Extended Stay Recovery Centers: Enhancing the Patient Experience and Lowering Healthcare Costs
• **Ambulatory Surgery Centers:** Less than 24 hours

• **Convalescent Care Centers:** Up to 72 hours in Colorado; Proposed 48-72 hours for Oregon
  - Excellent clinical outcomes;
  - Outstanding patient satisfaction;
  - Significant cost savings for employers, patients and insurers;
  - With 5,000 patients at model facility, about 24% of the surgical patients stay one or more nights.
What’s The Issue?

- Technology is improving
- Insurers/Federal Agencies asking that more be done in an outpatient setting
- Other states adopting rules to ensure safety, patient choice, predictability and cost savings for the system
- Oregon does not currently have a procedure to adapt to these changes
Industry Trends

July, 2015 United Healthcare Network Bulletin:

“These procedures will require prior authorization if performed in an outpatient hospital setting. **No prior authorization will be required if they are performed at an ambulatory surgery center.**”
## Industry Trends

The guidelines apply to the following codes and procedures:

<table>
<thead>
<tr>
<th>Procedures &amp; Services</th>
<th>Codes for UnitedHealthcare Commercial Plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abdominal Paracentesis</td>
<td>49063</td>
</tr>
<tr>
<td>Carpal Tunnel Surgery</td>
<td>64721</td>
</tr>
<tr>
<td>Cataract Surgery</td>
<td>66921 66982 66984</td>
</tr>
<tr>
<td>Hemia Repair</td>
<td>49585 49587 49650 49651 49652 49653 49654 49655</td>
</tr>
<tr>
<td>Liver Biopsy</td>
<td>47000</td>
</tr>
<tr>
<td>Tonsillectomy &amp; Adenectomy</td>
<td>42821 42826</td>
</tr>
<tr>
<td>Upper &amp; Lower Gastrointestinal Endoscopy</td>
<td>43235 43239 43249 45378</td>
</tr>
<tr>
<td>Urologic Procedures</td>
<td>50690 52000 52005 52204 52224 52234 52235 52280 52281 52310 52332 52361 52362 52365 52366 57288</td>
</tr>
</tbody>
</table>
CMS Trends

- In 1980, Congress authorized Medicare to begin covering the facility costs of certain procedures in ASCs. This policy change was intended to encourage the shift of surgical procedures from inpatient to less costly ambulatory settings. 
  

- There are more than 5,300 Medicare-certified ASCs across all 50 states, with more than 1,000 facilities owned in partnership with community hospitals.
CMS Trends

- The Affordable Care Act requires the Secretary of Health and Human Services to develop a plan to implement a value-based purchasing program for payments under the Medicare program for ambulatory surgical centers (ACCs).

- CMS views VBP as an important step forward in revamping how Medicare pays for health care services; moving the program towards rewarding better value, outcomes, and innovations, instead of merely volume.

Source: https://cms.gov/Medicare/Medicare-Fee-for-Service-payment/ASCPayment/index.html
In October 2014, the Centers for Medicare and Medicaid Services added 9 new spine and neck codes to its list of reimbursable procedures that can now be performed at ambulatory surgery centers.

As of January 1, 2015, the following nine codes are payable as separate procedures:

• Neck spine fuse & remov bel c2 (22551)
• Neck spine fusion (22554)
• Lumbar spine fusion (22612)
• Neck spine disk surgery (63020)
• Low back disk surgery (63030)
• Laminotomy single lumbar (63042)
• Removal of spinal lamina (63045)
• Decompress spinal cord (63056)
CMS Trends

ASCs are also performing many cardiac procedures, including:

- Loop recorders implants/insertions
- New pacemaker implants and battery exchanges
- New defibrillator implants and battery exchanges
- SVT Ablation – radio frequency ablation because of rapid heart rhythm in upper chambers known as Supraventricular Tachycardia
Procedures

- Total joint replacements: hip, knee, shoulder, ankle
- Arthroscopy: shoulder, knee, ankle
- Sports medicine: ACL repairs, rotator cuff
- Spine & neck: fusions
- Hand & upper extremity
- Foot and ankle reconstruction
- Pain management
- Pediatrics
- Trauma and fractures
- Worker’s Compensation care
Surgical Trends

Source: http://www.ascassociation.org/advancingsurgicalcare/aboutascs/industryoverview/apositivetrendinhealthcare
Extended Stay Recovery: The Solution

- *Extended Stay Recovery License models in Colorado, Arizona, Illinois, Florida, and Nevada*

- *Considered last legislative session in Wyoming, Washington, New Hampshire*
## Cost Comparisons

<table>
<thead>
<tr>
<th>Orthopedic ASC - Colorado</th>
<th>2013 Average Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knee/Hip Replacement</td>
<td>$22,000-$23,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Major Joint Replacement (MSDRG 470)</th>
<th>2013 Average Hospital Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>McKee Medical Center</td>
<td>$46,207</td>
</tr>
<tr>
<td>Poudre Valley Hospital</td>
<td>$54,642</td>
</tr>
<tr>
<td>Medical Center of the Rockies</td>
<td>$66,041</td>
</tr>
<tr>
<td>No. Colorado Medical Center</td>
<td>$61,867</td>
</tr>
<tr>
<td>Good Samaritan Medical Center</td>
<td>$80,164</td>
</tr>
<tr>
<td>Kaiser Foundation Health Plan</td>
<td>$22,423 (average reimbursement)</td>
</tr>
</tbody>
</table>
### Quality Measures

<table>
<thead>
<tr>
<th>Metric</th>
<th>2013</th>
<th>2014</th>
<th>2015 (Q1-2, 2015)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infection rate</td>
<td>0.31%</td>
<td>0.0019%</td>
<td>0.0035%</td>
</tr>
<tr>
<td>Complication rate</td>
<td>0.57%</td>
<td>0.002%</td>
<td>0.002%</td>
</tr>
<tr>
<td>Patients transferred to hospital</td>
<td>4</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Patient satisfaction surveys</td>
<td>717</td>
<td>998</td>
<td>340</td>
</tr>
<tr>
<td>Satisfaction with surgical experience</td>
<td>97%</td>
<td>97%</td>
<td>97%</td>
</tr>
<tr>
<td>Satisfaction with Recovery Center experience</td>
<td>98%</td>
<td>97%</td>
<td>97%</td>
</tr>
<tr>
<td>Nurse/Patient ratio in Recovery Center</td>
<td>1:3 (4 max)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Extended Stay Recovery: The Solution

- *Duration of stay should be determined by Physician as to what is medically necessary for ideal patient outcome (48-72 hours)*

- *Will not dramatically change utilization (123 CO ASCs; 12 CCC)*

- *Goal is to enhance patient experience and clinical outcomes*
Health of a Population

Experience of Care
- Safe
- Effective
- Patient centered
- Efficient
- Timely
- Equitable

Per Capita Cost

Triple Aim

Better care for individuals, better health for populations, lower per capita costs