



WASHINGTON UPDATE

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President
ASC Association

2010 RATES & POLICIES

- **Proposed rule published July 20, 2009**
- **Comments deadline August 31, 2009**
- **Final Rule expected November 2009**
- **Effective January 1, 2010 (generally)**

SUMMARY – PROPOSED RULE

- **No major changes in methodology**
- **Changes in procedure payment rates**
- **Continue with expected transition**
- **Inflation update**
- **Proposed changes to the ASC list**
- **No quality reporting**

CHANGES IN ASC RATES

	2007	2008	2009	2010 Proposed
Lowest Payment	\$333.00	\$4.19	\$5.77	\$2.83
Highest Payment	\$1,339.00	\$24,815.65	\$27,024.22	\$26,974.91
# of Payable Procedures	2,571	3,390	3,403	3,427

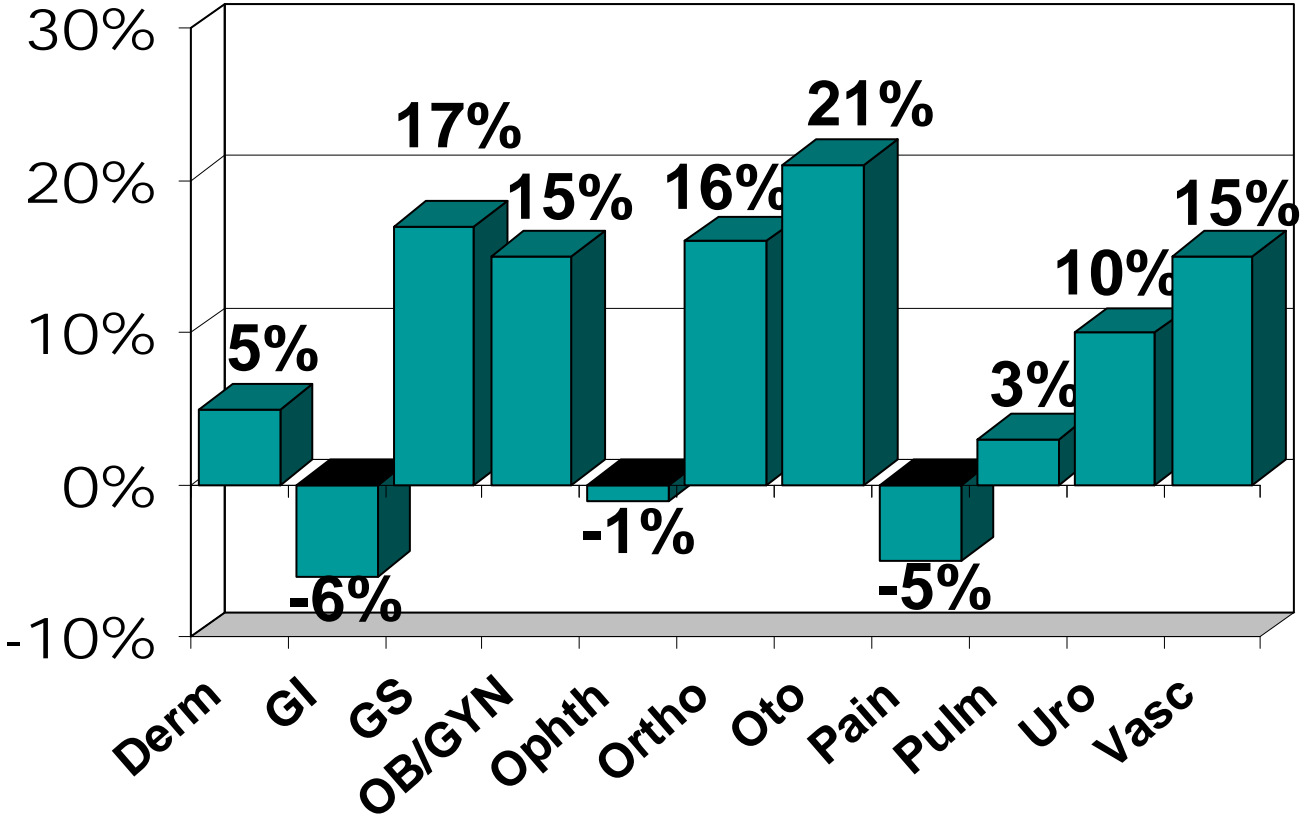
PAYMENT CHANGES

Highest Volume ASC Procedures

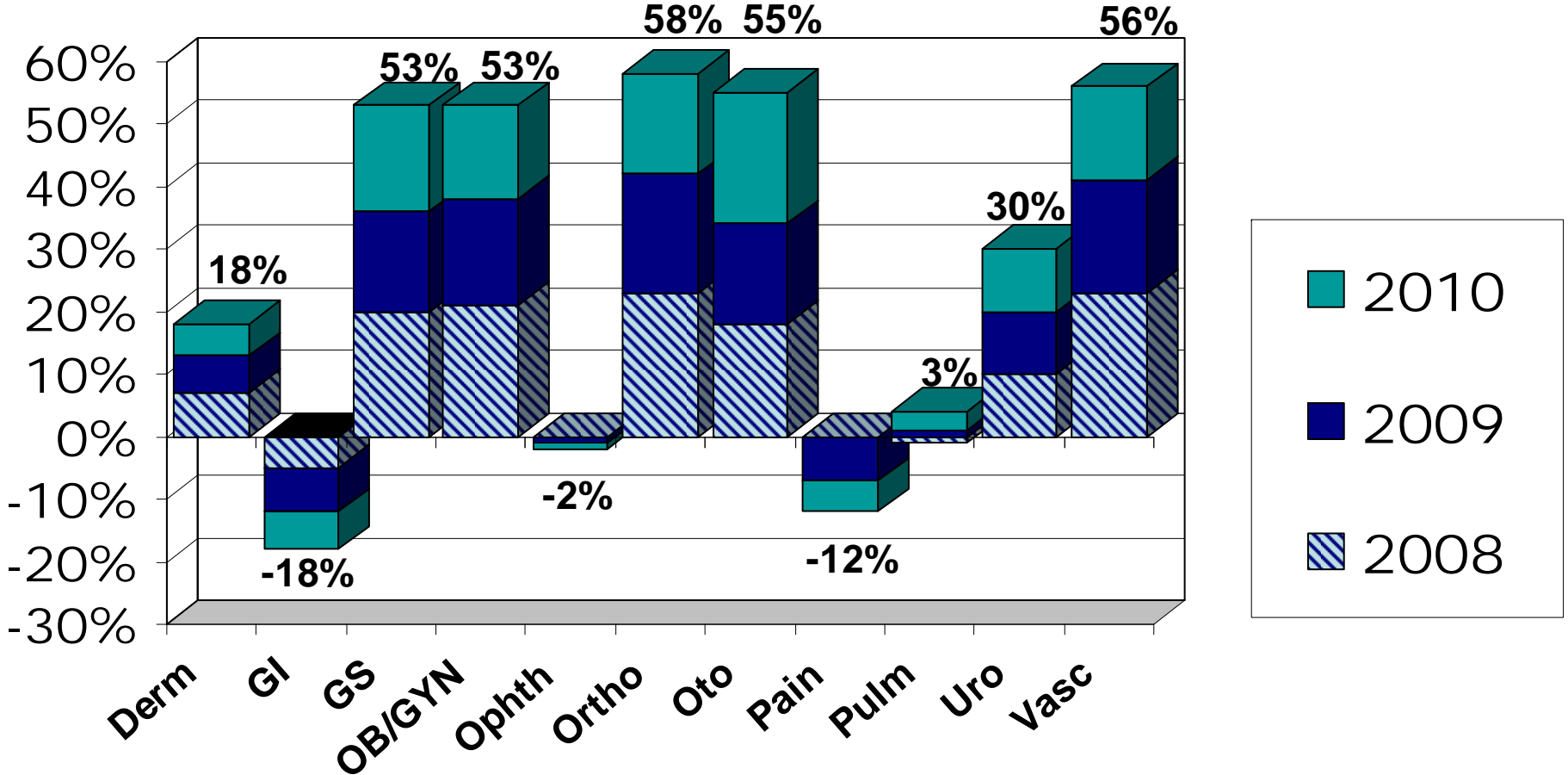
HCPCS	Description	2009 ASC Rate	Proposed 2010 ASC Rate	% Change
66984	Cataract surg w/iol, 1 stage	\$964.70	\$950.21	-1.5%
43239	Upper gi endoscopy, biopsy	\$393.07	\$365.57	-7.0%
45378	Diagnostic colonoscopy	\$398.85	\$376.55	-5.6%
45380	Colonoscopy and biopsy	\$398.85	\$376.55	-5.6%
66821	After cataract laser surgery	\$258.60	\$236.26	-8.6%
45385	Lesion removal colonoscopy	\$398.85	\$376.55	-5.6%
62311	Inject spine l/s (cd)	\$307.09	\$299.12	-2.6%
64483	Inj foramen epidural l/s	\$307.09	\$299.12	-2.6%
64476	Inj paravertebral l/s add-on	\$212.55	\$158.13	-25.6%
64475	Inj paravertebral l/s	\$307.09	\$299.12	-2.6%

IMPACT BY SPECIALTY

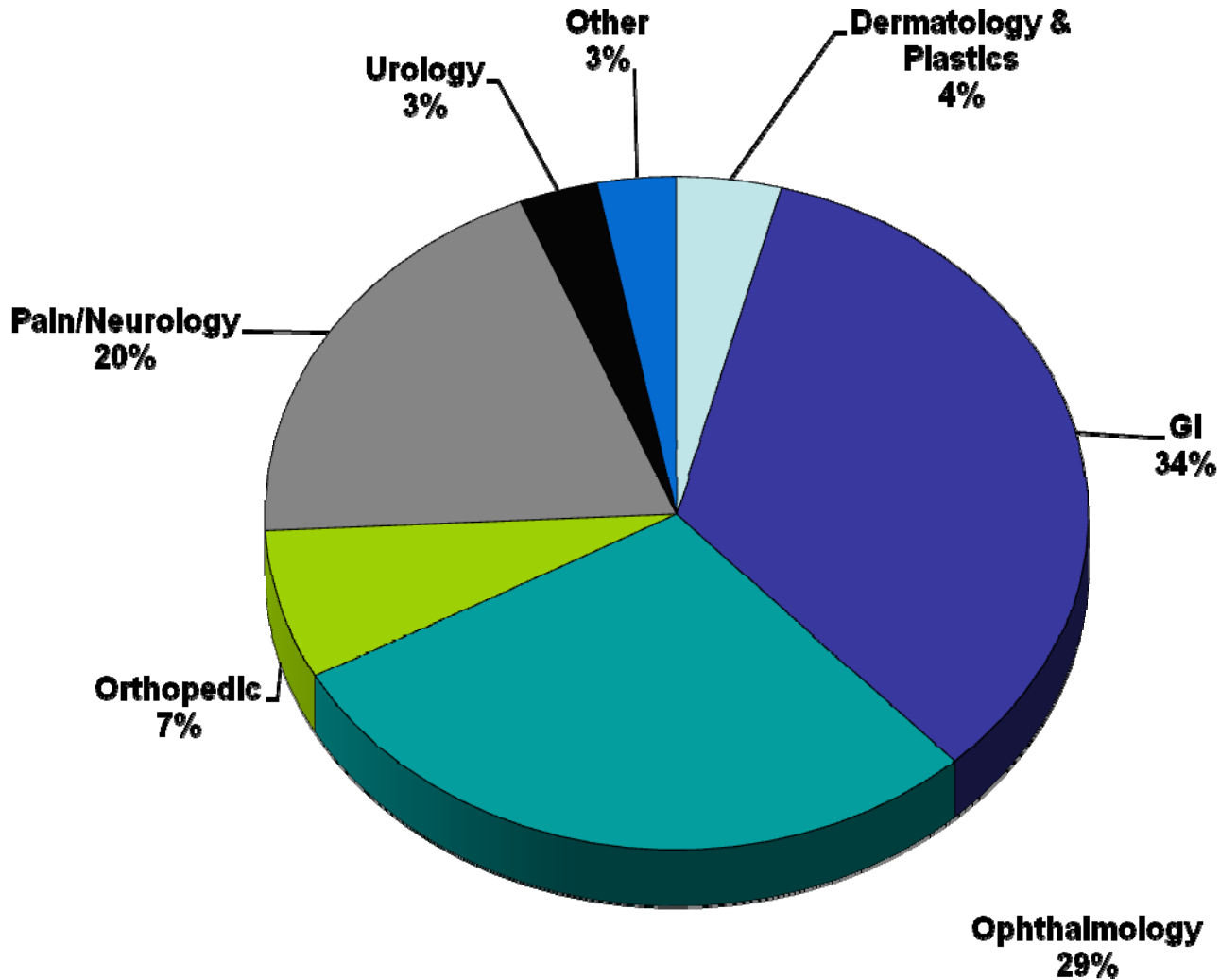
2010 Proposed



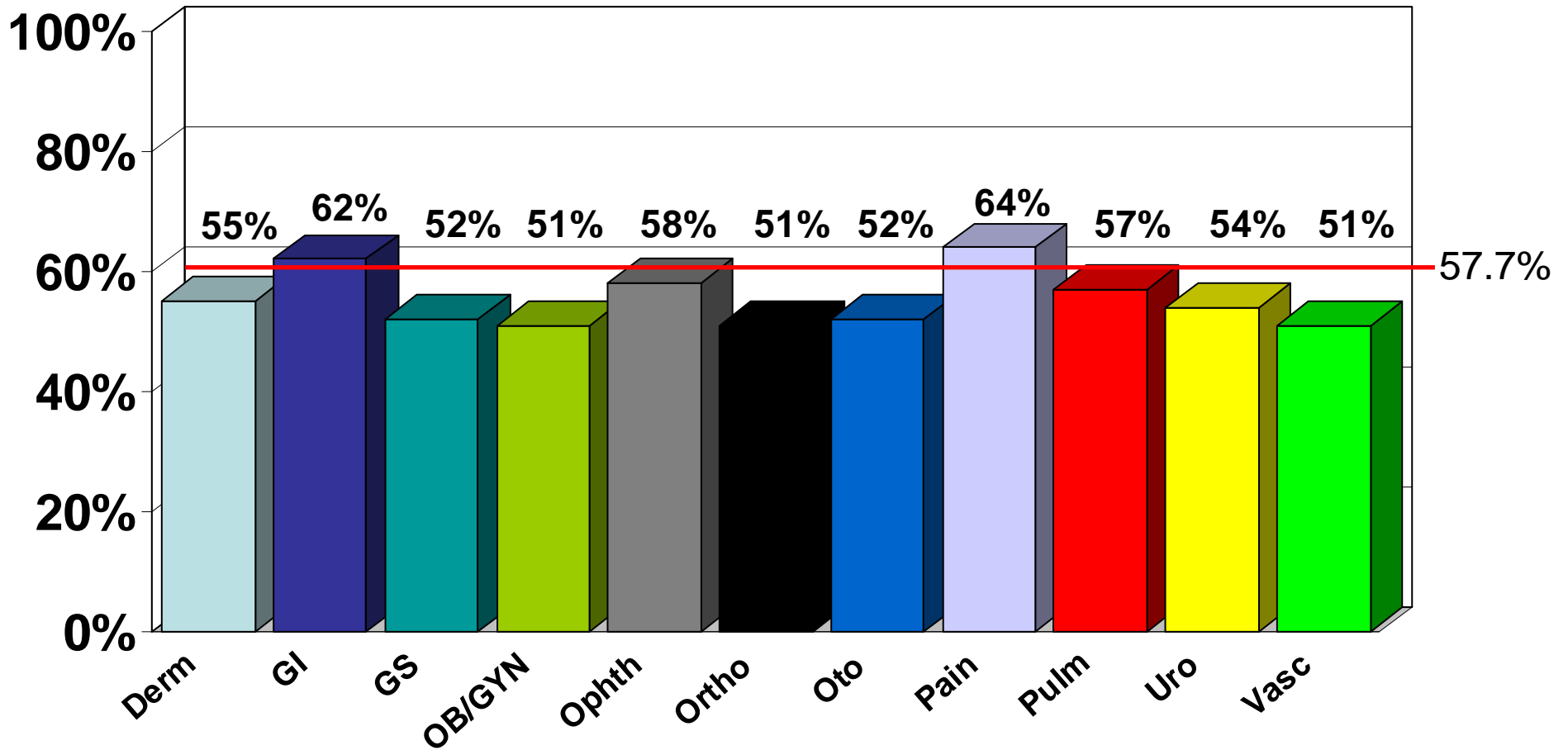
IMPACT BY SPECIALTY



SPECIALTY DISTRIBUTION % OF TOTAL MEDICARE ASC \$ Proposed 2010 ASC Rates



% of HOPD By Specialty 2010 Proposed Rates



ASC Association Analysis of 2010 Proposed ASC Payment Rates. Based on 2007 volume.

FACTORS AFFECTING 2010 CHANGES



Transition to New System



Secondary Rescaling



Inflation Adjustment



Physician Payment Cuts



Change in the HOPD Relative Weights



Wage Index changes

The rate for a given procedure at a given ASC is a combination of some or all of these factors.

FOUR-YEAR TRANSITION*

YEAR	% Based on 2007 Rate	% Based on Current Year
2008	75%	25%
2009	50%	50%
2010	25%	75%
2011	0%	100%

*Only Applies to Procedures on the ASC List in 2007

RATE-SETTING METHODOLOGY

(established 2008 Final Rule)

$$\begin{aligned} & \textit{RELATIVE WEIGHT} \\ & \times \textit{CONVERSION FACTOR} \\ & = \textit{\$ PAYMENT RATE} \end{aligned}$$

RELATIVE WEIGHTS ANNUAL UPDATE

HOPD Relative Weights 2010

↕ Update Based on Hospital Cost Reports

New HOPD Relative Weights

↓ ASC Secondary Rescaling

New ASC Relative Weights

SECONDARY RESCALING EXAMPLE

Relative Weight = 100

HOPD

$$100 \times \$67.439 = \$6,744$$

ASC

If no secondary
rescaling,

$$100 \times \$41.625 = \$4,163$$

With rescaling

$$(100 \times .9514) \times \$41.625 = \\ \$3,960.20$$

INFLATION UPDATE

2009

- No inflation update due to freeze
- HOPD inflation update 3.6%

2010 (Proposed)

- Annual inflation update = .06
- HOPD = 2.1%

MEDPAC RECOMMENDATION

- Annual inflation update = 0.6%
- HOPD inflation update = 3.6%

WHY?

MEDPAC REPORT

MARCH 2009

“We find indicators suggest that ASC Medicare payment rates are adequate.”

- Medicare revenue ↑ \$1.9 billion - \$2.9 billion
- # of ASCs ↑ 6.7% per year
- Volume per beneficiary ↑ 9.8% per year
- # of beneficiaries served in ASC ↑ 7.5% per year

MEDPAC RECOMMENDATION

In December

- Conversation negative
- Talk of expanding freeze for 2010

By January, turned positive

- 0.6% increase rather than zero
- Cost data, not cost reports
- CPI not right measure

MEDPAC REPORT

MARCH 2009

- Physicians have greater control and may be able to perform more surgeries per day in ASCs because they often have customized surgical environment and specialized staffing.
- Patients may be able to schedule surgery more quickly, experience shorter waiting times, and find ASCs that are more conveniently located.

WHAT HAPPENS?

Congress Acts:

Congress can set at any level

OR

Congress Doesn't Act:

Increase equal to CPI-U (0.6%)



ASC LIST CHANGES - SUMMARY

+26 Previously Excluded

+02 New Mid-Year Codes – billable 7/1/09

-02 Deleted Codes G0392 and G0393 (use new HCPCS 35475)

-02 38205 & 38242 [allogeneic stem cell transplants]: Inpatient Only

+24 Net ASC List Increase (3,447)

Inpatient Only List Removals

- Proposing to remove
- Means HOPD payable
- Not proposing to add to ASC list

HCPCS Code	Description	HOPD 2010 Proposed Rate
21256	Reconstruction of orbit with osteotomies (extracranial) and with bone grafts (includes obtaining autografts) (eg, microphthalmia)	\$578.48
27179	Open treatment of slipped femoral epiphysis; osteoplasty of femoral neck (Heyman type procedure)	\$1,177.71
51060	Transvesical ureterolithotomy	\$486.53

COST REPORTING

- Not Proposing for ASCs
- Concerned about burden
- Soliciting comment on:
 - the feasibility of cost reporting
 - Collecting from all ASCs or a sample
 - the administrative burden of cost reporting
 - form of cost reporting
 - expected accuracy of cost data



Resources

from the ASC Association

www.ascassociation.org/medicare2010



[2010 Proposed Medicare Payment Rule](#)

Download the 2010 proposed Medicare payment rule.

[2010 Proposed Medicare Rate Calculator](#)

This calculator shows you your proposed local payment rates for 2010. Simply look up your local wage index from the easy to use chart and type it into the calculator and the calculator does the rest.

[2010 Proposed Separately Payable Procedures](#)

This document provides the list of procedures proposed to be payable in an ASC in 2010 and for which there is a separate payment made. The HCPCS code and the proposed 2010 national ASC rate are provided. This list does not include packaged procedures.

[2010 Proposed Packaged Procedures](#)

This chart lists the procedures that are proposed to be on the 2010 ASC list, but for which it has been proposed that there is no separate payment because payments for these packaged procedures are included in the payments made for other separately payable procedures.

[2010 Proposed ASC List Additions](#)

This list shows the procedures proposed to be added to the list of ASC payable procedures in 2010. The HCPCS code, a short description, and the proposed 2010 national ASC rate are provided.

[2010 Proposed Ancillary Services](#)

This chart provides the proposed list of covered ancillary services for 2010. ASCs may bill for ancillary services when provided in conjunction with covered surgical procedures.

[2010 Proposed Device Intensive Procedures](#)

This chart lists the procedures proposed to be classified as device intensive in 2010. For 2010 Medicare has proposed not to add or remove any procedures from this list.

[2010 Proposed Office Based Procedures](#)

This chart lists the procedures proposed to be classified as office based in 2010, their proposed 2010 payment rates and whether the rates are based on the hospital outpatient department rates or on the physician's practice expense rates.

[2010 Multiple-Procedure Discounting Exempt](#)

This document lists the procedures that are proposed to be exempt from multiple-procedure discounting in 2010.

[2010 Proposed Inpatient List Removals](#)

This chart shows the procedures proposed to be removed from the inpatient only list for 2010. The HCPCS code and a short description are provided.

[ASC Medicare Payment Analysis](#)

A comprehensive analysis of the proposed 2010 payment rates is available on our website. Order yours today!

LEGISLATION

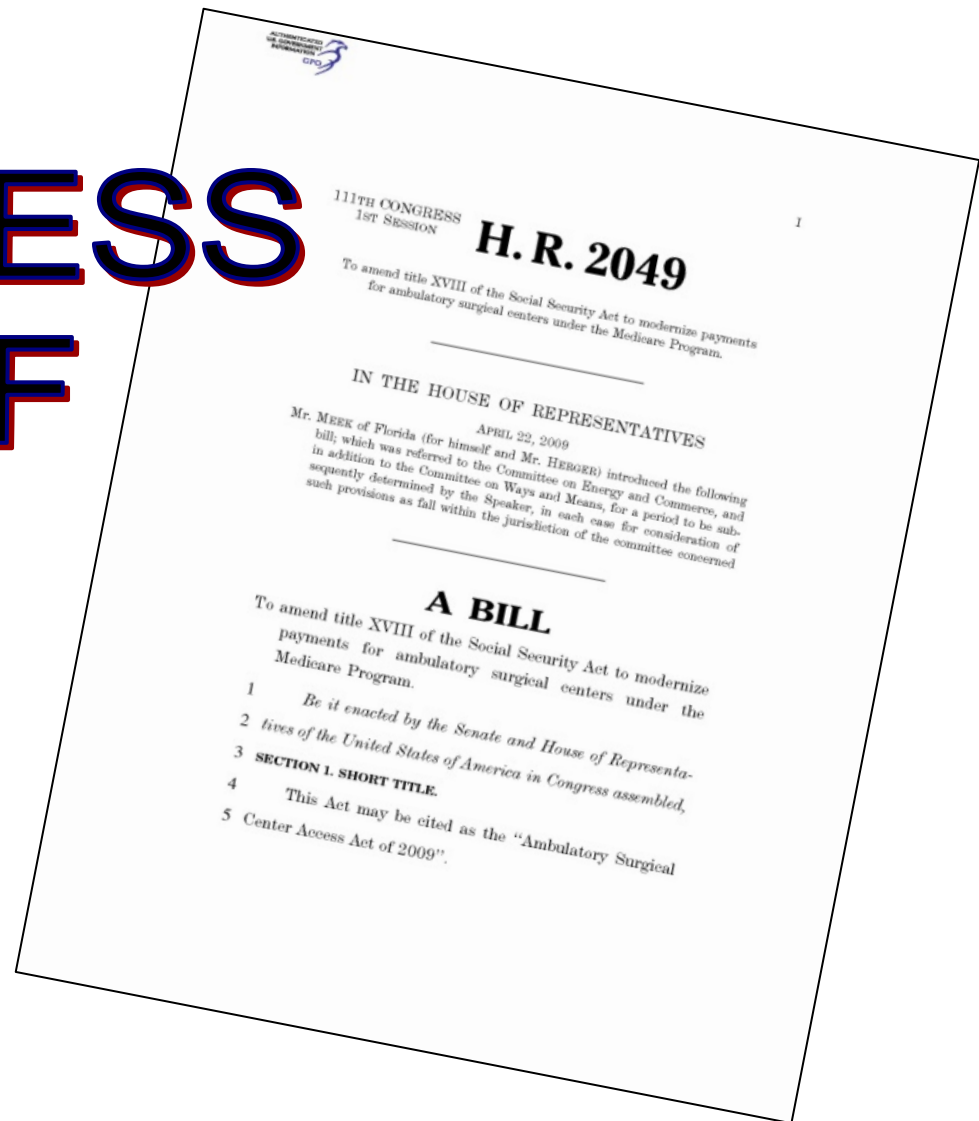
111th CONGRESS

How do we stop the bleeding?

- Fix some of the problems
 - No secondary rescaling
 - Same update as HOPD
- Set at percentage of HOPD so don't go lower with respect to HOPD
 - Now at such a low percentage
 - 59%



ASC ACCESS ACT OF 2009

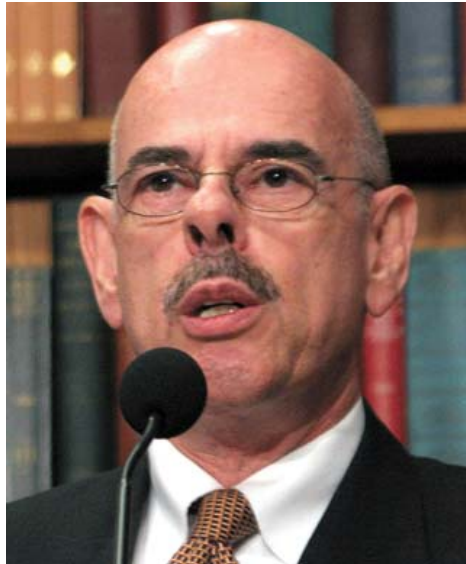


**ASC payment rate
set at 59%
of HOPD**

This means

- Same inflation update as HOPD
- No secondary rescaling
- No special payment rules

Update on Health Reform



House Bill Status

- All three committees (Ways and Means, Energy and Commerce, Education and Labor) reported bill.
- Preliminary CBO score puts bill's cost at \$1.04 trillion over ten years.
- Leadership working to combine bills for floor votes
 - Tension between Progressives and Blue Dogs over Medicare rates in public plan, costs.
 - Floor vote expected in late October.

Senate Bill Status

- HELP Committee reported bill July 15th
- Finance Committee working
- Floor action expected in October

Overview of ASC Provisions in Health Reform Legislation

- House bill:
 - ASCs receive productivity adjustment in 2010 and thereafter.
 - Cost reporting required.
- Senate bill:
 - Discussions with Finance staff let to ASCs receiving productivity adjustment in 2011 and thereafter instead of 2010.
 - No Cost reporting required.
- We are lobbying for a zero floor on the bill.

MEDICARE ASC CONDITIONS FOR COVERAGE

Changes effective May 18, 2009

www.ascassociation.org/coverage

CONDITIONS FOR COVERAGE

	Conditions	Standards
Existing #	10	16
2009 Revisions	13	35

CONDITION FOR COVERAGE PATIENT RIGHTS

“IN ADVANCE OF DATE OF SURGERY”

1. Patient rights
2. Advance directives
3. Physician financial interest

CONDITION FOR COVERAGE

In Advance of Day of Procedure

Interpretive Guidelines -- Exception

When

- the referral to the ASC for surgery is made on that same date; **AND**
- the referring physician indicates, in writing, that it is medically necessary for the patient to have the surgery on the same day, and that surgery in an ASC setting is suitable for that patient.

Representative Larson

Given these examples of the benefits to patients who may seek urgent care at an ASC, I urge you to suspend implementation of this portion of the new regulations slated to go into effect May 18, 2009, or allow for some flexibility in the requirement when it is simply not feasible or practical to provide the information prior to the day of the procedure, such as when surgery is scheduled and performed on the same day.

NATIONAL FOCUS ON INFECTION CONTROL

- Rates of infection low
- Increasing evidence of process problems
- Pilot Study
- Press

NATIONAL FOCUS ON INFECTION CONTROL

- CMS will use economic stimulus funds
 - for using a new infection control survey tool & a case tracer method
 - Survey once every three years
- CMS says focus on ASCs because
 - CDC tool available
 - “likely continuing infection control deficiencies in this setting.”

Source: Testimony Before Congress by HHS Principal Deputy
Assistant Secretary for Health April 1, 2009

NEW INTERPRETIVE GUIDELINES

- 110+ pages worth
- Clear guidance in many cases
- May not like it
- Not just for new standards

NEW INTERPRETIVE GUIDELINES

- Waiting rooms
- Multi-use vials
- Pharmacy compounding
- Rapid cycle sterilization

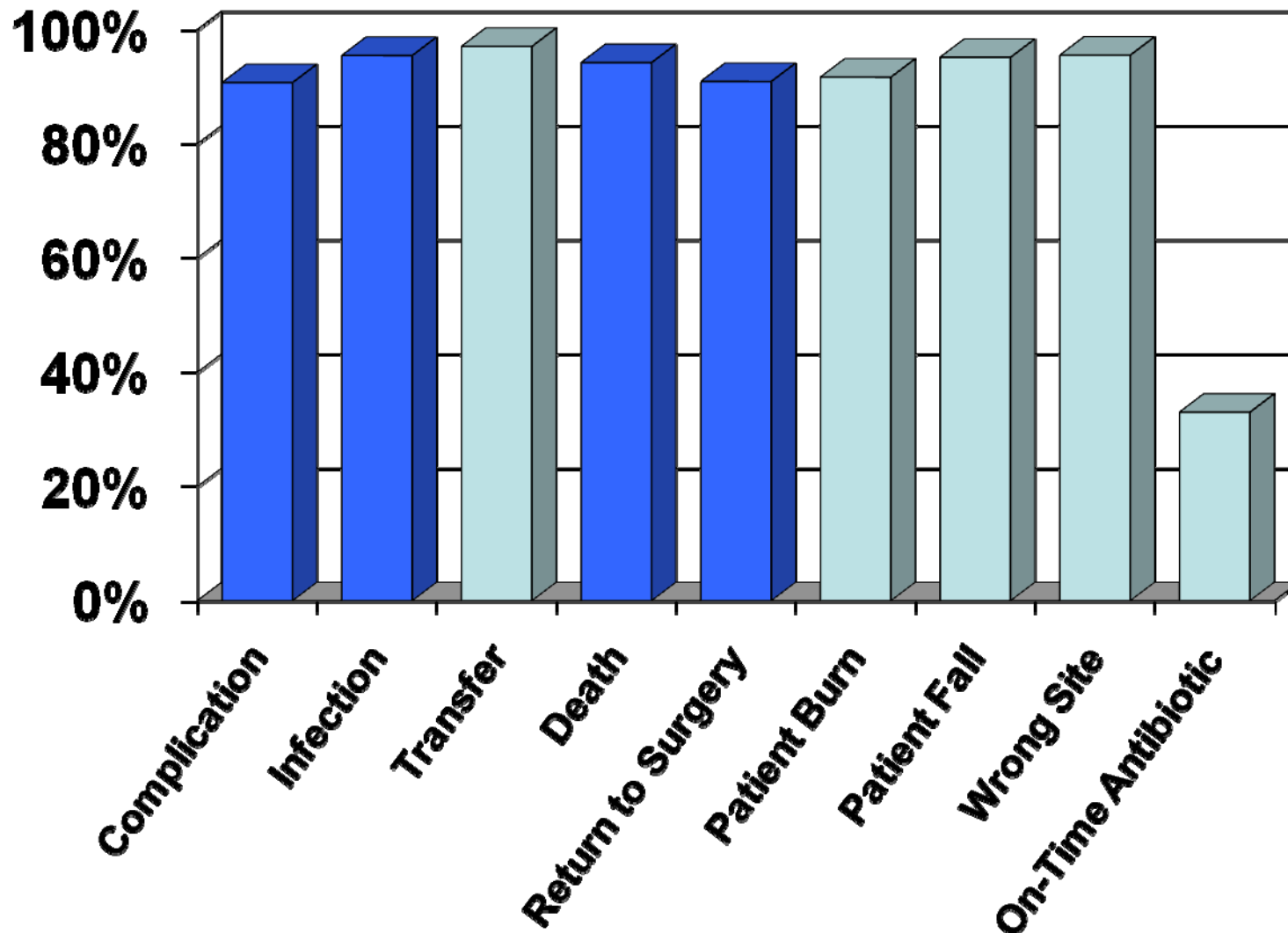
QUALITY DATA REPORTING

- Authority to require ASC quality reporting
- Does not propose to do so in 2010
- Soliciting comments on:
 - Deferral of quality reporting for ASCs
 - Suggestions for quality measures for ASC services
 - Suggestions for reporting mechanisms including electronic submission

ASC QUALITY COLLABORATION

- Formed in 2006
- Brings together all interested parties
- Develops appropriate ASC quality measures
- Developed 11
- 6 approved by the National Quality Forum

Outcomes Monitoring Project % Tracking Quality Measures

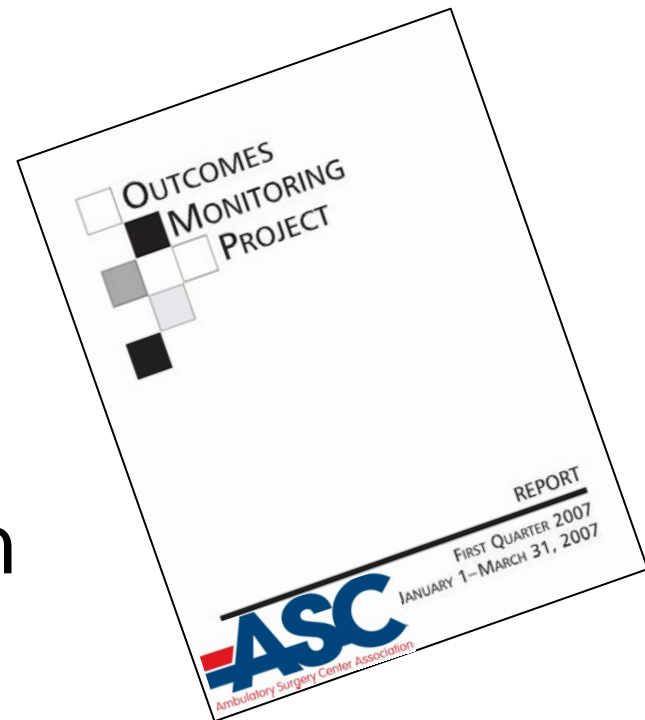


1st Qtr 2007



Outcomes Monitoring Project

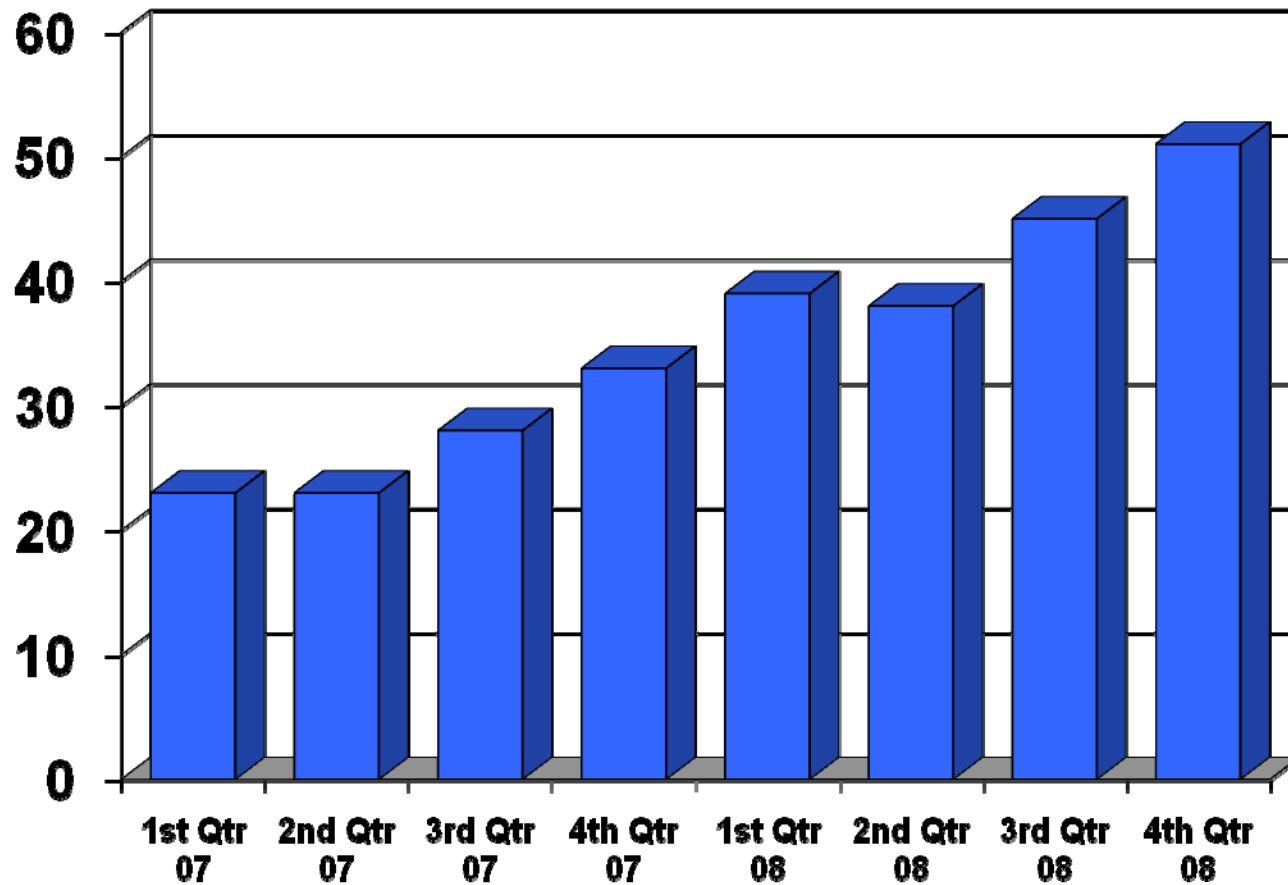
- Participation free for ASC Association members
- Data provided quarterly
- 650 participants
- Includes 38 indicators
- For 2007 & 2008 included ASC Quality Collaboration





Outcomes Monitoring Project On-Time Antibiotic Measure

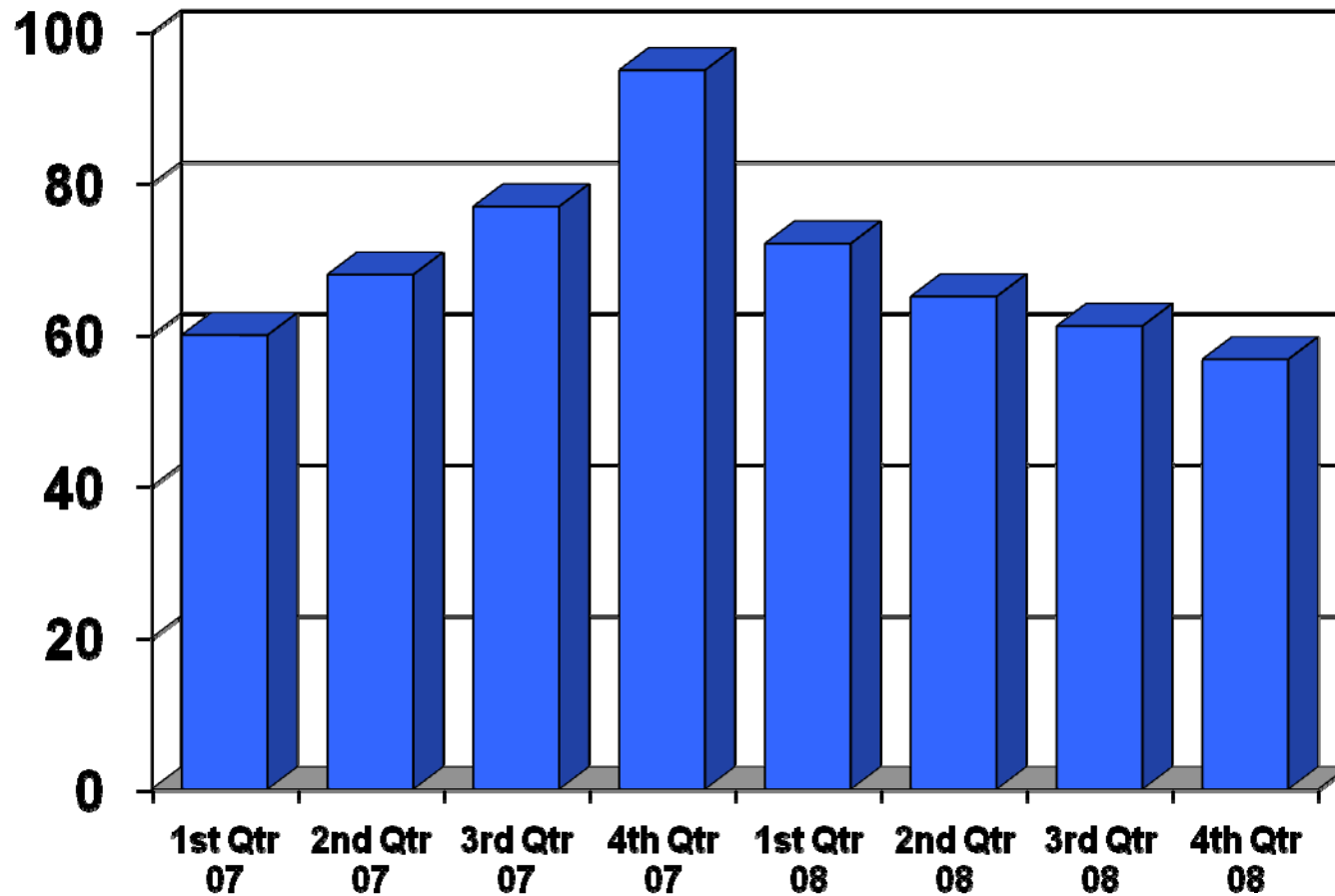
% of ASCs Tracking





Outcomes Monitoring Project On-Time Antibiotic Measure

**% of ASCs Administering Antibiotics
On-Time > 99% of Patient Encounters**



ASC ACCESS ACT OF 2009

Maintain current law with the following changes

- When applicable to both ASC & HOPD use same measures
- Report results of ASCs & HOPDs together on web site
- Include comparison of Medicare payment and beneficiary cost sharing

QUALITY DATA REPORTING

- No new measures for HOPDs
- Appropriate Surgical Site Hair Removal under consideration for adoption as a hospital measure

FEDERAL LEVEL

- Medicare Rates & Policies
- Quality Reporting
- Staving Off \$ Reductions
- Protecting MD Ownership

ASU Advocacy Committee



Your 2009 ASC ADVOCACY CALENDAR



With a new president in the White House, some new faces on Capitol Hill and many members of Congress returning to complete the work they've already begun, ASC advocacy efforts from individual ASCs are more important than ever. Now is the time to start working on your ASC's plans and activities for 2009. The calendar on these pages gives you 12 ideas you can put into action throughout the year. If you follow this planning guide and participate in just one activity each

month, you will reach both local and national policy makers, key staff members, members of the media and the people who live and work in your community. Please share your plans and your activity reports with us throughout the year. Also, please call on us whenever and wherever we can help. You can reach us by phone at 703.836.8808 or by email at ASC@ascassociation.org. Together, let's make 2009 the "Year of the ASC!"

january

ASC Letter Drive

Congratulate and educate your new members of Congress about the benefits of ASCs.



february

District Meetings

Meet with your local health legislative staffer to educate him or her about the benefits of ASCs and invite your district office staff to tour your ASC.

march

Show Support

Host a fundraiser for your local member of Congress.



april

ASCs 2009 Annual Meeting

Attend the ASC Association's 2009 Annual Meeting in Nashville, April 22-25. Stop by the ASC Association's booth and make your ASC's voice heard.



may

Media Month

Educate your community's media on the benefits of ASCs with media outreach activities

- Letters to the Editor
- Meetings with your editorial board
- Take a reporter to lunch

june

ASC Legislative & Compliance Seminar

Make your voice heard in Washington at our annual legislative and compliance seminar June 4-5 when you will meet with your legislators to discuss ASC legislation and regulatory issues.

july

ASC Letter Drive

Thank your members of Congress and staff for meeting with you and continue to enlist their support for ASC legislation.

august

National ASC Open House Day

Open your doors to your members of Congress and their staff August 11 to show them the benefits ASCs provide.

september

Show Support

Host a fundraiser for your local member of Congress.



october

ASC Letter Drive

Continue to enlist the support of your member of Congress for ASC legislation.



november

ASC Letter Drive

Continue to enlist the support of your member of Congress for ASC legislation.



december

Celebrate Your Success!

Reach out to your members of Congress and thank them for their continued support in 2010 and beyond.



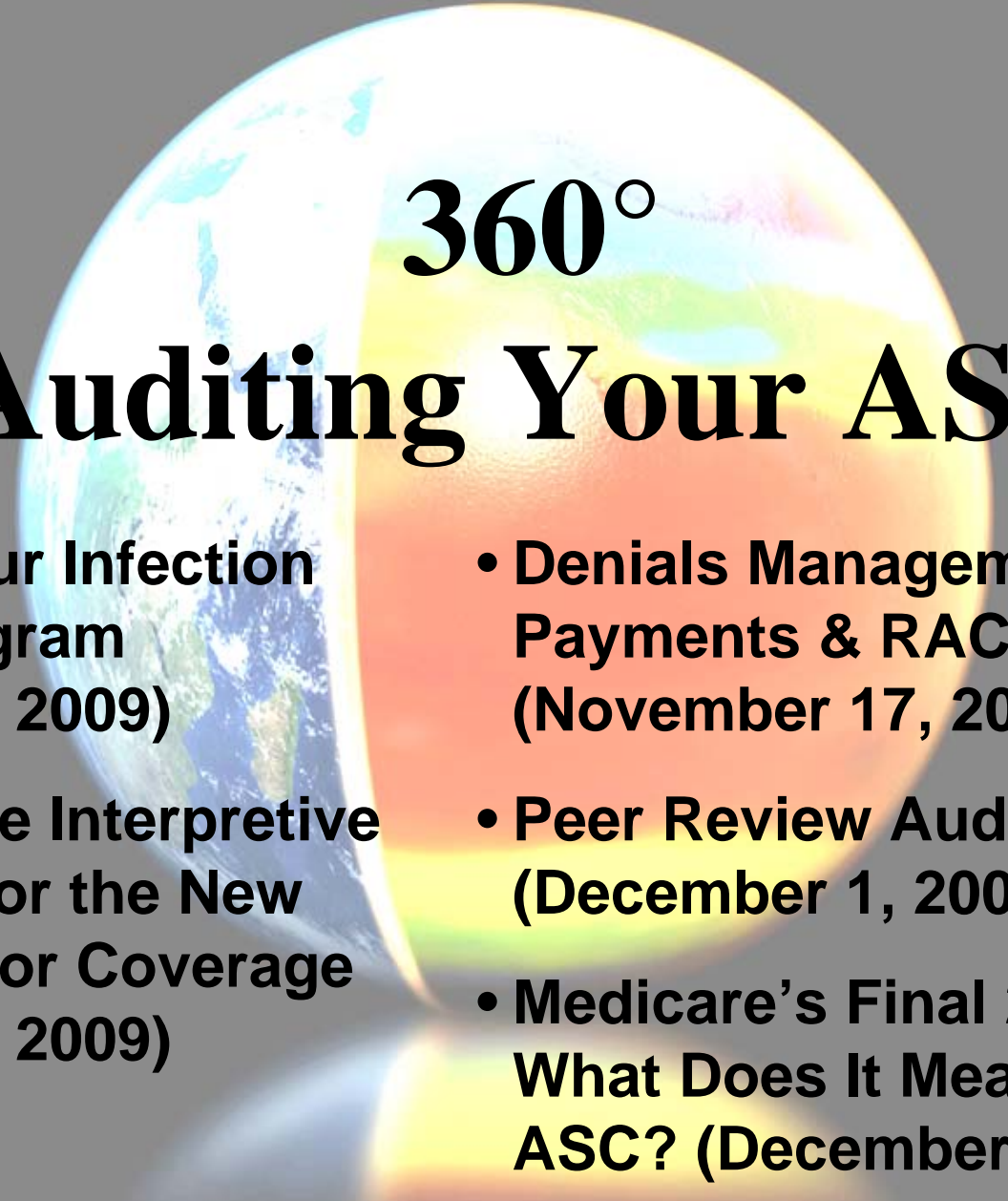
DON'T MISS!

SHINING BRIGHT WITH

ASCs 2010

MAY 19-22, 2010 • ANAHEIM

WWW.ASCASSOCIATION.ORG/ASCS2010



360° Auditing Your ASC

- Auditing Your Infection Control Program (October 20, 2009)
- Exploring the Interpretive Guidelines for the New Conditions for Coverage (October 27, 2009)
- Denials Management, Auditing Payments & RAC Audits (November 17, 2009)
- Peer Review Audits (December 1, 2009)
- Medicare's Final 2010 Rates: What Does It Mean for My ASC? (December 10, 2009)

All webinars are scheduled 1pm – 2pm Eastern
Members - \$100 Nonmembers \$150

To register visit our website
www.ascassociation.org/webinars or call 703.836.5904



www.ascassociation.org

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