

Timeline of ASC Growth

- Surgery outside of a hospital was once considered heresy
- Today, outpatient surgery in an ASC is considered common

ASCs in the US

- 1970 - 1st ASC established by Wallace Reed, MD, and John Ford, MD
- 1979 - # of ASCs reached triple digits
- 1988 - # of ASCs reached 1,000
- 1995 - Medicare expanded ASC list to cover 2,000+ procedures
- 2011 - ~ 5300 ASCs in the US to perform 23 million surgeries annually
- 2015 - Medicare added 5 spine procedures to be performed in an ASC

<http://www.asca.org>
<http://www.asca.org/ambulatory-surgery-centers>
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Graph of ASC Growth

Year	Number of ASCs
1999	2500
2001	3000
2003	3500
2005	4200
2007	4800
2009	5100
2011	5300

MedPAC, Data Book, 1999-2011

ASCA Ambulatory Surgery Center Association
 Ambulatory Surgery Centers
 A Positive Trend in Health Care

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ASC vs. HOPD Volume

Year	ASC	HOPD	Total
2005	5.0	10.0	15.0
2006	5.0	9.0	14.0
2007	6.0	9.5	15.5
2008	6.0	11.0	17.0
2009	6.0	11.0	17.0
2010	6.0	11.5	17.5

CMS Medicare Claims Data 2005-2010

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Number of Ambulatory Surgery Centers Approaches Number of Hospitals Nationwide

A recent count estimated that there are 8,289 surgery centers in the United States, compared to 8,224 hospitals, according to the American Hospital Association. The number of surgery centers has boomed from just 1,500 in 1980, according to information from Tony Gerstein, the executive director of the Texas Ambulatory Surgery Center Society.

Surgery centers now perform around 33 million surgeries annually, and CMS approves new procedures by the ASC setting every year.

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Important Factors to Monitor Moving Forward

- Medical tourism
- Online patient education
- Patient-reported outcomes and patient satisfaction
- Reimbursements and insurance carriers
- Flexibility
- Efficiency
- Financial investors
- Accepted procedures

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Medical tourism

- Why are patients willing to travel?
 - Specialty treatments and clinical trials
 - Better quality and patient-empowered care
 - Health insurance plans exclude some treatments
 - Shorter waiting periods
 - Cost savings

1.25 million Americans traveled abroad for medical treatment in 2014

<http://www.healthcare.com/insights/medical-tourism>

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Online patient education

- All practices have their own websites which empowers patients to make the best decision for their care

Mayo Clinic
Johns Hopkins
Tampa General Hospital
Texas Back Institute
neoSpine
BioSpine Institute

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Birds and Bees and Google

- 175 million daily health related searches on Google -- 1% of all searches are symptom related
- Responses are sorted and presented based on closely guarded proprietary algorithm
- In response to criticism, Google now provides a "Knowledge Graph" on many medical searches compiled with aid of Mayo Clinic and Harvard Medical School
- Still displays paid ads in top positions
- Balance of top results tend to come from broad content providers -- WebMd, Wikipedia, Medline, etc.

Paid Ads
Knowledge Graph

[1]

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Demographics and Dynamics of Health Search

- In general, searchers more likely to be female, younger, higher income, higher educational attainment
- In your practice, assume all (or at minimum, all of the following) will conduct online searches related to their conditions
 - Patients who provide email address for text notification of appointments
 - Patients who have a cellphone number same as "home" phone number
 - Patients who use a smartphone or tablet in your office
 - Older patients who will discuss health concerns with their children
 - Patients with a spouse or partner likely to ask about the content of your conversation
- Many searches are not performed by patients
- Doctors "cause" search -- strong correlation identified between physician density and search volume [4]
 - Demographics or paradox of choice?

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Why Do People Search for Health Information?

- Diagnosis
- Confirmation
- Understanding
- Advice
- Talking points
- Treatment decisions
- Provider decisions

Some or all of these depending on day, condition and next and last conversation

Most patients are not doctors and most patients are not scientists, yet much of the information they need to participate effectively in their treatments is provided to them in medical or scientific terminology

Major Condition Spine Search

Search Term	TOTAL MONTHLY SEARCH	MONTHLY SYMPTOM SEARCH	SYMPTOM %	MONTHLY TREATMENT SEARCH	TREATMENT %
Sciatica	355,200	27,100	7.6%	27,100	7.6%
Scoliosis	213,000	5,400	2.5%	6,600	3.1%
Herniated Disc	191,900	14,800	7.7%	12,100	6.3%
Whiplash	177,800	9,900	5.6%	2,900	1.6%
Spinal Stenosis	148,200	6,600	4.5%	6,600	4.5%
Spondylolisthesis	76,480	880	1.2%	1,600	2.1%
Degenerative Disc Disease	54,800	2,400	4.4%	2,900	5.3%
Blinding Disc	51,500	4,400	8.5%	6,600	12.8%
Radiculopathy	50,370	480	1.0%	390	0.8%
Slipped Disc	27,700	3,600	13.0%	1,900	6.9%
Sacroiliac Joint	27,520	210	0.8%	210	0.8%
Lumbar Disc	27,360	50	0.2%	210	0.8%
Myopathy	23,250	880	3.8%	170	0.7%
Foraminal Stenosis	12,660	170	1.3%	390	3.1%
Ruptured Disc	10,280	1,300	12.6%	880	8.6%
Facet Joint	8,200	50	0.6%	50	0.6%
TOTAL MAJOR CONDITIONS	1,456,220	78,220	5.4%	70,600	4.8%

Source: Spine Industry Trends 2017, Google proprietary report

- Condition list to left is selected based on terms appearing in WebMd and other popular medical sites
- Search total represents any search containing the exact word(s)
- Symptom search represents any search containing the exact word(s) and the term symptom
- Treatment search represents any search containing the exact word(s) and the term treatment

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- Searchers appear to have questions about anatomy – particularly discs
- The closer they get to medical terminology, the less likely they are to modify search for symptoms or treatment
- An implication could be that the more precise the search, the more the treatment decision has been made
- Suggest the patient search process is not a 'funnel' or linear as is usually described

Spine Surgery Search

SURGICAL TERMS	MONTHLY SEARCHES
Laminectomy	49,500
Discectomy	18,100
Microdiscectomy	14,800
Spinal Fusion	14,800
ACDF Surgery	9,900
Back Surgery	9,900
Spine Surgery	6,600
Lamin Spine Surgery	5,400
Laminotomy	3,600
Cervical Fusion	2,900
Cervical Spine Surgery	2,400
TUFT Surgery	2,400
Facetectomy	1,900
Minimally Invasive Spine Surgery	1,900
Anterior Cervical Discectomy	720
SI Joint Surgery	590
Cervical Corpectomy	390
TOTAL NAMED SURGERY	145,800

- While not exhaustive, the ratio of general condition searches to general surgical terms appears to be about 10:1
- Terms that actually contain the word "surgery" are less used than more descriptive and specific terms
 - Are patients looking for a euphemism even in the privacy or search?

Source: Spine Industry Trends 2017, Google proprietary report

Share of Mind: Spine Condition Searches as % of All Searches

- Overall, searches for spine conditions represent one of every 35,000 Google searches
- Some states, notably, Kentucky, West Virginia, Maine and Tennessee have a much higher concentration
- Could be because spine searches are high or other searches are low

Source: Spine Industry Trends 2017, Google proprietary report

If we take the time...

- ...to understand our patients better and bring treatment options to them, the outpatient and ASC space will continue to thrive

Patient-reported Outcomes and Patient Satisfaction

- Health care providers understand that patients are customers, and customers can take their business elsewhere if they are dissatisfied with their outcome
- The patient experience is directly associated with an organization's brand reputation and ability to capitalize on market share
- CMS will continue to expand surveys and link performance to reimbursement

[3]

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Becker's Healthcare Hospital Review ASC Review Spine Review Infection Control Health IT & CO CFO Dental Review

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30 Predictions on the Future of Ambulatory Surgery Centers

August 02, 2011 | Print | Email

Becker's ASC Review queried a number of ambulatory surgery center physicians, administrators and company executives asking them to make predictions pertaining to the immediate, short- and long-term future of ASCs and the ASC industry. These predictions could apply to any aspect of surgery centers and the industry.

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Reimbursements and Insurance Carriers

- ASCs will remain the low-cost, high-quality providers for outpatient surgery
- However, out-of-network arrangements are decreasing and CMS is not allowing Medicare increases to cover their true inflationary costs
- Opportunities for going in-network could exist with larger employers
 - They have pull with the insurance carriers

[2]

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Flexibility

- Failure to remain flexible and abreast of industry changes will lead to problems
- Slowed reimbursement and stricter regulations means ASCs will have to work smarter, not harder
- Changes within the ASC industry, individual practices and Medicare and commercial payor activities need to be monitored and anticipated if we wish to stay ahead of the curve

[2]

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Efficiency

- Privately-owned ASCs tend to have optimized surgeon productivity
- Surgeons focus solely on caring for patients – not revenue management or staffing issues, allowing them to see and treat more patients
- Patients prefer the in-and-out time associated with an outpatient surgery over a lengthy hospital stay
 - Reduced exposure to sick patients
 - Less down time
 - Comparable outcomes
 - Fewer complications

[2]

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Financial Investors

- While consolidation of individual centers, multi-center groups and ASC management companies was on the rise for quite some time, financial investors have started to play a larger role in the ASC market
- Private equity groups are attracted to the ASC space and there is more money than available deals which means ASCs could win big

[2]

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Accepted Procedures

- With time, surgeons will become more comfortable with performing standard, as well as innovative, procedures in outpatient surgical settings and free-standing ASCs
- Medicare will slowly continue to accept more outpatient surgical procedures, resulting in a reduction of the number of *investigational* designations we see tomorrow

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Conclusion

- A quote by Jeff Thompson
 - "In recent years, the ASC industry has experienced significant transformation. It's no secret that we are operating in a more highly regulated, legally restrictive and politically sophisticated environment. Overall, the industry has responded well, and from my perspective, is stronger and more relevant than ever. However, the challenges and day-to-day hurdles are greater than ever, as well. We do have momentum and traction as an industry and I think that will continue. I also think that we will see some favorable legislation in the short term. Although, at the end of the day, the challenges we currently face pertaining to legal and regulatory requirements, reimbursement rates and physician employment will no doubt be the challenges of tomorrow. I do believe that our contribution to and position within the national healthcare delivery system will become more defined and solidified within the next two years. Thus, it is vital that we reach out to policymakers and actively participate in the process."

[2]

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 Sources

- [1] [A remedy for your health-related questions: health info in the Knowledge Graph](#), [googleblog](#), February 10, 2015
- [2] <https://www.beckersasc.com/news-analysis/30-predictions-on-the-future-of-ambulatory-surgery-centers.html>
- [3] <https://www.beckershospitalreview.com/hospital-physician-relationships/patient-experience-and-quality-impacts-on-reimbursement-5-things-to-know.html>
- [4] A Study of the Demographics of Web-Based Health-Related Social Media Users, [Shoua A.Sadab](#), MS, [Moloud Shabbazi](#), MS, [Matthew T.Wiley](#), MS, [Vagelis Hristidis](#), PhD, [J.Med Internet Res](#), 2015 Aug 17

