

ACO UPDATE

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Scripps ACO Tip: Outpatient Surgery Centers

Scripps ACO is now entering our third year in the Medicare Shared Savings Program (MSSP). Our goal, as an organization, is to achieve shared savings based upon our cost and quality performance. To achieve this, we need the active support and participation of our members in established and future performance improvement activities. One that is already in place includes utilizing **Scripps outpatient surgery centers.**

By referring patients to a Scripps outpatient surgery center rather than the hospital-based ambulatory surgical center (ASC), the cost savings is quite substantial. This is attributed to outpatient centers not incurring the same administrative and overhead costs associated with a hospital, allowing them to provide surgeries at a lower cost.

According to the Ambulatory Surgery Center Association (ASCA), in 2016 the Medicare program and its beneficiaries shared in more than \$2.3 billion in savings each year when patients receive certain preventative and surgical procedures at outpatient surgery centers instead of hospital-based ASCs.

In addition, patient out-of-pockets costs are lower at outpatient surgery centers. Patient co-pays are typically 20% of the payment rate as shown in the graph below:

Medicare Payment	Hospital \$4,259	20%	<u>ASC</u>	<u>20%</u>
Knee Arthroscopy		852	\$2,609	522
Hernia Repair	\$3,648	730	\$2,315	463
Hysteroscopy Prostate Surgery	\$1,763	353	\$1,131	226
	\$3,304	661	\$1,907	381
Sinus Surgery	\$3,051	610	\$1,881	376

To refer patients for the most common outpatient procedures, Scripps offers four accredited outpatient surgery centers in <u>Carmel Valley</u>, <u>La Jolla</u>, <u>Rancho Bernardo</u> and <u>San Diego (Hillcrest)</u>.

For more information on Scripps outpatient surgery centers, please visit www.scripps.org/locations/specialty-centers.

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ACO Chief Executive

Barbara Price

price.barbara@scrippshealth.org 858-678-6017

ACO Chief Medical Officer

Anil Keswani, MD keswani.anil@scrippshealth.org 858-927-5331

ACO Primary Contact

Cindy Gipson

ScrippsACO@scrippshealth.org