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FASA COMMENTS ON MEDICARE ASC PAYMENT SYSTEM REFORM

ALEXANDRIA, Va. (July 16, 2007) – FASA, the national association representing ambulatory surgery centers (ASCs), commented today on a final rule the Centers for Medicare and Medicaid Services (CMS) released today to reform the way Medicare sets payments for surgical procedures performed in ASCs. The rule sets ASC payment rates at no more than 67% of the corresponding hospital outpatient department (HOPD) rates for the same procedures, effective January 1, 2008. If proposed HOPD rates are adopted, ASC payment rates would be no more than 65% of the corresponding HOPD rates.

“While we are pleased that CMS has increased ASC payment rates from its proposed rule,” said FASA President Kathy Bryant, “we don’t believe CMS has gone far enough. To ensure that patient choice and patient access to top-quality surgical care are protected, we believe these payments need to be much higher and other provisions of the new rule need to be changed.”

“In 2003,” continued Bryant, “ASCs were paid approximately 86.5% of HOPD rates. In addition, an industry analysis shows that maximum benefits, while complying with statutory restrictions, would be achieved if ASCs received approximately 75% of the HOPD rates. Because CMS is still setting ASC payment rates so low, payments for some procedures will be cut significantly. On top of four years without a payment increase, this is likely to mean that some procedures now performed in ASCs will be forced back into the hospitals, where those procedures will ultimately cost Medicare and its beneficiaries more.”

“By failing to directly link the ASC and HOPD payment systems,” Bryant asserted, “CMS lost a real opportunity to improve health care cost transparency for beneficiaries. The continued differences in the two payment systems this rule includes will make it impossible for beneficiaries to directly and easily compare the costs of having surgery in ASCs and HOPDs, and to make informed choices about their health care.”

Despite its objections, FASA also expressed its support for provisions in the rule that (1) expand the list of procedures Medicare will reimburse ASCs for providing, (2) allow Medicare payments for fluoroscopy services, (3) provide for full payments for implants and other devices for Medicare beneficiaries and (4) incorporate a phase-in period for the new payment system. The rule represents the first major overhaul of Medicare payments to ASCs since the mid-eighties.

Medicare beneficiaries have had access to ASC services for the past 25 years, and ASCs have played a key role in meeting America’s surgical needs for three decades. Today, 80% of all surgeries in America are performed on an outpatient basis, and one out of every five of these is performed at an ASC. According to FASA, a growing number of Americans, including Medicare beneficiaries, are taking charge of their health care and outcomes by choosing to have surgical procedures at ASCs, facilities known for outstanding patient safety records, high rates of efficiency, exemplary customer satisfaction and affordable care. FASA, adds Bryant, appreciates the ongoing support of Senator Mike Crapo (R-ID) and Representatives Kendrick Meek (D-FL) and Wally Herger (R-CA), who have recognized the benefits ASCs offer Medicare beneficiaries.

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FASA, the nation’s leading association of ambulatory surgery centers (ASCs), is a national, nonprofit association representing the interests of those who own, operate and seek the services of ASCs throughout the nation. The organization represents almost 2,200 ASCs, the professionals who provide care and services in such ASCs and the patients who seek care there. Visit FASA online at www.fasa.org.