

Boosting ASC Case Volume: 3 Ways to Capitalize on Your Payor and Patient Market

Written by Taryn Tawoda | April 27, 2012

An ASC that is aware of the largest payors in its market, the medical needs of its patient pool and the appropriate physicians to recruit will be well-positioned to boost its case volume over time. Here are three important ways to help your ASC capitalize on the surrounding market.

1. Assess the payors in your market by looking at the largest employers and their insurance plans for employees. Surgery centers aiming to add cases should analyze the dominant payors in their market and study the quality of payor reimbursements to ensure they are targeting a profitable patient base. "You may be going for an insurance that pays such a small amount that you can't make money on it," says **Michael Cassatly, DMD, president of Medachieve and an executive healthcare business coach.** "It's a strict business analysis — you want insured patients with plans covering the procedure codes that you can make money on."

Specifically, centers should be looking at the largest employers in the market, which insurance companies they use, what types of plans are available to employees, and within those plans, which procedure codes a surgery center can make money on. "Then look at who the biggest physicians are on those plans," he adds.

2. When adding a new specialty to the center, recruit a physician with a large pre-existing group of patients. LiAyn Okress, RN, executive consultant with healthcare management consulting firm Beacon Partners, recently worked with a surgery center in Trenton, N.J., that hired a well-known Philadelphia-based cosmetic surgeon as part of its expansion process.

"Their decision was surprising, because much of the surrounding population was not the type that would be interested in cosmetic surgery," she says. "But they did their studies, and found that because they're so close to the city of Philadelphia, patients would be willing to commute the extra distance to the center if they were familiar with the quality of the cosmetic surgeon." In this case, Ms. Okress says, the surgeon's existing patients were willing to commute the hour from Philadelphia to Trenton.

As part of its efforts to attract the Philadelphia surgeon, the Trenton center allowed him to choose the equipment, surgical suite and office he wanted. "They were building an additional surgery suite at the time, and he was able to have the first pick," says Ms. Okress. "He was able to walk away from his practice in Philadelphia and took most of his patients with him."

3. Look at case data from local hospitals to gauge patient demand. A single-specialty surgery center, in particular, should consider using data from the surrounding market to determine which specialties would be profitable additions to the ASC, says Ms. Okress. "If your surgical suites are booked with ortho cases, you may be losing out on something," she says. "You need to look at your market to see where the potential is for adding cases, and it boils down to what kind of information you can get on the surrounding area and hospital systems. Take a radius of how many hospitals are nearby — all of those hospitals represent revenue that can come to you as well."

Because many surgeries performed in hospitals can also be performed in surgery centers, Ms. Okress suggests obtaining statistics on the same-day surgeries that occur in nearby hospitals. "This gives a good basis of the types of surgeries you can have for your own center," she says. Specifically, Ms. Okress recommends consulting public records, the Joint Commission and Medicare to secure statistics on the total number of hospital beds as well as the number of intensive care beds, step-down beds and telemetry beds. "Break the data down into very finite detail —if a hospital only has 10 ICU beds, you know that they're not going to have a very robust surgical area," she says. "And if a hospital has long waiting lists, then you know that you can capitalize on whatever it is they have the waiting lists for."