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Procedures Move Toward Ambulatory Surgery Centers

Moderator: John Young, M.D.

Panelists: Richard Heuser, M.D., FACC, FACP, FESC, MSCAI, Christopher Kauffman, M.D. & Tony Taparo

Disclosures / Potential Conflicts of Interest

- The moderator and panelists have no potential conflicts of interest to disclose in regard to content in this presentation

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Learning Objectives

At the end of this session, participants should be able to:

1. Identify the general changes to the CMS final rule for 2021 with regard to outpatient procedures
2. Discuss physician, CFO and industry perspectives on the CMS changes
3. Describe considerations for health systems as movement of procedures to outpatient setting and the ASC space matures

Moderator & Panelists



John Young, M.D., MBA
CMO at HealthTrust



Richard Heuser, M.D.,
FACC, FACP, FESC, MSCAI
Interventional Cardiologist &
HealthTrust Physician Advisor



Christopher Kauffman, M.D.
Orthopedic Spine Surgeon &
HealthTrust Physician Advisor



Tony Taparo
Chief Growth Officer at
Surgery Partners



Overview of the Ambulatory Surgery Center Market

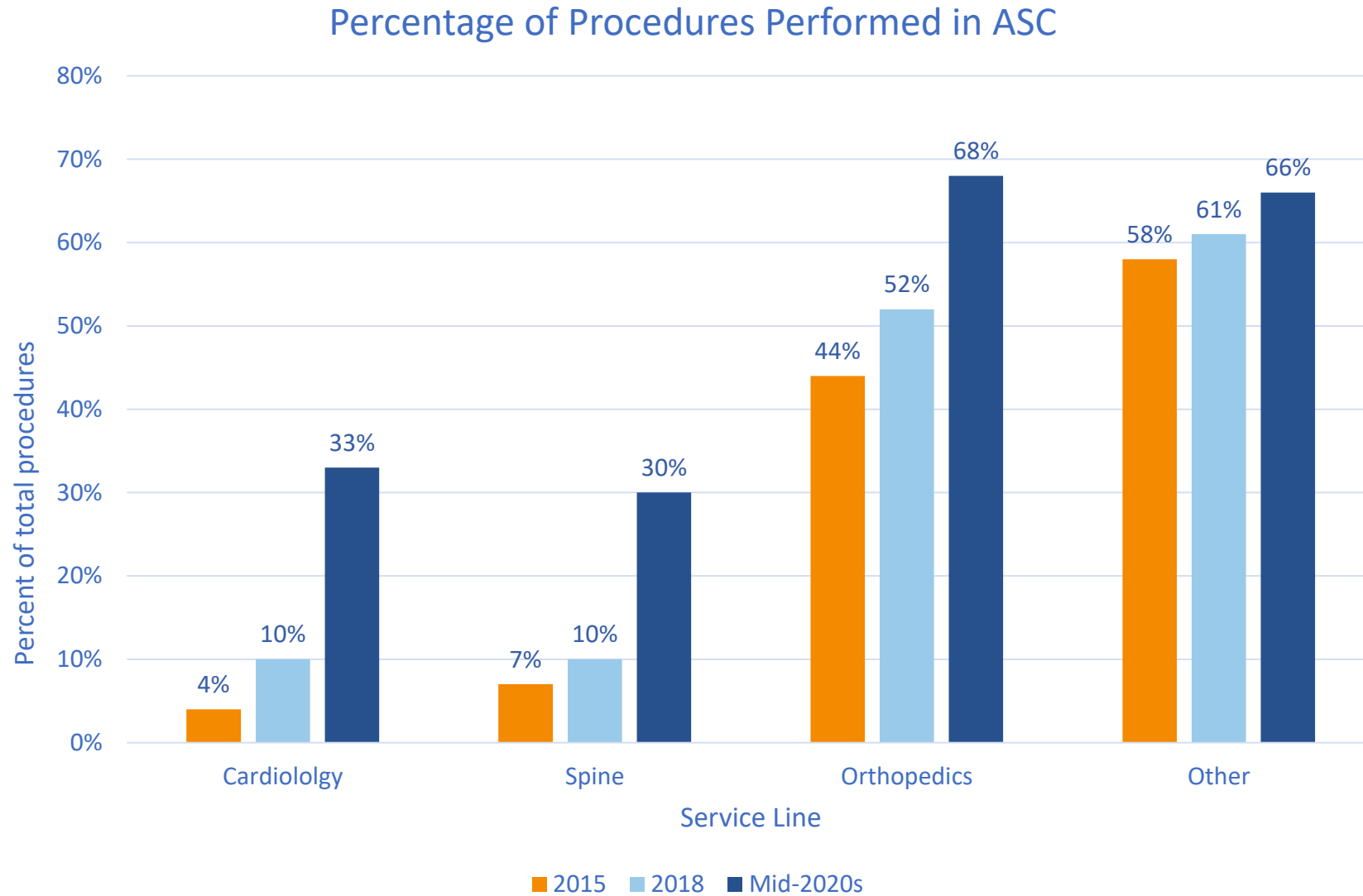
- Over 11,000 ASCs in the United States
- About 30% of the 11,000 ASCs are HealthTrust Members
- HealthTrust has the largest ASC membership of any GPO in the United States
- Approximately 25% of ASCs now have hospitals as shareholders
- ASC growth has been significant and is anticipated to continue
 - Annual rate is projected at 6% growth reaching \$36 billion through 2023
 - Orthopedic, Spine and Cardiology Services are biggest growth areas
- A survey of physicians not currently affiliated with an ASC showed that 60% are interested in practicing in one



Sources: Kumar P, & Parthasarathy R. Walking out of the hospital: The continued rise of ambulatory care and hot to take advantage of it. *McKinsey & Company*. (2020). Available at: <https://www.mckinsey.com/industries/healthcare-systems-and-services/our-insights/walking-out-of-the-hospital-the-continued-rise-of-ambulatory-care-and-how-to-take-advantage-of-it> Accessed 3/20/2021.

Van Biesen, T & Johnson T. Ambulatory Surgery Center Growth Accelerates: Is Medtech Ready? *Bain & Company*. 2019 Available at: <https://www.bain.com/insights/ambulatory-surgery-center-growth-accelerates-is-medtech-ready/> Accessed 6.14.2021

ASC Growth Noted in Three Key areas



Source: Van Biesen, T & Johnson T. Ambulatory Surgery Center Growth Accelerates: Is Medtech Ready? *Bain & Company*. 2019 Available at: <https://www.bain.com/insights/ambulatory-surgery-center-growth-accelerates-is-medtech-ready/> Accessed 6.14.2021

Centers for Medicare & Medicaid Services 2021 Final Rule

Outpatient Prospective Payment System & Ambulatory Surgical Center Payment System

- Increase patient choice by making Medicare payment available for more services in different sites of service
- Elimination of the inpatient only (IPO) list by 2024
 - Inpatient procedures can continue
 - Must be on ASC approved list for Medicare reimbursement in ASC setting
- Indefinite exemption from certain medical review activities related to the 2 midnight rule for those procedures removed from IPO list beginning January 1, 2021
- 2.4% average rate update across all covered procedures
- No changes made to the quality reporting measures for ASC



ASC-Covered Procedures List (CPL) Changes

CMS CY 2021 Final Rule

- 11 procedures were added to the ASC-Covered Procedures List (CPL) using standard process for review
 - Total hip arthroplasty (THA), open treatment of complex malar fx, implantation of carotid sinus baroreflex activation device (total or pulse generator only), vaginal colpopexy procedures, transcervical uterine fibroid ablation & intravascular lithotripsy
- Revising criteria used to add covered procedures to the ASC-CPL
 - Criteria CMS used to add covered surgical procedures to the ASC-CPL in the past will now be factors for physicians to consider in deciding whether a specific beneficiary should receive a covered surgical procedure in ASC
 - Adoption of a notification process for surgical procedures the public believes can be added to the ASC-CPL under the criteria retained
 - Using this revised criteria, CMS added an additional 267 surgical procedures to the ASC-CPL beginning CY2021



Audience Poll Question: #1 of 2

If you are currently in the ASC community, of the selections below, what is the biggest problem you are trying to solve?

- a. Implementation of an enhanced recovery after surgery program
- b. Infection prevention
- c. Supply chain-value analysis
- d. Expanding service line to orthopedics
- e. Expanding service line to cardiology
- f. Other

Audience Poll Question: #2 of 2

If you are currently outside the ASC community, what is the biggest challenge you are trying to solve?

- a. Sepsis care
- b. Infection prevention
- c. Hemodynamic support protocols (Impella, ECMO)
- d. Pain management
- e. Developing an approach to outpatient migration of procedures
- f. Other

Thank you...

John Young, M.D., MBA

Richard Heuser, M.D., FACC, FACP, FESC, MSCAI

Christopher Kauffman, M.D.

Tony Taparo

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