

Assessing payment adequacy and updating payments: ambulatory surgical center services

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Measures of payment adequacy

- Access to care
 - Measures of reported access
 - Capacity and supply of providers
 - Volume of services
- Access to capital
- Quality
- Medicare payments and provider costs

Important facts about ambulatory surgical centers (ASCs)

- Medicare payments in 2016: \$4.3 billion
- Beneficiaries served in 2016: 3.4 million
- Number of ASCs in 2016: 5,532
- Will receive payment update of 1.2% in 2018
- Most ASCs have some degree of physician ownership

Data preliminary and subject to change.

Comparing ASCs with hospital outpatient department (OPDs)

- Benefits of ASCs
 - Efficiencies for patients and physicians
 - Lower payment rates and cost sharing in ASCs vs. OPDs (OPD rates more than 90% higher)
- Concern: Evidence that physicians who own ASCs perform more procedures
- Issue: Relative to OPD patients, ASC patients are less likely to be dual eligible, minority, under age 65, or age 85 or older

Volume of services, number of ASCs, and Medicare payments have increased

	Avg annual change, 2011-2015	Change, 2015-2016
FFS beneficiaries served	0.6%	-0.4%
Volume per FFS beneficiary	0.7%	-0.5%
Number of ASCs	1.3%	1.4%
Medicare payment per FFS beneficiary	3.6%	3.5%

Source: MedPAC analysis of Medicare claims and Provider of Services file from CMS, 2011-2016.

Data preliminary and subject to change.

Access to capital is good

- Positive growth in the number of ASCs (1.4% in 2016)
- ASCs and ASC companies have been acquired by hospital groups and other health care companies
- Medicare accounts for small share of total ASC revenue (~20%), so factors other than Medicare payments influence access to capital

ASC quality reporting (ASCQR) program performance

- In 2012, ASCs began reporting quality data to CMS
- In 2014, CMS began reducing ASC payments by 2 percent for failure to report quality data
- Performance: Slight improvement in some measures

ASC quality measure	2013	2014	2015
Share of patients with falls	0.2%	0.1%	0.1%
Share of patients with “wrong” events	0.1	0.0	0.0
Share of patients transferred	0.5	0.4	0.4
Share of patients with burns	0.4	0.4	0.5
Share of staff receiving flu shots	--	74	75
Share of patients with history of polyps receiving post-colonoscopy surveillance	--	79	79

Source: CMS Medicare hospital compare dataset for ASCs

ASCQR program improvements

- Improve ASC data reporting rate
 - 5 percent had payments reduced for incomplete reporting
 - 20 percent did not report flu vaccine measure
 - 98 percent did not report voluntary cataract measure
- Strengthen list of measures
 - CMS altered some measures for 2018
 - Increase use of claims-based outcomes measures
 - Subsequent hospitalizations for all types of ASCs
 - Surgical site infection measure
- Value-Based Purchasing recommendation (2012)

Summary of payment adequacy measures

- Access to ASC services in 2016: Good
 - Number of FFS beneficiaries served: Slight decline
 - Volume of services per FFS beneficiary: Slight decline
 - Payments per FFS beneficiary: Increased
 - Number of ASCs: Increased
- Access to capital: Good
- Quality of care: Slight improvement, but issues with reporting and measures remain
- ASCs do not submit cost data

Discussion

- Questions about content and methods
- Draft recommendations
 - Update
 - Cost data reporting