

## ASCs Vital to CA Healthcare Delivery

ASCs are providers of surgical services, providing quality care for high demand procedures at lower cost, in a more efficient setting. Over the last ten years, utilization of surgery centers has increased by 70%. ASCs are a critical component to California and its implementation of the Patient Protection and Affordable Care Act (PPACA).



### Benefits to Patients

Patients who choose surgery centers experience fully-equipped operating and recovery rooms under the care of highly skilled medical professionals. With a smaller clinical setting and fewer operating rooms, ASCs have high-quality control processes for healthy environments.

The benefits of ASCs include:

- Shorter stays for patients
- Lower rates of infection
- Emphasis on patient care
- Innovative medical technology
- Highly trained, specialized medical staff
- Convenient locations and predictable schedules



### Oversight

Oversight responsibilities and regulatory requirements for outpatient surgery settings vary according to who owns the setting and whether the owners seek federal program reimbursement. ASCs without physician ownership and ASCs seeking certification to allow for Medicare and Medi-Cal billing are regulated by the California Department of Public Health (CDPH). ASCs with physician ownership are under the regulatory oversight of the Medical Board of California (MBC) which requires that facilities be accredited by one of 5 approved accrediting agencies. In many instances an ASC will fall under the oversight of both the CDPH and the MBC.

	Setting	#	Certification, Accreditation, Licensure
California Dept. of Public Health (CDPH)	Surgical Clinic (not owned by physician or phys. group)	34	State licensing category, federal certification as an ambulatory surgery center is optional
	ASC	740	Federal certification category
Medical Board of California	Outpatient Surgery Setting	938	This number includes settings reported to the MBC-approved accrediting agencies. These settings are wholly or partly owned by physicians, dentists or podiatrists.

Individual facilities may operate under multiple categories

B & R Klütz Consulting, LLC. *Outpatient Surgery Services in California: Oversight, Transparency, and Quality*, 2015 pg 10-11



### ASCs Drive Savings

#### ASCs Provide Savings for the Government

ASCs are the most cost-effective solution for outpatient surgical procedures for patients, healthcare providers and the Medicare system. According to a recent UC-Berkeley Study, ASCs save Medicare \$2.3 billion annually by providing low-cost services, and these savings could exceed an incredible \$57.6 billion over 10 years, by shifting only 3% to the ASC setting. Every procedure performed in an ASC saves the Medicare program 40% and saves the beneficiaries between 50-60% on their co-payments.

Fulton, Brent; Kim, Sue. *Study: Medicare Cost Savings Tied to ASCs*



#### ASCs Provide Savings for Employers & Patients

In a study released in 2016 by Healthcare Bluebook and HealthSmart, a review of commercial medical-claims data found that U.S. healthcare costs are reduced by more than \$38 billion per year due to the availability of ASCs. More than \$5 billion of the cost reduction accrues to the patient through lower deductible and coinsurance payments. This cost reduction is driven by the fact that, in general, ASC prices are significantly lower than hospital outpatient department (HOPD) prices for the same procedure in all markets, regardless of payer.

Health Care Blue Book, ASCA, Health Smart. *Insurance Cost Savings in Ambulatory Surgery Centers*, 2016



#### ASCs Saved Medicare Money in California

- Medicare saved more than \$103 million on cataract procedures because its beneficiaries elected to have those procedures performed in California ASCs.
- California patients saved more than \$50 million on their copays, because more than 124,000 colonoscopies were performed in ASCs.
- Medicare saved \$22 million because 61,243 Upper GI procedures were performed in California ASCs.



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### Integral Part of the Community

ASCs are small businesses owned by members of their community. Centers throughout the state employ approximately 50,000 people in California. Not only do ASCs provide convenient and comfortable outpatient surgical services to patients in their community, they are also contributing to the local property and income tax bases and providing services and contribution to community charities.

