The economy is taking its toll on ambulatory surgery centers (ASCs) and other outpatient facilities. In all, 60% of ambulatory care organizations in a new survey have seen demand for their services fall over the past 12 months. For 11%, the decline was 20% or more. About one-fourth (27%) have seen no change.

Most of the survey participants (76%) were ASCs, 9% were office-based surgical centers, and the rest were other outpatient organizations. The majority (64%) are physician owned.

“A number of ASCs are hurting from the economy, though it really varies. If they have not been impacted, they are getting ready. Almost everyone is in some form of watchful waiting,” says Naomi Kuznets, PhD, of the Accreditation Association for Ambulatory Health Care Institute for Quality Improvement (AAAHC Institute). The institute invited 4,000 AAAHC-accredited organizations to participate in the online survey in March, with 985 responding (25%).

Declines in volume were highest in the Midwest, the Southeast, and the Southwest.

For 57% of organizations, elective procedures were declining faster than nonelective procedures. And for just over half (51%), self-pay procedures were dropping faster than procedures reimbursed by third-party payers.

Basic services affected

The recession’s effect is being felt not only on self-pay and elective services like cosmetic surgery but also on basic services such as general surgery, ENT, and pain management, Kuznets says (sidebar, p 27).

Three-fourths (76%) of respondents reported a negative impact on patients’ ability to pay their copays and deductibles.

Some facilities said they had seen an increase in patients who are delaying, canceling, or not showing up for procedures. Among reasons were the higher copays and deductibles or fear of losing work because of illness or taking time off.

In response, facilities are tightening their belts. Even those that have not had a decline in volume are taking steps to conserve resources. Two-thirds (67%) reported the economic downturn had had negative effects including:

- making capital purchases (44%)
- purchasing supplies (31%)
- hiring or retaining staff (29%)
- purchasing services (12%)
- floating payroll expenses (9%).

In addition, 2% said the economy had affected decisions to give raises or
bonuses, and 2% said it had affected staffing hours or wages (1%).

**Staffing changes**

“Most didn’t say they are reducing the number of staff,” says Kuznets. “It’s more that they are redistributing hours and keeping salaries where they are.”

Reports on changes in the number of RN staff over the past 12 months varied widely, from -14 to +35, with a median of 0.

A number of centers commented that they were reducing staff hours and freezing hiring and pay.

Some said their benefit costs are rising, perhaps because staff members are adding spouses who have lost their jobs or insurance.

**Some add staff**

Not everyone was tightening up. One ASC had added 30 RNs over the past year. The facility was focused mostly in orthopedics, podiatry, and pain management, which are paid for by Medicare and workers’ compensation, Kuznets notes.

Several other centers that reported they were hiring more nursing staff were also performing podiatry, pain management, and orthopedic cases.

She says most centers are likely to follow similar strategies by shifting their mix of cases to specialties where more patients are covered by government payers such as Medicare and workers’ comp.

**How are ASCs adjusting?**

Some centers are going after more volume, with 28% reporting they have stepped up their marketing efforts in the past year. But almost none (91%) said they have lowered their prices in response to the economy.

Perhaps because of the greater numbers of patients who must pay for more of their care out of pocket, 40% of centers said they have increased their collection practices, while only 12% have reduced these efforts.

Kuznets says the institute plans to repeat the survey in 6 months.

**Reference**

Hardest hit specialties

Percentage of facilities reporting declines:

- Cosmetic surgery (76%)
- General plastic surgery (73%)
- General surgery (72%)
- Vascular surgery (71%)
- Podiatry (68%)
- ENT (67%)
- Pain management (66%)
- Gastroenterology (66%)
- Pediatrics (65%)
- Urology (65%)
- Orthopedics (64%)
- Obstetrics/gynecology (63%)
- Ophthalmology (62%)

Source: AAAHC Institute.