

ASCs and Medicare

Since 1982, ASCs have saved Medicare a significant amount of money. One study shows that in 2005, ASCs saved Medicare and its beneficiaries approximately \$1.1 billion. ASCs that receive Medicare payments must meet the program's certification criteria and receive payments only for procedures that have been approved for reimbursement by the federal government. Today, Medicare beneficiaries can have more than 2,500 different procedures performed in ASCs.

ASC Practice in Tennessee Counties

County	No. Patients	County	No. Patients
Anderson	6,949	Lauderdale	1,409
Bedford	2,127	Lawrence	2,637
Benton	767	Lewis	977
Bledsoe	366	Lincoln	791
Blount	11,584	Loudon	4,287
Bradley	6,003	McMinn	3,155
Campbell	2,118	McNairy	888
Cannon	659	Macon	285
Carroll	1,284	Madison	3,581
Carter	3,007	Marion	1,354
Cheatham	2,150	Marshall	2,202
Chester	659	Maury	6,967
Claiborne	903	Meigs	873
Clay	281	Monroe	3,018
Cocke	709	Montgomery	7,959
Coffee	3,622	Moore	162
Crockett	707	Morgan	1,670
Cumberland	3,411	Obion	2,685
Davidson	32,566	Overton	801
Decatur	324	Perry	375
Dekalb	736	Pickett	113
Dickson	1,630	Polk	902
Dyer	2,828	Putnam	4,185
Fayette	1,284	Rhea	1,234
Fentress	1,482	Roane	4,049
Franklin	1,265	Robertson	2,409
Gibson	1,997	Rutherford	11,504
Giles	1,305	Scott	1,106
Grainger	622	Sequatchie	487
Greene	1,680	Sevier	3,317
Grundy	564	Shelby	44,049
Hamblen	1,261	Smith	434
Hamilton	22,638	Stewart	932
Hancock	107	Sullivan	17,019
Hardeman	1,064	Sumner	5,827
Hardin	554	Tipton	2,589
Hawkins	3,732	Trousdale	97
Haywood	500	Union	809
Henderson	923	Unicoi	1,006
Henry	2,172	Van Buren	169
Hickman	1,099	Warren	3,171
Houston	241	Washington	10,675
Humphreys	748	Wayne	715
Jackson	683	Weakley	1,757
Jefferson	1,614	White	1,072
Johnson	844	Williamson	9,115
Knox	30,729	Wilson	5,787
Lake	241	Unknown	23,107

Data provided by Tennessee Health Department.



Let's Get Acquainted

ASCs are changing the face of health care in Tennessee's communities. They offer top-quality care at cost-effective prices and they improve access to surgical services.

At FASCA-TN, we are eager to help you become better acquainted with our state's ASCs and the people who own and operate them. We are also eager to help you develop policies on ASC-related issues.

If you have questions, please contact us. We will put you in touch with the experts and we can arrange a visit to an ASC in your area.

About FASCA-TN

The Freestanding Surgical Center Association of Tennessee is a 501 (c) 6 nonprofit that represents the interests of those who operate, provide health care in, and seek the services of ASCs.



To enhance the quality of ambulatory surgery in freestanding centers in Tennessee, FASCA-TN:

- Works with legislative and regulatory bodies
- Liaisons with other organizations concerned with improving access to, and reducing the costs of, health care
- Publishes ASC resources
- Conducts educational programs on ASC issues
- Informs the public about ASCs

Note: Much of the data offered here is from the Tennessee Department of Health Joint Annual Report of Ambulatory Surgical Treatment Centers for the reporting period of July 1, 2005 through June 30, 2006.

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About FASA

The Foundation for Ambulatory Surgery in America is an education and research organization that:



- Promotes the highest standards for ASCs
- Conducts educational programs
- Produces publications to educate ASC professionals and public
- Broadens available data on ASCs
- Promotes ASCs to the public and policymakers
- Pursues an expanded research agenda

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Tennessee Ambulatory Surgery Centers

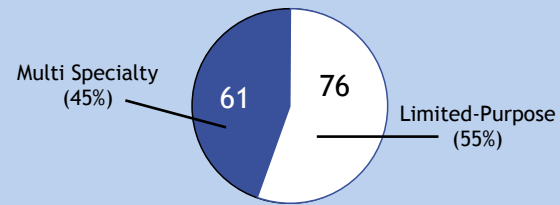


Meeting Our State's Needs

What are Ambulatory Surgery Centers?

Ambulatory surgery centers, or ASCs, are facilities where surgeries not requiring hospital admission are performed. ASCs provide cost-effective services and a more relaxing environment than hospitals. Patients who have surgery in an ASC arrive on the day of the procedure, have their surgery in a fully-equipped operating room and recover under the care of highly-skilled nurses — all without hospital admission. ASCs may perform surgeries in several specialties or dedicate their services to one specialty, such as eye care or sports medicine.

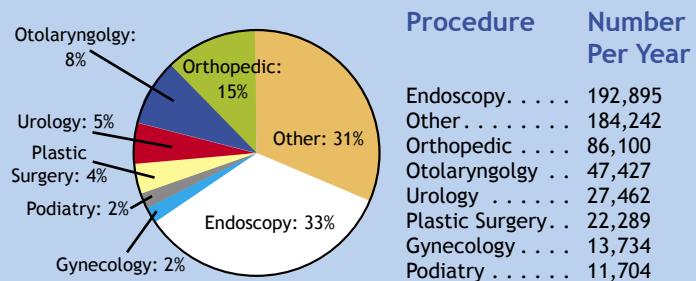
Tennessee ASCs Classifications



What ASCs are Not

ASCs are not rural health clinics, urgent care centers or clinics that provide diagnostic or primary health care services. ASCs only treat patients who have seen a health care provider and selected surgery as the appropriate treatment for their condition. ASCs are not physicians' offices. All ASCs are licensed and accredited in the same manner as hospitals. This ensures safe and effective surgery and pre and post-surgical patient care at the highest level.

Patient Use of Services from Tennessee ASCs



Small Businesses in Your Community



ASCs, sometimes called surgicenters, are usually small businesses owned by members of the community. In fact, 60% of ASCs have 20 or fewer full-time employees. This holds true in Tennessee, where ASCs employ 2,700 professionals (full and part-time). These small, community-based businesses benefit their communities not only by providing access to reasonably priced surgical care, but also by contributing to the local property and income tax bases and providing services and contributions to charities. ASCs also make significant contributions to their communities as family-friendly employers that usually offer good health and retirement benefits and often offer flexible work schedules to their employees.

ASCs were first constructed in Tennessee in the mid 1970s to provide high-quality, cost-effective surgical care to patients. Today, Tennessee is home to more than 140 ASCs, many owned and operated by community physicians. By involving physicians in their management, ASCs ensure that those who are committed to providing top-notch patient care — and actually deliver that care — are also choosing the equipment and designing the safeguards they need to provide that care. This makes ASCs a great place for physicians to practice and a great place for patients to receive care.

For three decades, ASCs have improved patient care and advanced outpatient surgery. As a result, ASCs have introduced a number of health care innovations that benefit all patients, not just those who receive care in ASCs.

Accreditation, Certification and Licensing

ASCs are regulated in many ways. Since most provide care to Medicare beneficiaries, ASCs meet Medicare standards and are approved by the federal government. In virtually every state, ASCs must meet specific requirements and obtain a state license. To obtain Medicare certification, and to obtain a state license, an ASC must have an inspection conducted by a state official or a representative of an organization that the government has authorized to conduct that inspection. These inspectors actually visit the ASC to verify that it meets established standards.

More than 586,000 procedures were performed by Tennessee ASCs in 2005-2006.

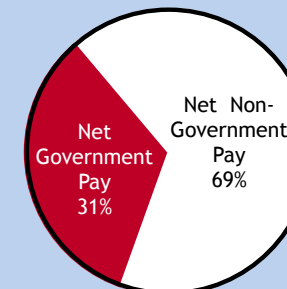


Tennessee ASC Medicare and TennCare Certified

	Certified	Not Certified
Medicare	126 (95%)	7 (5%)
TennCare	103 (77%)	30 (23%)

Tennessee ASCs' Annual Report to State Department of Health

The chart opposite displays the payer mix (as a percentage) for ASC procedures:



Net Government Pay	\$155,003,457
Net Non-Government Pay	\$339,459,702



A Good Choice for Quality, Customer Service and Cost

Patient satisfaction is a hallmark of the ASC industry. When the US Department of Health and Human Services' Office of the Inspector General surveyed Medicare beneficiaries who had one of four procedures in an ASC, it found that 98% of the people were satisfied with their experience.

The high level of professionalism, quality and safety ASCs offer is an important reason patients and physicians choose ASCs for surgical procedures. A 2004 report shows that during a three-month period, 40% of ASCs did not have a single complication per 1,000 patient encounters: 52% did not transfer even one patient to a hospital during that time. Nearly 90% of ASCs report three or fewer infections per 1,000 patient encounters. In fact, every study ever done has shown that the quality of care delivered in ASCs is equal to or better than comparable hospital care.

Other reasons patients and physicians choose ASCs for surgical care are convenient scheduling and reliable service. For example, more than a third of ASCs report that greater than 90% of their surgeries start within seven minutes of the time the procedures are scheduled to begin.

In addition to providing high-quality health care and excellent service, ASCs save patients and insurers money. One study shows Medicare and its beneficiaries pay an average of \$320 more for a procedure performed in a hospital outpatient department than they would pay for the same procedure if performed in an ASC.