



November 29, 2019

The Honorable Danny Davis
U.S. House of Representatives
2159 Rayburn House Office Building
Washington, DC 20515

The Honorable Jodey Arrington
U.S. House of Representatives
1029 Longworth House Office Building
Washington, DC 20515

The Honorable Terri Sewell
U.S. House of Representatives
2201 Rayburn House Office Building
Washington, DC 20515

The Honorable Brad Wenstrup
U.S. House of Representatives
2419 Rayburn House Office Building
Washington, DC 20515

Dear Members of the Rural and Underserved Communities Health Task Force:

The Ambulatory Surgery Center Association (ASCA) supports the Task Force in its pursuit of policies to improve outcomes and care in rural and underserved communities. Saving patients and families money without sacrificing the quality of care provided is essential to the ambulatory surgery center (ASC) model. The 5,800 Medicare certified ASCs nationwide are instrumental in efforts by the Centers for Medicare and Medicaid Services (CMS) and private payers to contain costs. In 2017, ASCs provided \$3.3 billion in savings in the Medicare program alone, and are estimated to provide over \$38 billion per year in savings to the private market.¹ In addition to building upon these savings, the policy solutions discussed below would promote patients' access to high quality care.

3. What should the Committee consider with respect to patient volume adequacy in rural areas?

Over the last few years the consolidation of healthcare providers has reached record levels, which has limited patient choice and not contained costs.² Balancing access to care with patient choice and lower costs is a more challenging task with this underlying consolidation, but efforts that, intentional or not, incentivize further consolidation will end up harming patients and increasing costs.

4. What lessons can we glean from service line reduction or elimination in hospitals that serve underserved communities where —

¹ "Study: Commercial Insurance Cost Savings in Ambulatory Surgery Centers." www.advancingsurgicalcare.com/reducinghealthcarecosts/costsavings/healthcarebluebookstudy.

² U.S. Department of Health and Human Services. "Reforming America's Healthcare System Through Choice and Competition." Page 24, www.hhs.gov/about/news/2018/12/03/reforming-americas-healthcare-system-through-choice-and-competition.html.

a. patients have the option to transition to alternative care sites, including community health centers and federally qualified health centers?

Similar to the overall trend to outpatient care, the volume of Medicare services provided in ASCs grew more in ASCs than hospital outpatient departments (HOPDs) for the first time in 2017.³ Among other factors, MedPAC attributes this to the growth of value-based care and conducting surgeries in ASCs because of their lower cost and higher quality of care, and Congress's work through the Balanced Budget Act of 2015 making it financially advantageous for health systems to maintain a facility as an ASC and not convert it to a HOPD.⁴

ASCA implores the Task Force to consider changes in healthcare delivery in the context of the overall shift towards outpatient care and that ASCs are the proper setting for more and more patients, providing the right venue at a lower cost. As noted above, the savings for patients, families and taxpayers should be part of larger consideration of quality outcomes and access.

c. the cause is related to a lack of flexibility in health care delivery or payment?

In 2019, Medicare's reimbursement rates are 100 percent higher in HOPDs compared to ASCs. Nevertheless, ASCs are at the forefront in meeting the increasing demand for outpatient care. Congress can act now to ensure patients across the country have access to the low cost and high-quality care provided in ASCs by passing the H.R. 4350, the ASC Quality and Access Act.

Section two of the legislation would correct this unjustified disparity in reimbursement by permanently aligning the factor that CMS uses to update reimbursement for ASCs and HOPDs so that both are updated by the hospital market basket. CMS has taken a step in the direction of the legislation, and on a five-year interim basis is using the hospital market basket instead of the consumer price index for urban goods to update ASC reimbursement. While this change provides some short-term stability, Congressional action is needed now to ensure patient access in the future and avoid the potential for regulatory delays and endless finetuning by the agency.

Wage index adjustments also have a detrimental impact on ASC reimbursement rates in rural communities. As referenced above, HOPDs are paid approximately twice as much as ASCs for providing the same services. When those national rates receive a substantial downward adjustment in rural communities, it causes access issues. While CMS took regulatory action to correct issues with the rural adjustments under the wage index this year, this correction does not apply to ASCs. Similar to the resulting reimbursement disparity from the two different update factors noted above, different wage index policies will even further exacerbate access to care in rural communities.

9. There are known, longstanding issues with the availability and integrity of data related to rural and urban community health. What data definitions or data elements are needed

³ Medicare Payment Advisory Commission. "March 2019 Report to the Congress: Medicare Payment Policy," Page 136, MedPAC Reports, Chapter 5, Ambulatory Surgical Center Services, http://www.medpac.gov/docs/default-source/reports/mar19_medpac_ch5_sec.pdf?sfvrsn=0

⁴ Ibid.

to help researchers better identify the causes of health disparities in rural and underserved areas, but are unavailable or lack uniformity?

Lack of uniformity has consistently plagued outpatient quality measures. ASCA is encourage by CMS's Rural Health Strategy proposal to revise current quality measures across CMS programs to ensure that measure sets are streamlined, outcomes-based, and meaningful to rural providers and patients.⁵ ASCA and the ASC Quality Collaboration look forward to working with the Task Force on its efforts to streamline quality measures and bring a much needed focus on outcomes based measures.

10. Are there two or three institutional, policy, or programmatic efforts needed to further strengthen patient safety and care quality in health systems that provide care to rural and underserved populations?

Congress has a chance promote access to care in high-quality facilities through enacting the ASC Quality and Access Act. Section three of the ASC Quality and Access Act would direct CMS to post results of quality measures that are currently reported to it by both ASCs and HOPDs online in a side-by-side comparison, providing meaningful quality information to Medicare beneficiaries. Section five of the bill increases transparency from CMS to stakeholders and patients by requiring the agency to disclose the criteria it used when excluding a procedure from the ASC-approved procedure list. This would also increase savings, as adding procedures that can safely be performed in the ASC setting save Medicare and beneficiaries money.

ASCA is grateful for the opportunity to provide input to the Task Force and appreciate its efforts to improve outcome in rural and underserved communities. The ASC community serves an integral role in the healthcare delivery system and we implore the Task Force to consider policies that allow these providers to continue to serve patients. Please contact Steve Selde at sselde@ascassociation.org or (571) 385-1688 if you have questions or need additional information.

Sincerely,



William Prentice
Chief Executive Officer
Ambulatory Surgery Center Association

⁵ CMS Rural Health Strategy, www.cms.gov/About-CMS/Agency-Information/OMH/equity-initiatives/rural-health/index.