



Advising the Congress on Medicare issues

Assessing payment adequacy: ambulatory surgical center services

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Important facts about ASCs

- Medicare payments in 2009: \$3.2 billion
 - 5.1% increase from 2008
- Beneficiaries served in 2009: 3.3 million
 - 1.2% increase from 2008
- Number of ASCs in 2009: 5,260
 - 2.1% increase from 2008
- 90% have some degree of physician ownership

Addressing issues raised at December meeting

- Average annual growth of all HOPD services, 2004-2009: 4.3%
 - 0.1% annual growth in services covered in ASCs (5.6% of total HOPD volume)
 - 4.5% annual growth of all other HOPD services
- African Americans less likely to be treated in ASCs than HOPDs
 - Influenced by higher proportion of African Americans who are dual eligibles

Market basket for ASC services

- CMS uses CPI-U to update ASC payments
- Alternatives examined in March 2010 report
 - Hospital market basket
 - Practice expense component of MEI
- GAO survey data suggest that ASCs have different cost structure than hospitals and physician offices
- CMS should collect ASC cost data and decide whether to use existing price index for ASCs or develop ASC-specific index

Measures of payment adequacy

- Access to ASC services has been increasing
 - Increase in number of beneficiaries served
 - Increase in volume per FFS beneficiary
 - Increase in number of ASCs
- Access to capital has been at least adequate
- We lack cost and quality data
 - Commission recommended that ASCs be required to submit cost and quality data (2009, 2010)