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WASCA APPLAUDS CMS' RECOGNITION OF THE VALUE OF AMBULATORY SURGERY CENTERS

CMS increases ASC Medicare reimbursement rates for 2008 from 62% to 65%

Seattle, WA— Centers for Medicare and Medicaid Services (CMS) has released a Final Rule establishing a mechanism for determining ambulatory surgery center (ASC) payment rates beginning in 2008. The Washington Ambulatory Surgery Center Association (WASCA) applauded CMS for recognizing the vital role ASCs play in the country's health care system and increasing the percentage of reimbursement rates ASCs will receive for surgery they perform on Medicare patients starting on January 1, 2008. WASCA also applauded FASA's work in securing the increase in reimbursement rates.

Under CMS' current ASC payment methodology, Medicare pays ASCs on the basis of a fee schedule. All surgical procedures approved for the ASC setting are assigned to one of nine payment groups that range from \$333 to \$1,339 based on the resource "costs" associated with the procedure. ASCs are paid based on a percentage of the rates paid to hospitals for procedures performed in their hospital outpatient department (HOPD). ASCs are currently paid 62% of what hospitals are paid for performing the very same procedures. The new payment system recently released by CMS increases payment to ASCs by 3%. This payment system has been only minimally updated since the inception of the Medicare ASC payment benefit in 1982.

"We applaud FASA for the hard work they've done in securing a higher rate of reimbursement for all ASCs and we thank CMS officials for recognizing the important role ASCs play in addressing the needs of Medicare patients," said Terry Hawes, President of WASCA. "While the estimated 65% is better than 62%, the reimbursement rate is still well below what ASCs need to function effectively. We will continue to work with FASA and members of Congress in an effort to secure a more fair and equitable reimbursement rate for ambulatory surgery centers."

CMS also expanded the number of procedures that ASCs can perform and accepted the findings of a study produced by the Moran Company that showed how using ambulatory surgery centers for Medicare procedures could save the program more than \$1 billion.

Ambulatory surgery centers (ASCs) provide high quality care at a substantial cost savings to the consumer over similar care received in a hospital. Over the last three decades, ASCs have played a leading role in transforming what it means to have surgery in America. More than 80 percent of all surgeries are now outpatient and one out of every five of these is performed in an ASC. Nearly 12 million surgeries will take place in one of the 4,300 centers nationwide this year.