

Status report: Ambulatory surgical center services

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Status report rather than payment adequacy chapter for ambulatory surgical centers (ASCs)

- The ASC sector is a small part of Medicare, 0.5% of total Medicare outlays in 2021
- Since 2010, ASC payment adequacy measures have improved; Commission has made similar update recommendations each year
- ASCs do not submit cost data to CMS; we cannot evaluate financial performance
- Issues with ASC quality data
 - Currently, few measures for evaluating quality; do not provide full representation of ASC quality

Since 2010, MedPAC has recommended that ASCs collect and submit cost data

- ASCs do not submit cost data
- Cost data needed to evaluate financial performance of ASCs and for developing an appropriate price index
- Collection and submission of cost data should not be overly burdensome to ASCs; other small providers (hospice, HHA, RHC) submit cost data
- Although CMS does not collect cost data, the agency has shown some interest in doing so; ASC industry has opposed it as unnecessary

MECOAC Note: HHA (home health agency), RHC (rural health clinic).

Issues with ASC Quality Reporting (ASCQR) Program

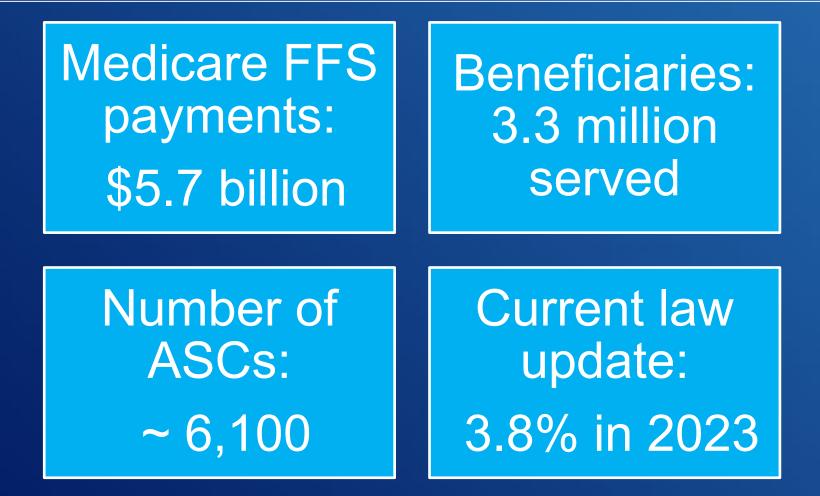
- Current measures are very limited: 4 measures, do not effectively represent ASC quality
- ASCQR Program could be improved by adding measures with these features:
 - Claims-based outcomes measures that represent all ASCs
 - Measures that apply to both the ASCQR Program and Hospital Outpatient Quality Reporting Program
 - A measure for rate of surgical site infections
 - Measures that reflect specialty-specific guidelines (ex. patients age 85+ should not receive colorectal cancer screening (American Cancer Society, 2018))

Background on ASCs

- ASCs provide outpatient surgical procedures
 - Cataract, gastroenterology, and pain management are most common types of procedures
- CMS bases payment rates for most services covered under the ASC payment system on Medicare payment rates from OPPS (HOPD services)
 - ASC payment rate = (OPPS relative weight)*(ASC conversion factor)
 - ASC conversion factor is much smaller than OPPS conversion factor
 - Hence, ASC payment rates for most services are about 50 percent of OPPS payment rate for the same service

MEC/DAC OPPS (outpatient prospective payment system), HOPD (hospital outpatient department).

Overview of ASCs in 2021





2021: Number of ASCs increased; volume rebounded to pre-pandemic level

	Avg annual pct change, 2016-2019	Avg annual pct change, 2019-2021
Number of ASCs	1.9%	2.3%
Share of FFS beneficiaries served	0.1%	1.0%
Volume per FFS beneficiary	0.8%	0.6%

Source: MedPAC analysis of Medicare claims and Provider of Services file from CMS, 2016-2021.



Geographic location of ASCs is uneven

- Number of ASCs per Part B beneficiary (MA and FFS) varies widely from 38 per 100k beneficiaries in Maryland to 1.5 per 100k beneficiaries in Vermont
 - Certificate-of-need laws have large effect
- In 2021, 93% of ASCs were in urban locations (in metropolitan statistical areas); 7% in rural locations
 - 11.5% of urban beneficiaries received care in ASCs versus 7.8% for rural beneficiaries
 - Rural areas lack surgical specialists and population density to support the ASC business model

Source: MedPAC analysis of Provider of Services, Common Medicare Environment, and Medicare claims files from CMS, 2021.

In 2021, ASC Medicare revenue was well above the pre-pandemic level

- Medicare revenue per FFS beneficiary has grown rapidly
 - 2016-2019: 7.7% per year on average
 - 2019-2021: 8.7% per year on average
- Much of the growth in Medicare revenue was from increased provision of relatively complex services such as implant of spinal neurostimulators and knee arthroplasty

Source: MedPAC analysis of Medicare claims and Provider of Services file from CMS, 2016-2021.



Summary

- ASCs have largely rebounded from the effects of the pandemic
- In 2021, number of ASCs increased; volume of services and Medicare revenue were above pre-pandemic levels
- Concentration of ASCs varies widely among geographic areas; access to ASCs might be difficult in some areas
 - Services provided in ASCs also can be accessed in HOPDs and, in some instances, physician offices



MedPAC's standing recommendation to collect cost data from ASCs

The Secretary should require ambulatory surgical centers to report cost data.

- Rationale for republishing recommendation:
 - ASCs are a small part of Medicare spending
 - MedPAC has made similar recommendation since 2010
 - ASCs do not submit cost data (no cost-related measures)
 - Quality measures need to be improved



Discussion

- Address questions and comments
- Support for republishing March 2022 recommendation?
- Ideas on how to encourage collection of cost data from ASCs

