

Ambulatory surgical center services: Status report

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Presentation roadmap

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Background on ASCs

- ASCs provide outpatient surgical procedures
- CMS bases FFS payment rates for most ASC services on OPPS relative weights
 - $\text{ASC payment rate} = (\text{OPPS relative weight}) \times (\text{ASC conversion factor})$
 - ASC conversion factor is much smaller than OPPS conversion factor
 - Consequently, ASC payment rates are 44% lower on average than OPPS payment rates
 - For 2026, ASC base payment rate received an update of 2.6 percent (same as OPPS)

Note: ASC (ambulatory surgical center), FFS (fee-for-service), OPPS (outpatient prospective payment system).

Benefits of ASCs relative to HOPDs

- For patients, ASCs offer:
 - Lower cost sharing
 - Easier scheduling
 - Less time in surgery
- ASCs offer efficiency to physicians because they can customize their surgical environments and hire specialized staff
- ASCs receive lower FFS Medicare payment rates
 - Therefore, services provided in ASCs are lower cost to Medicare than services provided in HOPDs

Note: ASC (ambulatory surgical center), HOPD (hospital outpatient department), FFS (fee-for-service).

Overview of ASC use and spending under FFS Medicare, 2024



Facilities

6,436



Users

3.4 million beneficiaries



Services

6.4 million surgical procedures



Payments

\$7.5 billion

Note:

ASC (ambulatory surgical center), FFS (fee-for-service). "Payments" includes Medicare program payments and beneficiary cost-sharing liabilities.

Source:

MedPAC analysis of Medicare carrier claims files, 2024 and Provider of Services file, 2025.

Number of ASCs, share of beneficiaries served, and volume increased in 2024

	2024	Average annual percent change, 2019-2023	Percent change, 2023-2024
Number of ASCs	6,436	2.3%	2.2%
Share of FFS Part B beneficiaries served	12.1%	1.4	2.4
Volume per 1,000 FFS Part B beneficiaries	229.9	1.0	3.4

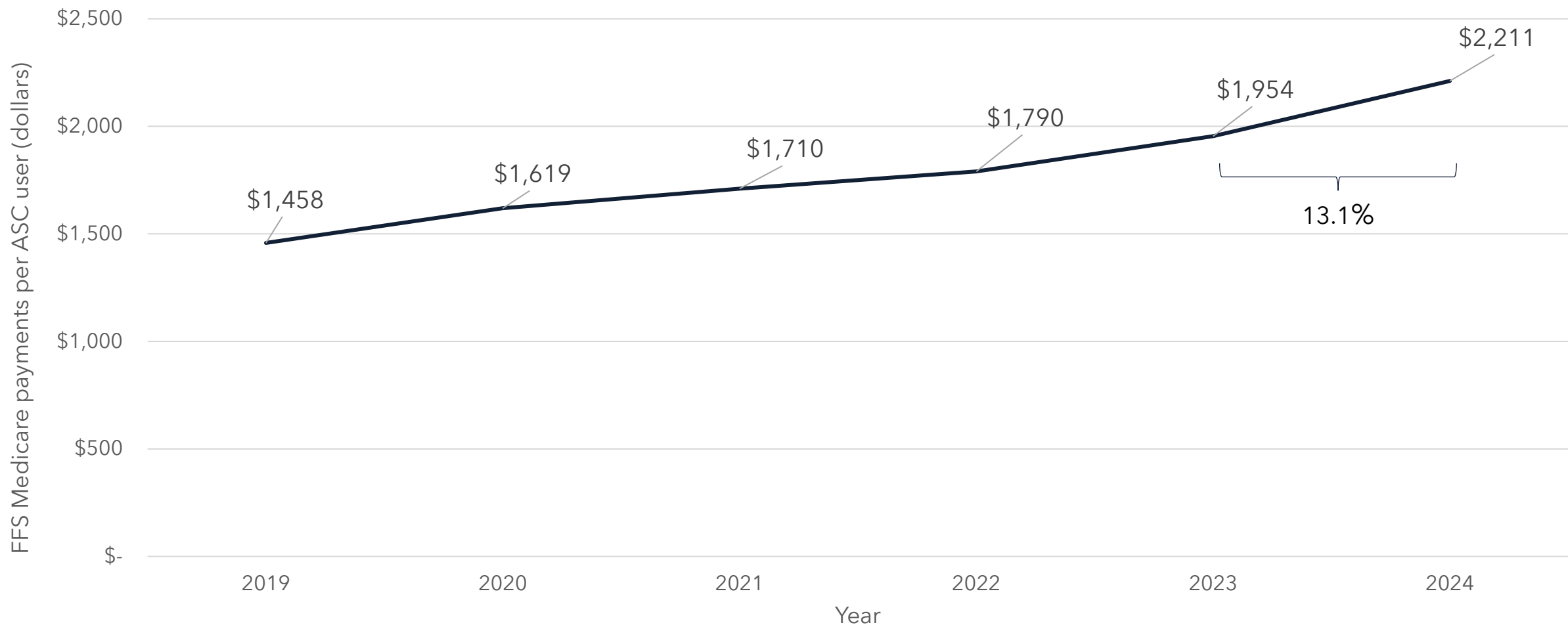
Note: ASC (ambulatory surgical center), FFS (fee-for-service).
Source: MedPAC analysis of Medicare carrier claims, 2019-2024 and Provider of Services file, 2025.

Most ASC volume concentrated in small number of procedures, 2019-2024

- Services that have historically contributed the most to overall ASC volume continue to be the most common
 - Extracapsular cataract removal with IOL insertion accounted for ~18% of ASC volume in 2019 and 2024
 - 18 of the 20 most common ASC services in 2019 were among the top 20 most common in 2024
 - In 2024, 50% of ASC volume was concentrated in 7 procedures
- However, volume of total hip, knee, and shoulder replacements is rapidly increasing

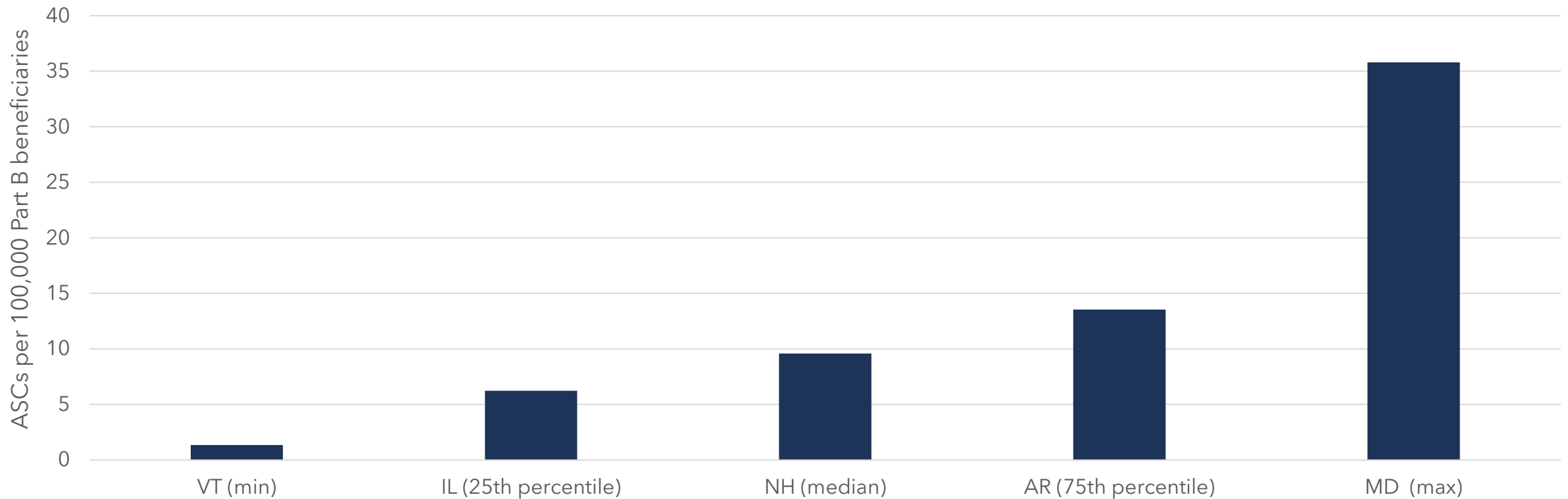
Note: ASC (ambulatory surgical center), IOL (intraocular lens).
Source: MedPAC analysis of physician/supplier standard analytic files from 2019 and 2024.

FFS Medicare payments per beneficiary receiving ASC services, 2019-2024



Note: ASC (ambulatory surgical center), FFS (fee-for-service).
Source: MedPAC analysis of Medicare carrier claims, 2019-2024.

Number of ASCs varied widely among states in 2024



Note: ASC (ambulatory surgical center), VT (Vermont), IL (Illinois), NH (New Hampshire), AR (Arkansas), MD (Maryland).
Source: MedPAC analysis of Provider of Services file, 2025 and Common Medicare Enrollment File.

ASC presence is much stronger in urban areas



94%

Urban

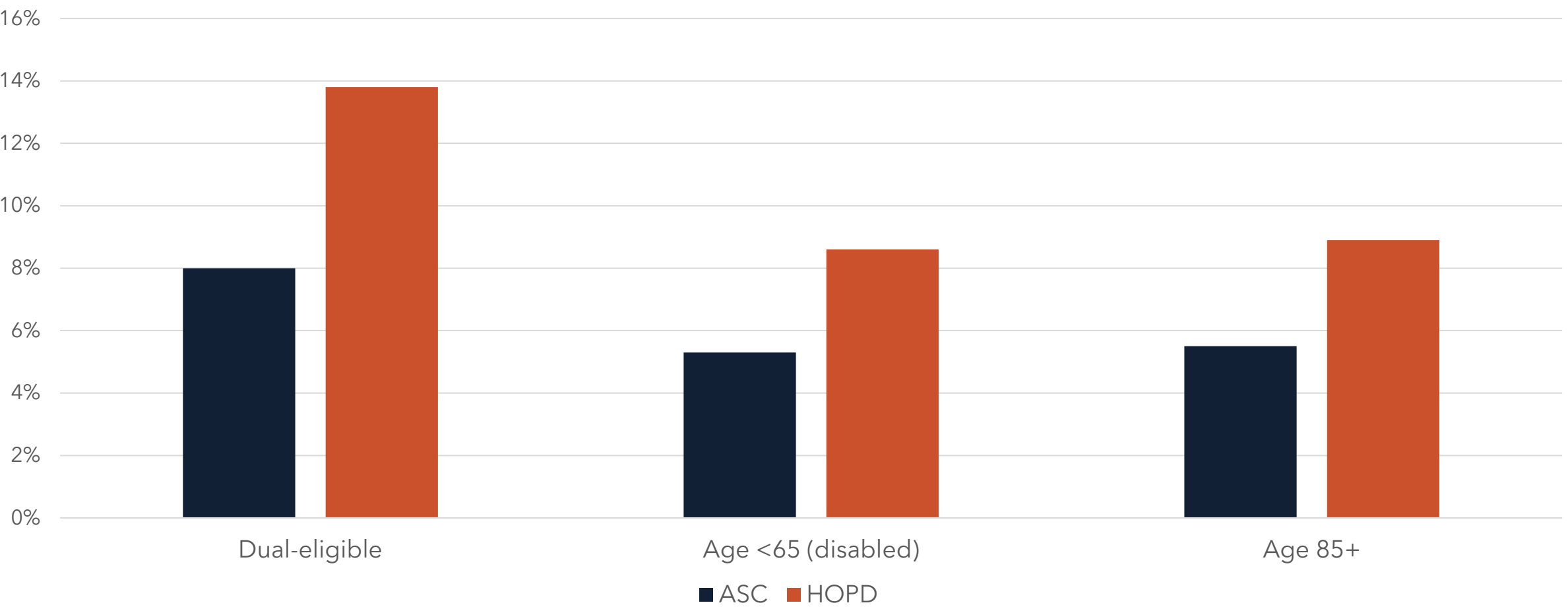


6%

Rural

Note: ASC (ambulatory surgical center). We defined urban as being in metropolitan statistical areas (MSAs) and rural as being outside MSAs.
Source: MedPAC analysis of CMS Provider of Services file, 2025.

FFS Medicare patients treated in ASCs differ from patients treated in HOPDs, 2024



Note: FFS (fee-for-service), ASC (ambulatory surgical center), HOPD (hospital outpatient department). All differences between ASC and HOPD patients are statistically significant ($p < 0.05$). This analysis excludes beneficiaries who received services that are not covered under the ASC payment system.

Source: MedPAC analysis of carrier and outpatient standard analytic claims files for 2024 and the Common Medicare Environment file.

Outcome measures from ASCQR Program were mixed in 2024

Measure	Median values		
	2022	2023	2024
Hospital Visit Rate after Outpatient Colonoscopy (ASC-12)	9.8	9.8	9.9
Hospital Visits after Orthopedic Procedures (ASC-17)	2.2	2.2	2.3*
Hospital Visits after Urology Procedures (ASC-18)	5.1	5.1	5.2*
Hospital Visits after General Surgery Procedures (ASC-19)	1.0	1.0	1.0

Note: ASC (ambulatory surgical center), ASCQR (ambulatory surgical center quality reporting). Hospital visits include emergency department visits, observation stays, and inpatient admissions. "General surgery procedures" include abdominal, alimentary tract, breast, skin, wound, and varicose vein stripping procedures. All measures are risk-adjusted for patient case mix. Asterisk (*) represents a statistically different value from 2023. Lower values are better.

Source: MedPAC analysis of ASCQR data from CMS, 2022-2024.

MedPAC has recommended that ASCs collect and submit cost data

- ASCs are small facilities, but other small facilities (RHCs, HHAs, hospices) submit cost data
- Without cost data:
 - CMS cannot create payment rates that accurately reflect ASCs' relative costs
 - CMS cannot create an ASC-specific market basket that could be used to update ASC payment rates

Note: ASC (ambulatory surgical center), RHC (rural health clinic), HHA (home health agency).

ASC status update for 2024

**The number of
ASCs is growing**

**The volume of
ASC services has
slightly increased**

**FFS Medicare
payments to ASCs
are increasing**

**ASC market
concentration
varies**

**FFS Medicare case
mix differs
between ASCs
and HOPDs**

**Quality measure
performance is
mixed**

Note: FFS (fee-for-service), ASC (ambulatory surgical center),

Discussion

- Questions about the material?
- Suggestions for future work?
- March 2026 report to the Congress



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