LOOKING AHEAD AT 2019

Key trends, challenges and opportunities
Our Time is Now

*Look for more procedures moving to outpatient settings, larger provider entities and market consolidation*

**BY REBECCA CRAIG, RN, CASC**

In 2019, we will continue to see independent physician practices struggle to compete with their local health system’s physician practices and keep up with the ever-increasing administrative and regulatory burdens they are facing. In light of this, physicians will seek alternatives, such as banding together to form larger provider entities, look to private equity firms and consider employment options with health systems. Depending on the location/community and specialty, the latter option seems to be a popular path taken. That said, we will continue to see market consolidation with health systems continuing to employ physicians to gain market share and control where patients receive their care and services.

Strategically, it is a smart move on the health systems’ part, but that trend worries me for many reasons:

- Multiple studies show that consolidation increases the health care spend overall and decreases physicians’ efficiency, which equates to less patients and less productivity.

Employed physicians are typically pulled away from the ASC setting as they are needed to cover additional call coverage in the hospital setting. Since they are at the hospital providing call coverage, they end up putting their outpatient cases there.

- To staff a new hospital or satellite in other areas of the state, the health system will try to expand and grow its market share. Even if an ASC is partnered with a health system that allows its physicians to continue participation at the ASC of choice, employment often leads to reorganization of the provider’s workflow and schedule, and that can make it difficult to have the same practice patterns in the ASC.
Quality is Key
To ensure our ASCs continue to thrive, we need to keep being accommodating and flexible with our physicians and their scheduling needs, provide excellent patient satisfaction and prove the high-quality care we are giving our patients. ASCA Chief Executive Officer Bill Prentice recently stated that we need to be innovative in the quality space and more provocative on quality reporting, and I could not agree more. The ASC community needs to have the ability to compare “apples to apples” quality measures with the hospital outpatient department (HOPD) setting. We need to keep pushing to have the data to tell our compelling story to preserve and protect the industry we are so passionate about.

More Procedures Moving to the Outpatient Setting
As a major trend this year, we will see volume shift to the ASC setting. According to an excellent presentation by Amanda Olderog, senior director of orthopedics of Sg2 Health Care Intelligence, I recently had the pleasure of hearing, over the next 10 years volume will continue to shift to the ASC setting, allowing the hospitals needed space to focus on high-acuity patients who require their expertise.

Allow me to elaborate. From 2008 to 2014, inpatient discharge volume declined 7 percent, according to Sg2, and robust procedure growth is anticipated across all ambulatory sites from 2018 to 2028. While ASCs covered 30 million of the US market procedure volume in 2018, in 2028, they will cover 37 million of the market volume and experience 25 percent growth.

Will your ASC be ready to absorb this surge in volume? To prepare, ASCs will have to navigate and manage a few difficult areas, such as physician employment, the high cost of equipment and technology needed for certain procedures and state regulations. Thankfully, pressure from payers and the current federal administration’s push for lower-cost settings will help encourage procedures to move to the ASC setting.

Sg2 predicts that by 2028, 85 percent of all procedures will be performed in the outpatient setting, and joint replacement and surgical spine procedures will top the outpatient growth. For example, 88 percent of spinal decompression/laminectomy procedures, 67 percent of cervical spinal fusion procedures and 53 percent of primary knee replacements will be performed in the outpatient setting, such as ASCs or HOPDs. Cardiovascular procedures also will see a continued push to the outpatient setting, with more than 60 percent of the pro-

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cases being done in the outpatient setting by 2028. Women’s health procedures, such as hysteroscopy, endometrial ablation, pelvic floor procedures and lumpectomy/mastectomy will move almost entirely to outpatient settings by 2028.

To support the numbers above, I will end with two case studies, both of which have undergone massive year-over-year outpatient volume growth in all settings in the past five years. The first is UnityPoint Health in Trinity and Bettendorf, Iowa. The health system’s ASC experienced 178 percent growth; its hospital experienced 41 percent growth; and the total program experienced 69 percent growth between 2013 and 2017. Over the next decade, Sg2 forecasts nationally an 84 percent growth in primary hip and knee replacement volumes.

The second case study is that of the ASC joint venture between Atrium Health in Charlotte, North Carolina, and Carolina Neurosurgery & Spine Associates with offices in North and South Carolinas. The joint venture provides a three-site approach—a combination of its inpatient, HOPD and ASC—to allow for flexibility and cost efficiency through site of care appropriateness by patient, which is attractive to payers and employers.

In Conclusion
As the Baby Boomers continue to age, we can expect to see rapid and expansive growth in the demand for outpatient surgical care. Sg2 forecast the growth digits for us, but the question is, are ASCs ready to accommodate this shift in procedures to our setting? Having strategic planning discussions now and annually in your ASC is imperative. Reviewing your current OR and procedure room utilization and planning for future growth will ensure that you are ready.

A few points to consider when looking at the additional volume and growth: ask the physicians their current and future plans for recruiting new partners. Do the new partners specialize in new procedures/techniques that would require new equipment/technology? Are the procedures your ASC’s surgeons expect to perform on the Medicare ASC list and, if so, are they reimbursed adequately there? Have you kept your facility up to date, relevant and attractive to new physicians? How are your local competitors doing? Are they thriving or struggling? Is there an opportunity to combine forces? Do you have a succession plan in place for retiring physicians? Are the local hospitals at capacity or are they over-building ORs in the community? Each year the strategies might shift, and we have to be actively assessing. The shift of volume to the outpatient setting will continue, and we need to be ready, so we don’t miss the opportunity.

Our time is now, and to make sure our voice is heard, being involved in ASCA is truly more important than ever.

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