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Medicare Releases Final 2011 ASC Payment Rates

ALEXANDRIA, VA (NOVEMBER 2, 2010) –The Centers for Medicare and Medicaid Services (CMS) issued the annual 2011 final payment rule for hospital outpatient departments (HOPDs) and ambulatory surgery centers (ASCs) on November 2, 2010. With this final rule, CMS is implementing the final step transitioning ASCs from the historic ‘grouper’ system to the revised ASC payment system based exclusively on the relative weights used in the hospital outpatient prospective payment system (OPPS). The ASC Association is disappointed that CMS failed to act on important recommendations from the ASC and physician community as well as Members of Congress to better align the ASC and HOPD payment systems to prevent the rates paid under the two systems from drifting further apart in the coming years.

The association is pleased that the final rule provides a small positive update to ASC payments rather than the freeze in rates proposed by the agency in July. ASCs will receive a 0.2 percent across-the-board increase in their Medicare payments in 2011 and will continue to have their annual update determined using the Consumer Price Index for All Urban Consumers (CPI-U), rather than the hospital market basket. The 0.2 percent across-the-board increase in the Medicare payments takes into account the increase ASCs will receive in 2011 as an inflationary update (1.5 percent) and the decrease ASCs will receive resulting from the productivity adjustment mandated by health care reform (-1.3 percent). This improvement over the zero percent update in the proposed rule is the result of a lower productivity adjustment included in the final rule.

A copy of the final rule and additional resources ASCs can use to assess the impact of the new rates on their own ASC are available at www.ascassociation.org/medicare2011.

“We are pleased that ASCs will be seeing a slight improvement over the original proposal and continue to hope that, in the future, CMS will do more to bring parity to the ASC and hospital outpatient department payment systems,” said ASC Association Board Chair David Shapiro, MD, CASC. “When ASCs provide services to Medicare beneficiaries, those patients receive top-quality care and both Medicare and its beneficiaries save money. We believe Medicare should be providing all the incentives it can to encourage ASCs to provide services to its beneficiaries and promote the growth of the ASC industry.”

“We are disappointed that CMS failed to adopt the hospital market basket as the ASC inflation index consistent with the letters to CMS from 58 members of the House and Senate urging the agency to adopt the market basket,” said Andrew Hayek, Chair of the Ambulatory Surgery Center Advocacy Committee and President and CEO of Surgical Care Affiliates. “Aligning the indexes across ASCs and HOPDs would have provided a positive update for ASC payments

consistent with MedPAC's recommendations and ensured that ASCs have the resources needed to implement new technology, enhanced reporting systems, and the ability to continue providing high quality, patient-centered care."

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