends on the payor," says Bill Hazen, RN, administrator of the Surgery Center at Pelham in Greer, S.C. "We're fortunate in how we negotiated our contracts." Mr. Hazen's center is part of a regional healthcare system that negotiated for the facility fee for blocks to be reimbursed as a percentage of billed charges, rather than based on grouper rates.

Even with a third-party payor that reimburses for blocks, it's important to order, document and bill the block appropriately. "You have to bill it as post-op pain management," says Mr. Hazen. To do this, the surgeon has to request the pain management

block before the procedure. Although the patient will benefit intraoperatively from the block, the block should not be part of the anesthesia record or claim. It needs to be a separate claim, says Mr. Hazen. (For more billing tips, see "*Get Paid for Nerve Blocks Every Time*," April 2010.)

Worth the expense

In addition to the time- and money-saving benefits outlined above, facilities that have successfully implemented regional anesthesia say it can boost surgeon and patient satisfaction in your center. Patients in particular will appreciate having a smooth and fast recovery, and that's worth a lot, says Mr. Hazen. "Even if you don't get paid, it's the way to go." **OSM**

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1. Viscusi, E, Gandhi, K: Peripheral Nerve Blocks Have Come a Long Way. Outpatient Surgery, Oct. 2009. 170 respondents from hospital & outpatient facilities.

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