


**Ophthalmology, ENT, & Pain Management in ASCs**  
*Current Ideas to Increase Profits*

*Colleen Heeter, BSN, RN*  
*Senior Vice President of*  
*Operations Design*  
*Nueterra Healthcare*



---

---

---

---

---

---


---

---

**Agenda**

- Pain Management
- ENT
- Ophthalmology
- Supplies

2



© 2003 Nueterra Healthcare

---

---

---

---

---


---

---

---

**Pain Management**

3



© 2003 Nueterra Healthcare

---

---

---

---

---

---


---

---

**Pain Management Statistics in ASCs**

- Average gross charges for pain management cases are \$3,873. Average case revenue is \$890
- Even though ASC reimbursement has fallen under the APC's, the volume is rising
- Pain cases in ASC's increased 15%
- The new volume represents "significant changes in insurance coverage and advancement in the pain management clinical treatments (that) have evolved in the past seven years"

4



---

---

---

---

---

---

---


---

**Pain Management - Physician Recruitment**

Recruit a physician who is able to provide the full range of care to patients with chronic pain to include:

- Radio frequency ablations
- Spinal cord stimulation
- Epidural injections

5



---

---

---

---

---

---


---

---

**Pain Management - Volume**

- Usually anywhere from 2,700 – 3,000 billable procedures (not encounters) per year to support one Class B operating room in an ASC
- Breakeven is primarily affected by staffing levels
- Profitability increases dramatically as the procedure volume gets further beyond the breakeven point
- Payor mix and procedure mix
  - Can you add addendums to your existing contracts if necessary?

6



---

---

---

---

---

---

---

---

### Top 6 Procedures Pain Management

CPT	Short Description	Non-Facility	Facility	SOS Difference	ASC Facility Fee
27096	Inject sacroiliac joint	\$167.79	\$69.00	\$99.23	\$295.98
62311	Inject spine l/s (cd)	\$181.14	\$81.91	\$99.23	\$295.98
64483	Inj foramen epidural l/s	\$251.87	\$104.65	\$147	\$295.98
64490	Facet Join Inj	\$181.87	\$107.53	\$74.34	\$288.44
64622	Destr paravertebrl nerve	\$307.80	\$172.12	\$135.68	\$477.56
64623	Destr paravertebrl addtl	\$114.03	\$47.99	\$66.04	\$295.98

---

---

---

---

---

---

---

---

- ### Pain Management - Supply Costs/Inventory
- From \$15K-\$25K (per approximately 20 procedures a day/five days a week)
  - Item description**  

<b>Cost/case</b>	
Epidural tray	\$10 - \$20
Contrast dye	\$20 - \$30
Equipment	\$60 - \$100
Staffing	\$30 - \$50
<b>TOTAL:</b>	<b>\$120 - \$200</b>

---

---

---

---

---

---

---

---

- ### Developing a Manipulation Under Anesthesia Program
- Procedure involves stretching and deep massage of soft tissues as well as specific joint manipulations, performed while the patient is under anesthesia
  - Find out if chiropractic physicians are able to obtain privileges at your center
  - Ascertain facility reimbursement for the billable MUA codes
  - Contact local potential referral sources and gauge interest
  - Get training and certification – usually 32 hrs

---

---

---

---

---


---

---

---

ENT

10



© 2003 Nuforma Healthcare

---

---

---

---

---

---


---

---

**ENT - Myringotomy**

- This procedure involves the insertion of ventilation tubes, also known as pressure equalization tubes
- Schedule them every 15 minutes
- Typically done under anesthesia
- From a safety standpoint, it's no more or less safer than doing it in a hospital
- Reimbursement ranges \$1,000-\$1,200 per procedure

11



© 2003 Nuforma Healthcare

---

---

---

---

---

---


---

---

**ENT - Tonsillectomy and Adenoidectomy**

- Frequently done for patients who meet criteria for strict indications, such as chronic tonsillitis or adenoiditis, and difficulty breathing
- Done safely in ASC settings
- Typically reimbursed at around \$1,600

12



© 2003 Nuforma Healthcare

---

---

---

---

---

---

---

---

## ENT - Septoplasty

- Corrective surgical procedure to straighten the nasal septum by removing nasal obstructions from patients having trouble breathing
- Procedure typically takes 15-30 minutes
- Insurers pay an average of \$1,600

13

© 2003 Nuforma Healthcare

---

---

---

---

---

---

---

---

## ENT - Sinus endoscopy and debridement, and other functional sinus endoscopic surgeries

- These endoscopic procedures can take from 30 minutes to two hours
- Reimbursed from \$1,200-\$10,000
- With growing physician comfort in operating in an outpatient environment and realizing they can be safely done there, now becoming the industry standard
- Many universities are training doctors to do these in outpatient settings
- Waiting time is less
- Unless a patient needs to be admitted after a surgery, procedure can be done in ASC

14

© 2003 Nuforma Healthcare

---

---

---

---

---

---

---

---

## Ophthalmology

15

© 2003 Nuforma Healthcare

---

---

---

---

---

---

---

---

**Ophthalmology**

- The number of Medicare patients is expected to double in number over the next two decades as Baby Boomers begin to age, which will keep ophthalmology in demand
- Surgical volumes for ophthalmology are expected to increase 30-50 percent over those years

16

© 2003 Nuforma Healthcare

---

---

---

---

---

---

---

---

**Most Profitable Ophthalmology Procedures**

- Phacoemulsification (cataract removal)
- Phacoemulsification with intraocular lens implantation
- Some glaucoma and retina treatments

17

© 2003 Nuforma Healthcare

---

---

---

---

---

---

---

---

**Ophthalmology – Retinal Procedures**

- Expanding to retinal procedures, such as pars plana vitrectomy, can be profitable if centers are willing to invest in the equipment needed to perform these cases
- Shorter procedure times and less-invasive techniques have made retinal procedures now appropriate for the ASC setting
- Changes in instrumentation and reimbursement have made retinal procedures applicable for the ASC-setting, and that's where growth for ASCs lies
- Equipping an ASC for retinal procedures may cost as much as \$200,000-\$400,000, but are a good investment if physicians are committed and dedicated to the program

18

© 2003 Nuforma Healthcare

---

---

---


---

---

---

---

---



### Ophthalmology – Retina Cases

- Payors beginning to reimburse ASCs for them
- Centers need to find retina surgeons who work fast enough in an ASC and have a large volume of cases to switch from the hospital
- Since all supply costs are included in the reimbursement rate, some cases may not be economically suitable for an ASC setting

19

© 2009 Nuforma Healthcare

---

---

---

---

---

---

---

---



### Ophthalmology – Multi-focal implants with cataract procedures

- Physicians can offer improved patient outcomes and increase ASC revenue by offering patients a high-end multi-focal implant while undergoing cataract surgery
- Although the price of lens implants are bundled into payments for cataract surgery, if a physician and patient select a higher-end multi-focal implant, such as Alcon's ReStor IOL or Abbott's ReZoom IOL, ASCs in some states, can balance bill a patient for the additional cost of the lens
- Balancing billing allows for cataract patients, who are often covered by Medicare, to receive the highest-level technology, which Medicare would otherwise deny

20

© 2009 Nuforma Healthcare

---

---

---


---

---

---

---

---



### Ophthalmology – Glaucoma Procedures

- Glaucoma procedures, such as cyclophotocoagulation, may also be a way for ophthalmology service lines to expand their offering and attract more cases
- The patient benefits as well with a less invasive glaucoma treatment option and less postoperative difficulties
- Consider recruiting a glaucoma specialist, who could then perform some procedures such as implantations of mini shunts to treat glaucoma, at the ASC

21

© 2009 Nuforma Healthcare

---

---

---

---

---

---


---

---

**Ophthalmology – Growth of Premium IOLs**

- Many ophthalmologists are making up for losses in LASIK by inserting premium intraocular lenses in cataract patients
- Premium IOLs require similar skills as LASIK but also a willingness to work post-op with the patient to improve vision
- Since Medicare started allowing ophthalmologists to charge extra for premium IOLs, about 20 percent of patients have opted for them and in some practices the rate has been as high as 50 percent

22



---

---

---

---

---


---

---

---

**Supplies**

23



---

---

---

---

---

---

---

---

**Supply Value Analysis: A Supply Cost Reduction Initiative**

Issue/Problem:

- Supply costs too high (Implants-30% of total spend)

Process Improvement Opportunity

- Create supply value analysis committees at facilities
- Develop supply value analysis policies & procedures
- Implement processes to support supply value analysis
- Conduct regular meetings
- Monitor and report progress - savings

24



---

---

---

---

---

---

---

---



## Supply Value Analysis: A Supply Cost Reduction Initiative (cont.)

What is Value Analysis?

- An integrated decision making process that establishes protocols for the introduction, evaluation, standardization and utilization of all products used within the facility

Objectives:

- Control/reduce overall supply costs
- Ensure patient/employee safety through product safety/quality

25



---

---

---

---

---

---

---

---

## Supply Value Analysis: A Supply Cost Reduction Initiative (cont.)

Methodology:

- Get Board "buy-In"
- Have materials manager provide data to determine review items – do all items, not just new
- New or replacement/substitute items should be formally requested
- Monitor, quantify and report on actual savings realized
- Also measure impact on overall supply costs per procedure

26



---

---

---

---

---

---

---

---

## Product Selection/Review:

- Focus on top dollar items ("ABC Analysis" / "80/20" Rule)
- Items are submitted for review by team members
  - All new items must be reviewed (requested in writing)
  - Materials manager should submit items with \$ savings potential
- Items will be evaluated based on:
  - Performance (Is the item "acceptable" if not preferred?)
  - Efficiency/ease of use
  - Cost (assuming quality standards are met)
  - Safety/infection control
  - Ability to standardize or reduce utilization

27



---

---

---

---

---

---

---

---

**Working Example**

Beginning with the “top dollar” item, ask following questions:

Pricing/Alternative Product Sourcing:

- Is item currently at correct price?
- Is the item on contract/off contract?

Standardization:

- Are multiple similar/like items currently in use at facility?

28

---

---

---

---

---

---

---

---

**Working Example (cont.)**

Beginning with the “top dollar” items:

Utilization:

- Evaluate usage patterns
- Benchmark internally
- Custom packs – Review all componentry periodically
- Standard packs – Review to ensure proper configuration and no wastage
- All new items must be approved by the SVAC prior to use
- Is there wastage/spoilage/outdating which impacts utilization?
  - MM to ensure that stock is rotated to prevent outdating

29

---

---

---

---

---

---

---

---

**Additional Strategies**

Conduct a “kick-off” meeting to discuss objectives and strategies for ongoing facility supply value analysis committee activities.

GPO “Market Basket Analysis” (Full IS system utilization is a prerequisite)

- Contact respective GPO
- GPO will complete “Market Basket Analysis” and identify price and contract cost savings opportunities
- Review results – supply
- Facility value analysis chairperson will be responsible for follow up and reporting on actionable items

30

---

---

---

---

---

---

---

---

## Additional Strategies (cont.)

Review high volume physician preference items

- Supply value analysis committee will review high volume physician preference items
  - Looking at related contract commitments and pricing to determine if the opportunity exists to renegotiate
- Encourage medical staff assistance/support in vendor renegotiations
- Consider competitive product comparisons by vendors and third parties

31

© 2003 Huskisson HealthCare

---

---

---

---

---

---

---

---

## Other strategies to increase revenue

- Revenue Cycle Management
- EMRs

32

© 2003 Huskisson HealthCare

---

---

---

---

---

---

---

---