The Best Procedures For ASCs
&
What An ASC Should Get Paid

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REGENT SURGICAL HEALTH
EXPERIENCE. CAPITAL. RESULTS.

Top Reimbursing Procedures

How Would You Like to Be Paid…

Neurosurgery	
Procedure	**Average Payment Range**
Diskectomies	$17,000 - $34,000
Laminotomies	$9,000 - $11,000
Vertebral Corpectomies	$17,000 - $20,000
Insertion/Repair of Neurostimulators	$11,000 - $18,000

How Would You Like to Be Paid…

General Surgery	
Procedure	**Average Payment Range**
Hernias	$5,000 - $9,000
Laparoscopic Cholecystectomies	$5,000 - $6,000
Laparoscopies/ Gastric Banding	$12,000 - $15,000

How Would You Like to Be Paid…

Urology	
Procedure	**Average Payment Range**
Sling Operations	$5,000 - $8,000
Cystourethroscopies with Lithotripsy	$5,000 - $7,000
Orthopedic Surgery	
Procedure	**Average Payment Range**
Shoulder Arthroscopies	$5,000 - $10,000

Average Reimbursement Ranges

- Real Numbers
  - Average Reimbursement Ranges
  - High Dollar Procedures
  - Selected From Certain High-Performing ASCs
- Probably Sounds Good To Most
- Might Seem About Right To Some
- Possibly A Bit Low to Fortunate Few

Why?

- A Good Reimbursement Range For One ASC May Be Unattainable For Another
- Reimbursement Not Just A Function of Specialty or Complexity of Procedures
  - Function of Payer Landscape
  - Function of Geographic Location

Key Questions Affecting Reimbursements

- Local Payer Landscape
  - Heavily Managed Care vs. OON Opportunity
  - Dominant Local Payer vs. Several Competing Payers
- Negotiating Power
  - Hospital/Corporate Partner vs. Stand-Alone ASC
- Local Area Demographics
  - Predominantly Younger vs. Older/Retired Population

Key Questions Affecting Reimbursements

- Answers Will Greatly Affect Reimbursement For Any Procedure
- So…
  - What Are the Best Procedures For ASCs?
  - What Should ASCs Get Paid?

Depends On The Center

Correct Answer Is Different For Each ASC

Focus On Profit…Not Just On Payment

- Maximize Profit Of Each Procedure
- Reimbursement Not The Same As Profit
- Sample Case "A"
  - $10,000 Reimbursement
    - *Dancing In The Streets!!!*

But How Much Did It Cost To Perform?

Focus On Profit…Not Just On Payment

Sample Case "A"	
Implant Cost	$11,000
Supply Cost	$250
Pharmaceutical Cost	$50
Staffing Cost	$700
Total Direct Cost	**$12,000**
Total Reimbursement	**$10,000**
ASC Loses $2,000	

Have To Live In The Streets!!!

Focus On Profit…Not Just On Payment

- Important To Focus On Both Revenues & Costs
- **Direct Costs** – Easily Traced To Specific Case
  - Medical Supplies
  - Implants
  - Clinical Staff Wages
- **Indirect Costs** – Benefit More Than One Case; "Overhead"
  - Rent
  - Utilities
  - Administrative Staff Wages

Focus On Profit…Not Just On Payment

- Reimbursement Must Be More Than Direct Cost
- Any "Excess" (Even $1) Is Good For the ASC
  - Contributes Towards Indirect Costs
- The Greater The "Excess", The Better For the ASC
- Sum of Individual Procedure Contributions Applied to Indirect Costs

Need To Know Total Direct Cost Of Performing Any Procedure In Order To Determine Your Minimum Reimbursement For That Procedure

Increasing Profitability

- Controlling Costs
  - Choose The Right Group Purchasing Organization
  - Monitor Supply Purchases and Purchasing Contracts
    - Materials Management Information System
  - Negotiate Lower Implant Costs
    - Implant Reimbursement "Baked In" To Procedure Rate
    - Get Physicians On Board
  - Manage/Negotiate Ancillary Service & Maintenance Contracts
  - Maintain Flexibility In Staffing
    - To Support Surgery Schedule On Daily Basis

Increasing Profitability

- Revenues/Reimbursement
  - Recruit The Right Physicians
  - Recruit The Right Specialties
  - Generate Case Volumes
  - Negotiate Good Payer Contracts; Cancel Bad Ones
  - Partner With Local Hospital and/or Corporate Partner
  - Update Chargemaster Regularly
    - In Line With Local Market
    - Example

Increasing Profitability: The Time Element

Spine Procedures

- Profit Per Case: $2,000
- Time: 1 Case Per 2 Hours

Total Profit For 2 Hours:
$2,000

Pain Procedures

- Profit Per Case: $400
- Time: 6 Cases Per 2 Hours

Total Profit For 2 Hours:
$2,400

Maximizing Reimbursement

Insurance Verification

- Perform on Every Patient
  - Medicare
  - Replacement Plans!
- Out-of-Network and Self-Pay Patients
  - Caps on OON reimbursement
  - Collect prior to procedure!

Negotiate Successful Contracts

- Be Careful of:
  - Carve-outs!
  - All-inclusive Rates!
- Consider Partnering with a Contracting Management Company

Electronic Claims Submission

- Efficiency Gains
- Financial Gains
  - Decrease timely filing denials
  - Decrease demographic or insurance denials

Manage Out-of-Network Payers

- Partner with Out-of-Network Negotiation Specialists
  - Works on behalf of facility to maximize out-of network reimbursements
  - Claim to achieve 95-100% of gross charges on 8 out of 10 claims
  - Developed a “Business Intelligence Engine” to maximize reimbursement

Summary

- "Right" Procedures Are Different For Each ASC
- "Right" Reimbursement Is Different For Each ASC
- Focus On Profitability…Not Just On Payment
- Know Direct Cost For Each Procedure Performed
- Know Profitability Of Each Procedure For Each Payer
- Knowing Costs Will Help Ensure That Reimbursement Is Right For Your ASC
- Perform Insurance Verification on Every Patient
- Negotiate Successful Contracts
- Utilize Electronic Claim Submission
- Manage Out-of-Network Payers

Thank You

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