



Adding a new service at your ASC

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Objectives

- Outline some of the considerations before undertaking new procedures at the ASC.
- Develop a business plan to set up a new service line at an ASC.
- Configure parallel processes enabling a successful and sustainable implementation of the new service

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Disclosures

- None

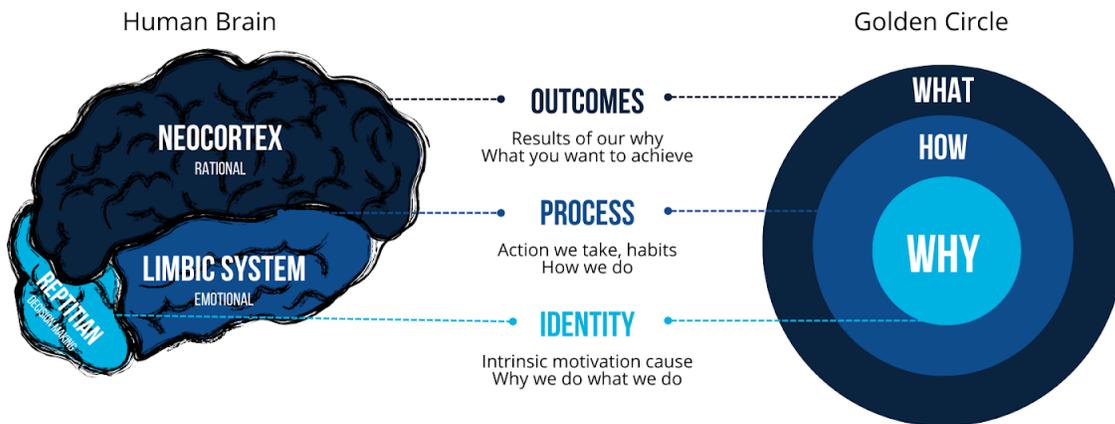


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THE GOLDEN CIRCLE AND THE BRAIN

As explained by Simon Sinek



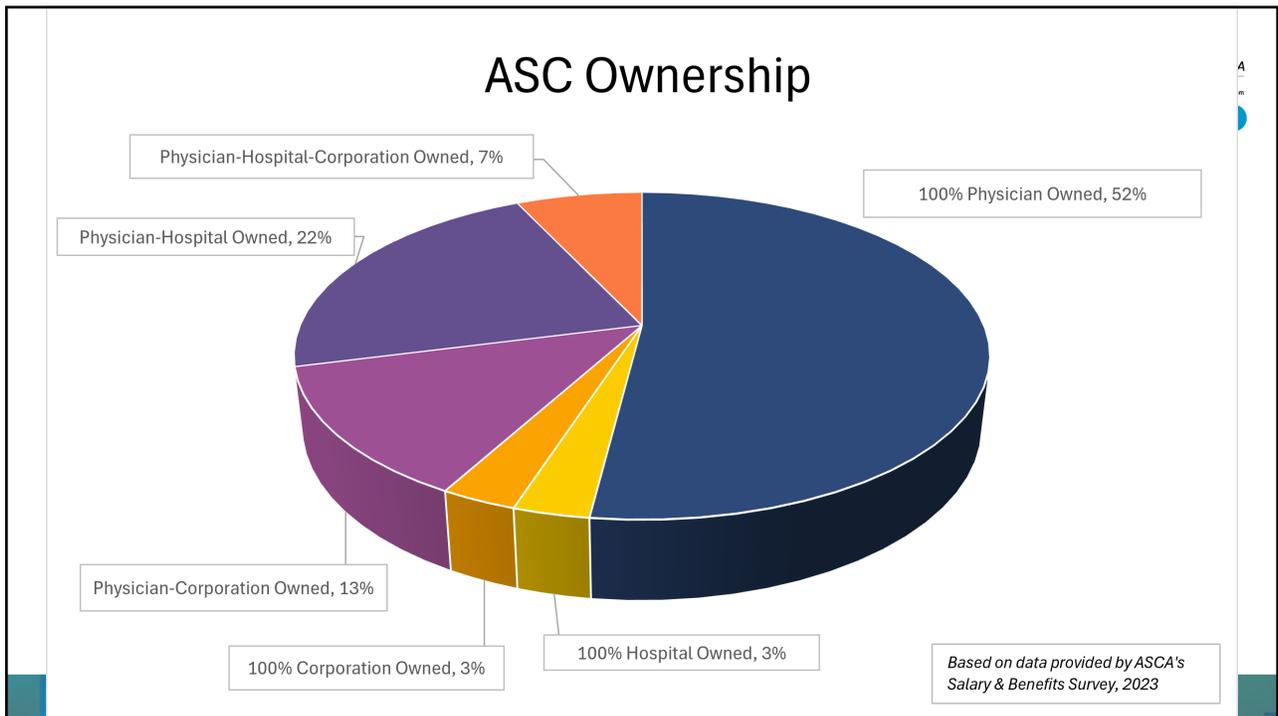
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WAIT BUT WHY

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Recently added procedures



In 2022, CMS approved four procedures for the ASC setting:

- 19307 Modified Radical Mastectomy
- 38531 Open BX/EXC Inguinofemoral Node Biopsy
- 37193 Retrieval of Intravascular Vena Cava Filter
- 43774 Laparoscopic Gastric Band/Port Removal

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Fastest Growing Specialties



Specialties with highest increase in Medicare payments in 2022:

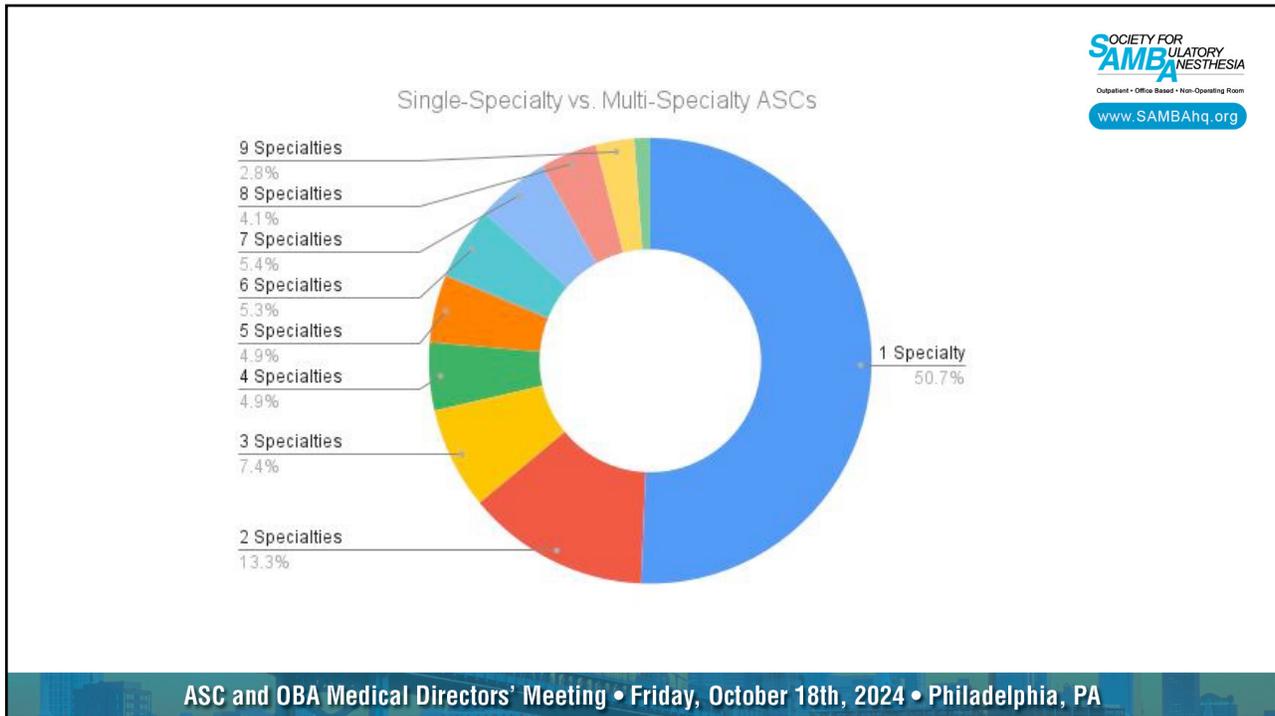
Cardiology
Musculoskeletal
Urology

Specialties with the highest anticipated facility growth in 2023-2024:

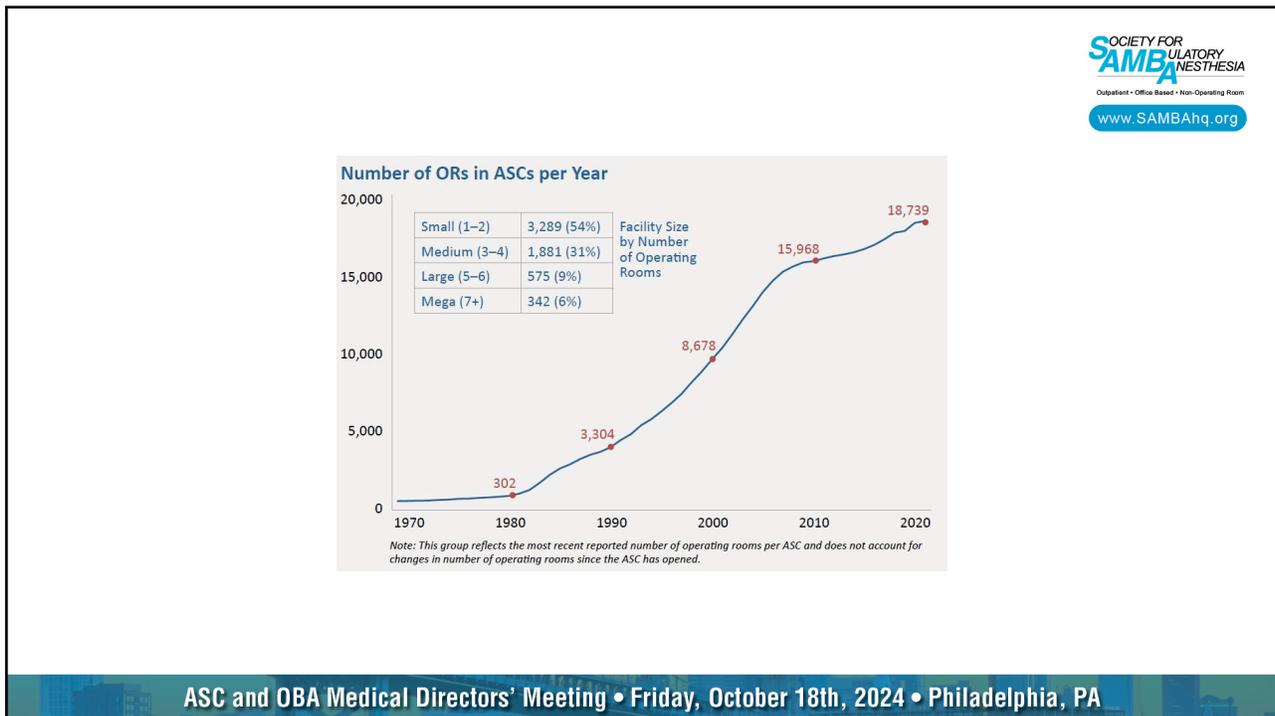
Orthopedics
Cardiovascular
Gastroenterology

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On average, Medicare reimburses ASCs

58%

of the rate it reimburses HOPDs

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Median of facility and doctor prices

Procedure	HOPD Total Price	ASC Total Price	Percentage Difference
Colonoscopy with biopsy (45380)	\$1,766	\$1,089	-38%
Cataract removal (66984)	\$3,727	\$2,410	-35%
Hernia repair (49505)	\$5,228	\$3,003	-43%
Knee arthroscopy (29881)	\$4,665	\$2,772	-41%
Ear tube insertion (69436)	\$2,262	\$1,223	-46%

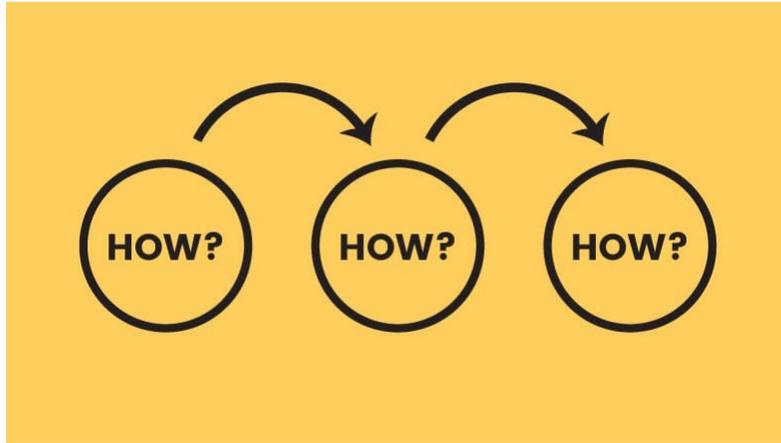
Legend: Facility price (dark blue), Doctor price (yellow)

Source: Mathematica's payer price analytic database.

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Which service line?

- Procedure list
- Reimbursement
- Complementary
- Landscape

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SWOT analysis

Below is the analysis conducted by Marlon Hospital before adding a bariatric service line.

Strengths	Weaknesses	Threats	Opportunities
*Highly engaged workforce *Availability of resources *Skilled surgical services team *Senior administration support	*Need additional surgeons *Lack of dedicated bariatric rooms, equipment, focus *Lack of growth readiness	*Aggressive competitors performing bariatric surgeries *Savvy bariatric patients who do their homework on surgeon, procedure, and hospital selection *New ambulatory competition *Hospital mergers *Innovative payment models	*Hospital's current lack of market share *Morbidity on the rise nationally *Accreditation *Expansion of existing service lines *Expansion of reputation

Source: Tammy Huster, MBA, MAS, BSN, RN, NE-BC. Used with permission.

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SWOT analysis

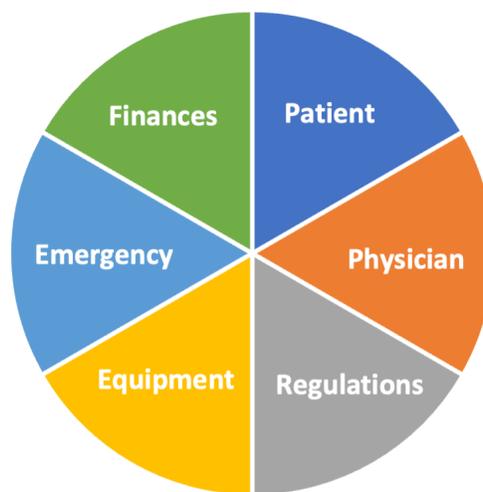


Strengths	Weaknesses	Opportunities	Threats
New high volume surgeon Growing need for procedure Favorable reimbursements Skilled surgical team Administrative support Patient population ideal for outpatient surgery	Lack of surgeon OR size Equipment acquisition Ancillary services Staff training	Market share Community needs Growth and expansion Enhancing reputation Referral base increase	ROI Patient suitability Regulatory burden Equipment costs Training costs Local competition Payment models Poor outcomes

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Six Areas for Consideration



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Business plan

- A clear business plan can help break down the task into parallel processes.

Key stakeholders

- Involve key stakeholders from the outset, such as service line coordinators, the chief financial officer, and leaders from the OR and inpatient units.

Feasibility study

- If the new service line requires significant capital costs, a feasibility study is needed to assess capital, supply, and staff needs.

Market analysis

- Consider how well the new service will fit within your market, and if there's enough patient volume to support it.

Partnering with surgeons

- Surgeons can be a valuable resource in building your business, and doctor-to-doctor recruiting can be especially effective.

State rules

- Consider state rules to ensure that the procedures you want to offer can be performed at your ASC.

Equipment and space

- Equipment and space requirements can be extensive, and capital equipment and supplies can cost upwards of \$1 million.

Marketing

- Develop a target list of other physicians in your specialty and regularly market your center to them.

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Return on investment

Expenditure	Revenue
Equipment	Case Volume
Implants	Revenue per case
Staff	Total revenue is the product of the above
Supplies	
Maintenance	
Divide the total cost per year by the revenue per year to determine the time to recoup equipment costs	

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A simple line drawing of a person with a speech bubble above their head. The speech bubble contains the word "WHAT!?" in large, bold, red letters with a black outline. The person has a neutral expression and their hands are on their hips.

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Checklist

- Regulatory compliance
- Contracts
- Equipment/Pharmaceuticals
- Infrastructure
- Training for staff
- QAPI including benchmarks
- Credentialing and privileging
- Transfer agreement

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Patient care



- Patient selection
- Enhanced recovery pathways
- Evidence based guidelines and best practices
- Proctoring program
- Discharge protocols

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Pearls



- You don't want to be the last ASC adding a new service line.
- If you don't have a reimbursement plan, you don't have a growth plan.
- Don't forget SPD
- Renegotiate contracts
- Budget for ramp up
- Prepare for drop in utilization
- Should not disrupt existing patient care

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