

Assessing payment adequacy and updating payments: Ambulatory surgical center services

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Measures of payment adequacy

Beneficiaries' access to care	Quality of care	ASCs' access to capital	Medicare payments, ASCs' costs
<ul style="list-style-type: none">• Capacity and supply of ASCs• Volume of services	<ul style="list-style-type: none">• Measures from the ASCQR Program	<ul style="list-style-type: none">• Change in number of ASCs	<ul style="list-style-type: none">• Payments• No cost data: No margins or cost-dependent measures

Important facts about ambulatory surgical centers (ASCs)

Medicare FFS
payments:
\$4.9 billion

Beneficiaries:
3.5 million
served

Number of
ASCs:
~ 5,700

Current law
update:
2.6% in 2020

Data preliminary and subject to change.

Comparing ASCs with hospital outpatient department (HOPDs)

ASC benefits

- Lower payment rates and cost sharing vs. HOPDs
- Efficiencies for patients and physicians

Concern

- Most ASCs have some physician ownership
- Incentive to provide more surgical procedures

Issue

- Low concentration in rural areas and some states (VT, WV, AL, DC, KY)

Measures of access are strong

	Avg annual change, 2013-2017	Change, 2017-2018
FFS beneficiaries served	0.8%	0.9%
Volume per FFS beneficiary	1.5%	2.2%
Number of ASCs	1.5%	2.6%

Source: MedPAC analysis of Medicare claims and Provider of Services file from CMS, 2013-2018.

Data preliminary and subject to change.

ASC quality of care (ASCQR)

ASCQR measures

- Some improvement in ASCQR measures 2013 to 2017
- CMS has dropped several measures

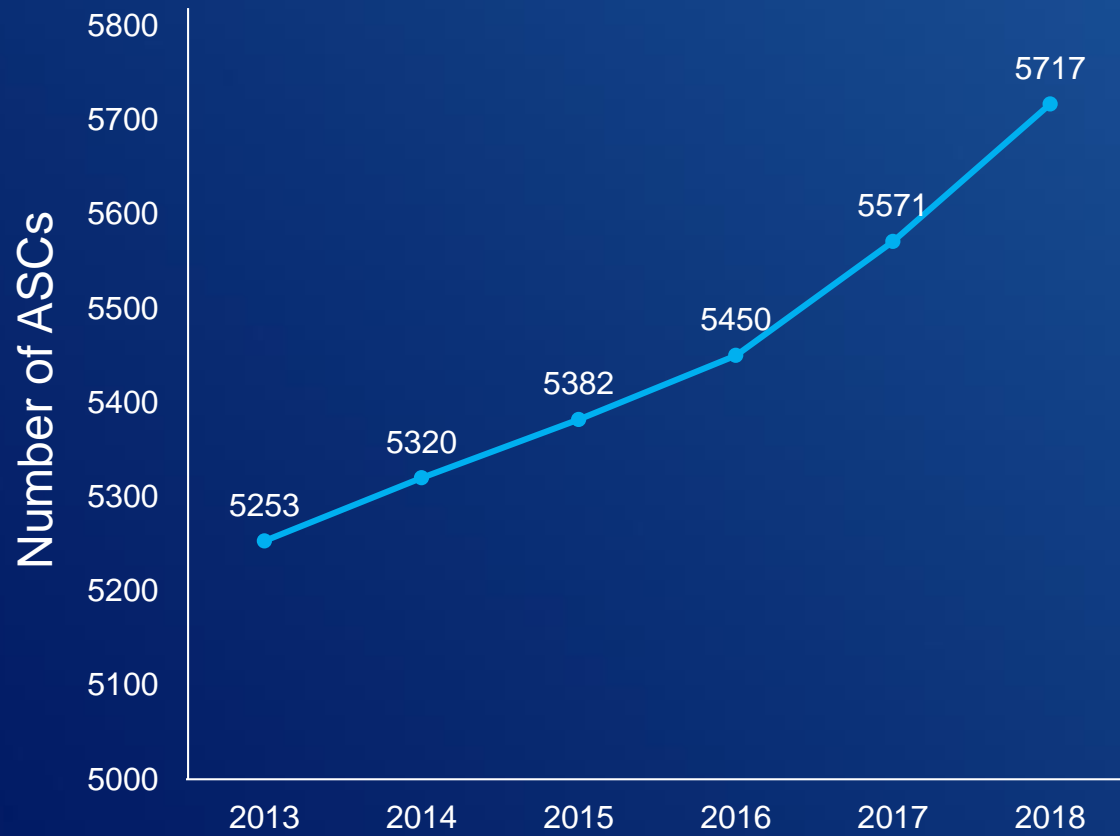
Room for improvement

- Share of staff receiving flu vaccine, 78%
- Appropriate follow-up interval after colonoscopy, 83%

Strengthen ASCQR

- Increase use of claims-based outcome measures
- End delay of CAHPS-based patient experience measures
- Add measures so that ASCQR syncs with hospital OQR

Access to capital is good



- Positive growth in number of ASCs (2.6% in 2018)
- Hospital systems and other health care companies that own ASCs have acquired more
- Medicare accounts for small share of total ASC revenue (~20%); factors other than Medicare payments influence access to capital

Strong growth in Medicare revenue



Medicare payments increased:

- 2013-2017: 4.9% per year, on average
- 2017-2018: 7.4%
 - 4.4% average relative weight
 - 2.2% per capita volume
 - 1.2% payment update
 - -0.4% change in packaging drugs/devices
- No ASC margin; ASCs do not submit cost data

Summary of payment adequacy measures

Beneficiaries' access to care	Quality of care	ASCs' access to capital	Medicare payments, ASCs' costs
<ul style="list-style-type: none">• Beneficiaries served increased• Volume per beneficiary increased• Number of ASCs increased	<ul style="list-style-type: none">• ASCQR measures improved• Measures should be strengthened	<ul style="list-style-type: none">• Number of ASCs increased• Corporate entities obtained ASCs	<ul style="list-style-type: none">• Payments increased substantially• ASCs do not submit cost data; should be able to do so
Positive	Positive	Positive	Positive

Discussion

- Questions about content and methods
- Chairman's draft recommendations
 - Update
 - Cost data reporting