



New analysis of Medicare payment data shows that ambulatory surgery centers (ASC) reduced Medicare costs by \$28.7 billion from 2011 through 2018 by providing services to beneficiaries that otherwise would have been provided in higher-cost hospital outpatient departments (HOPD). The analysis, conducted by KNG Health Consulting, LLC, also shows that, without any policy changes, procedures provided to Medicare patients in ASCs are expected to reduce program costs by an additional \$73.4 billion from 2019 to 2028.

Study data also shows that Medicare savings per year increased from \$3.1 billion in 2011 to \$4.2 billion in 2018. They are projected to be more than \$12 billion in 2028.

The analysis also projects that an expected shift in a percentage of total knee arthroplasties from the HOPD to the ASC setting will result in an additional \$2.95 billion in savings to the Medicare program between 2020 and 2028. Medicare did not reimburse ASCs for providing this procedure to its beneficiaries before 2020.

“This study provides data that Medicare officials and everyone committed to reducing the cost of healthcare need to consider,” says ASCA Chief Executive Officer William Prentice. “With a few policy changes to encourage the migration of more procedures into the ASC setting, Medicare savings could accelerate and more Medicare patients would have access to the quality care that ASCs offer.”

Other findings concerning Medicare savings generated when procedures are provided in ASCs rather than HOPDs include:

- While most of the savings from 2011 to 2018 are attributed to a stable group of high-volume procedures, especially cataract surgeries and colonoscopies, projected savings for 2019 to 2028 are expected to be driven by growing specialties such as endocrine, cardiovascular and orthopedic surgery.
- Four specialty areas—eye and ocular adnexa, cardiovascular, nervous system and digestive system surgery—each accounted for more than \$3 billion in total savings from 2011 to 2018.
- By 2028, five specialty areas—eye and ocular adnexa, cardiovascular, nervous system, digestive system and musculoskeletal surgery—are each projected to save Medicare more than \$1 billion per year.

More information about the study, the methodology used to conduct the analysis and the analysts’ findings is available in the full report *Reducing Medicare Costs by Migrating Volume from Hospital Outpatient Departments to Ambulatory Surgery Centers*.

More than 5,800 Medicare-certified ASCs across the country currently provide services to Medicare beneficiaries.

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KNG Health Consulting, LLC, is a health economics and policy consulting company that assists clients across all sectors of the healthcare industry.

The Ambulatory Surgery Center Association is the national membership association that represents ambulatory surgery centers and provides advocacy and resources to assist members in delivering high-quality, cost-effective ambulatory surgery to all the patients they serve. To learn more, visit ASCA and Advancing Surgical Care. For media inquiries, write Kay Tucker or call 703.636.0491.