

Assessing payment adequacy and updating payments: Ambulatory surgical center services

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Overview of ASCs, 2017

- Medicare payments to ASCs: Nearly \$4.6 billion
- Number of ASCs: ~ 5,600
- Fee-for-service beneficiaries served: 3.4 million

Results are preliminary and subject to change

Indicators of Medicare ASC payment adequacy are positive

- Access to ASC services increased in 2017:
 - Volume per beneficiary increased 1.7%
 - FFS beneficiaries served increased 0.4%
 - Number of ASCs increased 2.4%
- Medicare payments per beneficiary increased 7.7%
- Access to capital: Good
- Quality: Slight improvement since 2013; issues with measures remain
- Limitation of analysis: Lack of cost data; Commission has recommended that ASCs be required to submit cost data

Assessing payment adequacy and updating payments: Hospice services

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Overview of Medicare hospice, 2017

- Hospice use:
 - About 1.5 million beneficiaries
 - Over 50% of decedents
- Providers: nearly 4,500
- Medicare payments:
 - \$17.9 billion to hospice providers

Note: Data are preliminary and subject to change.

Hospice payment adequacy indicators are positive

- Access to care indicators
 - Supply of providers continues to grow, driven by for-profit hospices
 - Number of hospice users, hospice days, and ALOS among decedents increased
 - Marginal profit in 2016: 14%
- Limited quality data are available
- Access to capital appears strong
- 2016 aggregate margin: 10.9%
- Projected 2019 aggregate margin: 10.1%

Note: ALOS (average length of stay). Data are preliminary and subject to change.

Draft recommendation

For 2020, Congress should reduce the fiscal year 2019 Medicare base payment rates for hospice providers by 2 percent.

Implications

Spending: Decrease in spending of between \$750 million and \$2 billion over 1 year, and between \$5 billion and \$10 billion over 5 years relative to statutory update.

Beneficiary and provider: No adverse impact on beneficiaries expected. Not expected to affect providers' willingness and ability to care for Medicare beneficiaries.