

AMBULATORY SURGERY CENTERS:

THE VALUE OF PHYSICIANS OWNERSHIP



BACKGROUND

Ambulatory Surgery Centers - known as ASCs - are modern health care facilities focused on providing outpatient surgical care, including diagnostic and preventive procedures.

Unlike hospital outpatient departments, more than 90 percent of ASCs today are physician-owned and physician-operated, allowing patients to deal directly with their health care provider in a more patient-centered and personalized setting. Yet, because they are also highly specialized and function on a much smaller scale, ASCs are able to pass along savings to patients and payers by providing services at a lower price than a full-service hospital.

In fact, Medicare reimburses considerably less for procedures performed in ASCs than the rate paid to hospital outpatient facilities for the same procedure. Those savings are passed on to patients and insurers, including Medicare and Medicaid, in the form of lower health care spending and copayments. Every year, ASCs reduce Medicare outlays by an estimated \$3 billion by providing the same, high-quality care as hospitals, in a lower-price setting.

ACCOUNTABILITY AND QUALITY OF CARE

Physician ownership allows for maximum professional control over the clinical environment and over the quality of care delivered to patients. As a result, patients say they have a 92 percent satisfaction rate with both the care and service they receive from ASCs.

This advanced model of service enhances the delivery of care by allowing physician operators to:

- ▶ Focus exclusively on a small number of processes in a single setting, rather than having to rely on a hospital setting that has large-scale demands for space, resources and the attention of management,
- ▶ Intensify quality control processes since ASCs are focused on a smaller space and a small number of operating rooms, and
- ▶ Afford patients the ability to bring any concerns directly to the physician operator who has direct knowledge about each patient's case, rather than deal with hospital administrators who almost never have detailed knowledge about individual patients or their experiences.

CONVENIENCE

Physician ownership helps reduce frustrating wait-times for patients and allows for maximum specialization and patient-doctor interaction. Unlike large-scale institutions, ASCs:

- ▶ Provide responsive, non-bureaucratic environments tailored to each individual patient's needs,
- ▶ Exercise better control over scheduling, so virtually no procedures are delayed or rescheduled due to the kinds of institutional demands that often occur in hospitals (i.e., unforeseen emergency room demands, etc.), and
- ▶ Allow physicians to personally guide innovative strategies for governance, leadership and quality initiatives.

ACCREDITATION

All ASCs are subject to rigorous oversight and independent inspections to assess each center's level of compliance with both state and national standards. These on-site surveys, like those conducted at hospitals and other facilities, evaluate ASCs on a wide range of demanding clinical, operational and quality standards.

Currently, there are more than 5,200 Medicare-certified ASCs throughout the country that meet or exceed the health and safety standards set by the Centers for Medicare & Medicaid Services (CMS).

In addition to state and Medicare standards, many ASCs seek voluntary accreditation from one of four accrediting bodies, which are recognized by CMS for their high standards of quality care. These include:

- ▶ The Accreditation Association for Ambulatory Health Care (AAAHC)
- ▶ The Joint Commission
- ▶ The American Association for Accreditation for Ambulatory Surgery Facilities (AAAASF)
- ▶ The American Osteopathic Association (AOA)

IMPLICATIONS OF PHYSICIAN OWNERSHIP

Some policy makers and regulators have questioned whether the financial considerations associated with physician ownership of ASCs could lead to more surgeries or procedures than are medically necessary. Other research studies have ignited some concern by suggesting that physicians who own ASCs have higher rates of surgery than non-owners.

First and foremost, a large percentage of the surgeries and procedures being performed in ASCs are preventive in nature and reduce the severity, duration and expense of patient care over time.

- ▶ For example, according to the U.S. Preventive Services Task Force, colorectal cancer is the third most common type of cancer and the second leading cause of cancer deaths in the United States. In cases where ASCs lead to higher screening rates, the result is early diagnosis and treatment, improved quality of life and important cost savings to insurers, Medicare, patients, and the taxpayers who fund the system.
- ▶ A report from KNG Health Consulting estimates colonoscopy and upper gastrointestinal endoscopic (GI) procedures accounted for almost a third of Medicare ASC spending growth between 2000 and 2007. Current levels of screening in this country still lag behind those recommended to achieve effective rates of cancer screening.

Second, ASCs provide a convenient, highly cost-effective alternative to traditional HOPDs.

- ▶ The growth in surgeries performed in ASCs parallels the historic shift away from hospital inpatient surgeries toward outpatient settings. The KNG report estimates that 70% of the growth in the total volume of ASC services can be attributed to this shift. For example, in 2000 HOPDs performed 75% of all colonoscopies and upper GI services. By 2007, HOPDs were performing less than 60%.
- ▶ ASCs may offer patients more convenient locations, ease in scheduling surgeries, shorter waiting times, and high (92%) patient satisfaction with their experience. Consequently, more access to ASCs may increase the demand for surgical services and cancer screening.
- ▶ ASCs bring significant cost savings to the health care system. The Medicare program and the taxpayers who support it achieve considerable savings every time a patient chooses to receive their surgical care in an ASC rather than a hospital.

Lastly, all physicians are bound by a strict code of medical ethics, including a pledge to "do no harm." ASCs, their owners and healthcare professionals, hold themselves to a very high standard of care and professionalism.