The goals of the Affordable Care Act (ACA) are to increase access to care, ensure better outcomes and meet quality standards while controlling the cost of health care. Because ambulatory surgery centers (ASCs) can meet all of these goals very effectively, the ACA is giving ASCs an opportunity to capture new business. Below are several ways ASC owners can benefit from the ACA.

**ASCS MEET ECONOMIC GOALS**

When it comes to expectations under the ACA, we routinely hear the expression “do more for less,” and the ASC is much better positioned to “do more for less” than the hospital setting.

ASCs pass along savings to patients and payers by providing services at a lower price than full-service hospitals due to specialization and scale of operations. For example, on average, procedures performed at ASCs cost 40% less than those performed in the institutional environment.1 For Medicare, that low-cost delivery model translates into a savings of more than $2.5 billion a year when procedures are moved from the hospital to the ASC.2

As a result, CMS and private insurers will increasingly incentivize outpatient surgery over the hospital setting. Hospitals will push procedures to their ASCs, and physician-owned ASCs will get busier. At the same time, the ACA is expanding the patient pool for every ASC by greatly increasing the number of people with health care coverage.

The move from hospital to ASC and the increase in insured patients are making us take a hard look at just how much ASC space is available. We're seeing an important increase in the number of individuals who can access ASCs, but the number of ASC locations is flat. Thus, we can assume that in the ACA environment of increased reimbursement and demand, more ASCs will open to meet this growing patient population.

**RETINA BOOSTS REVENUE**

To multiply the positive effects of the ACA, ophthalmic ASCs might consider adding retina procedures, which are already rising in both volume and reimbursement in the ASC. In the last 5 years, there has been a dramatic increase in the number of retina cases performed in ASCs and this has been driven by rising reimbursements.

In 2007, retina procedures were reimbursed for $630.3 4 We couldn't bill heavy liquids and silicone separately, so their use would often result in a loss for the center.3 4 In 2008, Medicare significantly improved reimbursement and the number of procedures grew to 44,381, with billings growing 71% to $39.8 million.5 In 2009, ASCs performed more than 50,000 retina procedures and billings jumped another 23% to $48 million.5

As an example, let's consider the most common retina procedure, standard pars plana vitrectomy, for which the increase is clear:6

- **2007:** $630 (9 ASC payment groups)
- **2008:** $857 (first year of the new ASC payment system)

### Why an ASC?

- Value-based healthcare delivery method, in line with principles of ACA
- Quality delivery method
- 40% less expensive than institutional environment
- ASCs pass along savings to patients and payers by providing services at lower prices than full service hospitals due to specialization and scale of operations
- Medicare saves $2.6 billion annually when surgical procedures are performed at ASCs instead of hospital outpatient departments
- Patient: not exposed to hospital institution environment
- Physician: additional sources of revenue/scope of operations

### SOURCES


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**Should You Consolidate, Merge or Stay the Course?**

Many people ask, "Is it worthwhile to consolidate our surgical center?" The answer varies. If merging with a hospital will increase your revenues without being detrimental to your ASC, then do it. But if a hospital doesn’t have an Accountable Care Organization (ACO) and there’s a separate ACO, then that relationship might not be beneficial.

Merging also depends on your environment. As we are all rethinking our business models, opportunities for new partnerships could arise. Insurers are looking for not only good processes, but also for associated outcomes. If an ASC can help a hospital achieve those outcomes, then it makes sense to partner.

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**REFERENCES**

1. ASCA. What is an ASC? 2013. Available at: ascassociation.org/AdvancingSurgicalCare/aboutascs/industryoverview; last accessed March 31, 2014.