ASCs: A third feel the economic pinch

Though many managers of ambulatory surgery centers (ASC) report their facilities are feeling the pinch from the economic downturn, salaries are stable or slightly higher than 2008, according to results of the 19th annual OR Manager Salary/Career Survey.

Nearly a third (31%) of managers say the recession has caused financial difficulties for their ASC, and 32% have been asked to cut their annual operating budget. Almost half (44%) are reconsidering or postponing capital expenditures, 42% have seen cuts in education funding, and 9% have lost some benefits in the past 6 months.

On the plus side, ASC managers’ salaries are slightly up from last year—the average total compensation package is $98,600, compared with $93,200 in 2008. Managers also score their job satisfaction high—an average of 4.2 out of a possible 5.

Those are highlights from the 19th annual OR Manager Salary/Career Survey. The survey was mailed in April to 1,000 ASC managers, including OR Manager subscribers and an external list, with 259 returned for a response rate of 26%. The margin of error is ± 5.3% at the 95% confidence level. Readex Research conducted the survey. Any significant changes in the data reported here have a confidence level of 95%. Results from the staffing portion of the survey appeared in the September issue.

Economic effects

ASCs have not been affected by the economic downturn as severely as hospitals. Of the 31% of managers who report financial difficulties, there is little variation by geography, type of ownership, and number of ORs. One exception: more than half (56%) of hospital-owned ASCs report financial troubles, compared with 38% for corporate-owned, 29% for physician-owned, and 23% for joint-venture facilities.

How impact is being felt. Of the 80 respondents who reported financial difficulties, 90% have had declines in elective surgery, 39% have seen changes in Medicare reimbursement, and 13% noted the lack of available credit. The results were consistent across location, type of ownership, number of ORs, and single vs multispecialty.

Budget. Of the 84 managers who have been asked to reduce their annual operating budget, nearly half of those (42%) cut it by 10% or more; 37% did not specify a percentage.

Slightly less than half (44%) of ASCs are reconsidering or postponing capital expenditures, with OR technology/equipment the area most frequently (75%) affected, followed by information technology (34%).
Education. Many ASC managers who report not having financial difficulties are still experiencing the economic pinch when it comes to spending on education. Nearly half (42%) of facilities have limited funding for attending educational events.

More than half (54%) reported reduced funding for education, 27% cited elimination of funding, and 29% noted a ban on travel.

Salary numbers

ASC managers earn an average of $82,000, less than the $107,000 average for hospital OR managers and directors. Salaries are slightly higher than last year and are highest in the West and the Northeast.

As in 2008, managers working in hospital-owned ASCs report the top average salary ($94,100), and those in physician-owned ASCs report the lowest—$74,200 compared with $92,200 for both corporate-owned and $86,000 for joint-venture centers.

Size still matters but not as much as in 2008. ASC managers in centers with 5 or more ORs earn an average of $90,900, compared with $79,000 for those in centers with fewer than 5 ORs, a gap of $11,900 vs a gap of $14,200 in 2008. The average salary for managers in multispecialty ASCs was $87,100, compared with $74,000 for single-specialty centers.
On average, the ASC manager’s total compensation package is $98,600, with the highest reported in the West ($111,700), followed by the Northeast ($100,000), Midwest ($96,500), and South ($92,900).

As with salary, total compensation is higher in ASCs with 5 or more ORs ($110,800) compared with those with fewer ORs ($94,600). Multispecialty ASC managers earn more than single-specialty ones ($103,800 vs $90,500).

ASC managers received an average increase in salary of 4.7%, higher than the 3.7% for hospital OR directors but slightly less than the ASC raises of 5% in 2008 and 5.1% in 2007. For only 11%, the increase was a result of a promotion or change in job responsibilities. Just 14% of respondents had not received a raise from their current employer.

Benefits

Benefits packages for ASC managers are leaner than for hospital OR managers. Only 54% of ASC managers, for example, have disability insurance, compared with 82% for hospital OR managers and directors.

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<tr>
<th>Benefits</th>
<th>ASC</th>
<th>Hospital</th>
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<tr>
<td>Paid time-off</td>
<td>99%</td>
<td>100%</td>
</tr>
<tr>
<td>Health ins</td>
<td>86%</td>
<td>94%</td>
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<tr>
<td>401(k) plan</td>
<td>86%</td>
<td>86%</td>
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<tr>
<td>Life insurance</td>
<td>66%</td>
<td>87%</td>
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<tr>
<td>Dental ins</td>
<td>73%</td>
<td>90%</td>
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ASC managers have an average of 26.3 days off per year, including vacation, sick time, and holidays. More than three-quarters (79%) have bonuses or profit sharing as part of their total compensation—a considerably higher percentage than hospital OR managers and directors (39%).

Those who received monetary bonuses or profit sharing in the past 12 months (70%) reported an average payment of $6,640.

The manager’s role

ASC managers oversee an average of 3.8 ORs, varying by type of ownership. Those in single-specialty centers oversee an average of 2.6 ORs, compared with 4.5 for those in multispecialty ASCs.

ASC managers supervise an average of 23.6 FTEs, including an average of 19.4 clinical FTEs and 4.2 nonclinical FTEs. Just under a third (30%) hold the title of administrator or administrative director, 24% are nurse managers, and 40% are split evenly between clinical director and director of nursing, with the remainder having another title.

Most report to administrators (41%), followed by physician owners (18%), medical directors (12%), board of directors (12%), and the corporate office (3%). ASC managers continue to work hard—an average of 48 hours a week, with 16% reporting working 55 hours or more.

Purchasing influence

Nearly all respondents (98%) participate in selecting and purchasing decisions. Most are members of a decision-making team or committee (46%), while 37% are the primary decision makers, and 31% serve in an advisory capacity. Nurse managers are significantly less likely to be the primary decision maker or to influence selection and purchase of capital equipment compared with those with other titles.
ASC managers influence purchasing decisions for OR supplies and equipment (90%) and for OR capital equipment (73%). Fewer in corporate-owned ASCs (80%) influence decisions related to capital equipment compared with other forms of ownership.

**Surgical volume**

The average surgical volume is 4,520 per year, ranging from less than 1,000 (9%) to 19,999 (7%). Economic conditions are likely behind the continuing trend toward lower patient volumes. Only 19% said their surgical volume increased in the past 6 months, a dramatic difference from the 34% who had increases in 2008 and 45% who had higher volumes in 2007. Thirty percent reported a decrease in surgical volume; for half of these, the decrease was 10% or more. The remainder (51%) said their volume remained about the same in the past 6 months, compared with 49% in 2008 and 39% in 2007.

**About your ASC**

Most respondents (46%) work in physician-owned ASCs, followed by joint venture (27%), corporate-owned (16%), and hospital-owned centers (7%). Nearly two-thirds (62%) work in multispecialty centers. The top 4 single specialties reported are ophthalmology (33%), gastroenterology (27%), cosmetic/plastic surgery (12%), and orthopedics (11%).

The average ASC annual operating budget is $5.6 million.

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<tr>
<th>ASC budgets by ownership</th>
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<tbody>
<tr>
<td>Hospital-owned</td>
<td>$8.8 million</td>
</tr>
<tr>
<td>Corporate-owned</td>
<td>$6.7 million</td>
</tr>
<tr>
<td>Joint venture</td>
<td>$5.7 million</td>
</tr>
<tr>
<td>Physician-owned</td>
<td>$4.1 million</td>
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**About you**

Nearly all respondents (93%) are women, and 96% are RNs. The average age is 52 years, with an average of 27.3 years in nursing (only 3% reported fewer than 10 years) and 9.9 years in the current position. The highest level of education for ASC managers is the bachelor’s degree (43%), followed by an associate degree (22%), diploma (17%), and master’s degree (16%).

Fewer than half of ASC managers (44%) say their employer requires a specific degree for their position. The most common degree required is a bachelor’s (67%), followed by a master’s degree (17%), and an associate degree (13%).

—Cynthia Saver, RN, MS

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