

# ASC FOCUS

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MEDICARE'S 2015 FINAL  
PAYMENT RULE

ASCs AND HEALTH CARE REFORM

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## ASCs IN ACOs

*How to be successful in the  
coordinated care model*

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## ASCs and Health Care Reform

*Attorney Mark Wilson discusses opportunities and challenges in today's marketplace*

**Please tell me about yourself and your experience working with ASCs and other outpatient surgery providers.**

**WILSON:** I am a member of the Dickinson Wright law firm where I focus my practice on health care law. I have been working on the formation and operation of large-scale physician “super groups”—group practices containing 25–200+ physicians—for a number of years and have assisted in the creation of many physician-owned outpatient surgical, endoscopy and vascular access centers. I have also facilitated the creation of medical “mega-medplexes”—large physician-owned real estate projects that create a comprehensive medical campus—and a myriad of other single- and multi-specialty physician-owned medical facilities throughout Michigan



*Mark Wilson*

Lawyers Association.

and the US. I am a member of the State Bar of Michigan, the American Bar Association Health Law Section and the American Health

**Under health care reform, what opportunities do you see for ASCs? What challenges?**

**WILSON:** Under the commonly known health care reform initiatives, there is increasing focus on achieving high quality outcomes in a cost-efficient manner. They understand that, if operated and managed correctly, ASCs can offer significant cost savings while achieving the same high-quality out-

comes as large institutions. As quality and cost consciousness increase, so do the opportunities for ASCs.

From the prospective patient's perspective, the traditional challenge remains “patient acceptance” so that a patient feels just as secure in an ASC setting as in a hospital. Another challenge is properly positioned and progressive, effective management of the centers. Finally, as more physicians become employed by institutions, the pool of potential surgeon owners of ASCs continues to decrease.

**What strategies would help ASCs survive and grow in this new environment?**

**WILSON:** For ASCs to survive and grow in this environment, patient-centered focus must remain the true guide. At most of the ASCs I have worked with, when you are talking to your surgeon you are also talking with an owner of the facility; so if you have not had a good experience, that physician can see that changes are made quickly.

On the economics side, with many of the “exchange” health insurance plans carrying much higher deductibles, inherently the cost structure of an ASC makes it attractive to these policyholders. As ASCs continue to demonstrate the high quality of care they provide and as physicians are now being judged on the cost of their patients to the government and payers, the physicians are further incentivized to guide their patients to cost-effective treatment centers. This coupled with a growing trend of creating location neutral facility fee reimbursements by payers makes the ASC a logical choice for certain procedures.

**Are there any operational models for ASCs that will be more successful than others in the coming years?**

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**WILSON:** In my experience, a true joint venture model where like-minded, quality surgeons partner with an effective management company to create an award-winning, metric-achieving center that ends up lowering the overall cost of high-quality care of those patients to the federal government and the other payers. Patients love it because it has the feel and efficiency of their physicians' office operation but is properly managed and regulated by the other business partners.

**What are the top five factors that will determine whether an ASC remains successful in this model?**

**WILSON:** The first two are outlined above. Achieving high-quality outcomes in a cost-efficient manner will inevitably attract business. Third, the management of the operation must be professional, resourceful, knowledgeable and committed to running an efficient center. Fourth, the physician owners must be involved and focused on the patient-centered goals of the center. This adds the true doctor-patient relationship to the mix, which is critically important. Fifth, there should be fair succession planning and continual opportunities to attract new physician owners.

**How big a role will Medicare and other insurance companies play in the future of individual ASCs and the ASC community as a whole?**

**WILSON:** As usual, Medicare and other insurance companies will play a huge role in determining the future growth of the ASC community. Officials there must be constantly reminded that ASCs are an integral part of the overall health care delivery system and that ASCs are economically sound business ventures that regularly achieve high-quality outcomes with extraordinarily high patient satisfaction results in a cost-efficient and compliant manner.



“As quality and cost consciousness increase, so do the opportunities for ASCs.”

—Mark Wilson, Dickinson Wright

**Is it realistic for an ASC to consider joining an accountable care organization (ACO)? What are some of the questions that an ASC manager should ask before making a decision to become part of an ACO?**

**WILSON:** Yes, it is realistic for an ASC to consider joining an ACO. However, keep in mind that the larger and more diverse the ASC group, the more attribution and allocation problems it will have to overcome to be successful in the ACO marketplace. Understanding its own metrics and the goals and metrics of the prospective ACO population will be critical in determining a good fit. Exclusivity rules, revenue sharing protocols and ACO operational requirements will also be important factors.

**What impact do you expect the consolidations in health care that we are seeing under the Accountable Care Act to have on ASCs in the long run?**

**WILSON:** As mentioned above, there is an ever-increasing focus on achieving quality outcomes in a cost-efficient manner. If properly managed and

staffed, ASCs have a unique opportunity to achieve those goals.

**In a recent interview in *Detroit Legal News*, you spoke about physician super groups. Could these groups align with ASCs or is there a way this model could be adapted to the ASC setting?**

**WILSON:** Certainly, an effectively run super group (like the ACO) that is clinically integrated can join together with an efficient ASC as one avenue to control the costs of its patients' population. Working conjunctively, they could develop the gold standard of treatment to achieve high quality outcomes while having control over the costs and efficiencies in their system.

**What trends do you expect to see in ASCs in the next 5–10 years?**

**WILSON:** There will continue to be cost pressure applied to reimbursements as more patients seek care from the health care system. Those institutions and medical care providers that adapt the best will have significant opportunities for growth.

**What effects will the changes we are seeing today and the changes you project in the future have on patients, costs and quality of care?**

**WILSON:** I think it is really too early to tell. Having the physician's and institution's compensation tied to quality and cost measures may be the most effective cost containment policy in place today. Patients and consumers were not educated to do it alone, but when you involve their medical advisers, then the dynamic changes. Implementation of that policy will be the challenge. The problem is compiling, analyzing and effectively translating the data into metrics and the metrics into standards and incentives, all the while recognizing that an individual's health and welfare is not a statistic. ‹‹

Sahely Mukerji interviewed Mark Wilson.