

Could ambulatory surgical centers help bend the cost curve in US health care?

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U.S. healthcare costs have more than tripled since the 1960s1. Nearly one of every five dollars of national expenses1,2 are spent on health care. The Patient Protection and Affordable Care Act (ACA)—signed into law in 2010—aims to decrease healthcare delivery costs, improve quality and value of care, and improve population health. New research, published in the *Journal of the American Academy of Orthopaedic Surgeons* (JAAOS), looked at one of the ACA's newer tactics. Could greater use of ambulatory surgical centers (ASC) create cost savings and improve care for outpatient surgical bone and joint procedures compared to costs at a university-based hospital (UH)?

The study authors looked at the <u>direct costs</u> of 1,021 surgical bone and joint procedures where patients were able to choose whether their procedures were performed at an ASC or a UH. Direct costs, as defined in the study, are goods and services such as drugs, implants, and laboratory and radiological services. All procedures in this study were performed by the same group of <u>orthopaedic surgeons</u>. Patients who required an overnight stay (e.g., revision surgeries, complex cases, medically complex patients) were not included in this study in order to make the groups comparable. Outcomes of the surgical bone and joint procedures were not reviewed.

"There was a savings in direct costs of 17 to 43 percent, depending on the procedure, when performed at an ambulatory surgery center rather than at a university hospital," says Peter D. Fabricant, MD, MPH, an orthopaedic surgeon at the Hospital for Special Surgery and lead author



of the study performed at The Children's Hospital of Philadelphia. The savings, Dr. Fabricant explained, appear to be the result of more efficient usage of time and resources due to streamlined care processes at the ASC compared to those at the UH for the same bone and joint procedure.

"If orthopaedic practices gained access to an ASC for day surgery, they would be able to deliver the same care at a decreased cost, and improve patient satisfaction by offering the convenience of care location options," says Dr. Fabricant. "From the patient and family perspective, care closer to one's home and family is of higher value. Hospital systems have started to respond by shifting resources into developing satellite centers."

The research suggests ASCs can be convenient and potentially offer some cost savings to both insurers and patients. However, patients with medically complex conditions are not eligible candidates for care in a satellite setting. The ASC in this study offered services/care performed close to people's homes—which may not be available in all regions or practice settings—and requires less operational overhead than a UH often located in an urban setting.

According to study findings, potential patient benefits of receiving select surgical bone and joint care at ASCs include:

- Decreasing the overall cost of <u>health care</u> with a more efficient care model that could help insurance premiums and copayments remain steady or decrease.
- Allowing clinically eligible patients and families to choose the surgical location most convenient to home to minimize the burden of care-related travel.

More information: Peter D. Fabricant et al, Cost Savings From



Utilization of an Ambulatory Surgery Center for Orthopaedic Day Surgery, *Journal of the American Academy of Orthopaedic Surgeons* (2016). DOI: 10.5435/JAAOS-D-15-00751

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