

## **ASC COVID-19 Response**

### **Worksheet for ASC alternative use considerations**

As ASCs are being considered for alternative uses, it is likely that a lease agreement will be entered into with a hospital or other healthcare entity. Below are some options that can be considered in determining the leasing arrangement and records you should keep on file.

#### **Leasing your ASC Space**

In lieu of a fair market analysis which would take some time, below are two formulas that could be utilized as you determine arrangements for utilizing your ASC. Consider discussing this with the local hospital CFO or your accountant to negotiate a reasonable lease rate per day/month.

- Average utility plus Monthly lease divided by day or by month
- Non-operating expenses average per month which is on the income statement

If the lease is to include any purchased service like janitorial or linen, be sure to include the average cost per patient for those services.

#### **Equipment**

If the leasing agreement calls for using your equipment, you could utilize the components below to evaluate the average cost of utilizing the ASC's equipment. You should also take into consideration equipment vital to the return of your normal operations and their value should they not be returned in working order.

Secure the following:

- Fixed asset list - which will list the age of the equipment and depreciation schedule.
- Recent Biomed Reports which is a comprehensive list of all equipment in the ASC. It will also list the serial and model numbers.
- If equipment is leased or still under depreciation, make sure your contract allows permission for the equipment to be used by other entities or parties.
- Calculate your average operating expenses per day to negotiate a reasonable cost per day/patient. The operating expenses are on the facility's income statement.

#### **Staffing**

Consider a leasing agreement with the local hospital to cover payroll and health benefits if your employees are needed. Another option would be to reimburse the facility for the average rate paid by the hospital for the similar labor pool.

Review staff competency to managing other types of patients. Some staff may have more comprehensive experience such as intensive care, but others will need training to provide specific services outside of perioperative care. If staff have certifications such as BLS or ACLS that are expired, there may be provisions to allow extensions.

#### **Supplies**

Now would be the time to take a quick inventory of supplies using a worksheet. That same worksheet can be used at the end of the lease period to determine supplies utilized and a methodology for reimbursement incorporated into the lease agreement.