

# **Assessing payment adequacy: ambulatory surgical center services / physician and other health professional services**

Dan Zabinski, Ariel Winter,  
Cristina Boccuti, Kevin Hayes  
January 12, 2012

# Important facts about ASCs

---

- Medicare payments in 2010: \$3.4 billion
- Beneficiaries served in 2010: 3.3 million
- Number of ASCs in 2010: 5,316
- 90% have some degree of physician ownership
- Will receive payment update of 1.6% in 2012

# Measures of payment adequacy

---

- Access to and supply of ASC services has been at least adequate: Increase in number of beneficiaries served, volume per FFS beneficiary, and number of ASCs
- Access to capital has been at least adequate
- Increase in Medicare payments
- Lack cost and quality data
  - Commission recommended that ASCs be required to submit cost data (2004, 2009, 2010, 2011)

# CMS adopted quality reporting program for ASCs for 2012

---

- ASCs will begin reporting 5 claims-based measures in Oct. 2012
- ASCs that do not report measures will receive lower annual update in 2014
- CMS does not have statutory authority to adopt value-based purchasing (VBP) program for ASCs

# MedPAC's general criteria for performance measures

---

- Should be evidence-based and well-accepted
- Collecting data should not be unduly burdensome
- Should not discourage providers from taking riskier patients
- Most providers should be able to improve on measures
- Should send consistent signals across different provider types and settings

# Potential measures for VBP program for ASCs

---

- Small set of measures primarily focused on outcomes
  - Patient safety measures (e.g., patient fall, patient burn, wrong site)\*
  - Hospital transfer or admission after ASC procedure\*
  - Surgical site infection
- Some process, structural, patient experience measures

\* Included in ASC Quality Reporting Program

# Other design principles for VBP program

---

- Medicare should reward ASCs both for attaining quality benchmarks and improving care over time
- Funding for VBP payments should come from existing ASC spending

## Brief summary: Medicare payment adequacy analysis for fee-schedule services

---

- Most Medicare beneficiaries are able to get timely appointments and can find a new physician when needed
  - Finding a new PCP was more difficult than finding a new specialist
- Volume growth slowed in both Medicare and private insurance after decade of rapid increases
- Most claims-based, ambulatory quality measures (for the elderly) improved or did not change significantly
- Ratio of Medicare to private PPO rates remained steady, but some payment factors not included
- 99% of allowed charges were paid “on assignment”
- MedPAC’s recent letter to the Congress recommended replacing SGR with specified updates that favor primary care