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Clustering surgical procedures for master surgical scheduling

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FOR MASTER SURGICAL SCHEDULING**

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Clustering Surgical Procedures for Master Surgical Scheduling

Alexander Kressner · Katja Schimmelpfeng

Abstract The sound management of operating rooms is a very important task in each hospital. To use this crucial resource efficiently, cyclic master surgery schedules are often developed. To derive sensible schedules, high-quality input data are necessary. In this paper, we focus on the (elective) surgical procedures' stochastic durations to determine reasonable, cyclically scheduled surgical clusters. Therefore, we adapt the approach of van Oostrum et al (2008), which was specifically designed for clustering surgical procedures for master surgical scheduling, and present a two-stage solution approach that consists of a new construction heuristic and an improvement heuristic. We conducted a numerical study based on real-world data from a German hospital. The results reveal clusters with considerably reduced variability compared to those of van Oostrum et al (2008).

Keywords master surgery scheduling (MSS) · stochastic surgery duration · surgery types · clustering

1 Introduction and Problem Description

Over recent decades, the demand for health care services in industrialized countries has been constantly rising (OECD, 2011). Simultaneously, most countries limit public health spending. Therefore, hospitals face the challenge of using scarce resources even more efficiently. One of these resources is the operating theater, which generates the largest part of the cost and revenues in a hospital (Cardoen et al, 2010). To manage its operations and processes successfully, adequate planning and scheduling approaches are crucial. Generally, planning and scheduling tasks in the context of the operating theater belong to a specific level of the decision hierarchy: the strategic, tactical or operational level (Guerriero and Guido, 2011; Hans et al, 2012). At the strategic level, a hospital determines the capacity dimensions, such as the number of operating rooms (OR) or the technical equipment that each OR contains. Allocating available OR capacities to specialties or surgery types belongs to the tactical level, whereas the operational level addresses short-term scheduling and the rescheduling of patients.

Among others, van Oostrum et al (2008) proposed a so-called cyclic master surgery scheduling approach for tactical planning tasks that can be used in hospitals with a stable volume of elective surgical procedures during consecutive weeks. The idea is to aggregate surgical procedures to some reasonable surgery types and to determine the number of slots allocated to each type for any OR and day within one cycle. After a fixed cycle length of typically one or two weeks, the schedule is repeated until a new (cyclic) schedule seems to be necessary. Figure 1 shows an example of such a master surgery schedule for the working days of Monday to Friday, using three operation rooms. Using a master surgery schedule (MSS)

- lowers the managerial burden of developing new schedules every week,
- makes it possible to coordinate technical and personnel resources early and
- guides patient scheduling such that hospitals use their ORs efficiently (van Oostrum et al, 2010).

MSS objectives cover maximizing utilization, minimizing cost, controlling overtime or leveling workloads in the ORs and subsequent departments, for example, the intensive care units (ICU) or wards (Beliën and Demeulemeester, 2007; Fügener et al, 2014; van Oostrum et al, 2008).

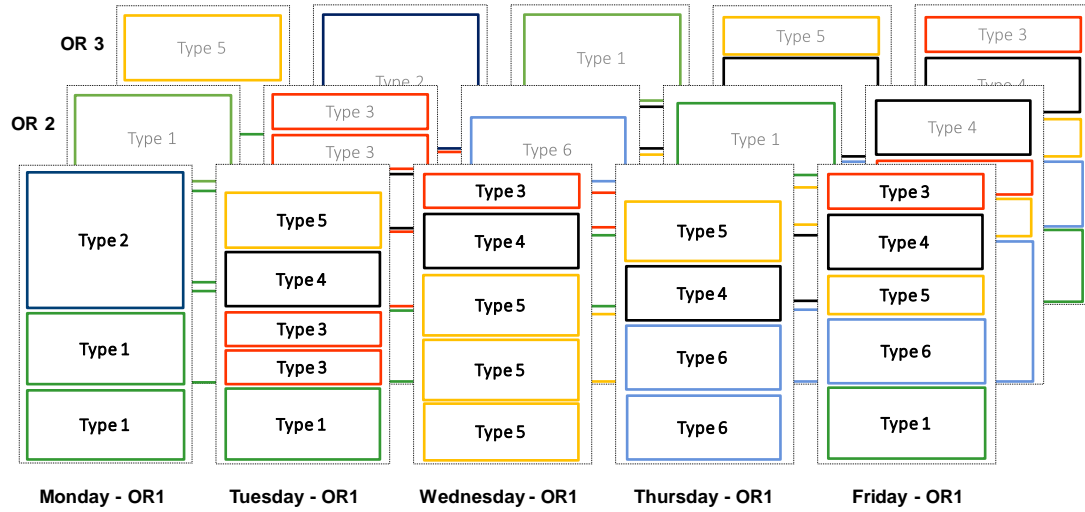


Fig. 1: Example of a master surgery schedule for three operation rooms operating from Monday to Friday

Cyclically scheduled surgery types represent the building block of a MSS. Taking the German situation as an example, a surgery type consists of the surgical procedures defined by the so-called German “Operationen- und Prozedurenschlüssel” (OPS) – a modification of the International Classification of Procedures in Medicine (ICPM). The OPS defines surgeries at the lowest level of aggregation. In its current version, it consists of 28,800 different codes (DMDI, 2014). Grouping surgical procedures to construct logistically homogenous surgery types is a very challenging planning task. Logistical homogeneity is measurable based on attributes such as surgery duration, length of stay, staff requirements and use of medical devices (van Oostrum et al, 2011). For master surgery scheduling, constructing surgery types with little variability in the surgery duration is very important: poorly grouped surgical procedures exhibit high variability, which will make building master schedules with high OR utilization and little overtime on this basis almost impossible. From this perspective, a very granular grouping with a large number of surgery types appears to be beneficial. However, we must also account for the cyclic nature of a MSS and ensure that integer numbers of surgery slots are scheduled to obtain a valid solution, which calls for a substantial degree of aggregation.

Generally, when constructing a new schedule, forecasting the number of cases per surgery type divided by the number of cycle repetitions yields the corresponding cyclic number of slots. In most cases, the resulting number is not an integer. One intuitive method of addressing the problem may be rounding up to the next integer value. Certainly, doing so would heavily overestimate the capacity demand for the operating theater, and it may even be impossible to find feasible plans. However, rounding down to the next integer value may underestimate the resource requirements. Somewhat infrequent surgery types that have a cyclic number of slots smaller than one may not even occur in the schedule. Instead of relying on (arbitrary) rounding, a so-called dummy surgery type can be introduced and used to pool all of the fractional parts of the surgery types' cyclic number of slots, as proposed by van Oostrum et al (2011). Finally, rounding up this (pooled) number to the next integer results in an almost perfectly matched demand. Using this specific concept, it is mandatory to consider the composition and the resulting variability in the dummy type compared to the regular surgery types.

The task of grouping surgical procedures is basically a clustering problem that is not exclusively relevant in master surgery scheduling. In the healthcare literature, several papers that address operating theater planning consider aggregated surgical procedures (Adan and Vissers, 2002; Santibáñez et al, 2007; Adan et al, 2009; Ma and Demeulemeester, 2013). Nevertheless, despite its importance and the diversity of well-elaborated clustering algorithms (for an overview see, Xu and Wunsch (2005)), tailored approaches to generating appropriate surgery types/clusters for strategic and tactical operating theater planning in the literature are rare (Dilts et al, 1995). Furthermore, except for the work by van Oostrum et al (2011), we are not aware of any approach to surgery type clustering in a cyclic planning environment.

In this paper, we show how operations research techniques can be applied to solve a specific clustering problem for a cyclic planning problem, namely, master surgery scheduling. Similar to the work by van Oostrum et al (2011) our approach is based on the concept of a dummy surgery type and aims to minimize the variability in the clusters regarding surgery durations. In addition, we make the following contributions: we present a two-stage clustering algorithm with a new constructive heuristic compared to van Oostrum et al (2011) and a heuristic that improves initial partitions. The specific feature of the latter is the use of a non-linear optimization model integrated in an algorithmic framework. To solve the model with a commercial MIP-solver,

we present a linear reformulation and introduce some intuitive simple inequalities to accelerate computation times. In a numerical study with real-world data from a German hospital, we show that our clustering algorithm is able to find partitions with considerably reduced variability.

The remainder of this paper is structured as follows: we dedicate Section 2 to a brief overview of the relevant literature. In Section 3, we illustrate the clustering problem and a corresponding mathematical optimization model. In Section 4, we present a two-stage solution approach that aims at homogenous clusters. In Section 5, our algorithm is applied to real-world data from a German hospital. Furthermore, the results of the numerical study are presented. Finally, Section 6 recapitulates the paper's most important findings and outlines some ideas for future research.

2 Related Literature

Clustering as a main data mining task refers to descriptive modeling (Meisel and Mattfeld, 2010). Its objective is to partition a given set of objects into subgroups such that the objects within a subgroup are similar to each other and separable from objects in other groups according to some similarity measure. Before defining such an adequate similarity measure, relevant object features must be selected. Discovering these relevant features primarily depends on the underlying decision problem. To ease the computational burden of any clustering algorithm and allow an intuitive comprehension of the results, only the most relevant features should be used. After having determined the relevant features, carefully defining an adequate similarity measure is crucial. In most cases, it is possible to define (dis-)similarity based on well-known distance measures, for example, Euclidian, city block or Mahalanobis distance (for a general overview, see Xu and Wunsch (2005); Jain et al (1999)). Finally, constructing a function to evaluate the partition's quality is necessary. In this sense, it seems natural to represent a clustering problem as a mathematical optimization problem. Hansen and Jaumard (1997) illustrate various optimization criteria and the formulation of clustering problems as mathematical programs. Recent review papers by Olafsson et al (2008); Meisel and Mattfeld (2010); Corne et al (2012) highlight this relationship and emphasize the synergies of the well-elaborated domains of operations research and data mining. Sağlam et al (2006); Inniss (2006); Romanowski et al (2006); Kulkarni and Fathi (2007) present examples that apply operations research techniques to clustering problems.

To solve a clustering problem, two types of algorithms are available: hierarchical and partitional algorithms (Jain et al, 1999). The latter start with an initial partition of objects, choosing the number of clusters in advance. Subsequently, objects are assigned to clusters to optimize a given objective function. Most likely, the best-known partitional clustering method is *k-means* (MacQueen, 1967). It begins by randomly picking k cluster centers and then assigns each object to the closest center. Then, the cluster centers are recomputed. The algorithm iterates until no more changes in the cluster centers occur. Variants of the basic *k-means* algorithm attempt to find good initial partitions to accelerate convergence or to allow a dynamic number of clusters by splitting and merging procedures (Jain et al, 1999).

Hierarchical algorithms generate a series of partitions organized in a hierarchical manner. With agglomerative and divisive methods, two variants of hierarchical algorithms exist. The former starts with a partition where each object forms an individual cluster. Given some distance matrix, the two clusters closest to each other are merged. This process is repeated until all objects lie within one cluster. Divisive methods work in the opposite direction. Initially, all objects belong to a single cluster. In the next iterations, the algorithm successively divides partitions until each object forms its own cluster. Due to the computational complexity of divisive hierarchical algorithms, it is common to use agglomerative methods (Xu and Wunsch, 2005). One popular approach in this domain is *Ward's method*, which uses the sum of error squares to evaluate different partitions. In each step of the algorithm, cluster pairs that lead to the objective function's minimal increase are merged. Finally, the decision maker can appropriately choose out of the derived partitions (Ward, 1963).

As described in Section 1, papers that address strategic and tactical planning in the operating theater typically only assume that surgery types with a low variability of resource consumption exist. However, reviewing the literature related to healthcare management, we only identified the approach of van Oostrum et al (2011) that groups surgical procedures for a specific OR planning task. As in our case, the authors perform clustering with the goal of allowing master surgery scheduling. Typically, authors consider the features "surgery durations" and "lengths of stay" when constructing surgery types. Conceptually, the employed clustering algorithm is a

variant of Ward's method that uses a modified distance matrix (van Oostrum et al, 2011). The distance between a cluster pair is computed in three steps:

1. First, van Oostrum et al (2011) compute the sum of squared errors regarding the surgery duration and the length of stay in each cluster.
2. Second, they determine the number of dummy surgeries associated with each cluster. By using a scalarization function, squared error sums and dummy surgeries are aggregated per cluster.
3. Finally, summing up over all clusters allows to evaluate the partition's quality. The entries of the distance matrix represent the change in the objective function for each possible merger of two clusters in some iteration of the algorithm.

In their case study, van Oostrum et al (2011) show the influence of different parametrizations of the scalarizing function on the partitioning of the data set.

3 Detailed Problem Description and Model Formulation for the Clustering Problem

3.1 Definition of an Appropriate Evaluation and Objective Function

The main goal in master surgery scheduling is to ensure a high utilization of ORs without having excessive overtime. Because surgery durations exhibit a distinct natural variability, planning approaches that anticipate this uncertainty are very well suited. However, defining surgery types with little variability in surgery durations is a prerequisite to obtain good-quality planning results: the higher the surgery durations' variability is, the more additional slack capacity in the ORs is necessary to buffer against overtime. Consequently, this slack has a negative effect on the OR utilization. Thus, given a historical record of surgical procedures with corresponding realizations of the random duration of individual surgeries, we strive to find a partition of procedures that minimizes the overall sum of squared errors. Such a partition defines the surgery types (clusters of procedures) used in MSS. Figure 2 shows the hierarchical relationship between individual surgeries i , surgical procedures p and the surgery types c we are aiming for.

In our approach, we account for the cyclic nature of MSS and build on the concept of a dummy surgery type adjacent to the regular surgery types. However, unlike van Oostrum et al (2011), we precisely evaluate not only the total number of dummy surgeries but also the sum of

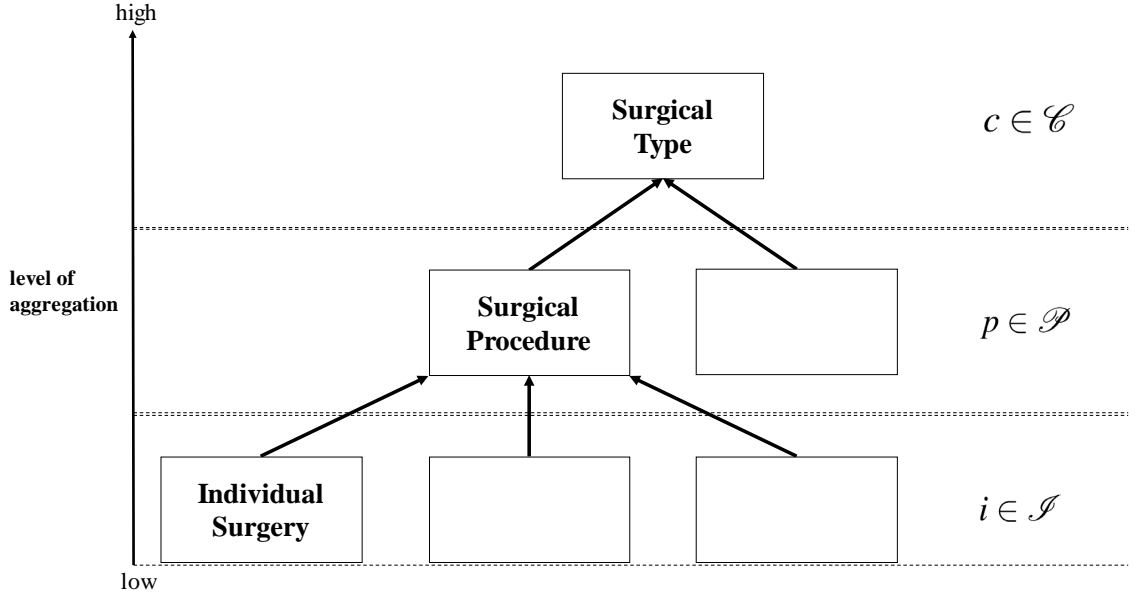


Fig. 2: Hierarchical relationship between i , p and c

squared errors. Hence, we avoid using an arbitrarily chosen scalarization function to summarize two distinct variables, i.e., the squared error sum of surgery durations and the number of dummy surgeries.

To quantify the loss of information resulting from clustering surgical procedures to surgical types, we need a function that evaluates the sum of squared errors over all clusters, including the dummy cluster for any grouping of surgical procedures. In the following, we derive such an evaluation function step by step, using the subsequent notation summarized in Table 1 in alphabetical order.

Therefore, we denote the number of MSS cycle repetitions by r . Let us assume that we have a sample \mathcal{I}_p of individual (recorded) surgeries $i \in \mathcal{I}$ each associated with a surgical procedure $p \in \mathcal{P}$. In addition, let a_{pi} be the recorded duration of an individual surgery i associated with procedure p . The parameter n_p denotes the (forecasted) number of surgeries of procedure p over the planning horizon of typically one year (for example, see van Oostrum et al (2008)). \mathcal{L}_c defines a cluster of surgical procedures p associated with surgery type $c \in \mathcal{C}$.

Sets and indices

$c \in \mathcal{C}$	set of surgery types c
$i \in \mathcal{I}$	set of individual (recorded) incidents/surgeries i
$p \in \mathcal{P}$	set of recorded surgical procedures p , defined according to the OPS
\mathcal{I}_p	sample of individual surgeries $i \in \mathcal{I}$ each associated with a surgical procedure $p \in \mathcal{P}$
\mathcal{Z}_c	set of surgical procedures p associated with surgery type $c \in \mathcal{C}$

Parameters

\hat{a}_D	average surgery duration in the dummy cluster
\bar{a}_c	average surgery durations in the regular clusters
a_{pi}	recorded surgery duration of surgery i of procedure p
$ESS_{c,D}$	squared error for each cluster c regarding the average dummy surgery duration
ESS_D	squared error sum in dummy cluster D
ESS_c	expected squared error for each regular cluster c
ESS_T	total squared errors over all clusters
n_p	(forecasted) number of surgeries of procedure p over the planning horizon
r	number of MSS cycle repetitions
V_c	number of surgeries of type $c \in \mathcal{C}$ moved into the dummy cluster

Table 1: Notation in Section 3.1

- First, we calculate the squared error sum in the dummy cluster ESS_D . Therefore, we determine the number of surgeries from each regular cluster V_c moving into the dummy cluster:

$$V_c = \sum_{p \in \mathcal{Z}_c} n_p - \left\lfloor \frac{\sum_{p \in \mathcal{Z}_c} n_p}{r} \right\rfloor r, \quad c \in \mathcal{C} \quad (1)$$

The first term represents the volume of cases in cluster c over the complete planning horizon, whereas the second term yields the corresponding number of cases if $\left\lfloor \frac{\sum_{p \in \mathcal{Z}_c} n_p}{r} \right\rfloor$ slots of surgery type c are scheduled in each cycle. The remaining difference reveals the number of dummy surgeries originating from surgery type c .

- To assess ESS_D , it is necessary to calculate the average surgery duration in the dummy cluster \hat{a}_D (which is also denoted as the cluster centroid). We use a weighted sum of the average surgery durations from the regular clusters \bar{a}_c :

$$\hat{a}_D = \frac{\sum_{c \in \mathcal{C}} V_c \bar{a}_c}{\sum_{c \in \mathcal{C}} V_c} \quad (2)$$

- Next, we compute the sum of squared errors for each cluster regarding the average dummy surgery duration $ESS_{c,D}$:

$$ESS_{c,D} = \sum_{p \in \mathcal{Z}_c} \sum_{i \in \mathcal{I}_p} (a_{pi} - \hat{a}_D)^2, \quad c \in \mathcal{C} \quad (3)$$

- Naturally, only a certain fraction of that variability can be attributed to the dummy cluster. Therefore, we scale $ESS_{c,D}$ according to the number of dummy surgeries and regular surgeries in each cluster and compute ESS_D :

$$ESS_D = \sum_{c \in \mathcal{C}} \left(ESS_{c,D} \cdot \frac{V_c}{\sum_{p \in \mathcal{Z}_c} n_p} \right) \quad (4)$$

- The computation of the squared error sum ESS_c for each regular cluster c must consider that V_c of the $\sum_{p \in \mathcal{Z}_p} n_p$ surgeries move in the dummy cluster. Consequently, the original variability in each cluster can only be considered proportionally to the number of surgeries remaining in the regular cluster:

$$ESS_c = \sum_{p \in \mathcal{Z}_c} \sum_{i \in \mathcal{I}_p} (a_{pi} - \bar{a}_c)^2 \left(1 - \frac{V_c}{\sum_{p \in \mathcal{Z}_c} n_p} \right), \quad c \in \mathcal{C} \quad (5)$$

- Finally, we can aggregate the sum of squared errors over all clusters and obtain the total squared error sum ESS_T :

$$ESS_T = \sum_{c \in \mathcal{C}} ESS_c + ESS_D, \quad (6)$$

In the following sections, we present the assumptions of our model and a mathematical model that groups surgical procedures to clusters minimize the evaluation function value ESS_T .

3.2 Assumptions

First, we cluster only within a specialty, mainly for organizational reasons, because sharing slots for surgeries among specialties is very conflicting. Second, we assume the number of clusters and average surgery durations in each cluster to be known a priori. In doing so, we face a reduced

Indices and index sets:

$p, p' \in \mathcal{P}$	surgical procedures according to OPS
$c \in \mathcal{C}$	regular surgery types/ clusters
$i \in \mathcal{I}$	individual surgeries
\mathcal{I}_p	subset of surgeries assigned to procedure p

Parameters:

a_{pi}	recorded duration of individual surgery i belonging to procedure p
n_p	forecasted number of surgeries of procedure p
\bar{a}_c	average surgery duration of surgery type/ cluster c
\hat{a}_D	average surgery duration of the dummy-surgery type/ dummy-cluster
r	number of MSS cycle repetitions

Decision variables:

X_{pc}	$= \begin{cases} 1, & \text{if procedure } p \text{ is assigned to surgery type/ cluster } c \\ 0, & \text{else} \end{cases}$
$V_c \geq 0$	number of dummy surgeries originating from surgery type/ cluster c
$X_c^{Int} \in \mathbb{N}_0$	integer number of slots of surgery type/ cluster c in one MSS-cycle

Table 2: Notation for the mathematical model

complexity of the optimization model, and its solution becomes tractable. However, this is a simplification because we cannot compute the optimal number of clusters in advance. Additionally, even if we could somehow identify the optimal cluster number, the average surgery durations in each cluster would still depend on the grouping of surgical procedures. Thus, starting from predefined cluster centroids, we cannot guarantee finding the optimal solution. We discuss how to address these problems in Section 4, where we present our solution approach.

3.3 Notation and Mathematical Model

When constructing surgery types, it must be ensured that each surgical procedure is assigned exclusively to one cluster. The objective is to minimize the sum of squared errors over the dummy and all regular clusters. Hence, we obtain the following mixed integer non-linear optimization program, using the notation given in Table 2.

Model NLCM

$$\text{Min } ESS_T = \sum_{c \in \mathcal{C}} \sum_{p \in \mathcal{P}} \sum_{i \in \mathcal{I}_p} \left[(a_{pi} - \bar{a}_c)^2 \left(1 - \frac{V_c}{\sum_{p'} n_{p'} X_{p'c}}\right) X_{pc} \right] + \left[(a_{pi} - \hat{a}_D)^2 \frac{V_c X_{pc}}{\sum_{p'} n_{p'} X_{p'c}} \right] \quad (7)$$

$$\sum_{c \in \mathcal{C}} X_{pc} = 1, \quad p \in \mathcal{P} \quad (8)$$

$$V_c = \sum_{p \in \mathcal{P}} n_p X_{pc} - r X_c^{Int}, \quad c \in \mathcal{C} \quad (9)$$

$$X_c^{Int} > \frac{\sum_{p \in \mathcal{P}} n_p X_{pc}}{r} - 1, \quad c \in \mathcal{C} \quad (10)$$

In the objective function (7), the first term considers the sum of squared errors over all clusters except the dummy cluster. In case procedure p is assigned to cluster c , i.e., decision variable X_{pc} equals one, the corresponding squared error sum is taken into account according to the portion of surgeries $(1 - \frac{V_c}{\sum_{p'} n_{p'} X_{p'c}})$ in that cluster. We consider the dummy cluster's variability in the second term. Again, we compute the sum of squared errors with respect to the cluster centroid for each procedure. In case either X_{pc} or V_c is zero, i.e., procedure p is not assigned to cluster c or there are no dummy surgeries from cluster c , there is no contribution to the overall variability. In all remaining cases, the squared error sum associated with procedure p is scaled proportionally to the dummy surgeries originating from cluster c . Constraints (8) ensure that any procedure is assigned to exactly one of the pre-specified clusters. Constraints (9) and (10) serve to compute the number of dummy surgeries from cluster c . Constraints (10) reveal the maximum integer number of slots per surgery type scheduled in the MSS. Hence, they basically model the supposed rounding procedure and, in combination with (9), derive the number of dummy surgeries attributed to cluster c . We omit restrictions on the decision variables' domains, given that they are provided in Table 2. Finally, it is worth noting that the model allows a flexible number of active clusters, i.e., not all of the $|\mathcal{C}|$ clusters must be used. However, generating additional clusters is not possible.

4 Two-Stage Solution Approach

The model presented in the previous section is non-linear and assumes a predefined number of clusters with corresponding centroids. To find good partitions of surgical procedures, we apply a two-stage solution approach. The goal of the first stage is to construct promising initial clusters

and to initialize the optimization model. For this purpose, we employ an adjusted version of Ward's method (Ward, 1963). In the second stage, we use an improvement heuristic based on our optimization model to reassign surgical procedures to clusters to decrease the objective function value of the initial partitions.

4.1 Stage 1: Constructing an Initial Solution

Promising initial solutions are generated by a constructive heuristic that is a modified version of the agglomerative hierarchical clustering algorithm of Ward (1963) and closely related to van Oostrum et al (2011). The main steps of the procedure are highlighted in algorithm 1.

Algorithm 1: Constructive Heuristic

main input : $\mathcal{P}, \mathcal{I}_p, a_{pi}, n_p, r$

main output: partition of surgical procedures ($Z_c^{j^*}$) of iteration $j^* = \min_j \{ESS_T^j\}$

```

1 begin
2    $j = |\mathcal{P}|, \mathcal{C} = \mathcal{P}, Z_c^j = \{c\} \forall c;$ 
3   Calculate  $ESS_T^j$ ;
4    $j = j - 1;$ 
5   while  $j \geq 1$  do
6     Calculate  $\Delta ESS_T^j(c, c') \forall c, c' > c;$ 
7      $(c^*, c'^*) = \min_{(c, c')} \{\Delta ESS_T^j(c, c')\};$ 
8      $Z_c^j = Z_c^{j+1} \forall c \neq c^*, c'^*;$ 
9      $Z_{c^*}^j = Z_{c^*}^{j+1} \cup Z_{c'^*}^{j+1};$ 
10     $ESS_T^j = ESS_T^{j+1} + \Delta ESS_T^j(c^*, c'^*);$ 
11     $\mathcal{C} = \mathcal{C} \setminus \{c'^*\};$ 
12     $j = j - 1;$ 
13  end
14 end

```

Please note that we employ the heuristic for each specialty. Running the algorithm results in a series of $|\mathcal{P}|$ different partitions, each indicated with index j . At the beginning of the algorithm, the number of clusters equals the number of surgical procedures, and each procedure constitutes its own cluster (line 2). An evaluation of this first partition is performed in line 3. The following

while-loop returns a new partition by merging exactly two clusters in each iteration (lines 5-13). To find two promising candidates for each two clusters c and c' that can possibly be merged, the overall change in the objective function denoted by $\Delta ESS_T^j(c, c')$ is determined (line 6). In computational terms, this part is the most expensive part of the algorithm: for each possible merge, the centroids and the sum of squared errors in the newly built cluster and the dummy cluster must be calculated. Finally, the pair with the minimal increase in the sum of squared errors forms the new cluster (lines 7-9). After having evaluated this new partition (line 10), the set of clusters is redefined (line 11). The main output of the algorithm is a partition of surgical procedures from which relevant parameters, for example, the number of clusters or cluster centroids used in the improvement heuristic, can be derived.

4.2 Stage 2: Improving the Initial Solution

The constructive heuristic presented in the previous section iteratively changes the number of clusters and assigns surgical procedures to clusters. A major drawback of such a procedure is the fact that assignments performed in earlier iterations are fixed and cannot be resolved later. Thus, starting from an initial solution of algorithm 1, it is advisable to rearrange objects to further decrease the overall variability. In this sense, a popular approach is the classical *k-means algorithm*, which allocates an object to the most appropriate cluster according to some similarity measure (see, e.g., Dilts et al (1995)). This allocation is particularly easy when the assignment decision for each object can be made independent of all others. In our case, due to the one dummy cluster concept, this decision is not possible. Reassignments of surgical procedures alter the clusters' size and thus the number of dummy surgeries originating from the clusters. Consequently, the composition of the dummy cluster and its associated squared error sum changes. Hence, to optimally rearrange surgical procedures, we apply a linear reformulation of the mathematical model of Section 3.3 that also considers the effect of assignments on the variability in the dummy cluster. The relevant model inputs are provided by the constructive heuristic. Furthermore, we embed the optimization model in an algorithmic procedure closely related to k-means, which successively improves the previous partitions.

Indices and index sets:

$\mathcal{H} = \{0, 1, \dots, r-1\}$, equal to the domain of V_c

Parameters:

K, M big number

Decision variables:

δ_c non-negative variables, reciprocal of the number of surgeries in cluster c

λ_{ch} auxilliary binary variable

θ_{pc} reciprocal of the number of surgeries in the corresponding cluster

$$= \begin{cases} 1, & \text{if surgical procedure } p \text{ is assigned to the corresponding cluster} \\ 0, & \text{else} \end{cases}$$

$\hat{\theta}_{pch}$ non-negative variables, share of dummy surgeries with respect to the total number of surgeries in cluster c if procedure p is assigned to that cluster

Table 3: Additional notation for the mathematical model

4.2.1 Linearization of the Base Model

The objective function (7) of our original mathematical model is non-linear. To obtain a linear MIP, the expression $\frac{V_c}{\sum_{p'} n_{p'} X_{p'c}} X_{pc}$ must be linearized. Therefore, we perform the following four steps, using the additional notation given in Table 3.

- First, we address the term $\frac{X_{pc}}{\sum_p n_p X_{pc}}$. According to an idea of Li (1994), we introduce non-negative variables δ_c , which are defined as the reciprocal of the number of surgeries in cluster c :

$$\delta_c = \frac{1}{\sum_{p \in \mathcal{P}} n_p X_{pc}} \quad (11)$$

Adding the constraints (12), we guarantee that the new variables take the appropriate values:

$$\sum_{p \in \mathcal{P}} n_p X_{pc} \delta_c = 1, \quad c \in \mathcal{C} \quad (12)$$

- Clearly, this procedure does not dissolve the non-linearity of the formulation, given that we end up with products of the form $X_{pc} \delta_c$. However, it is now possible to apply the approach by Wu (1997) that makes it possible to linearize the product of two variables. Again, we define new non-negative variables $\theta_{pc} = X_{pc} \delta_c$. To adequately model this equality, we introduce a set of linear constraints:

$$\sum_{p \in \mathcal{P}} n_p \theta_{pc} = 1, \quad c \in \mathcal{C} \quad (13)$$

$$\delta_c - \theta_{pc} \leq K(1 - X_{pc}), \quad p \in \mathcal{P}, c \in \mathcal{C} \quad (14)$$

$$\theta_{pc} \leq \delta_c, \quad p \in \mathcal{P}, c \in \mathcal{C} \quad (15)$$

$$\theta_{pc} \leq KX_{pc}, \quad p \in \mathcal{P}, c \in \mathcal{C} \quad (16)$$

$$\theta_{pc} \geq 0, \quad p \in \mathcal{P}, c \in \mathcal{C} \quad (17)$$

$$\delta_c \geq 0, \quad c \in \mathcal{C} \quad (18)$$

To ensure that θ_{pc} equals the reciprocal of the number of surgeries in the corresponding cluster (denoted by δ_c) only if surgical procedure p is assigned to the corresponding cluster and zero otherwise, we use a Big-M formulation. A valid upper bound for K is:

$$K = \frac{1}{\min_p \{n_p\}} \quad (19)$$

This becomes clear by the following consideration: assume $X_{pc} = 0$ and $\delta_c > 0$ for some p and c , i.e., procedure p is not assigned to the active cluster c . Then, constraint (16) forces $\theta_{pc} = 0$, and constraint (14) becomes $\delta_c \leq K$. Because δ_c must not necessarily be restricted, it must be ensured that the surgical procedure with the smallest record of surgeries can exclusively form a surgery type that gives the maximum reciprocal of the number of surgeries in a cluster.

- Applying this reformulation, we still end up with a non-linear term of the form $\theta_{pc}V_c$, i.e., products of a rational and an integer variable. Therefore, we model V_c in a third step with the help of binary variables λ_{ch} and the constraints $\sum_{h \in \mathcal{H}} h\lambda_{ch} = V_c$ and $\sum_{h \in \mathcal{H}} \lambda_{ch} = 1$ for each $c \in \mathcal{C}$. The variables λ_{ch} equal one if the number of dummy variables in cluster c equals h and zero otherwise. This relationship is ensured by the two constraints established for each cluster and setting $\mathcal{H} = \{0, 1, \dots, r-1\}$, which represents the domain of V_c . Using this

formulation, the variables λ_{ch} are defined as variables belonging to an ordered set of type 1 (see Beale and Tomlin (1970)). Additionally, please note that the number of additional binary variables remains relatively small because most instances consist of only a few clusters and the maximum number of dummy surgeries attributed to a cluster equals $r - 1$, where r typically represents the number of weeks for which a MSS is valid.

- Finally, we linearize the latest reformulation of the form $\theta_{pc}h\lambda_c$ by defining non-negative variables $\hat{\theta}_{pch} = \theta_{pc}h\lambda_{ch}$, indicating the share of dummy surgeries with respect to the total number of surgeries in cluster c in case procedure p is assigned to that cluster and the following set of constraints:

$$\sum_{h \in \mathcal{H}} h\lambda_{ch} = \sum_{p \in \mathcal{P}} n_p X_{pc} - rX_c^{Int}, \quad c \in \mathcal{C} \quad (20)$$

$$\sum_{h \in \mathcal{H}} \lambda_{ch} = 1, \quad c \in \mathcal{C} \quad (21)$$

$$h\theta_{pc} - \hat{\theta}_{pch} \leq M(1 - \lambda_{ch}), \quad p \in \mathcal{P}, c \in \mathcal{C}, h \in \mathcal{H} \quad (22)$$

$$\hat{\theta}_{pch} \leq h\theta_{pc}, \quad p \in \mathcal{P}, c \in \mathcal{C}, h \in \mathcal{H} \quad (23)$$

$$\hat{\theta}_{pch} \leq \lambda_{ch}, \quad p \in \mathcal{P}, c \in \mathcal{C}, h \in \mathcal{H} \quad (24)$$

$$\hat{\theta}_{pch} \geq 0, \quad p \in \mathcal{P}, c \in \mathcal{C}, h \in \mathcal{H} \quad (25)$$

Constraints (20) and (21) store the number of dummy surgeries from each cluster in appropriate binary variables, as outlined above. (22), (23) and (24) enforce the equality $\hat{\theta}_{pch} = h\theta_{pc}$ if λ_{ch} and X_{pc} equal one. In case λ_{ch} is zero, the constraints (24) force $\hat{\theta}_{pch}$ to zero as well. Ultimately, the necessary variable definitions are given. With reasoning analogous to that in the first Big-M formulation, we set $M = (r - 1) \frac{1}{\min_p \{n_p\}}$.

Putting it all together, the previous considerations result in the following MILP formulation of the non-linear base model:

Model LCM

$$\text{Min } ESS_T = \sum_{c \in \mathcal{C}} \sum_{p \in \mathcal{P}} \sum_{i \in \mathcal{I}_p} \left[(a_{pi} - \bar{a}_c)^2 (X_{pc} - \sum_{h \in \mathcal{H}} \hat{\theta}_{pch}) + \sum_{h \in \mathcal{H}} (a_{pi} - \hat{a}_D)^2 \hat{\theta}_{pch} \right] \quad (26)$$

s.t.

$$\sum_{c \in \mathcal{C}} X_{pc} = 1, \quad p \in \mathcal{P} \quad (27)$$

$$X_c^{Int} > \frac{\sum_{p \in \mathcal{P}} n_p X_{pc}}{r} - 1, \quad c \in \mathcal{C} \quad (28)$$

and the constraints (13)-(18) and (20)-(25). Table 4 illustrates the number of variables used in the non-linear and linearized models. Clearly, to linearize the model, we must accept a considerable number of additional continuous variables and only a few binary variables.

	non-linear model	linear model
# binary variables	$ \mathcal{P} \times \mathcal{C} $	$ \mathcal{P} \times \mathcal{C} + \mathcal{C} \times \mathcal{H} $
# integer variables	$ \mathcal{C} $	$ \mathcal{C} $
# continuous variables	$ \mathcal{C} $	$ \mathcal{C} + \mathcal{P} \times \mathcal{C} + \mathcal{P} \times \mathcal{C} \times \mathcal{H} $

Table 4: Number of variables in the non-linear and linearized models**4.2.2 Simple Inequalities**

Implementing and testing the linearized model reveal poor LP-Relaxations. Specifically, we observe that the objective function value became negative when relaxing integrality, which naturally is not feasible in any solution of the MIP. Hence, we introduce simple valid inequalities of the following type:

$$X_{pc} \geq \sum_{h \in \mathcal{H}} \hat{\theta}_{pch}, \quad p \in \mathcal{P}, c \in \mathcal{C} \quad (29)$$

Furthermore, investigating LP-Relaxations shows that the relations between the decision variables and between the domains of the decision variables were violated on a constant basis. To

avoid this problem, the following intuitive constraints are formulated:

$$\theta_{pc} \geq \frac{1}{\sum_{p' \in \mathcal{P}} n_{p'}} X_{pc}, \quad p \in \mathcal{P}, c \in \mathcal{C} \quad (30)$$

$$\sum_{h \in \mathcal{H}} \hat{\theta}_{pch} \geq \frac{1}{\sum_{p' \in \mathcal{P}} n_{p'}} (1 - \lambda_{c0}), \quad p \in \mathcal{P}, c \in \mathcal{C} \quad (31)$$

$$\sum_{h \in \mathcal{H}} \hat{\theta}_{pch} \leq (r - 1) \theta_{pc}, \quad p \in \mathcal{P}, c \in \mathcal{C} \quad (32)$$

Inequalities (30) ensure that, in case procedure p is assigned to cluster c , the reciprocal of the number of surgeries in that cluster is greater than zero and equals at least the smallest possible reciprocal (all surgeries in one cluster) for procedure p . Constraints (31) enforce the fraction of dummy surgeries associated with a procedure and cluster to be greater than zero if λ_{c0} equals zero, i.e., the number of surgeries in a cluster is not a multiple of the number of MSS-cycle repetitions. The last inequalities (32) prohibit domain violations with respect to the fraction of dummy surgeries.

4.2.3 Improvement Heuristic

In the previous sections, we presented a mathematical model and corresponding exact and heuristic solution approaches to find adequate clusters of surgical procedures. As outlined, the optimization model relies on input parameters, namely, the number and centroids of clusters, as calculated by algorithm 1. Solving the optimization model with these input parameters can alter the assignment of surgical procedures to clusters and thus the cluster centroids. Given the new cluster centers, it may be beneficial to reassign some procedures to further decrease the overall sum of squared errors. For this purpose, the clustering problem is solved again. From the model solution, new cluster centroids can be extracted and used in the next optimization run. This procedure can be repeated until there is no further improvement or only a marginal improvement in the objective function. The basic idea of the solution approach is illustrated in algorithm 2. The repeat loop in lines 3-8 represents the iterative nature of the improvement heuristic. In line 5, the optimization model is solved. Additionally, please note that, for any calculation of the relative improvement in line 8, the true overall sum of squared errors in the current iteration j (ESS_T^j) is considered, i.e., the assignment is evaluated with updated cluster centroids (lines 6-7). The

algorithm terminates when the relative improvement drops below a predefined level defined by the parameter gap and returns the best assignment found (X_{pc}^*).

Algorithm 2: Improvement Heuristic

main input : solution by algorithm 1 (objective function value denoted by ESS_T^0)
main output: partition of surgical procedures (X_{pc}^*)

```

1 begin
2    $j = 0$ ;
3   repeat
4      $j = j + 1$ ;
5     Solve clustering problem  $\Rightarrow X_{pc}^j$ ;
6     Update  $\bar{a}_c$  and  $\hat{a}_D$ ;
7     Calculate  $ESS_T^j$ ;
8   until  $\frac{ESS_T^{j-1} - ESS_T^j}{ESS_T^{j-1}} \leq gap$ ;
9    $X_{pc}^* = X_{pc}^{j-1}$ ;
10 end

```

5 Numerical Study

To assess the benefit of our approach, we tested our two-stage clustering algorithm on real-world data provided by a German hospital. The data set contains all elective surgeries from January to November 2013. Different surgeries with respect to the same patient are documented individually. Furthermore, for each surgery the data set includes the main surgical procedure according to the OPS but not the whole set of procedures. Thus, multiple surgeries can exhibit the same surgical procedure. The hospital has five different specialties: general surgery (GS), orthopedic surgery (OS), vascular surgery (VS), neurosurgery (NS) and plastic surgery (PS). For each surgery exists a record of the specialty in charge and the corresponding duration he/she occupied the OR, i.e., the anesthesia time plus surgery duration. Table 5 summarizes the data set. For the numerical study, we assume the planning horizon and cycle length of the MSS to be eleven months and one week, respectively. Thus, the parameter r , which represents the number of cycle repetitions, equals 46. Additionally, we set the number of forecasted surgeries equal to the number of surgeries observed in the sample, given that the hospital could not provide a forecast.

Specialty	# surgeries	# surgical procedures	surgery duration (min)		
			mean	std. dev.	coef. of var.
GS	2159	144	142.5	86.5	0.607
OS	1618	104	131.7	67.6	0.513
VS	1317	62	146.5	78.5	0.536
NS	1190	63	223.5	105.4	0.472
PS	827	70	100.5	35.1	0.349

Table 5: Summarized hospital data for elective surgical inpatients from January to November 2013 provided by a German hospital; std. dev. = standard deviation, coef. of var. = coefficient of variation

All numerical experiments were performed on an Intel(R) Xeon(R) CPU E5-1620v2 3.70 GHz with 64 GB RAM. The optimization model was coded in the General Algebraic Modeling System (GAMS) software version 24.2.3 and solved with ILOG CPLEX version 12.6. We implemented the constructive heuristics in Scilab version 5.5. The presented results of our numerical experiments base on

- the comparison between the constructive heuristic presented by van Oostrum et al (2011) and our algorithm 1 (Section 5.1),
- the application of our exact solution approach to our proposed mathematical model together with the evaluation of the solutions' quality and computational times (Section 5.2), and
- our improvement heuristic (algorithm 2) (Section 5.3).

5.1 Constructive Heuristic's Results

To compare our constructive heuristic to that presented in van Oostrum et al (2011), we must parametrize the scalarizing function, aggregating distinct variables (the sum of squared errors and dummy surgeries) to evaluate the quality of a partition. For this purpose, van Oostrum et al (2011) introduce two scaling parameters. k_1 scales the number of dummy surgeries and k_2 the variability in the regular clusters. In accordance with the original paper, we fix k_2 to one and vary the value of k_1 to find distinct partitions. After some test runs, we find the following domain of k_1 to be most appropriate:

$$D_{k_1} = \begin{cases} 0 - 20, & \text{stepsize 2} \\ 30 - 200, & \text{stepsize 10} \\ 250 - 800, & \text{stepsize 50} \\ 900 - 2,000, & \text{stepsize 100} \\ 2,250 - 3,500, & \text{stepsize 250} \\ 4,000 - 8,000, & \text{stepsize 500} \\ 9,000 - 18,000, & \text{stepsize 1,000} \end{cases}$$

The tests' results for both heuristics shown in Tables 6 and 7 include:

- the number of clusters (#clusters),
- the sum of squared errors in total (ESS_T) and in the regular clusters (ESS_R) and the dummy cluster (ESS_D),
- the number of surgeries in the dummy cluster (#dummy surgeries), and
- the runtime in seconds (CPU (sec.)) for each specialty.

For the approach by van Oostrum et al (2011), we display the CPU time to run the heuristic for all parameter combinations of k_1 and k_2 and the value of k_1 for which the best solution is found (k^*).

In both tables, we find moderate numbers of clusters generated by both algorithms. The only exception is the OS specialty when applying the approach by van Oostrum et al (2011). The variability of the partitions found reveals the superiority of the algorithm by van Oostrum et al (2011). For each specialty, the overall sum of squared errors is smaller compared to our approach. In general, our algorithm produces partitions with a considerably higher number of dummy surgeries, which results in high variability in the dummy cluster. Again, the OS specialty is an exception. The computation times compared to van Oostrum et al (2011) are relatively moderate, given that only one solution is generated. Altogether, the results of our computational study concerning the alternative constructive heuristics suggest that, in case long computation times are not a matter of concern, it is sufficient to use an algorithm such as that presented by van Oostrum et al (2011). Such an algorithm creates multiple solutions by biasing the number of dummy surgeries over a wide set of bias factors instead of using a more elaborate procedure that considers the dummy cluster's variability but only provides one solution such as our approach.

In the following section, we will investigate the extent to which the initial partitions can be improved by reassigning surgical procedures to surgery types.

Spe- cialty	#clus- ters	ESS_T	ESS_R	ESS_D	#dummy surgeries	k^*	CPU (sec.)
GS	5	6,482,958	6,255,642	227,316	43	17,000	17,155.8
OS	20	3,893,939	3,007,621	886,318	100	100	4,016.2
VS	6	2,934,448	2,627,135	307,313	29	3,500	523.2
NS	6	7,080,227	6,782,912	297,315	40	5,500	440.1
PS	6	613,929	550,418	63,511	45	450	531.2

Table 6: Results of the constructive heuristics by van Oostrum et al (2011)

Spe- cialty	#clusters	ESS_T	ESS_R	ESS_D	#dummy surgeries	CPU (sec.)
GS	9	9,415,300	4,753,067	4,662,233	319	1,254.0
OS	4	5,092,175	4,382,600	709,575	100	221.2
VS	3	4,369,533	3,811,314	558,219	75	22.6
NS	5	8,963,437	6,535,974	2,427,463	132	19.3
PS	7	881,877	380,525	50,1352	229	91.8

Table 7: Results of our constructive heuristics

5.2 Results Obtained by Our Exact Solution Approach

To initialize our optimization model LCM presented in Section 4.2, we use the number of clusters with the corresponding centroids from the constructive heuristics. First, we demonstrate the usefulness of the simple inequalities. Table 8 highlights the results that we obtain when solving the linearized optimization model without these inequalities, whereas Table 9 contains the results when considering inequalities (29), (31) and (32), which yield the best results. For all computations, we define a time limit of 3,600 seconds. Running CPLEX on the linearized model without any simple inequalities reveals poor results. Except for the case where we solve the model for

the VS specialty, given the initial solution as described in Section 5.1, the lower bounds are negative, resulting in huge gaps. For the OS specialty, we cannot even find a feasible integer solution when initializing our model with the solution from the constructive heuristic of van Oostrum et al (2011). A considerable improvement in solution quality and computation times is achieved by adding simple inequalities (29), (31) and (32), as shown in Table 9. For problem instances with a moderate number of clusters and surgical procedures, we find optimal or near-optimal solutions within the time limit ($GAP(\%) = (\frac{UB-LB}{LB}) \cdot 100$). However, for the OS specialty, which has 20 different surgery types, the resulting solution gap is 24.4 %, and the best solution is even worse than that found by the constructive heuristic. In the following, we will evaluate the ability of the optimization model integrated in the algorithmic framework of the improvement heuristic to further reduce the variability of the initial partitions.

Specialty	Initial solution					
	Our approach			van Oostrum et al. (2011)		
	UB	LB	CPU (sec.)	UB	LB	CPU (sec.)
GS	6,230,259	< 0	3,600.0	6,425,906	< 0	3,600.0
OS	3,954,792	< 0	3,600.0	n.s.	< 0	3,600.0
VS	4,057,646	4,057,646	71.7	2,929,527	< 0	3,600.0
NS	7,461,922	3,367,180	3,600.0	7,132,961	< 0	3,600.0
PS	690,030	< 0	3,600.0	678,911	< 0	3,600.0

Table 8: Results of solving the linearized model **without** simple inequalities, given different initial solutions

5.3 Improvement Heuristic's Results

For the improvement heuristic presented in Section 4.2, we use different time limits per iteration (3,600; 1,800; 900; and 450 seconds) and terminate the algorithm when the objective function value's improvement with respect to the previous iteration is less than 0.5 %. Tables 10 and 11 show the objective function value (ESS_T) of the clusters found for different runtime settings and initial solutions. In each table, for any specialty, the underlined value represents the best solution found in the shortest time, and the additional bold numbers indicate the overall best partition.

Specialty	Initial solution					
	Our approach			van Oostrum et al. (2011)		
	ESS_T	GAP(%)	CPU (sec.)	ESS_T	GAP(%)	CPU (sec.)
GS	5,323,914	0.49	3,600.0	6,098,256	0.00	1,800.1
OS	3,948,699	0.00	480.5	4,533,797	24.4	3,600.0
VS	4,057,646	0.00	50.7	2,761,389	1.24	3,600.0
NS	7,444,881	0.00	307.6	7,001,679	0.00	448.9
PS	649,928	1.32	3,600.0	591,224	0.32	3,600.0

Table 9: Results of solving the linearized model **with** simple inequalities (29), (31) and (32), given different initial solutions

Both tables reveal that the solution quality only slightly deteriorates with shrinking computation times when the problem size is moderate. Interestingly, in the case of the GS, OS and PS specialties in Table 10 and the PS specialty in Table 11, the best clusters are identified when the maximum time allowed per iteration is less than 3,600 seconds. Thus, we observe that it is not mandatory to solve our optimization model to (near-)optimality at each iteration of the improvement heuristic but instead to discover different solution paths by changing the computation time limits (or solution gaps). However, in examining the largest problem instance, namely, the OS specialty in Table 10, we observe a considerable increase in the overall variability as the available time to solve the optimization model drops below 1,800 seconds and the solution gaps remain high at each iteration (also, see Table 8). Based on the numerical tests, we further conclude that a good starting point for our improvement heuristic is not necessarily a first partition with a small overall sum of squared errors. For the GS and PS specialties, we find the best partition initializing our model with the (poor) solutions created by our constructive algorithm. For the other specialties, starting with the algorithm by van Oostrum et al (2011) yields the best results. Hence, we observe that, to find high-quality solutions, starting the improvement heuristic with distinct initial partitions seems to be important.

In the following, we compare the best initial partition with the best improved partition. Table 12 illustrates the corresponding results. The second column displays for each specialty the relative change in the objective function value of the best initial partition compared to the best

improved partition ($\Delta_{ESS_T}(\%)$). In the case of the NS specialty, we find that ESS_T decreases only by 1.3 %, i.e., the constructive algorithm by van Oostrum et al (2011) already yields good results. For the other surgical departments, the improvements are more considerable, whereas for the GS specialty, the application of the improvement heuristic is most beneficial. Going into more detail, we have a closer look at the effects of reassignments on the relative change in the sum of squared errors in the regular clusters ($\Delta_{ESS_R}(\%)$) and the dummy cluster ($\Delta_{ESS_D}(\%)$). For the latter, large improvements can be stated, at maximum 77.8 % for the OS specialty. Table 12 also indicates that, in some cases (OS and NS), it can be favorable to increase the variability in the regular clusters to allow assignments that reduce the variability in the dummy cluster to a large extent. Furthermore, we observe that for each specialty, the clusters used to initialize the optimization model are active, i.e., at least one surgical procedure is assigned to a cluster. Hence, we end up with 48 clusters (surgery types) in total. Investigating the number of surgeries in the dummy cluster highlights the fact that good partitions are characterized by a small-sized dummy cluster. To assess the variability in the clusters, for each specialty, we present the mean and standard deviation of the coefficient of variation. As with the sum of squared errors, both variables reveal evidence of the effectiveness of the presented clustering approach. Finally, we make an overall assessment of our algorithm with respect to its ability to reduce the variability of the initial partitions. Therefore, we refer to Table 13. In the second row, the sum of squared errors summed up over all clusters and specialties is shown – for the best solution found by the constructive heuristic and the improvement heuristic. We clearly observe that the application of our algorithm is beneficial, given that the variability, as measured by the sum of squared errors, decreases by 9.28 % in total.

Based on the results given in this section, we can conclude the following: regarding the two constructive heuristics considered in this paper, the heuristic by van Oostrum et al (2011) yields solutions with better objective function values compared to our algorithm. However, the computation times are considerably longer, especially for large problem instances, given that the algorithm must be run with different parameter combinations. In such cases, our approach may be preferable. Another advantage of our approach concerns the fact that there is no need to use a scalarization function and derive proper values for the weights. For the application of the improvement heuristic, we demonstrated that the proposed simple inequalities accelerate the solution times of the embedded optimization model. Only for the largest problem instances

Specialty	Time limits per iteration			
	3,600 sec.		1,800 sec.	
	ESS_T	CPU	ESS_T	CPU
GS	5,867,379	2,160.7	5,867,379	2,163.2
OS	3,613,236	10,800.0	<u>3,549,686</u>	5,400.0
VS	2,728,992	6,157.7	2,728,992	4,274.3
NS	6,988,316	1,079.1	6,988,316	1,079.1
PS	589,658	4,593.9	589,658	2,796.9
Specialty	Time limits per iteration			
	900 sec.		450 sec.	
	ESS_T	CPU	ESS_T	CPU
GS	<u>5,867,266</u>	1,303.7	5,882,256	1,350.0
OS	6,094,830	1800.0	6,675,952	900.0
VS	2,728,992	2,474.1	<u>2,728,992</u>	1,350.0
NS	6,988,316	1,079.1	<u>6,988,316</u>	887.6
PS	589,658	1,800.0	<u>583,325</u>	883.1

Table 10: Results of the improvement heuristic with different runtime limits per iteration, given the initial solution of van Oostrum et al (2011)

the remaining gap between the best lower and upper bound stayed substantial. Running the optimization model in the developed algorithmic framework showed that the initial solutions can be drastically improved. We further observed that the best initial partition will not always result in the ultimate best partition for a specialty. In addition, our numerical experiments revealed (with one exception) the robustness of the solution quality with respect to the computation time limits. In some cases, the partition with the best objective function value was even found when less computation time was allowed. Thus, it is important to initialize our optimization model with different partitions and to allow different solution paths in the execution of the improvement algorithm by controlling the computation times and optimality gaps, respectively.

Specialty	Time limits per iteration			
	3,600 sec.		1,800 sec.	
	ESS_T	CPU	ESS_T	CPU
GS	5,211,220	7,200.0	5,245,819	3,600.0
OS	3,811,406	580.5	3,811,406	580.5
VS	3,912,755	84.5	3,912,755	84.5
NS	7,196,539	394.5	7,196,539	394.5
PS	578,658	10,800.0	578,658	5,400.0
Specialty	Time limits per iteration			
	900 sec.		450 sec.	
	ESS_T	CPU	ESS_T	CPU
GS	5,331,244	1,800.0	5,397,374	900.0
OS	3,811,406	580.5	<u>3,811,406</u>	554.0
VS	3,912,755	84.5	<u>3,912,755</u>	84.5
NS	7,196,539	394.5	<u>7,196,539</u>	394.5
PS	<u>578,658</u>	2,700.0	584,179	1,350.0

Table 11: Results of the improvement heuristic with different runtime limits per iteration, given our initial solution

Specialty	$\Delta(\%)$			#clusters	#dummy surgeries	CV	
	ESS_T	ESS_R	ESS_D			mean	std. dev.
GS	- 19.62	- 18.58	- 48.03	9	43	0.32	0.05
OS	- 8.84	+ 11.48	- 77.80	20	100	0.32	0.05
VS	- 7.00	- 0.92	- 59.00	6	29	0.29	0.03
NS	- 1.30	+ 0.01	- 31.21	6	40	0.32	0.03
PS	- 5.75	- 2.63	- 32.70	7	45	0.25	0.02

Table 12: Best solution found by the improvement heuristic in comparison to the best solution found by the constructive heuristics; std. dev. = standard deviation, CV = coefficient of variation

6 Conclusion

In this paper, we developed a non-linear model (NLCM) and a linearized model (LCM) to determine clusters with minimal ESS_T for the MSS. Furthermore, we presented a two-stage clustering

Σ Specialty	Constructive heuristic	Improvement heuristic	$\Delta(\%)$
ESS_T	21,005,500	19,065,327	- 9.28
ESS_R	19,223,728	18,365,527	- 4.45
ESS_D	1,781,772	699,801	- 61.38

Table 13: Comparison of the best constructive and improvement heuristics with respect to the sum of squared errors over all specialties

algorithm specifically designed for an aggregate cyclic planning environment. We provided an example of its application in master surgery scheduling by aggregating surgical procedures to surgery types while minimizing the sum of squared errors regarding the surgery duration. In the algorithm's first stage, we employed two different constructive heuristics that create the initial partitions of surgical procedures. These results were used to initialize the algorithm's second stage, which finds the assignments of surgical procedures to clusters with a better objective function value. In the numerical study, we illustrated that the improvement heuristic is able to find partitions with considerably reduced variability, which is beneficial for master surgery scheduling.

We envision different directions for further research: the fast construction of promising initial partitions is very important for the results of the improvement heuristic. Especially for large problem instances, the time effort of the constructive heuristics presented in this paper is prohibitive, and new approaches are required. The same holds true for the optimization model. For instances with a large number of clusters, tailored solution approaches are necessary to reduce computation times. These approaches would also allow to evaluate more partitions in the improvement step and to identify better clusters. Further modeling extensions are possible. For example, clustering attributes such as setup times, special surgical equipment or surgeon requirements may be included. In case the influence on other units such as recovery rooms, intensive care units or wards is considered in master surgery scheduling, attributes that represent the flow of patients must be considered when clustering surgical procedures.

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