

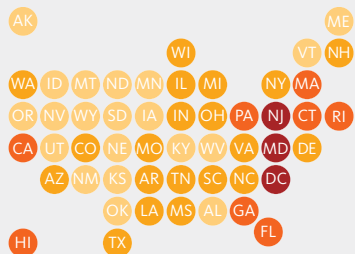
Comparing Outpatient Sites of Service for Gastrointestinal Procedures

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New technology, such as advances in anesthesiology and laparoscopic surgery, have enabled a large segment of procedures to move from inpatient to outpatient settings—primarily ambulatory surgery centers (ASCs) and hospital outpatient departments (HOPDs). Among outpatient surgeries, an estimated 53 percent are performed in a HOPD while 47 percent are performed in an ASC.¹

Figure 1
ASCs per 1,000 Square Miles, 2018



- More Than 20 Per 1,000 Square Miles
- 5-20 Per 1,000 Square Miles
- 1-4 Per 1,000 Square Miles
- Less Than 1 Per 1,000 Square Miles

Source: Calculated using Ambulatory Surgery Center Association and U.S. Census data.

Across the U.S., the number of ASCs has grown from roughly 3,300 in 2001, to 5,700 in 2018.^{2,3} The geographic distribution of ASCs varies across cities, counties, and states, so access is not evenly dispersed across the U.S. (Figure 1)

Research demonstrates that the quality of care at an ASC is equivalent to that of a HOPD. A 2018 study found that, at both 7 and 30 days post-procedure, hospitalizations and ER visits were lower among patients treated in ASCs versus in HOPDs.⁴ Similarly, a 2017 analysis of post-procedure hospitalization rates among commercially insured patients found equivalent outcomes between ASCs and HOPDs.⁵ While ASCs often see a healthier mix of patients, research suggests that outcomes at ASCs and HOPDs are similar even for more complex patients.^{6,7}

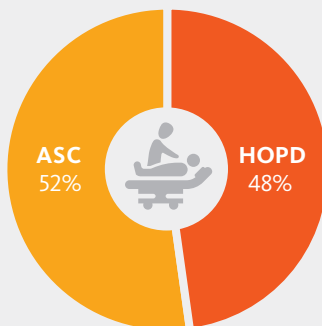
ASCs can increase access to care; in comparison to HOPDs, they often offer more convenient sites, reduced wait times, and better scheduling options.⁸ And recent surveys of consumers rate ASCs more highly than HOPDs when reviewing the facility, the procedure received, and interactions with staff.⁹

Additionally, given that hospital campuses are the focal point of response to pandemics and public health crises, ASCs offer alternative access sites for certain procedures while also helping to mitigate the risk of on-site infection and free up limited hospital resources (e.g., beds and staff).



The cost of a colonoscopy or upper GI procedure in a HOPD was **1.7 times higher** than in an ASC.

Figure 2
Upper GI and Colonoscopy Procedures by Setting, 2019



Source: Anthem affiliated health plans, fully insured members.

ASCs Are Often a More Affordable Option for Consumers

Studies show that when consumers have the option to receive care at an ASC, they receive services that are delivered more efficiently, and therefore are less expensive, which can have a direct impact on out-of-pocket costs. Although consumers' costs will vary depending on the design of their health plan's benefits, consumers who must meet a deductible or pay a percent of costs as coinsurance will realize out-of-pocket savings at a lower cost ASC. By some estimates, consumers currently save as much as \$5 billion annually in out-of-pocket costs from having procedures performed in an ASC, which, depending on the procedure, can translate to \$1,000 in savings to the consumer per surgery.¹⁰

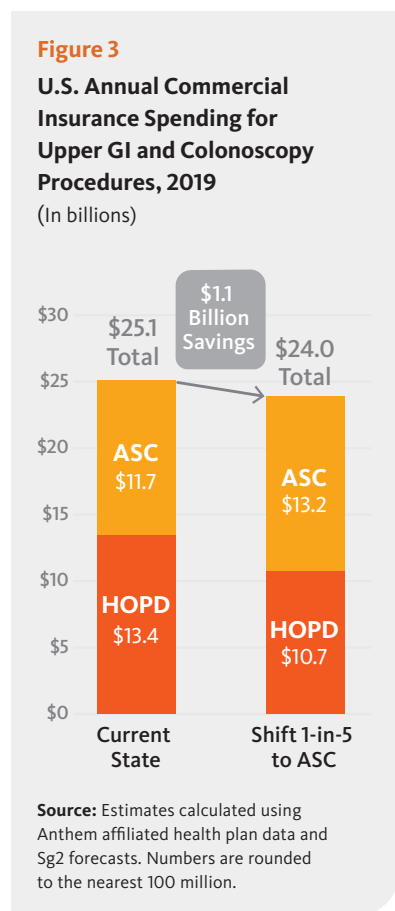
Further, an analysis of claims from 2013 found the cost of a colonoscopy or upper GI procedure in a HOPD was 1.7 times higher than in an ASC.¹¹ Similar cost differences have been shown across other procedure types, such as a study of claims from 2014 which found that the costs of cataract surgery ranged from 1.7 times to over 2 times more costly in a HOPD than in an ASC.¹² The cost differences in Medicare fee-for-service are well documented; a 2019 report estimated that Medicare pays ACSs roughly 53 percent of what HOPDs are paid.¹³

Opportunities for Consumers and the Healthcare System

There are opportunities to create savings for consumers, as well as for the overall healthcare system, by transitioning some procedures from hospital-based outpatient settings to ASCs. Looking specifically at colonoscopy and upper GI procedures illustrates just one piece of the potential savings. These procedures are an important part of standard medical care in the U.S. and are already performed more commonly in ASCs than they are in HOPDs. (Figure 2)

Examining claims data from 3.7 million individuals enrolled in Anthem’s affiliated commercial health plans, this analysis found:

- **ASCs are broadly accessible.** Among the upper GI and colonoscopy procedures performed in a HOPD in 2019, the vast majority, 79 percent, took place in a county where there is also an ASC that offers these procedures.
- **Opportunities exist to move procedures.** Among the commercially insured, an estimated 1-in-5 upper GI and colonoscopy procedures performed in a HOPD could be moved to an ASC. This estimate accounts for approximations of whether a consumer’s surgeon is credentialed at an ASC, as well as whether a consumer is at high risk of complication and thus requires a hospital setting.
- **HOPDs are more costly.** On average, upper GI and colonoscopy procedures cost 1.7 times more in a HOPD compared to an ASC—consistent with other studies.
- **ASCs offer savings.** Across the U.S., if 1-in-5 similar upper GI and colonoscopy procedures performed in a HOPD were moved to ASCs, it could create annual savings of \$1.1 billion (in 2019 dollars). (Figure 3)
- **Substantial savings accrue over time.** Over the next decade, the U.S. healthcare system could realize savings of approximately \$12 billion, taking into account both growth in the number of procedures performed and average medical price inflation.¹⁴ These estimates do not include potential savings that could be accrued by Medicare and Medicaid.



The total U.S. savings estimates are based on Anthem’s affiliated health plans’ experience with in-network ASCs and HOPDs across 14 states for fully insured commercial members. The model is most sensitive to the estimate that 1-in-5 cases that currently take place in a HOPD could be moved to an ASC. Anthem’s affiliated health plans are not evenly distributed across the U.S., nor are provider rates or network sizes uniform across markets. These estimates are likely conservative, but the 10-year savings projection does not account for any possible future changes in provider supply, practices, prices, or efficiency nationally or regionally. Additionally, these are national estimates that may not be applicable to the particular conditions of a state or local market.

Conclusion

Shifting select procedures from a HOPD to an ASC produces the same quality outcomes and has the potential to be more convenient and less expensive for consumers. It may also benefit the healthcare system at large by reducing total costs and driving greater efficiency.

Methodology

This analysis examines claims from 3.7 million fully insured members of Anthem's affiliated commercial health plans in calendar year 2019 across 14 states (CA, CO, CT, GA, IN, KY, ME, MO, NH, NV, NY, OH, VA, and WI). Savings estimates are based on allowed amounts to facilities (i.e., HOPDs and ASCs) and do not include professional fees or member liability through cost sharing. Procedure codes included: 43233, 43235, 43236, 43238, 43239, 43241, 43242, 43243, 43244, 43245, 43246, 43247, 43248, 43249, 43250, 43251, 43253, 43254, 43255, 43266, 43270, 45378, 45380, 45384, 45385, and 45388.

To estimate the number of cases that could shift to an ASC: total HOPD procedures were calculated, then reductions were taken to account for geographic access, patients who require a higher level of care than what is offered at an ASC, ASC capacity limitations, surgeons without privileges at an ASC, and other market-specific conditions. Annual nationwide procedure volumes for those with commercial insurance (Medicare and Medicaid are not included in this analysis) were taken from Sg2's ambulatory surgery forecasts and cost estimates were derived using Anthem allowable rates. National Health Expenditure price inflation estimates from the 2019 projections were applied to Anthem rates and Sg2 10-year growth rates were applied to baseline volume estimates.

Endnotes

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