

Ambulatory Surgical Center (ASC) Access Act

- As recently as 2003, Medicare paid ASCs about 86%, on average, as hospital outpatient departments (HOPD) for performing the identical services. However, a multi-year payment freeze and further cuts have reduced those payments in relation to HOPD to 57% in 2011. As an example: a colonoscopy procedure performed in an ASC is reimbursed by Medicare approximately \$353.21 and that same procedure performed in a hospital out-patient department (HOPD) is reimbursed \$613.74 (approximately 74% higher).
- Just as troubling, future payments to ASCs would diverge even further from hospital payments and could fall to as low as 50 percent within five years. This growing discrepancy is based in part on different measures being used to update HOPD and ASCs even though ASCs confront the same inflationary challenges as hospitals in hiring and retaining nurses and purchasing medical supplies. Currently, ASC payments are based on the Consumer Price Index – Urban (CPI-U) – an index representing inflation in the entire economy – while hospitals are updated on a market basket, representing the costs of goods and services purchased by hospitals.
- The ASC Access Act would help stem the growing disparity by providing ASCs with the same market basket update that HOPDs receive. The legislation would leave in place current laws that apply reductions for productivity gains.
- The ASC Access Act would also establish a value-based purchasing (VBP) program for ASCs. Under current law, ASCs are the only Medicare provider who does not have a VBP program. The legislation would compel the Secretary of Health and Human Services to implement a quality reporting program by 2013 as a first step to establishing the groundwork for the VBP.
- The legislation applies the current provisions establishing ACOs as well as the hospital value-based purchasing section and extends them to ASCs, including specifying stakeholder input on development of the measures to be reported. The VBP would
- The legislation will also require CMS to add to the membership of the APC advisory panel a representative of the ASC industry since decisions made by the panel affect both HOPD and ASC facility fees and eligible procedures.
- The legislation would also override the existing Medicare Conditions for Coverage that patients be provided certain notices a day in advance of a procedure. Instead, it would align the ASC and HOPD requirements by allowing those notices to be provided upon admission to the facility.
- Legislation is currently being drafted, for more information please contact Steve Miller at smiller@ascassociation.org or (703) 836-8808.