

McGUIREWOODS

23 Observations on ASCs for 2014

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December 17, 2013

23 Observations on ASCs for 2014

1. Ophthalmology, Orthopedics and GI remain strong and reasonably independent
2. Spine – Enough spine but consistent payor problems
3. Hospitals will face increased layoffs and financial pressure which may actually start to weaken them as competitors
4. High deductible plans will make for very long winters

23 Observations on ASCs for 2014

5. Remaining lean is very critical
6. Great payor contracts (as good as possible) and great billing and collection are more important than ever
7. Where you are is critical
 - a) Small town, minimal independents
 - b) Larger town – more independents
 - c) CON states – new hospital joint ventures
 - d) Hospital employment
 - e) Market reimbursement – good or bad

23 Observations on ASCs for 2014

8. Anesthesia – profiting is still a gray area
9. Pathology deals are gray and sometimes black
10. Redemptions and non competes still cause litigation
11. Out of network is a challenge but easier in some markets
12. ASCs may at some point employ physicians
13. A great administrator remains key

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14. Per click Lithotripsy deals are still very prevalent
15. A hospital partner may or may not help on managed care
16. Hospital employed doctors can invest; some caveats
17. SCA going public
18. More chains include employed doctors
19. Direct to consumer marketing is strongest in pain, plastics and spine

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20. HIPAA, healthcare compliance, billing and coding audits take up more time than ever
21. 5,000 plus acute care hospitals; 5,400 plus Medicare certified ASCs; 1,500 to 1,700 chains invested
22. Medicare reimbursement flat to minimally lower
23. Commercial reimbursement – if high, it is much more at risk

Questions or Comments?