



Political Survival Strategies for an

ASC

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The Time To Prepare for a Hurricane is Before it Strikes!





ASCs are Under Attack Around the Country

Threat Analysis



- Modern medicine is evolving and more of healthcare is shifting to outpatient settings.
- Physician, corporate and entrepreneurial initiatives coupled with this trend are a major threat to traditional healthcare delivery systems
- Payers are reaching near monopoly status in nearly 90% of the US.



■ Minnesota

Senate Finds Surgery Center

Compromise, Licensing provision

stricken from bill Tom Majeski (2004, March 24) *Saint Paul*

Pioneer Press



- New Jersey

N.J. taxes surgery centers to help fund hospitals Cine Becker (2004, July 6). *Modern Healthcare*



■ North Carolina

DHEC may halt new outpatient surgery centers, Moratorium considered as worries arise over saturation, impact on hospitals

Jonathan Maze (2004, May 7). *The Post and Courier Staff*



- Colorado

**State's convalescent care license
attacked in last two ('05 and '06)
legislative sessions**



■ Utah

Surgical Centers Seek a Level Field

Lois M. Collins (2006, February 5) *Desert Morning News*



■ Missouri

Hospitals, doctors battle over surgery centers

Margaret Stafford (2006, April 18) *Associated Press*




Illinois



Outpatient Surgery **THIS JUST IN**

50 Percent of Covered Charges

Blue Cross Blue Shield Curbing Reimbursement to Illinois ASCs



Blue Cross Blue Shield of Illinois has informed the state's 120 outpatient surgery centers that it's doing away with carveouts and capping payments to providers at 50 percent to 60 percent of covered charges, not to exceed an all-inclusive rate of \$1,200 to \$1,400 per case.

BCBSIL sent a standard-form contract amendment in June informing administrators of the reimbursement limits. One such letter states that "reimbursement for outpatient surgery shall be reimbursed at fifty percent ... of Covered Charges not to exceed \$1,200 per case."

BCBSIL says HIPAA's requirement for standardized billing codes is behind the renegotiations, as well as its inability to sustain the "extra time and staffing needed" to manually process

For the record, Mr. Arango claims ~~no~~ policies have been cancelled; he says once centers receive a letter of cancellation, dialogue ensues between BCBSIL and the facility. But provider-carrier talks are a possibility and not a guarantee. "We don't have the resources to handle drawn-out negotiations," says Mr. Arango. "We've made what we consider a fair offer, and we have been generous payers to ASCs in the past."

Which, he says, has gotten BCBSIL in hot water with hospital providers. He claims they are upset with higher fees paid to ASCs for the same procedures that pay less to hospitals.

Aside from complying with HIPAA, the goal of reeling in costs with what BCBSIL considers an excess of ASCs seems likely. "Our members have



■ **National**

April 18, 2006

Study: Health Insurers Are Near-Monopolies

By Russ Britt, Dow Jones Newswires



Current Status of ASC Response

- Lack of organized state response
- Existing state organizations are embryonic, not sophisticated or in paralysis
- Doctors are unable, unwilling or disinterested
- Lack of funding
- Education of key elected officials has been minimal and inconsistent
- National organizations (FASA or AAASC) have not been engaged on a state level
- Doctors, administrators and staff do not have a comfort level or a real understanding of politics, government, and public policy
- Doctors have not effectively recruited hospital support



The Needed Response

- Support of/or resuscitation of state associations
- Engagement of FASA or AAASC at state level
- Recruitment of hospital administration as an ally, not an adversary
- Accessing key players on Federal and State level
- Securing political champions
- Business coalition
- Selected media interactions
- Harnessing Patient Power



- *"Never let a third party define your issues or your identity"*
Steve Covey
- *"All politics is local"*
Tip O'Neil
- *"It's not the size of the dog in the fight that counts, it's the size of the fight in the dog."*
Dwight Eisenhower