Welcome to Our First OOSS Symposium
Saturday, October 22, 2011

Our Program...
- Market Trends Impacting the Ophthalmic ASC
- Politics, Policy and Personalities
- Pesky Medicare Conditions of Coverage
- Quality Reporting – A New Frontier
- Vitreoretinal Surgery – Care, Access and Profits
- EHR Incentives and Challenges
- ASC Benchmarking – Peaks & Perks
ASC Payment Reform of 2008: Where We Are Today

- HOPD and ASC rates are linked
- ASC list expanded to include virtually all ophthalmic services
- ASCs now are provided annual inflation updates
- ASC rates recalibrated annually
- ASCs receive same payments as HOPDs for innovative drugs and devices

ASC Payment Reform/2008: The PROBLEM!

- ASC percentage of HOPD is declining due to CMS application of budget neutrality reductions - secondary rescaling
  - 62% of HOPD in 2008; 59% in 2009; 56% in 2011% and going down, down, down

- ASCs receive CPI-U update rather than the Hospital Market Basket, minus the productivity adjustment (1.4% in 2012, 1.6% in 2011).

Proposed ASC 2012 Payment Rule - Rates for Ophthalmic Services

<table>
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<tr>
<th>CPT</th>
<th>DESCRIPTION</th>
<th>2011</th>
<th>2012 Proposed, w CPI-U less productivity adj.</th>
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ASC Rule - Quality Reporting

- What We Know:
  - Proposed Measures for 2012
    - Falls
    - Wrong site, wrong side, implant, etc
    - Hospital transfer
    - Burns
    - Hair Removal
    - Prophylactic IV antibiotic timing
    - Selection prophylactic antibiotic

Ophthalmic ASC Market Drivers

- Growth on cataract volume
- Growth in volume attributable to new technology
  - Premium IOLs
  - Femtosecond lasers
- Integration of vitreoretinal surgery into ASC
- Hospital acquisitions of ophthalmic ASCs
- Emergence of ACOs

Growth in Cataract Volume

*Estimated based on a utilization rate of 3.5 per 1,000 for the population under age 65 and a utilization rate of 61 per 1,000 for the population age 65 and older.

Source: Data per Market Scope, Ophthalmic Market Perspectives.
Assessing the Economic Viability of Femtosecond Laser

Factors to Consider

- **Reimbursement rates** – substantially increased and still going up -- $1,639 Medicare, privates typically 120% Med.
- **Cost** -- $200-300k to equip; $300-600 in supplies/case
Integration of Vitreoretinal Surgery into the ASC

Factors to Consider:
- FINDING THE RIGHT SURGEON
  - Values efficiency
  - Understands economics
  - ASC-friendly (surgically confident)
  - Open to new technology

New Medicare ASC Conditions for Coverage (CfC’s)
- Effective May 18, 2009, new Medicare ASC certification regulations apply
- Perfect storm on horizon – surveys by:
  - State licensure bodies
  - States conducting Medicare surveys
  - States conducting “validation” surveys determining whether facilities really comply with new federal standards
- Trouble spots for ophthalmic ASCs

The CfC’s: Surveyors Focus on Ophthalmic ASC’s
- Laser Procedures
  - Credentialing
  - Documentation
  - Staffing
  - Physical space
  - Infection Control
- Physician Documentation
  - H&P
  - Pre-surgical update note
  - Discharge note
The CfC's: Surveyors Focus on Ophthalmic ASC's (cont.)

- Medication Safety
  - Sterile field labeling
  - Administration by licensed personnel
  - Physician orders
  - Single-dose
    - Single-use devices and supplies, too

- Compounding

The CfC's: Surveyors Focus on Ophthalmic ASC's (cont.)

- Instrument Decontamination and Sterilization
  - Transportation
  - Sterilization
  - Reprocessing of SUDs

- Universal Protocol
  - Surgical site ID
  - Marking of site by surgeon
  - Time Out