Position Statement

Ambulatory Surgical Centers

This Position Statement was developed as an educational tool based on the opinion of the authors. It is not a product of a systematic review. Readers are encouraged to consider the information presented and reach their own conclusions.

An Ambulatory Surgical Center (ASC) exclusively furnishes outpatient surgical and procedural services with the expectation that the patient will not need hospitalization nor exceed a twenty-four hour stay. There are currently more than 5,100 Medicare-certified ASCs in the United States (U.S.). In 2008, ASCs supported roughly 20 million surgical procedures and received $3.1 billion in payments from Medicare. ASCs account for less than 1 percent of total Medicare spending. The number of ASCs and the number of procedures being performed in ASCs have grown in response to advances in technology and medicine. For example, many orthopaedic procedures can be performed in ASCs because of advancements in minimally invasive techniques. Additionally, the improvement of short-acting general anesthetics has reduced operative and recovery times and has made it possible to perform more procedures in an ambulatory setting.

The American Association of Orthopaedic Surgeons (AAOS) believes that ASCs perform a vital role in the provision of patient-centered, cost effective, high quality musculoskeletal care.

ASCs Represent an Evolving Innovation in Health Care Delivery

Convenience and Efficiency

The growth in ASCs is primarily attributable to the numerous benefits they provide for the patient. Technological advances continue to add to the number of procedures that can be performed on an outpatient basis. For musculoskeletal patients, ASCs offer more convenient locations, shorter wait times, and easier scheduling. Physicians can perform procedures more conveniently at ASCs because the physician controls scheduling and staffing. Since a narrower range of procedures are performed, schedule disruptions to accommodate emergency cases are rare. The patient's share of the cost of a procedure is also lower in ASCs than in hospital outpatient surgery departments. These factors directly translate to more convenient delivery of services to the patient.

Single-specialty centers, and to a lesser extent multi-specialty centers, potential role as "focused care facilities" is also noteworthy. Compared to alternate venues ASCs offer more efficient clinical operations, saving time and money in delivering services. The ability to perform higher volumes of a narrow range of procedures allows ASCs to maximize operational efficiencies and harvest economies of scale which save money for patients and payers alike. The savings produced from the efficiency gains allow ASCs to continue to provide many valuable services to all patients regardless of payer status and their ability to pay.
Patient and Provider Satisfaction

ASCs in general are rated highly by both patients and providers. Patient's benefit from the convenience of on-time appointments, onsite parking, and complaint rates of less than two per thousand cases are not uncommon. Providers are similarly pleased with the control over staff and scheduling and the potential to leverage this control to create organized processes to improve the quality and efficiency of care.

For orthopaedic surgeons, ASCs are often more convenient, more efficient, and customizable to their needs. Many musculoskeletal procedures are highly technical and specialized, and ASCs allow an orthopaedic surgeon the opportunity to perform these complex procedures more efficiently than other settings. For example, the operating room in an ASC is often designed for a specific type of procedure, such as arthroscopy. Equipment and supplies are setup for these specific procedures by the same clinical staff who often work together on a daily basis. This makes it much easier to schedule and perform surgery in an ASC, which translates into improved efficiency, cost-effective use of resources, better outcomes for patients, and high levels of patient and provider satisfaction.

Value

Patient and total healthcare costs are often lower for care provided in ASCs when compared to other healthcare settings. In this era of increased transparency, patients will demand a "pay for performance" system. Consumers of healthcare services should be provided with quality and cost information to facilitate informed decision making. A Government Accountability Office (GAO) study comparing ASC with Hospital Outpatient Department (HOPD) costs demonstrated that the cost of an ASC procedure was 84% of the cost of an HOPD procedure. Given the relatively narrow focus of these facilities it is expected that ASC outcomes and quality will continue to improve, but data comparing outcomes and quality in the different settings is currently not available.

Essential to any determination of value is the assessment of payment adequacy. Current methodology used to update ASC payments is concerning in that it may not accurately reflect ASC cost structure. The development of ASC-specific price indexing, using ASC cost data, would more accurately credit ASCs with the true value they deliver. Additionally, adoption of this methodology would go a long way in addressing the payment parity issue commonly raised when ASCs are compared to hospital outpatient departments.

The AAOS believes that as procedural technology continues to evolve, ASCs will serve as sites for continued innovation in the delivery of musculoskeletal care. Convenience, affordability, accessibility, and patient satisfaction will continue to be valued by patients and payers in our evolving health care system. The AAOS fully supports innovations that represent increased value delivered to our patients.

Surgeons Are Uniquely Positioned to Drive ASC Innovations

Management and Ownership

Physicians have traditionally been the primary investors in ASCs. Recent publications report that physicians maintain ownership stakes in approximately 83 percent of ASCs and fully own approximately 43 percent. This investment is driven by the belief that with concentration and specialization on a narrow range of procedures, higher levels of productivity and efficiency can be achieved. In assuming an active role in managing these facilities, physicians are able to direct all activities toward achieving maximum patient benefit while maximizing efficiency and minimizing cost. The linkage between clinical outcomes and cost containment is very desirable from a health care system perspective given the escalating costs of providing these services.
Application of New Procedural Technology

New technology is the main driver of the expanding list of procedures suitable for outpatient delivery. Surgeons and procedural physicians not only develop, but more importantly refine the applications and indications for new technology. Orthopedic surgeons should and will continue to play a central role in this process.

Focused Factories

ASCs, by design, focus on a limited scope of procedures. The concept that "simplicity and repetition breed competence" is believed to be applicable in industry as well as medicine. This relatively narrow focus promotes higher levels of competence among care providers, increased quality, and improved efficiency. Orthopaedic surgeons are uniquely positioned to drive ASC innovation toward focused factories since many of the procedures currently performed in the ambulatory setting are orthopaedic interventions.

*The AAOS believes that orthopaedic surgeons should play a leadership role in driving improvements in the quality and efficiency of care delivered in ASCs.*

Policy: Areas of Focus and Concern

Patient Safety

It has been reported that ASCs treat lower acuity patients when compared to HOPD's. In the absence of standardized and widely reported quality measures with respect to patient safety, this is probably prudent. As leading patient advocates, procedural physicians and surgeons must not push the application of technology that allows for expanding delivery of care in the ambulatory setting before firmly establishing trustworthy measures of safety.

Conflicts of Interest

The AAOS believes that if a potential conflict of interest exists for a provider who manages or owns the ASC they are performing procedures in, then it must be fully disclosed to all patients, payers, and providers involved. The relationship between ownership and facility utilization should be completely transparent to all stakeholders. Recent research findings relating increased utilization to ownership are of concern and warrant further study. However, the simplistic implication that physician ownership leads directly to increased utilization ignores the complexities involved in physician decision making that include multiple regulatory policies and clinical (non-financial) incentives. Ultimately the patient, fully informed of any potential conflicts, in consultation with the treating physician, should decide the most appropriate venue for a given procedure.

Capacity, Utilization, and Payment Parity

The last decade has yielded significant growth in the number of new ASCs. This fact has given birth to concerns of too much capacity and over-utilization. Additionally, these factors have likely influenced payment policy for services provided at ASCs. Current CMS payment policy reimburses ASCs, on average, 58 percent of the reimbursement for similar procedures performed in a HOPD setting. With a cost differential of 16 percent and a payment differential of 42 percent for the first time in 30 years there was a net decline in the number of ASCs in 2009. While it is recognized and established that ASCs can provide similar or higher quality services at a lower cost, the increasing divergence between the cost of procedures and reimbursements must be addressed. Payment parity for procedures, regardless of where the procedure is performed, would likely result in the migration of ambulatory procedures to the appropriate setting, potentially resulting in substantial cost savings to the health care system.
The AAOS believes that many orthopaedic surgical procedures can be safely and efficiently performed in ASCs. We support the use of ASCs, regardless of ownership, as long as all potential conflicts of interest are fully disclosed to the patient, payers, and other providers.

Several ownership models exist, and the AAOS supports physician and nonphysician investment in facilities that deliver high quality and cost effective health care. The AAOS believes that ASCs should be equipped to provide care to all patients who are eligible to receive care in the ambulatory setting, regardless of payer status or ability to pay. The AAOS is committed to working closely with all stakeholders to insure the provision of high quality, cost-efficient, patient centered musculoskeletal care.

References:

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