



Advising the Congress on Medicare issues

Assessing payment adequacy and updating payments: Ambulatory surgical center services

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Summary of key facts and payment adequacy measures

- Medicare payments to ASCs: \$3.6 billion (2012)
- Number of ASCs: 5,357
- Beneficiaries served: 3.4 million
- Access to ASC services continues to increase
- Strong growth in payments per beneficiary
- Access to capital has been adequate
- Lack cost and quality data
 - CMS collects quality data but not yet publicly available
 - Commission has recommended that ASCs be required to submit cost data but CMS does not collect cost data



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Assessing payment adequacy and updating payments: hospice services

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Hospice payment adequacy indicators

- Medicare paid ~\$15 B to > 3,700 hospices for care furnished to ~1.27 M beneficiaries in 2012
- Indicators of access to care are favorable
 - Supply of providers continues to grow, driven by for-profit hospices
 - Hospice users increased; ALOS increased
- Quality data are unavailable
- Access to capital appears adequate
- 2011 margin is 8.7%
- 2014 projected margin is 7.8%



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Assessing payment adequacy and updating payments: Inpatient rehabilitation facility services

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Inpatient rehabilitation facilities: summary

- Provide intensive rehabilitation: 1,166 IRFs treated 373,000 FFS cases in 2012
- Medicare FFS spending totaled \$6.72B
- Positive indicators of Medicare payment adequacy
 - Patient volume grew by 0.5 percent
 - Occupancy rate of 62.8 percent
 - Access to capital
 - Quality of care continues to improve
- Aggregate margin of 11.1 percent in 2012, and projected margin of 11.8 percent in 2014



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Assessing payment adequacy and updating payments: Long-term care hospital services

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Long-term care hospitals: Summary

- 420 LTCHs treated 140,000 cases in 2012
- Medicare FFS spending = \$5.5B
- Positive indicators of payment adequacy
 - Access: Supply and volume stable
 - Many beneficiaries get similar services in other settings
 - 5-year moratorium on new LTCHs ended Dec. 2012
 - Quality: Stable for limited available measures
 - Access to capital: Limited activity due to “wait and see” approach
 - 2012 margin = 7.1 percent
- Projected margin for 2014: 6.5 percent