

The State of the ASC Industry

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Agenda



Trends

Quality

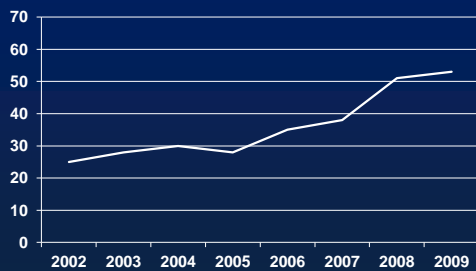
DC

Future

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Physician Employment

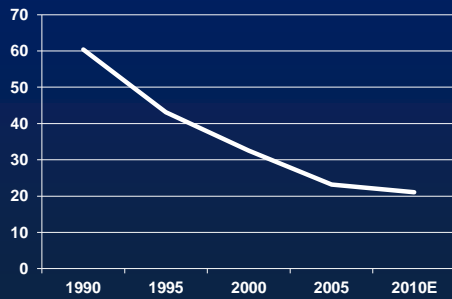


Sources: New York Times, Medical Group Management Association, Physician Compensation and Production Survey, 2003-2009

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MDs Per ASC



Source: Deutsche Bank ASC Survey

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Unemployment Rate

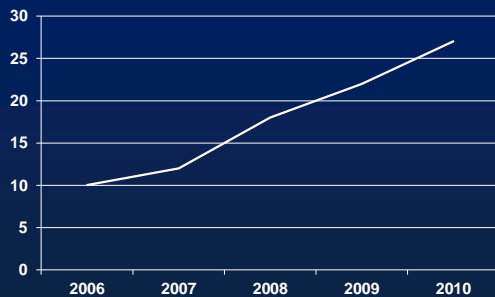


Sources: BLS, Wall Street Journal, Congressional Budget Office, SCA analysis

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High Deductible Plans

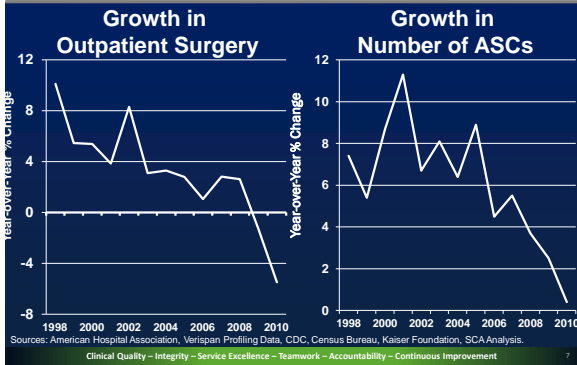


Source: KaiserHRET Survey of Employer-Sponsored Health Benefits, 2006-2010.

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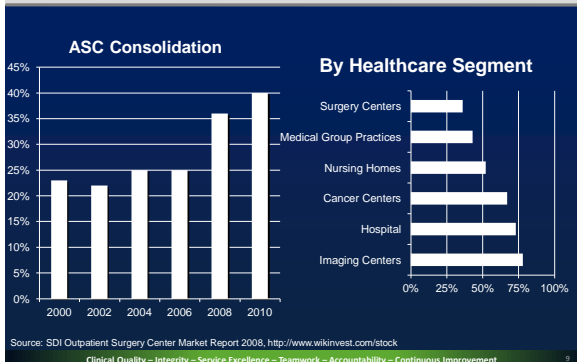
Impact



Maturing Market



Consolidation



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Perception



- Infection control concerns
- Lower quality than hospital environment
- Lack of regulatory scrutiny
- Lack of data

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Imperatives



Infection
Control
Practices

Quality
Reporting

External
Validation

Transparency

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ASC Quality Collaboration



- Funded by ASCA & ASC companies
- Outcomes reporting
- Outcomes measure development
- Sharing best practices
- Clinical studies
- Promoting transparency

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Moving Your Feet



- Adopt Infection Control Toolkit
- Report data
- Use ASCQC data for your center
- Support transparency

**Let's make clinical quality the
center piece of our industry!**

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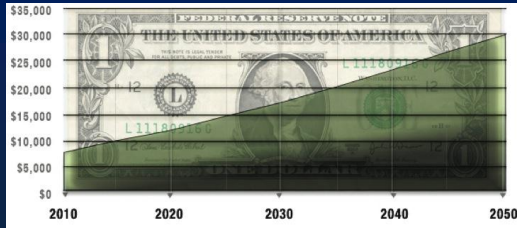
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Healthcare Cost



Projected Healthcare Costs Per Person (2009 Dollars)

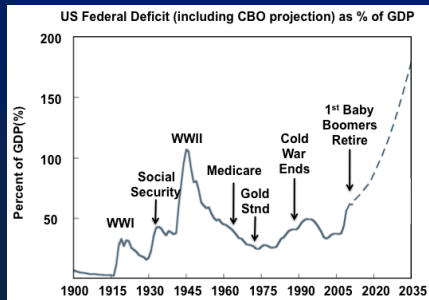


Source: Congressional Budget Office and US Census Bureau

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Federal Deficit



Source: Congressional Budget Office

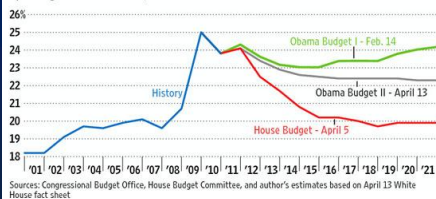
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Current Deficit Debate



A Tale of Three Budgets Spending as a share of GDP, 2000-2021



Sources: Congressional Budget Office, House Budget Committee, and author's estimates based on April 13 White House fact sheet

Source: Wall Street Journal

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ASC Context



Reducing the price of every Medicare ASC procedure to \$0 would reduce Medicare spending by 0.6%

Medicare Spending



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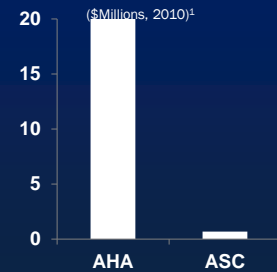
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ASC Context



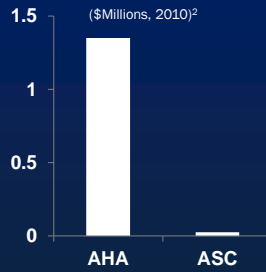
Lobbying

(\$Millions, 2010)¹



Fundraising

(\$Millions, 2010)²



1) Data reported for 1st Qtr 2009 thru 1st Qtr 2010 as reported to the FEC through April 25, 2010.

2) Data reported for 1st Qtr 2009 thru 1st Qtr 2010.

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Healthcare Reform



Cover 30M
More People

Insurance
Reform

Cost
Reduction

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Specifics for ASCs



Particulars

- Productivity adjustment
- Waive GI co-insurance
- IPAB
- ACOs
- Value-Based Purchasing

The Net of It

- Flat rates with 1 in 4 chance of cut in any given year
- Quality reporting
- More Medicare / Medicaid
- Risk of cost reporting

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Good Momentum



- Bill Prentice
- Increasing ASCA resources
- Unified industry participants
- 3x increase in fundraising
- 2x increase in lobbying
- Greater coordination with states

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Moving Your Feet



- Encourage ASCA membership
- Political fundraising
- Grassroots activity
- State associations
- Involve your physicians

**Every ASC giving \$1,000 per year →
\$5 million in political fundraising!**

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Future



Slower
Growth

Continued
Consolidation

Quality
Reporting

Transparency

ACO Fad
Passes In
Most Places

Physician
Employment
Fades in
Many Markets

ASCs Known
For Quality!

ASCs Viewed
As Solution!

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