Qventus

eBook

The $35M problem

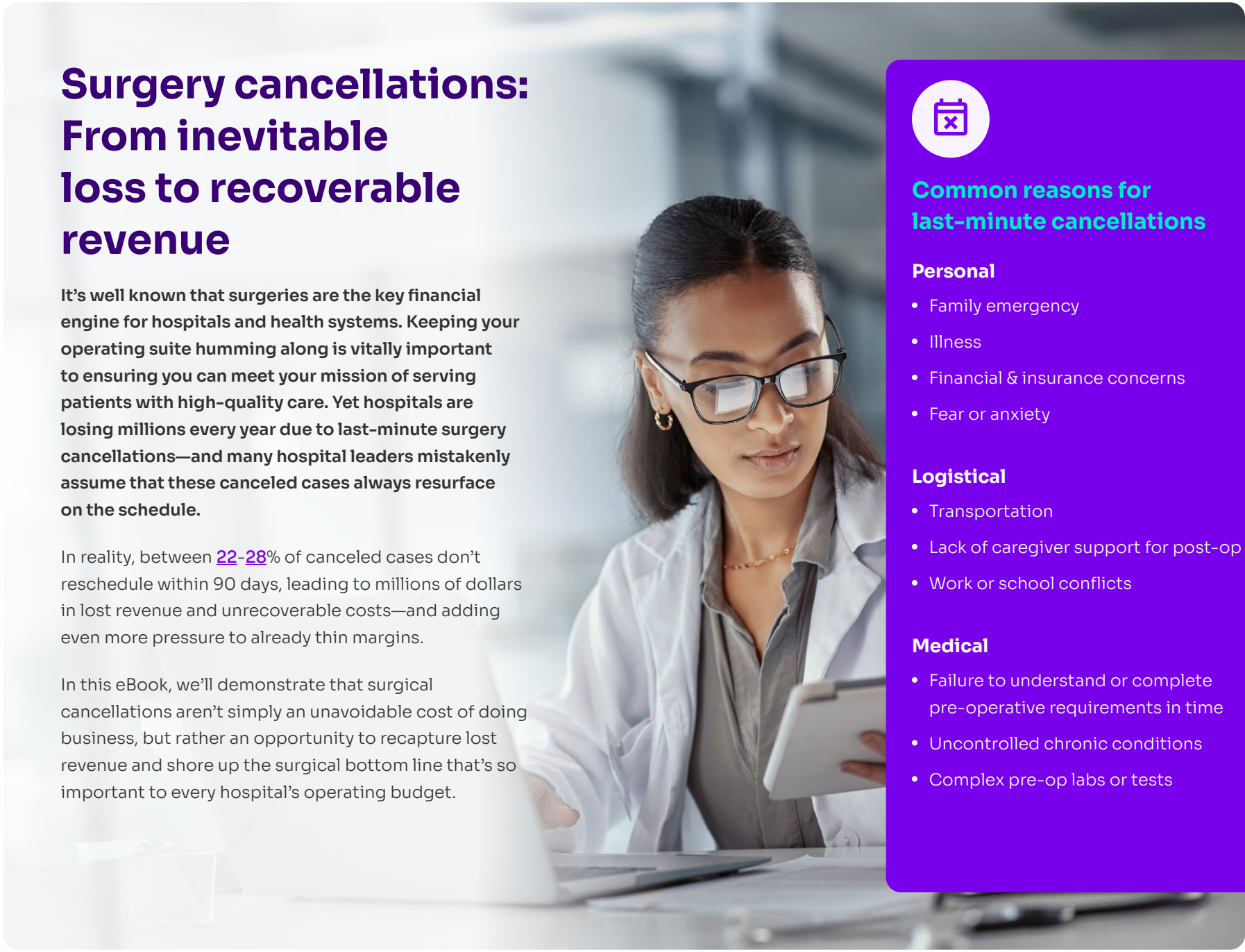
How surgical leakage is draining your hospital's bottom line

Surgery cancellations: From inevitable loss to recoverable revenue

It's well known that surgeries are the key financial engine for hospitals and health systems. Keeping your operating suite humming along is vitally important to ensuring you can meet your mission of serving patients with high-quality care. Yet hospitals are losing millions every year due to last-minute surgery cancellations—and many hospital leaders mistakenly assume that these canceled cases always resurface on the schedule.

In reality, between 22-28% of canceled cases don't reschedule within 90 days, leading to millions of dollars in lost revenue and unrecoverable costs—and adding even more pressure to already thin margins.

In this eBook, we'll demonstrate that surgical cancellations aren't simply an unavoidable cost of doing business, but rather an opportunity to recapture lost revenue and shore up the surgical bottom line that's so important to every hospital's operating budget.



Common reasons for last-minute cancellations

Personal

- Family emergency
- Illness
- Financial & insurance concerns
- Fear or anxiety

Logistical

- Transportation
- Lack of caregiver support for post-op
- Work or school conflicts

Medical

- Failure to understand or complete pre-operative requirements in time
- Uncontrolled chronic conditions
- Complex pre-op labs or tests

Deconstructing the cancellation myth: How to calculate your true financial drain

For decades now, the C-suite has been hindered by a persistent financial myth: that the revenue from a canceled surgery isn't a top priority; that it's simply a minor scheduling inconvenience and that the cost will be recaptured when the patient inevitably reschedules their surgery.

It's understandable that hospital finance leaders have followed this flawed logic—after all, there are so many profitability challenges to solve in the surgical setting. But here's the truth: surgical cancellations represent one of the most significant and misunderstood threats to a health system's financial stability.

Canceled surgeries impact hospitals' bottom lines in not one, but two distinct ways:

1. MARGIN EROSION

The hidden cost of rescheduling

Even when a case is successfully rescheduled, its profitability is permanently damaged. When a case is canceled within the 72-hour window, there are significant, unrecoverable costs—think specialized supplies, contract staff, anesthesia, and the fixed cost of the OR time itself. If a patient does end up rescheduling, hospitals could pay those medical optimization costs twice, but are only paid for the surgery once, directly diminishing the contribution margin.

2. PATIENT LEAKAGE

The permanent revenue loss

The term "leakage" can be used to refer to cases that are canceled and never rescheduled within a meaningful timeframe. These cancellations are the most significant flaw in the Deferred Revenue Myth. When patients never reschedule, hospitals face a 100% loss of revenue and margin. Leakage is especially high when surgeons hold credentials at multiple facilities; a cancellation at your hospital gives them a direct incentive to move that case—and its revenue—to a competitor with more immediate availability.

Deferred Revenue Myth

noun

The fundamental misbelief that revenue from cancelled surgeries is eventually recouped.

Used in a sentence:
While canceled surgeries are often viewed as temporary disruptions that will resolve through rescheduling, the evidence refutes this deferred revenue myth. Studies consistently show that about 20% of canceled cases never return to the schedule, meaning the associated revenue and margin are permanently lost.

Doing the math: Understanding your true financial downside

Grab a pencil and fill in the blanks below.

Margin Erosion Cost

Number of Rescheduled Cases

× Average Cost of Wasted OR Slot

$ _____

+

Leakage Cost

Total Cancelled Cases

× Leakage Rate

× Average Contribution Margin per Case

$ _____

=

Total True Annual Cost

$ _____

Need more help?

Visit www.qventus.com/resources/resource-library/perioperative-care-coordination-roi-calculator or scan this QR code to try our Surgical Cancellation Calculator.

Big challenge, big opportunity

Let's explore a real-life example from a large health system in the U.S. This health system was experiencing significant cancellation rates. During our study period:

- 15% of surgical cases were canceled within 72 hours of surgery
- Only ~50% of these cancelled cases were eventually rescheduled and performed within 90 days

This leakage volume, over 7,000 annualized cases, led to frustrated patients, less productive surgeons, and wasted operating room time.

Bottom line: **Based on a Contribution Margin (CM) of $5,000 per case, the total opportunity lost due to these outmigrated cases was estimated at $35 million annually.**

Now, let's look at this health system's expected ROI from reducing surgical leakage. By proactively addressing common causes of cancellation, the Qventus Perioperative Care Coordination solution can **reduce cancellations by 20 to 35%**.

Based on the annual leakage volume of ~7,000 cases, the expected value summary (annualized) is as follows:

Performance Scenario	Reduction in Cancellations	Cases Recouped (Annualized)	Estimated Value (at $5,000 CM/ Case)
Low Scenario	20%	1,404	$7,022,000
High Scenario	35%	2,458	$12,288,500

In short, the health system can expect a return of $7M to $12M annually, just by reducing avoidable cancellations.

So, what options do health system executives have?

Option 1
Continue with the status quo. Accept ongoing surgical margin erosion.

Option 2
Muscle through with expensive, incremental fixes—shifting the burden to already stretched teams.

Option 3
Partner with Qventus. Deploy our proven, pre-built solution with guaranteed results.

The only option: Guaranteed results with the Qventus Perioperative Care Coordination Solution

The Qventus Perioperative Care Coordination (PCC) Solution is designed to directly solve this multi-million dollar challenge by shifting the entire pre-admission testing (PAT) process from reactive to proactive. It identifies and resolves cancellation risks far upstream, protecting your margins and preventing leakage by taking these actions:

Proactive Rescheduling
Identifying potential issues well in advance—such as family emergency, illness, transportation issues, patient financial concerns, or inability to complete preparation—and helping reschedule appointments.

Resolving Date Mismatches
Quickly resolving patient confusion regarding surgery dates and times, preventing no-shows due to miscommunication—a significant benefit for the majority of surgical patients who are between 60 and 80 years old.

Intelligent Document Management
Efficiently capturing and updating records for surgeries patients report as rescheduled, maintaining accurate schedules and preventing confusion-driven cancellations significantly ahead of the procedure.

Early Cancellation Capture
Identifying direct cancellation requests earlier than 72 hours before the procedure date, This allows the care team to intervene and process reschedule requests efficiently, often preventing a last-minute cancellation that results in unused precious OR time.

Supercharge PAT Nurse Capacity
An AI Assistant automates low-value administrative work, including scheduling patient calls, requesting and summarizing medical records, and processing faxes. This frees up skilled nurses to focus on high-risk patients, increasing PAT capacity by up to 50%.

Flag Risk Continuously
Machine learning algorithms automatically scan EHRs, charts, and patient data to identify patient-specific risk factors (e.g., NPO, transportation, or medication issues) early, ensuring teams can intervene before costs are locked in.

Automate Patient Engagement
An **AI Patient Concierge** uses automated voice, text, and email outreach to gather intake information, coordinate pre-op appointments, and ensure patients are prepared, dramatically reducing patient-driven cancellations.

PCC Solution in action: Customer case study

An academic medical center (AMC) and Level I trauma center turned to Qventus to improve its surgical program by optimizing the scheduling and pre-admission testing processes, **reducing labor costs by 2.5 FTE in 2026 and 2027 and decreasing same-day cancellations by 20%.**

Specific touchpoints built into our PCC Solution work on PAT team members' behalf to prevent cancellations based on specific, and common, causes.

GLP-1 touchpoint

Because patients taking weekly GLP-1s must discontinue use one week prior to surgery due to anesthesia complication risk, it's a common reason for cancellation—often, busy PAT nurses simply can't get in contact with patients with enough advance notice to discontinue.

- **Patients at this AMC who received the GLP-1 touchpoint have an almost 7 percentage-point lower cancellation rate (23.6% vs 30.1%).**

NPO touchpoint

Nil per os or "nothing by mouth" is the requirement that patients avoid food and drink for a certain time period before surgery. Busy PAT nurses do their best to remind patients in the days and hours leading up to their surgeries, but cancellations persist.

- **Patients who received the NPO touchpoint have a 15 percentage-point lower cancellation rate (15.2% vs. 28.9%).**

Transportation touchpoint

For many patients, transportation to and from the hospital represents a significant hurdle, but one that can be easily fixed with support.

- **Patients who are contacted by the transportation touchpoint to ensure they have reliable transportation to and from their surgery have a more than 10 percentage-point lower cancellation rate (18% vs. 28.6%)**.

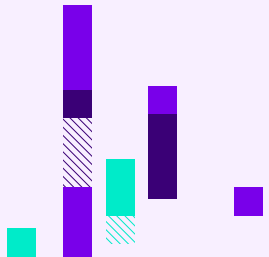
Antithrombotic touchpoint

Many blood thinning medications must be stopped a matter of hours or days before surgery, depending on the medication and the procedure. When patients aren't made aware or reminded, cancellations are common.

- **Patients who received the antithrombotic touchpoint had a 9 percentage-point lower cancellation rate (19.1% vs 28.3%).**

While it's impossible to get cancellations down to zero, these numbers show that we've correctly identified high-impact cancellation reasons, we've helped this AMC realize meaningful improvements, and we expect our positive impact to continue as we expand and refine these touchpoints.

> **"We've already seen a 20+% reduction in cancellations by enabling additional screenings per hour per FTE by reducing manual work like faxing and chart mining."** – **Chief Nursing Officer,** Large Academic Medical Center



Qventus

Take action today to secure your margins

Stop passively absorbing millions in preventable losses and start proactively deploying a modern strategy that unlocks hidden capacity and drives profitable surgical growth.

Contact us today for a complimentary analysis to quantify your hospital's true surgical cancellation cost.

Request a demo