

What do you believe was the top event/issue of 2008 and why, and what will the repercussions be for the industry?

Without question, the recent financial market corrections will establish itself as the top event for 2008. The proposed change to CMS language restricting over-night stays is also a heavily weighted issue.

The financial market changes will definitely impact many ambulatory surgery centers especially in those situations where business growth is tied to the need to secure capital. Capital needs could occur when making leasehold improvements to your facility or purchasing large equipment items.

If your facility is established and possesses a good credit history with a lending institution, then you are probably alright. However, if you are a start-up with questionable cash flow, it will likely be very difficult to obtain the additional capital necessary to sustain your facility. De novo facilities will also be impacted as the financing criteria will change with enhanced scrutiny.

If the proposed CMS language change on over-night stay passes, it will have a significant effect on the industry and healthcare in general. Many states have a 23 hour restriction, allowing a significant number of ASCs the option of performing higher acuity cases. The language change will have a huge financial impact on some facilities, removing the higher acuity volume and pushing it back to the hospital setting. This move will not only hurt ASCs but increase the financial burden on the patient.

What do you believe will be the most critical issue(s) for 2009 and why?

Politics! The elections and a new president will probably be the most critical issue for 2009. Even though the healthcare proposals from both political parties do not seem to impact the ASC environment, the concern is what could potentially materialize if one party corners the political market. I believe there is a lot of speculation of what might happen but, at this point, the crystal ball is not clear which places us into a "wait and see" mode.