

# Ambulatory surgery centers: Unique services, unique needs, unique opportunity

Ambulatory surgery centers are a growing part of the U.S. healthcare system. They provide high-quality, same-day surgery efficiently and cost-effectively. Distributors who address their unique equipment and product needs will earn grateful customers and increased sales.

**It has been 35 years –1982 – since Medicare first covered and paid for surgical procedures provided in ambulatory surgery centers.** In 2015, nearly 5,500 centers treated 3.4 million fee-for-service Medicare beneficiaries in 2015. The number of ASCs increased 81 percent between 2000 to 2015. And Medicare program and beneficiary spending on ASC services in 2015 was about \$4.1 billion.<sup>1</sup>

Private payers and patients have recognized the efficiency and quality of ambulatory surgery centers too. 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 ambulatory surgery centers. More than \$5 billion of the cost reduction accrues to the patient through lower deductible and coinsurance payments.<sup>2</sup>

## The right equipment

Three years ago, one study reported that procedures performed in ambulatory surgery centers are more

efficient, taking 25 percent less time than those performed in hospitals.<sup>3</sup> This efficiency, and corresponding cost-effectiveness, is due largely to ambulatory surgery centers' focus on a limited number of procedures, a vital owner/operator culture, a specialized nursing and support staff – and equipment specially suited for the ambulatory surgery setting.

Dukal's Tech-Med division, for example, has developed an oversized, cost-efficient instrument stand to address the unique needs – and budgets – of ambulatory surgery centers. The #4366 model allows the user to have 30 percent more space, and is made to the same specifications as the corresponding hospital product, at less than half the price.


The ambulatory surgery center segment continues to grow. New facilities are being built every day. Distributors can promote efficient setups by offering a facility layout formulary, which can be duplicated for each new build.

## Ambulatory surgery centers: By the numbers

- Medicare provides separate payments for 3,400 surgical procedures under the ASC payment system.
- In 2015, there were more than 16,000 ORs in ambulatory surgery centers, or an average of three per facility.
- Most Medicare-certified ASCs in 2015 were for-profit (94 percent), urban (93 percent), and located off a hospital campus (99 percent).
- Sixty-one percent of ASCs in 2015 were single-specialty facilities. Twenty-two percent specialized in gastroenterology, and another 22 percent specialized in ophthalmology.
- Physicians who invest in ASCs and perform surgeries there can increase their revenue by receiving a share of ASC facility payments. The federal anti-self-referral law (also known as the Stark Law) does not apply to ASC services.

**Source:** Report to the Congress: Medicare Payment Policy, Medicare Payment Advisory Commission, March 2017 ([http://medpac.gov/docs/default-source/reports/mar17\\_entirereport.pdf](http://medpac.gov/docs/default-source/reports/mar17_entirereport.pdf))

Tech-Med offers numerous products to help make this process easy and efficient.

From eye charts to blood draw chairs to alcohol bottles, Dukal can make sure your ASC customers have high-quality products and equipment, a consistent brand, at the right price, delivered at the right time. The Dukal sales team, customer service, and product managers are ready to answer your questions, work on new product opportunities, and listen to your comments. 

Type of ASC	Number of ASCs	Share of all ASCs
Single specialty	2,878	61%
Gastroenterology	1,027	22
Ophthalmology	1,020	22
Pain management	355	8
Dermatology	191	4
Urology	124	3
Podiatry	95	2
Orthopedics/musculoskeletal	23	0
Respiratory	16	0
Cardiology	10	0
OB/GYN	9	0
Neurology	5	0
Other	3	0
Multispecialty	1,802	39
More than 2 specialties	1,421	30
Pain management and neurology/orthopedics	221	5
Gastroenterology and ophthalmology	160	3
Total	4,680	100

Note: ASC (ambulatory surgery centers), OB/GYN (obstetrics and gynecology). "Single-specialty ASCs" are defined as those with more than 67 percent of their Medicare claims in one clinical specialty. "Multispecialty ASCs" are defined as those with more than 67 percent of their Medicare claims in more than one clinical specialty. ASCs included in this analysis are limited to those in the 50 states and the District of Columbia with a paid Medicare claim in 2015.

Specialization of ASCs, 2015. (Source: MedPAC analysis of Medicare carrier file claims, 2015)

### Distributors can open a discussion with ASC operators about Dukal Tech-Med Mayo stands with questions such as these:

- What size instrument stand do you currently use?
- Are you performing more complicated procedures, requiring more space, than you did just a few years ago?
- What challenges do you or your staff face with the your current stands?
- Would a larger surface area allow you to more effectively stage your procedures?
- Could standardizing to a larger instrument stand reduce duplication and provide a more "all-in-one" solution?
- Is the long-term durability of your stands important to reducing the total cost of ownership?
- Are you satisfied with the quality of the trays that are currently supplied by your current instrument stand supplier? (Tech-Med's trays are made in a surgical stainless steel manufacturing facility.)
- Would a larger tray be beneficial when suturing, or providing treatments – i.e., nebulizer treatments – to patients?
- Can you use an oversized stand for other specialties, such as plastic surgery, orthopedic surgery or OB-GYN?

### Volume of ASC services per FFS beneficiary increased in 2015

	2010	2011	2012	2013 (actual)	2013* (adjusted)	2014	2015
Volume of services (in millions)	6.5	6.7	6.9	6.9	6.3*	6.2	6.4
Volume per 1,000 FFS beneficiaries	202.6	206.1	209.2	210.3	189.6*	187.8	191.2
Percent change in volume per FFS beneficiary from previous year	1.7%	1.7%	1.5%	0.5%	N/A	-0.9%	1.8%

Note: ASC (ambulatory surgical center), FFS (fee-for-service), N/A (not applicable).

\*The adjusted 2013 values reflect adjustments we made to the larger actual values for 2013. The adjusted 2013 values reflect policies established in 2014 that changed the status of many services that had been separately payable in 2013 to packaged with another service in 2014. The purpose is to make the method for counting services in 2013 consistent with the method for counting services in 2014 and 2015.

The 20 most frequently provided ASC services in 2015 were similar to those provided in 2010 (Source: MedPAC analysis of physician/supplier standard analytic files, 2010 and 2015)

1. Report to the Congress: Medicare Payment Policy, Medicare Payment Advisory Commission, March 2017 ([http://medpac.gov/docs/default-source/reports/mar17\\_entirereport.pdf](http://medpac.gov/docs/default-source/reports/mar17_entirereport.pdf))
2. Commercial Insurance Cost Savings in ASCs, Ambulatory Surgery Center Association, June 2016 (<http://www.ascassociation.org/advancingsurgicalcare/reducinghealthcarecosts/costsavings/healthcarebluebookstudy>)
3. Munnich, E. L., & Parente, S. T. (2014). Procedures Take Less Time At Ambulatory Surgery Centers, Keeping Costs Down And Ability To Meet Demand Up. Health Affairs, 33(5), 764-769.