

# Assessing payment adequacy and updating payments: Ambulatory surgical center services

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# Overview of ASCs, 2017

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- Medicare payments to ASCs: Nearly \$4.6 billion
- Number of ASCs: ~ 5,600
- Fee-for-service beneficiaries served: 3.4 million

Results are preliminary and subject to change

# Indicators of Medicare ASC payment adequacy are positive

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- Access to ASC services increased in 2017:
  - Volume per beneficiary increased 1.7%
  - FFS beneficiaries served increased 0.4%
  - Number of ASCs increased 2.4%
- Medicare payments per beneficiary increased 7.7%
- Access to capital: Good
- Quality: Slight improvement since 2013; issues with measures remain
- Limitation of analysis: Lack of cost data; Commission has recommended that ASCs be required to submit cost data

# Assessing payment adequacy and updating payments: Hospice services

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# Overview of Medicare hospice, 2017

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- Hospice use:
  - About 1.5 million beneficiaries
  - Over 50% of decedents
- Providers: nearly 4,500
- Medicare payments:
  - \$17.9 billion to hospice providers

Note: Data are preliminary and subject to change.

# Hospice payment adequacy indicators are positive

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- Access to care indicators
  - Supply of providers continues to grow, driven by for-profit hospices
  - Number of hospice users, hospice days, and ALOS among decedents increased
  - Marginal profit in 2016: 14%
- Limited quality data are available
- Access to capital appears strong
- 2016 aggregate margin: 10.9%
- Projected 2019 aggregate margin: 10.1%

Note: ALOS (average length of stay). Data are preliminary and subject to change.

# Draft recommendation

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For 2020, Congress should reduce the fiscal year 2019 Medicare base payment rates for hospice providers by 2 percent.

## Implications

**Spending:** Decrease in spending of between \$750 million and \$2 billion over 1 year, and between \$5 billion and \$10 billion over 5 years relative to statutory update.

**Beneficiary and provider:** No adverse impact on beneficiaries expected. Not expected to affect providers' willingness and ability to care for Medicare beneficiaries.