

The Rise of Ambulatory Surgery Centers and Upsurge of Medical Billing Agency



Ambulatory Surgery Centers (ASCs) are health care centers that provide outpatient medical services to patients who do not require overnight hospitalization after the procedure. These services include surgical, diagnostic and preventive procedures. ASCs treat patients once their primary health care provider has outlined appropriate surgical procedure for their medical condition. ASCs have very less waiting time and are more personalized in comparison to hospitals. ASCs are closely regulated by state and federal government to safeguard patient wellbeing, and care. ASCs provide a low-cost alternative to hospitals for performing outpatient surgeries with focus on providing top quality services. Procedures at ASCs take 25 percent lesser time than compared to hospital based procedures.

The Evolution of ASCs

ASCs are flourishing and rising rapidly over the last 30 years due to advances in anesthesia, laparoscopic surgery and medications prescribed for postoperative pain that makes it possible for patients to be discharged the same day. In 1983, when Medicare introduced inpatient prospective payment system, hospitals were given incentives for shifting patient care from inpatient to outpatient departments, contributing to rise in ASCs since then. ASCs perform more than 7 million procedures for Medicare beneficiaries annually. ASCs services grew almost tenfold, from 3.7 million to over 32.0 million between 1981 and 2005 with increase of 19 percent in 2011. ASCs perform more than 7 million procedures for Medicare beneficiaries annually.

While we talk about rise public demands for ASCs, third party insurance companies and Medicare save a significant amount when patients opt for ASCs for their medical procedures. ASCs operate at very highly specialized and smaller scales, reason why their services cost much lesser than hospital admittance. Medicare save \$2.3 billion each year due to ASC services. Even private insurance companies tend to save similarly when employees opt for ASCs. In this scenario, even the employers tend to spend lesser on health care. Commercial medical-claims data indicate that U.S. health care costs are reduced by more than \$38 billion annually due to the services provided by ASCs. More than \$5 billion of that cost accrues directly to patients through lower deductible and coinsurance payments.

Billing in ASCs

Medicare covers around 3500 procedures under the ASC payment system. Payments for services provided such as nursing, recovery care, anesthetics and supplies are bundled under this system with few exceptions.

CPT codes for procedures performed in ASCs are different from those used in hospitals and include many modifiers. One of the most fundamental differences between billing for professional services and billing for ASCs is the concept of the global surgical package. The global package applies to the professional component of a surgical service that is performed when using a surgical CPT code. On the professional side, this typically encompasses a 90-day follow-up. In the ASC billing methodology, no such surgical package exists. Therefore, each time a patient enters the operating room represents a unique and separate encounter and has no historical economic relationship to previous encounters.

ASC billing involves key process like capturing patient demography, appointments scheduling, insurance verification, coding, payment and claims management, collections, account receivables and reconciliation.

Rise in ASCs have directly increased outsourcing of these tedious and complex activities and has been gaining popularity ever than before as these [ASC billing service providers](#) are experts in this area.

Outsourcing ASC services?

Some of the basic reasons ASCs are outsourcing some of the RCM services are because of some painful points

- Ambulatory surgery centers spend an average of \$1.42 million on employee salary and wages.
- Many patients have higher deductibles and co-pays than in the past, meaning ASCs are spending more time on patient collections and a larger percentage of the payment is coming from patients.
- Among ASCs performing more than 100 procedures per month, many still rely on manual processes for collecting patient payments. Expected collections declines dramatically once a patient leaves the ASC. In fact, if a patient doesn't pay within 28 days, the likelihood of getting paid at all reduces to below 10 percent
- Denied claims are causing an increasing financial pressure on ASCs. Here are the top 6 states with the highest denial rates for surgery centers, according to RemitDATA.
 1. New York – 37 percent
 2. Georgia – 27 percent
 3. Kentucky – 22 percent
 4. Kansas – 21 percent
 5. Indiana – 19 percent
 6. Alabama – 8 percent
- Noncompliance of the rules and regulations has made ASCs susceptible to inadvertently violating laws, especially when they have not employed a certified biller/coder. Moreover, Private payer (e.g., Special Investigation Units) and governmental investigations, actions/prosecutions have been significantly increasing to deal with fraud and abuse leading to increased focus on audits and compliance of every detail submitted.
- Up coding or misuse of codes especially physician place-of-service coding errors, i.e. physicians' coding on Medicare Part B claims for services performed in ASCs need to be checked to determine whether

they properly coded the places of service as physicians do not always correctly code non-facility places of service on Part B claims submitted to and paid by Medicare contractors

Thus, the only way to avoid the focus of the Office of the Inspector General (OIG) is to comply with the compliances. This brings an additional burden on the operations of the ASC services while also complying with the [medical coding and billing](#) rules. Together, it takes a toll on the ASC services. This has thus made them turn to outsourcing the entire Revenue Cycle Management (RCM) process.

Some of the key benefits of outsourcing billing and coding are:

- Every year new CPT codes are introduced for newer technologies and procedures. These need to be reviewed carefully to ensure that most up-to-date language and codes are used.
- It is imperative for all ASCs to have accurate documentations so that accurate codes are used for the medical procedures performed.
- Reducing Accounts receivables outstanding is a key area that outsourcing experts focus on. This involves tracking and reporting through aged collection reports. It involves claims follow up from submission to payment through collection.
- Ensuring HIPAA compliance - the billings service providers are committed to providing all necessary quality standards of the industry.
- Have experts managing the Revenue Cycle Management so that the medical staff can then concentrate on providing treatments to patients