



pinnacle III

ASC GUIDE TO PROSPERITY

A COLLECTION OF INSIGHTS FROM
THE LEADING INDUSTRY EXPERTS

VOLUME II



TABLE OF CONTENTS

The Importance of State Ambulatory Surgery Center Associations

p. 3

FACILITY RELATIONS

Celebrating Milestones at Your Maturing ASC

p. 4 - 5

ASC MANAGEMENT

An ASC Administrator's Guide to Responding to a CMS Survey & Plan of Correction

p. 6 - 7

ASC REGULATION

What the CMS Emergency Preparedness Rule Means for ASCs

p. 8 - 9

REVENUE CYCLE MANAGEMENT

Implant & Supply Reimbursement Blunders Nearly Every ASC Commits

p. 10 - 11

PAYER CONTRACTING

What Opportunities Can You Leverage to Increase ASC Reimbursement?

p. 12

PAYER CONTRACTING

What Golf Can Teach Us About Dealing with ASC Managed Care Plans

p. 13

ASC LEADERSHIP

Harnessing the Power of Your ASC Team

p. 14 - 15

The Importance of State Ambulatory Surgery Center Associations

By Lisa Austin

Vice President of Facility Development

Involvement in your state surgery center association is crucial to the vitality, longevity, and success of your ASC. Perhaps my personal story will demonstrate why.

I am a proud, active member of the Colorado Ambulatory Surgery Center Association (CASCA) and have been since its inception. Throughout most of its early years, when the association was forming, those of us in the ASC industry met monthly for lunch and networking. Because there wasn't much going on then that directly impacted the regulatory status of Colorado's ASCs, these meetings eventually waned. The association became dormant. However, in 1993 news broke of looming threats to the convalescent care licensure, the elimination of which would have negatively impacted many of the state's facilities. Convalescent care centers were important to patients who needed non-acute extended observation and recovery following their outpatient surgeries. Without the ability for patients to access convalescent care centers, higher acuity cases could not be performed in the ASC setting. Our state's ASC leaders rallied. The association reorganized. Strong leadership took the helm. With renewed focus, CASCA prevented the legislation from passing. ASCs in Colorado won!

That victory was a turning point for our association. We realized the trade organization was necessary to ensure ASCs remained relevant in our state. Furthermore, the association's advocacy efforts made it possible for us to remain aware of the issues facing our industry.

State ASC associations provide government advocacy, education, regulatory updates, and other resources to assist us in running our businesses successfully. To provide these services, the association requires active membership. Increased representation and participation from ASCs in our state allows us to have a greater voice. The association survives through membership participation. Members can, and should be, involved

with planning the annual conference, participating on committees, and/or helping with political fundraisers.

Being an active member allows for beneficial change to occur. It's important to reach out to legislators (in person, via phone, email, and/or letters) when faced with situations that may impact your ASC's culture, values, or continued viability. You, your staff, and your patients are constituents. Our legislators want to hear from you about issues important to your physicians and community. You can successfully impact the outcome of these issues when you are involved.

They say there is power in numbers. That power is your state ASC association.

Here's how you can get involved:

- 1.** Contact your state association. A quick Google search should direct you to their website. Or use your connections in the ASC industry to inquire about your association and who you should contact.
- 2.** Contact your national association, Ambulatory Surgery Center Association (ASCA) to remain apprised of issues and information related to advocacy, government affairs, and education.
- 3.** Connect with me and/or other members of PINNACLE III's team to learn more about regulatory updates that may impact your ASC.
- 4.** If you don't like or agree with the direction of proposed legislation or policies, create change by participating in and/or donating to organizations you believe will help your cause.



Celebrating Milestones at Your Maturing ASC

By Jack Mast
Physician Liaison

Most ambulatory surgery center (ASC) owners and investors desire longevity for their facility. When your facility reaches important milestones, it's important to capitalize on them.

An important anniversary is an excellent opportunity to host an event or execute other marketing initiatives that demonstrate appreciation for investors, foster relationships, build community interest, and educate providers and consumers about the services you provide. Here are some tips on promoting and/or celebrating your ASC's stability in the market and thoughts about what you will likely gain in return for your efforts.

Opportunities and Gains

Not celebrating a milestone your ASC has reached is one of the greatest missed opportunities in facility management. An official celebratory event can seem like a daunting project. However, the return on investment can be quite rewarding when accomplished strategically and executed appropriately.

The Surgery Center at Lutheran in Wheat Ridge, Colorado, decided it was best to hold two separate events to celebrate their ten-year anniversary. The first, a celebration dinner held at a local restaurant, honored the surgery center's physicians and staff for their long-time dedication to the center and patients in their local community. Facility leaders presented special awards and recognition to staff and physicians who had been around since the facility's opening, an honor and milestone in itself. Showing appreciation and gratitude for those who have stuck with you throughout the years strengthens employee engagement, creates social and prosocial interactions, and enhances productivity.

The second event, a cocktail hour open house held at the ASC, allowed the surgery center to invite everyone in its extended network.



It created a platform and opportunity for people from all levels of health care to gather in the same room. Beyond networking, individuals had the opportunity to discuss issues they face every day. Because those issues resonated with their colleagues, their conversations afforded them time to view them from alternate perspectives and discuss solutions beneficial to all parties.

An ASC open house creates an opportunity to increase business. Prospective surgeons can tour your facility and meet your team. This may help them make the decision to credential at your facility and begin performing cases. Inviting referring providers gives them the opportunity to meet with specialists and strengthen the referral relationship.

In today's health care delivery model, primary care physicians (PCPs) rarely, if ever, take call at the hospital. As a result, PCPs have minimal opportunities to connect with specialists in the hospital setting. By touring your ASC during an open house, primary care providers can talk with their patients about the facility they are sending them to for surgery based on firsthand knowledge. This increases everyone's comfort level and enhances the physician-patient relationship.

Extending open house invitations to third-party payor representatives allows them a chance to view the inclusive services you offer. Many payor contracting representatives, although familiar with the ASC model, rarely have opportunities to interact with your facility's surgeons and staff in the actual location where their insureds are receiving care.

Inviting local news sources will create an occasion for them to document a great story that demonstrates your ASC's stability to community members.

Best Practices for Execution

Collaboration

If you are going to celebrate an important milestone with an event at your facility, the first step is collaboration. Make sure to reach out to your physician practices to see if they are interested in collaborating on the celebration. Give them the chance to joint-market at your event to boost their business.

Fine tune your invite list

Consider who to send invitations to and why. Send invitations to individuals in your ASC's network whom you feel have had the greatest impact on your past success and could impact your continued success. Have good representation from your own facility to serve as the face of your center during the event. Invitees to consider include your staff, your physicians, your physicians' practice staff, your board members, members of the hospital administration, bank representatives, device company representatives, third-party payor representatives, referring providers, employees of the ASC's management firm, employees of the billing office (if outsourced), local legislators, and local news publications.

Work with your affiliated physician practices to determine which referring providers to add to your invitation list. Important local legislators to consider are the mayor, city council, county commissioners, the governor, US senators and representatives, state senators and representatives, leadership in the local government's business development/economic development department(s), and leadership in the local government's health and human services department. Consider inviting members of your state and national ASC associations.

Showing off your business

Some of the preparations for your event will include coordinating with your administrator and clinical staff to lead facility tours. A facility tour is one of the most enriching experiences for facility guests. Whether it is during an important celebratory event or during a regular business meeting, taking a guest on a tour of your facility allows them to see all the impressive components of your business model. It allows you to highlight your successes and the ways in which your ASC is changing and/or leading the health care industry.

Involving key leaders

As you approach the event date, consider asking one of your leaders (i.e. board president, medical director, and/or other board members) to offer a toast. By allowing your leader(s) to speak about why the ASC is important to them, guests will receive a more complete picture of your ASC and how they may impact its success going forward.

Tying up loose ends that you may not have considered

When following-up with your ASC board members after the event, make sure to highlight key attendees, such as local legislators, or prospective physicians who have interest in joining your medical staff. These key attendees will demonstrate the value added from a celebratory event.

Other follow-up includes communicating with local news sources. Provide an update for news publications that attended as well as those who did not attend. Being featured in the media is the ultimate cap off to a successful milestone celebratory event!

Conclusion

Any milestone reached in serving the community is an important accomplishment for an ASC. When your ASC reaches five years, or ten years, or even twenty years, don't let the opportunities pass you by. Not only is this a great time for "spring cleaning," it's a chance to make the most of your ASC's long-term success. Recognition does not have to begin or end with a celebratory event. Capitalize on your ASC's accomplishments throughout the year.



SURVEY



An ASC Administrator's Guide to Responding to a CMS Survey & Plan of Correction

By Kelli McMahan
Vice President of Operations

At some point, most facilities undergo a Centers for Medicare and Medicaid (CMS) Survey. These unannounced surveys can occur on any given day. Hopefully, your ASC is ready!

Prepare for Your Survey – Know the Conditions of Coverage

CMS establishes minimum health and safety standards, called Conditions for Coverage (CfCs), that ASCs must meet to obtain and maintain certification. The standards cover all aspects of an ASC from operational organization – including patient care and safety – to facility design. CfCs must be met for all patients seen in your facility, not just those covered by Medicare and Medicaid. You can find these standards in Appendix I: Survey Procedures and Interpretive Guidelines for Life Safety Code Surveys¹ and Appendix L: Interpretive Guidelines for ASCs² of the CMS State Operations Manual.

It is imperative for all members of your facility to be familiar with and understand these standards prior to a survey. To ensure sufficient preparation for an unannounced survey, put together binders of all the documentation the surveyors will want to review – policies, contracts, and other agreements – that address each CfC. Include an index that references back to each standard. These binders can then serve as survey preparation for your staff. As staff review each standard and locate the documentation supporting the standard, they are also educating themselves. Remember, the more educated and prepared your facility is, the higher the likelihood that you will achieve a satisfactory survey outcome.

What to Expect When Your Surveyor Arrives

Surveyors usually arrive early in the morning for unannounced surveys. Plan on them conducting their on-site review for 1.5 - 2 days depending on the size of your facility. They will review all aspects of your clinical and business operations. The surveyors will ask to review a multitude of items. One of them will follow a patient through the entire treatment process. The Life Safety surveyor will focus on the building and Life Safety Codes.

Although aiming for a perfect score, even the most highly functioning ASCs are typically cited for something. That's the nature of the beast. Surveyors, intent on ensuring safety and quality of care for patients and staff alike, seek strict adherence to their certification standards. Deficiencies cited, no matter how "minor," prompt a Plan of Correction.

Upon completion of your survey, you will receive a report via certified mail. The report, which usually arrives within a few weeks of your survey, will include a request for a Plan of Correction (POC). The POC outlines any deficiencies cited during the survey. The deficiencies are reported on CMS-2567.³ You must respond to each deficiency with specific details pertaining to the corrective actions you plan to take to fully resolve the citation. Your responses are recorded on the right side of the form.

Components of Your Plan of Correction (POC)

Five main components need to be included in your POC:

1. The first component is the deficiency standard number and a detailed statement of what needs to be corrected. This should be a concise sentence related to the shortcoming.

For example: *If you are cited for expired medications in your inventory, your response could be: Q181. The entire medication supply will be monitored monthly for expiration dates.*

2. Next, specify how the deficiency will be corrected. Note detailed information about the corrective action taken and who was involved. List all the items you completed to correct the inadequacy and maintain documentation regarding how you addressed the issue.

For example: *Performed staff training on 12/12/2016. All clinical personnel were in attendance. Reviewed policy on expiration of medications and solutions. Revised policy to clarify preference for single dose vials and ampules. Responded to questions from staff regarding who retains responsibility for monitoring medication expiration dates.*

3. The third component notes how you will ensure ongoing compliance with the corrected deficiency – via random audits, for example. If you do audit, retain documentation of audit results. Be specific about how you will monitor the corrections made. Ensure monitoring is consistent and timely. Clearly state how you will maintain compliance.

For example: *Updated emergency cart medication lists. Began actively monitoring the expiration dates of all medications throughout the facility. Implemented random audits of the medication supply to ensure compliance. Initial audit was conducted on 12/16/2016 in various locations around the facility. No expired medications were found. Compliance expectation is 100% removal of expired medications from floor stock as evidenced by monthly inspections.*

4. Name the responsible party for completion of each task and ensure ongoing compliance. You are permitted to use a person's name but noting someone's title (e.g., Clinical Director or Business Office Manager) ensures responsibility is linked to a defined role rather than a specific individual.

5. The final component is provision of a completion date for the deficiency. Ensure the deficiency is corrected by the date you set.

Next Steps

Upon completion of the plan, sign and date the form. Return the document to the person and address noted on the Plan of Correction. You typically have 10 days after receipt of the POC letter to return your response.

Make sure you retain a copy of the POC on file at the center with all your corrective action documentation. As you work through the POC and collect supporting documentation, keep everything together in one binder. This is very helpful in the event of a re-survey.

The CMS regional office will review your POC. You can then expect a response letter from them regarding acceptance or denial of your plan of correction. If your POC was accepted, the letter will also inform you whether a re-survey will occur. A rejected POC will contain information regarding any changes that need to be made and a new deadline for completion. Update the POC and return per the letter's instructions by the specified due date.

Conclusion

Although preparing, undergoing, and responding to a survey is a daunting task, surveys provide us with opportunities to view our ASC operations from the outside in. They allow us to implement best practices that ultimately lead to a center of excellence, a goal we are all trying to achieve. Don't let the prospect of an unannounced survey worry you. Preparation and organization is key to successfully completing your survey, even if you are required to submit a plan of correction.

¹ https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/som107ap_i_lsc.pdf

² https://www.cms.gov/Regulationsand-Guidance/Guidance/Manuals/downloads/som107ap_i_ambulatory.pdf

³ <https://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS2567.pdf>

What the CMS Emergency Preparedness Rule Means for ASCs

Michaela Halcomb - Director of Operations

Julie Zangari - Emergency Preparedness Coordinator

The Final Rule outlining Emergency Preparedness Requirements for Medicare and Medicaid Participating Providers and Suppliers became effective November 15, 2016.



Ambulatory surgery centers (ASCs) are one of 17 providers and supplier types that must comply with and implement all regulations by November 15, 2017. The purpose of the 186 page rule is to institute national emergency preparedness requirements and increase patient safety during emergencies. It also establishes a more coordinated response to natural, technological, and human-caused disasters.

ASCs are required to meet the following four core elements for conditions of participation. There is a fifth element applicable for integrated ASC health systems who elect to participate in a coordinated emergency management program.

Establish and maintain an emergency preparedness program

Here are five key elements of this program that meet the requirements outlined in the rule:

1. Emergency Management/Operations Plan.

- Must be based on and include a documented facility and community-based risk assessment using an all hazards approach.
- Include strategies for addressing emergency events identified by the risk assessment.
- Address patient populations served by the plan. This includes, but is not limited to, the type of services the ASC can provide in an emergency and continuity of operations such as delegation of authority and succession plans.
- Include a process for cooperation and collaboration with local, tribal, regional, state and federal emergency preparedness officials' efforts to maintain an integrated response during a disaster/emergency. Integration includes documentation of the ASC's efforts to contact such officials and its participation in collaborative planning efforts.
- Review and update annually.

3. Communications Plan

- Must comply with federal and state laws. It needs to be reviewed and updated at least annually and include the seven elements outlined in the rule. For more information on the seven elements, refer to page 165 at www.gpo.gov/fdsys/pkg/FR-2016-09-16/pdf/2016-21404.pdf

2. Establish corresponding policies and procedures.

- Must be based on the emergency plan, risk assessment, and communication plan.
- Must be reviewed and updated at least annually.
- Must minimally address the following elements: tracking sheltered or relocated patients and on-duty staff during an emergency, evacuation from the ASC, a means for sheltering in place, a system of medical documentation, the use of volunteers and other staffing strategies, and the role of the ASC in the provision of care and treatment as an alternate care site.
- Additional specific requirements pertaining to policies and procedures are available in the Federal Register, Vol. 81, No. 180 at www.gpo.gov/fdsys/pkg/FR-2016-09-16/pdf/2016-21404.pdf

4. Training and Exercise Program

- Develop a training program based on the emergency plan, risk assessment, policies and procedures, and communication plan. This should include initial and ongoing training on policies and procedures. Your training program should be reviewed and updated at least annually.
- Maintain documentation of all emergency preparedness training and demonstrate staff knowledge of emergency procedures.

- Conduct at least two exercises annually. One should be a community-based full scale exercise if possible. The other should be a facility-based full scale or table top exercise.
- Develop a documented after action report and improvement plan. Implement improvement items identified and maintain documentation of same.

5. Integrated Health Care Systems

- ASCs in a system containing multiple separately certified health care facilities that elect to have a unified and integrated emergency preparedness program must meet the five elements outlined in the Integrated Health Care Systems section of the rule.

Accreditation Status

A facility's accreditation status is a significant factor in determining the burden to an ASC in terms of both the workload and the associated costs required to meet the new CMS requirements. The final rule calculates anticipated burden hours and cost estimates for each of the four core elements based on accreditation status. ASCs accredited by the American Osteopathic Association/Healthcare Facilities Accreditation Program (AOA/HFAP) and American Association for Accreditation of Ambulatory

Surgery Facilities (AAAASF) currently have minimal emergency preparedness requirements. Therefore, their anticipated burden is higher. The Joint Commission (TJC) and the Accreditation Association for Ambulatory Health Care (AAAHC) accreditation standards contain more extensive emergency preparedness requirements. Although ASCs with TJC or AAAHC accreditation will likely incur some work to meet the requirements, their anticipated burden is lower than AOR/HFAP and AAAASF accredited facilities.

What are the next steps for your ASC?

1. Review the section of the Final Rule that pertains to ASCs on pages 77-82 by clicking on the following link: www.gpo.gov/fdsys/pkg/FR-2016-09-16/pdf/2016-21404.pdf
2. Schedule an initial meeting to start work on performing a thorough risk assessment (also known as a Hazard Vulnerability Analysis or HVA).
3. Complete a gap analysis by cross-walking your existing Emergency Management Program with the final CMS rule to identify areas that do not meet the requirements. Your existing Emergency Management Program should include your Emergency Management/Operations Plan, response plans, policies and procedures, as well as your training and exercise program.
4. Develop relationships with other ASCs and share your work with one another.
5. Find local and national resources for the Final Rule at www.cms.gov.
6. Take advantage of technical resources which can be found at asprtracie.hhs.gov/technical-resources. Click on "CMS Emergency Preparedness Rule: Resources at Your Fingertips" and refer to pages 15-16 for plans, tools, templates, and links to other resources.
7. Develop a relationship and get involved with your local hospital(s), public health agency, and the Office of Emergency Management. This may be accomplished directly and/or through your regional Health Care Coalition.

Implant & Supply Reimbursement Blunders Nearly Every ASC Commits

By Carol Ciluffo

Vice President of Revenue Cycle Management

Obtaining reimbursement for implants and supplies represents something akin to successfully navigating a minefield.



You know the lay of the land and presume the payors you hold insurance contracts with do too. After all, you both possess the same road map – your ASC contract which clearly (ahem!) outlines the reimbursement you'll receive. However, when you receive a denial from the carrier for the billable implant or supply, you quickly recognize your interpretations of the contractual terms differ.

While there are distinct differences between an implant and a supply, these terms are often used interchangeably which can lead to significant confusion – even within your ASC. So, let's start with some definitions.

Medical supplies refer to the non-durable disposable materials necessary to perform or deliver a health care service in a single episode of care. These supplies can also be referred to as consumable medical supplies.

Medical supplies:

- are disposable in nature
- cannot be used by more than one individual
- are primarily and customarily used to serve a medical purpose
- are generally not useful to a person in the absence of an illness or injury
- are items such as gloves, gauze, dressings, needles, syringes, saline, surgical trays, bandages, skin preps, and other supplies needed during the course of a procedure
- are typically inclusive to procedure reimbursement and are not separately payable

Most health insurance plans contain exclusions for consumable medical supplies. Typically, you will not be reimbursed for these products because they are considered integral to the procedure itself. They are an assumed cost of the surgery.

A medical *implant* on the other hand, is classified as a medical device manufactured to replace a missing biological structure, support a damaged biological structure, or enhance an existing biological structure. Examples of implants are pins, rods, screws, plates, surgical mesh, ocular lenses, prosthesis, etc. Many payors define a medical implant as a device or item that remains in the body for six months or more.

Medical implants differ from medical transplants in that they are man-made devices.

Transplants are composed of biomedical tissue. Examples of transplants are allografts, autografts, tendons (musculoskeletal grafts), or corneas.

These differences in definitions may affect your ASC billing reimbursements.

As you know, implants and supplies are expensive and the cost can vary widely from vendor to vendor. If your employees do not understand which category these items (i.e., implant or supply) fall into, your facility could leave a significant amount of money on the table.

How do you know if you should be billing for an implant or a supply? Start with understanding what each payor contract considers allowable. Most plans contain exclusions for consumable medical supplies although there are some cases where a supply is allowable. A temporary pain pump – a short term drug delivery system for post-operative pain relief – is a great example.

The Healthcare Common Procedure Coding System (HCPCS) classifies a post-operative pain pump under the “medical and surgical supplies” category. However, because this “supply” delivers an enhancement above and beyond the normal scope of the standard procedure – thereby affording your patient an opportunity to obtain the highest post-operative outcome – it may be considered billable by some payors. To secure reimbursement, the item should be mentioned separately in the surgeon’s operative (op) report.

The op report can also provide clues to other items used in a procedure that might be eligible for billing and reimbursement. For example, some medications purchased by the facility, such as Botox which is used in occipital injections for migraine headaches, may be reimbursed separately from the procedure when billed properly. Your coders should be looking for these items in op report narratives and billing for them when applicable.

In large part due to technological advances, implant intensive procedures which were historically confined to inpatient settings are now being allowed in the outpatient ASC setting. This means outpatient facilities should know when and how to bill for them. Implants are not cheap and, if left unbilled, could result in a significant amount of lost revenue to the facility.

To ensure you are billing appropriately for implants and supplies that are atypical to a standard procedure –

1. Audit preference cards to identify supplies normally used in different types of procedures.
2. Determine which supplies and implants used during a procedure could be viewed as atypical.
3. Involve your materials management staff in the process – they have specific knowledge of items being ordered for your center. Research these items and assess if they might be billable. If so, ensure the supply is added to the case implant log and inform your coding and billing team so the proper HCPCS code can be assigned and billed.
4. If all goes well, your efforts will be rewarded with money in the bank!

To illustrate, let’s say your ASC used temporary pain pumps (a supply) 25 times in the first quarter of the year to provide non-narcotic post-operative pain relief to patients reducing their use of opioids during their recovery process. The invoice cost of this supply, ordered in a pack of five, is \$275 per pump. If your contracts allow cost plus 10% reimbursement on implants and supplies, your reimbursement would be \$302.50 per case.

If reimbursement was allowed on every case, your facility would receive \$7,562.50 in reimbursement for those temporary pain pumps alone!

Is this a time consuming project? Yes. However, the rewards far outweigh the initial time investment. Make sure your ASC is getting the money it deserves for its procedures. Your hard work will pay off in the end.



What Opportunities Can You Leverage to Increase ASC Reimbursement?

By Dan Connolly
Vice President of Payer Relations & Contracting



Multiple leverage opportunities are available to increase ASC reimbursement. Two that quickly come to mind are generally applicable across all outpatient surgery centers. First, always recognize the payor needs you. Second, the payor community consistently strives to find lower-cost alternatives to their members being served at hospitals.

The Payor Needs You

The payor needs to provide a comprehensive provider network to its members. Many payors offer their members a site-of-service differential to steer members to the most cost-effective and appropriate care setting. For example, a payor may only require a co-payment from the member for services provided at an ASC, but the member will be subject to more costly co-insurance provisions if the same service is obtained at a hospital facility. Therefore, the payor needs your ASC to help them accomplish their goal of securing high quality and cost-effective care at the lowest out-of-pocket cost for their members.

Moving Cases from Hospitals to ASCs

Payors are increasingly looking for additional opportunities to move higher acuity cases from hospitals to ASCs. Why? Because the difference in cost to both the patient and the health plan can be three to four times greater at the hospital. Therefore, if your ASC can entice payors with the cost savings benefit of performing higher acuity cases on their members at your facility, you may be able to create a “leverage opportunity” that can produce greater ASC reimbursement on some of your lower acuity procedures.

For example, many commercial payors have expressed interest in having total joint replacements and high acuity spine cases performed in ASCs because they recognize the opportunity for cost savings. In some instances, you can increase the leverage opportunity by offering to perform these cases at a predictable cost. Some payors (self-insured plans in particular) wish to transfer the risk associated with implant variations by agreeing to an all-inclusive facility price for each high-acuity case type that is negotiated.

If your ASC is interested in, or required to, negotiate all-inclusive rates, be sure your data accounts for all variable costs (e.g., staff, supplies, implants) and associated frequency factors before heading to the negotiation table. This includes a solid understanding of the size, number, and frequency of use for each implant type, along with any extraordinary supplies associated with each case. And therein lies the rub – many ASCs who want to perform these cases aren’t equipped to negotiate prosperous at-risk arrangements. To combat this, consider hiring a seasoned negotiator who has successfully secured at-risk arrangements – someone who will recognize and be better equipped to understand all the moving parts. Alternatively, your ASC would be wise to refrain from performing at-risk cases initially, focusing instead on cases falling under fee-for-service arrangements. Doing so allows you to assemble the necessary utilization data before attempting to negotiate all-inclusive case rates.

While adding high acuity orthopaedic and spine cases requires a capital outlay for your ASC, the added investment should not be overly detrimental if you’re already performing orthopaedic cases. In that case, chances are your center already has a good portion of the instrumentation and equipment necessary to perform the higher acuity procedures. If you are starting from scratch, however, you will want to complete a comprehensive feasibility analysis to demonstrate the costs and benefits of offering total joint replacement and/or spine cases at your facility.

In any case, enticing payors with the possibility of performing higher acuity cases on their members at your ASC could not only create a leverage opportunity, it may also add to the payor’s dependence on your ASC. This puts you in a strong position to obtain higher ASC reimbursement, something you were seeking all along.



What Golf Can Teach Us About Dealing with ASC Managed Care Plans

By Dan Connolly
Vice President of Payer Relations & Contracting

By now, those of us in the ASC industry have all encountered situations where some payors do not reimburse separately for implants. This payor approach to reimbursement for high ticket items can be difficult to navigate. Recently, I realized scheduling these patients at our facilities lends itself to a golfing analogy.

How so? First, these cases come with a handicap. Second, handicaps allow golfers of varying abilities to indulge in fair play. Third, polishing your drivers improves your game. **The key takeaway – you must keep score to improve your game.**

Calculating Handicap

In golf, a handicap essentially signifies the number of strokes above or below what a first-rate player would normally need to achieve the desired goal (standard) on a particular hole or golf course. A skilled golfer will count their strokes to gauge their success against the standard.

When your facility is faced with a managed care provider that does not reimburse for implants separately, it also needs to assess its handicap. Identifying the standard reimbursement for the procedure is essential to determine your handicap. Consider all variables – costs and reimbursement by case type, for example – to warrant the best chance of obtaining your desired compensation goal.

Handicaps are based on recent play and are subject to change over time. Similarly, it makes sense for your ASC to routinely weigh the current costs of implant(s) against expected reimbursement. When sufficient surplus is not present to cover projected costs, notify the physician immediately. Like calculating handicap, there are easy ways to go about calculating costs and projected reimbursement. The adage “you can’t manage what you don’t monitor” applies here. Measuring each case’s costs against anticipated reimbursement is part of improving your handicap.

Fair Play

Handicaps allow golfers of varying abilities to compete against one another on somewhat equal terms. In essence, it levels the playing field. Prioritize scrutinizing costs and reimbursement on cases with significant implant costs. These costs may not be covered in overall bundle reimbursement methodology which can negatively impact your ASCs revenue. Educating your physicians about proper case selection when they choose to schedule at your facility is fair play.

You Must Polish Your Drivers

Avid golfers will tell you polishing your drivers should be a regular part of your maintenance routine. Preparing your drivers protects your investment and increases the possibility of improving your game.

Along the same lines, if you prepare your surgery center’s drivers, your physician owners will understand the potential financial benefits and issues that occur with their implant-intensive cases. Doing so creates a higher likelihood of protecting their investment.

You Must Keep Score to Improve Your Game

Ultimately, you want to improve your game. To do that, you need to keep score. In this sense, think of scoring as receiving the reimbursement necessary to cover the costs of, and provide for, a reasonable margin for a specific surgery. Track surgeries that do not meet this standard. This data can assist you demonstrate to payors how certain cases do not meet your expected margin. You can improve your score through evidence-based negotiations.

Conclusion

In summary, scheduling patients associated with plans that do not reimburse for implants separately can be tricky. Ensure you are tracking case costs and reimbursement, routinely educating physician users, and adjusting for challenges. This is not only necessary to improve your game, it is essential for fair play.

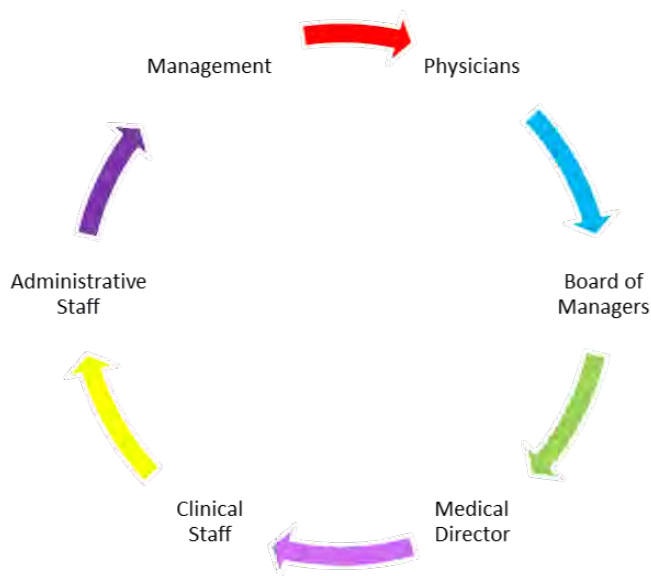
Harnessing the Power of Your ASC Team

By Robert Carrera
President/CEO

Organizations who harness the power of teamwork thrive. You can sense their vibrant energy the minute you step through their front door. Positive momentum permeates every aspect of their business. Their collaborative spirit is infectious.

Teamwork in your ASC can easily make the difference between your place of business being merely another place to work or a workplace of choice. It can also make the difference between your ASC being yet another place to receive care or the preferred patient option for ambulatory surgical services.

ASC leaders who understand who makes up their team and what allows for a dynamic work environment are better equipped to harness the power of their team.



The diagram above is a visual representation of an ASC's stakeholders. Let's explore how to engage individual team members to create a vibrant team.

What is Important to the team?

Whether an ASC is in the planning stages, has recently opened, or is in its tenth year of operation, the organization's mission statement is critical to developing and maintaining its goals. It serves as the cornerstone of the ASC's culture.

A properly crafted mission statement –

- Communicates the purpose of the organization
- Serves as a filter to separate what is, and is not, important to the organization



- Clearly states which markets the organization will serve and how
- Communicates a sense of intended direction to the entire organization

The mission statement guides the actions of the ASC, articulates its overall goals, provides a path to achieve those goals, and ensures decision-making is in keeping with those goals. It provides the framework to develop the company's strategies.

When crafting a mission statement, consider –

- Quality and consistency
- Customer service
- Diversity and individuality
- Professionalism
- Specific ideals of a sponsoring or partnering health system or organization

Although it is not uncommon for a mission statement to remain the same over time, it should not remain static due to inattention or apathy. Markets, goals, leadership, and organizations change and evolve. Review your mission statement on a regular basis to ensure it reflects any substantial changes.

THE TEAM

Physicians

As I have discussed in other posts, physicians become members of ASCs for a variety of reasons. Ensure you recruit physicians based on how they will function as part of your team. Careful selection is the key to success. If physicians participate for the right reasons and their previous track record demonstrates they are "team players," integrating them into your team should not be difficult.

Because physicians interact daily with your patients and staff, it is critical for them to buy into, and actively support, the ASC's mission and culture. There is no quicker way to undermine the effectiveness

of your workplace than to work with physicians who do not respect your organization's purpose.

Board of Managers

Ideally, the ASC's Board of Managers (BOM) should create the facility's mission statement, be involved in its regular review, and develop any revisions. By setting the facility's policies and procedures, hiring its medical director and management team, and crafting the mission statement, the BOM is the de facto owner of the ASC's culture.

BOMs facilitate team dynamics when they are comprised of a diverse group of investors, representing different physician groups and specialties. When the facility is joint ventured, it is important to include hospital executive representation on the BOM.

Ultimately, the most important characteristic for board members to possess is a willingness to participate and devote the time necessary to enthusiastically engage in facility-related discussions. Board members who stay informed about facility performance and operations and consider the perspectives of all stakeholders regarding ASC topics make sound business decisions.

Medical Director

The medical director is selected by the BOM. As with physicians, this selection needs to be based on the individual's track record of being a "team player." Initially, the medical director will be involved in developing the ASC's policies and procedures.

Most importantly, the medical director is charged with supporting clinical and administrative staff, enforcing policies and procedures (along with the BOM), and effectively maintaining the facility's culture. This will include addressing professional issues related to physicians and staff that are averse to the desired team environment. The medical director will also function as a team member in multiple operational areas including scheduling, staffing, inventory, operating room utilization, etc.

Clinical and Administrative Staff

A popular saying is, "Hire the right people and get out of their way." This holds true not only for employee skill sets and work ethic, but also for their ability to effectively function as members of a team. Educating staff about the ASC's mission and the BOM's commitment to that mission sets the stage for a well-informed team ready to fulfill the desired expectations.

It is critical to support and empower clinical and administrative staff to take action and make the decisions necessary to fulfill the ASC's mission. For example, they must feel comfortable reaching out to ASC leadership when quality of care or customer service issues are being compromised.

As new team members are added through growth or attrition, ensure a consistent message is relayed by the physician owners, BOM, medical director, and the facility's management team. This will ensure the desired team dynamic is preserved.

Management

Management is comprised of the ASC's administrator and their team of program leaders. The role of management is to own the ASC's mission and consistently promote that message to all team members in the facility. This is the responsibility the BOM entrusts to the center's management. Management accomplishes this by expecting, promoting, and modeling excellent working interactions among all stakeholders. Recognizing the contributions of all team members in pursuit of the ASC's goals and carrying out its mission allows a team atmosphere to flourish.

Finally, management is responsible for ensuring team members who are not bought into the organization's mission, or do not have the skill set to contribute to that mission, are appropriately removed from the mix. Jim Collins, renowned management consultant and author, said, "The only way to deliver to the people who are achieving is to not burden them with the people who are not achieving."

Conclusion

In conclusion, I am reminded of a speech given by legendary University of Michigan football coach Bo Schembechler. It is simply referred to as "The Team! The Team! The Team!" There are numerous YouTube versions of the speech. My personal favorite is one pulled from a news clip (approximately 2 minutes long). In his speech, Bo reminds us there is nothing in life we will achieve as an individual that will provide us more personal satisfaction than what we will achieve as a member of a team. The team can be defined in many ways – your family, your place of worship, your work place – the list goes on. The underlying message is this: leaders need to provide the unwavering vision, mission, and culture necessary to make sure all stakeholders have a chance to experience the sense of team accomplishment described so powerfully in Bo's speech.

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