Submitter : Mr. Earl Gomberg **Date:** 11/01/2006

Organization : The Center for Dermatology Care

Category : Ambulatory Surgical Center

Issue Areas/Comments

CY 2008 ASC Impact

CY 2008 ASC Impact

The Center for Dermatology Care
267 West Hillcrest Drive
Thousand Oaks, CA 91360

Leslie V. Norwalk, Esq., Acting Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-1506-P
Room 445-G
Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

November 1, 2006

Dear Administrator Norwalk:

To assure Medicare beneficiaries access to Ambulatory Surgery Centers (ASC), Centers for Medicare and Medicaid Services (CMS) should broadly interpret the budget neutrality provision enacted by Congress. 62% is simply not adequate. The ASC reform proposed by CMS is too limited. CMS should expand the ASC list of procedures to include any and all procedures that can be performed in an HOPD. CMS should exclude only those procedures that are on the inpatient only list. ASCs should be updated based upon the hospital market because this more appropriately reflects inflation in providing surgical services than does the consumer price index. Also, the same relative weights should be used in ASCs and hospital outpatient departments. Aligning the payment systems for ASCs and hospital outpatient departments will improve the transparency of cost and quality data used to evaluate outpatient surgical services for Medicare beneficiaries. We believe that the benefits to the taxpayer and the Medicare consumer will be maximized by aligning the payment policies to the greatest extent permitted under the law.

Sincerely,

Earl F. Gomberg
Administrator

Submitter : Ms. Louise Hall **Date:** 11/01/2006

Organization : Northern Monmouth Regional Surgery Center

Category : Ambulatory Surgical Center

Issue Areas/Comments

ASC Payable Procedures

ASC Payable Procedures

We support CMS's decision to adopt MedPac's recommendation from2004 to replace the current "inclusive" list of ASC-covered procedures with an exclusionary list of procedures that would not be covered in ASCsbased on clinical criteria: (i) beneficiary safety; and (ii) the need for an overnight stay.

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However, the ASC list reform proposed by CMS is too limited. CMS should expand the ASC list of procedures to include any and all procedures that can be performed in an HOPD. CMS should exclude only those procedures that are on the impatient only list and follow the stsate regulations for overnight stays.

Submitter : Ms. Mary Parker **Date:** 11/01/2006

Organization : St. John's Outpatient Surgery Center

Category : Ambulatory Surgical Center

Issue Areas/Comments

ASC Coinsurance

ASC Coinsurance

We support retaining the Medicare beneficiary coinsurance for ASC services at 20 percent. For Medicare beneficiaries, lower coinsurance obligations will continue to be a significant advantage for choosing an ASC to meet their surgical needs. Beneficiaries will save significant dollars each year under the revised ASC payment system because ASC payments will in all cases be lower than the 20-40 percent HOPD coinsurance rates allowed under the OPPS.

ASC Conversion Factor

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62 % conversion factor is unacceptable and often does not cover the cost of the procedure. We understand that budget neutrality is mandated in the MMA of 2003; however, we believe that CMS made assumptions in order to reach budget neutrality with which we differ, most especially the migration of cases from and to the ASC. The ASC industry has worked together with our physicians and established a migration model that is being provided to CMS along with the data in an industry comment letter. We encourage CMS to accept this industry model.

ASC Office-Based Procedures

ASC Office-Based Procedures

We support CMS s proposal to extend the new ASC payment system to cover procedures that are commonly performed in physician offices. While physicians may safely perform many procedures on healthy Medicare beneficiaries in the office setting, sicker beneficiaries may require the additional infrastructure and safeguards of an ASC to maximize the probability of a good clinical outcome. In other words, for a given procedure, the appropriate site of service is dependent on the individual patient and his specific condition.

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We support CMS s decision to adopt MedPAC s recommendation from 2004 to replace the current inclusive list of ASC-covered procedures with an exclusionary list of procedures that would not be covered in ASCs based on two clinical criteria: (i) beneficiary safety; and (ii) the need for an overnight stay. However, the ASC list reform proposed by CMS is too limited. CMS should expand the ASC list of procedures to include any and all procedures that can be performed in an HOPD. CMS should exclude only those procedures that are on the inpatient only list and follow the state regulations for overnight stays.

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ASC Phase In

Given the size of the payment cuts contemplated under the proposed rule for certain procedures and specialties; especially GI, pain and ophthalmology, one year does not provide adequate time to adjust to the changes. Thus, we believe the new system should be phased-in over several years.

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ASC Ratesetting

We urge CMS to maximize alignment of the ASC and HOPD payment systems by adopting in the final rule the same packaging policies, the same payment caps for office-based procedures, the same multiple procedure discounts, the same wage index adjustments and the same inflation updates for ASCs and HOPDs.. These facilities exist in the same communities and often in partnership with the community hospital. Aligning the payment systems for ASCs and hospital outpatient departments will improve the transparency of cost and quality data used to evaluate outpatient surgical services for Medicare beneficiaries. We believe that the benefits to the taxpayer and the Medicare consumer will be maximized by aligning the payment policies to the greatest extent permitted under the law.

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At a minimum, when all the specific codes in a given section of CPT are eligible for payment under the revised ASC payment system, the associated unlisted code also should be eligible for payment.

ASC Updates

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We are pleased that CMS is committing to annual updates of the new ASC payment system, and agree it makes sense to do that conjunction with the OPPS update cycle so as to help further advance transparency between the two systems. Regular, predictable and timely updates will promote beneficiary access to ASCs as changes in clinical practice and innovations in technology continue to expand the scope of services that can be safely performed on an outpatient basis.

Submitter : Dr. LEON LAHAYE **Date:** 11/01/2006

Organization : LAHAYE CENTER FOR ADVANCED EYE CARE

Category : Physician

Issue Areas/Comments

GENERAL

GENERAL

"SEE ATTACHMENT"

CMS-1506-P2-701-Attach-1.DOC

#701

Centers for Medicare & Medicaid Services,
CMS-1506-P
Department of Health & Human Services,
Attention: CMS-1506-P
P. O. Box 8011
Baltimore, MD 21244-1850

November 1, 2006

To Whom It May Concern:

As a health care employee of an ASC specializing in Ophthalmology, I am very concerned about the differences in the treatment of an ASC versus an HOPD. Our practice population is approximately 80% Medicare recipients. Therefore, the proposed ASC payment reform is of much concern to our practice.

I feel that the surgeon and patient together should be able to decide whether to perform their out patient procedure in an ASC versus an HOPD. It has been our experience that patients prefer utilizing an ASC versus an HOPD due to convenience and a higher level of specialization in Ophthalmic surgery.

Congress is proposing to pay ASC's only 62% of the procedural rates paid to HOPD's. This percentage rate is wholly inadequate and does not reflect a realistic differential of the costs incurred by hospitals and ASC's in providing the same services. The agency should interpret the budget neutrality provision to permit ASC's to be paid at a rate of 100% of the HOPD rate.

Under current law, ASC's are provided NO annual cost-of-living updates from 2004-2009. However, an ASC experiences cost-of-living increase in EXPENSES annually regardless of the fact that no cost-of-living increase in reimbursement was given. **The new payment system should provide hospital market basket updates to both ASC's and HOPD's since both provide the same services and incur the same costs in delivering high quality surgical care.**

Thank you for your attention to this matter.

Sincerely,

Leon C. LaHaye, M.D.

Cc:
Congressman Richard Baker
Senator David Vitter
Senator Mary Landrieu
Representative Charles Boustany
Representative Bobby Jindal

Submitter : Dr. victoria staiman **Date:** 11/01/2006

Organization : Dr. victoria staiman

Category : Physician

Issue Areas/Comments

GENERAL

GENERAL

i am opposed to reimbursement caps for office based procedures. CAPs completely disregards the complexity and additional cost of performing these procedures in a regulated ambulatory surgery environment.

the 62% conversion factor is clearly unfair for high cost prosthetics and implantable devices. payment by this method would make it impossible for the asc to afford the device because the payment would be less than the cost.

the same problem is true of doing lithotripsies in the asc setting. if equipment is leased at a high price but payments are less than the lease amount, then these procedures can no longer be performed in the asc setting. this is completely unfair.

it is clear that the ascs are efficient and cost effective for both patients and physicians. there are rare complications. since the quality of care is so good in the ascs, i beleive that cystos, cmgs, prostate biopsies, eswls should all remain on the list for asc coverage.

Submitter : Carol BLANAR **Date:** 11/01/2006

Organization : Sagamore Surgical Services, Inc.

Category : Ambulatory Surgical Center

Issue Areas/Comments

GENERAL

GENERAL

"See attachment"

CMS-1506-P2-703-Attach-1.DOC

#103

SAGAMORE SURGICAL SERVICES, INC.
2320 Concord Road, Suite b
Lafayette, IN 47909-2708
765-474-7854

November 1, 2006

Leslie V. Norwalk, Esq.
Acting Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-1506-P
Room 445-G
Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

RE: MEDICARE ASC PAYMENT SYSTEM AND ASC LIST REFORM

Dear Administrator Norwalk:

Sagamore Surgical Services, Inc. is a freestanding surgical center incorporated in 1993 for the purpose of providing surgical services to the community of greater Lafayette, Indiana and its five surrounding counties. The surgical services provided include ear, nose and throat procedures; hand, foot and knee surgery; cataract and eyelid surgery; pediatric dental procedures; hysteroscopy, laparoscopic gall bladder removal and other general surgical procedures. We have forty-six surgeons and anesthesiologists on our medical staff. We have professional nursing staff with over 100 years of experience. Over the last 13 years and five months, we have performed well over 26,000 surgical procedures. Of those, only six patients were transferred to the hospital for medical conditions that required hospital services. We have had no deaths in our facility. Our facility is accredited by the Accreditation Association for Ambulatory Health Care, Inc., licensed by the State of Indiana and certified by CMS.

This letter is to support the communication to your office from FASA and the American Association of Ambulatory Surgical Centers detailing reasons the CMS ASC reimbursement system needs to be updated and their recommendations for bringing the system into the 21st century.

Our physicians and personnel would like CMS to know that as a small business we run very efficiently and effectively, but we cannot do so without adequate reimbursement for our services. CMS froze our reimbursement for Medicare patients at 2003 levels. Prior to 2003, we received no increases for several years, and our expenses continued to increase as our suppliers raised their charges to us, our utility costs and shipping costs increased due to gas prices, and our personnel costs continued to rise due to increased competition for nurses and increased costs for health insurance premiums and pension packages. In order to stay in business and provide the excellent, high quality care to our patients, we urge CMS to

- Broadly interpret the budget neutrality provision enacted by Congress. 62% of the hospital outpatient department (HOPD) rates is simply not adequate.
- Expand the ASC list of procedures to include any and all procedures that can be performed in an HOPD. CMS should exclude only those procedures that are on the inpatient only list.
- Base the ASC reimbursement updates on the hospital market basket as this more appropriately reflects inflation in providing surgical services than does the consumer price index.
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- Align the payment systems for ASCs and HOPDs to improve the transparency of cost and quality data used to evaluate outpatient surgical services for Medicare beneficiaries. The benefits to the taxpayer and the Medicare consumer will be maximized by aligning the payment policies to the greatest extent permitted under the law.

Sincerely,

Carol Blanar

Carol Blanar, BS, RN, CNOR
Administrator and Director of Nursing
carolb@sagsurgctr.com

Submitter : Dr. Daniel Berner **Date:** 11/01/2006

Organization : Sagamore Surgical Services, Inc.

Category : Ambulatory Surgical Center

Issue Areas/Comments

CY 2008 ASC Impact

CY 2008 ASC Impact

"See Attachment"

CMS-1506-P2-704-Attach-1.DOC

SAGAMORE SURGICAL SERVICES, INC.
2320 Concord Road, Suite b
Lafayette, IN 47909-2708
765-474-7854

November 1, 2006

Leslie V. Norwalk, Esq.
Acting Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
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Sincerely,

Daniel R Berner, M.D.

Daniel R Berner, M. D.
Vice President
Sberner317@aol.com

Submitter : Dr. Peter Hillsamer **Date:** 11/01/2006

Organization : Sagamore Surgical Services, Inc.

Category : Ambulatory Surgical Center

Issue Areas/Comments

CY 2008 ASC Impact

CY 2008 ASC Impact

"See Attachment"

CMS-1506-P2-705-Attach-1.DOC

#705

SAGAMORE SURGICAL SERVICES, INC.
2320 Concord Road, Suite b
Lafayette, IN 47909-2708
765-474-7854

November 1, 2006

Leslie V. Norwalk, Esq.
Acting Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-1506-P
Room 445-G
Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

RE: MEDICARE ASC PAYMENT SYSTEM AND ASC LIST REFORM

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Sincerely,

Peter J. Hillsamer, M. D.

Peter J. Hillsamer, M. D.
Secretary-Treasurer
docpjh@aol.com

Submitter : Dr. Patrick O'Neil **Date:** 11/01/2006

Organization : Sagamore Surgical Services, Inc.

Category : Ambulatory Surgical Center

Issue Areas/Comments

CY 2008 ASC Impact

CY 2008 ASC Impact

"See Attachment"

CMS-1506-P2-706-Attach-1.DOC

#706

SAGAMORE SURGICAL SERVICES, INC.
2320 Concord Road, Suite b
Lafayette, IN 47909-2708
765-474-7854

November 1, 2006

Leslie V. Norwalk, Esq.
Acting Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-1506-P
Room 445-G
Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

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Sincerely,

Patrick R. O'Neil, M. D.

Patrick R. O'Neil, M. D.
President
poneil1@frontiernet.net

Submitter : Mr. Michael Westmiller **Date:** 11/01/2006

Organization : Surgery Center of Southern Oregon

Category : Other Health Care Professional

Issue Areas/Comments

GENERAL

GENERAL

See Attachment

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE AND MEDICAID SERIVICES
OFFICE OF STRATEGIC OPERATIONS & REGULATORY AFFAIRS

Please note: We did not receive the attachment that was cited in this comment. We are not able to receive attachments that have been prepared in excel or zip files. Also, the commenter must click the yellow "Attach File" button to forward the attachment.

Please direct your questions or comments to 1 800 743-3951.

Submitter : Dr. Byron Riegel **Date:** 11/01/2006

Organization : Sierra Ambulatory Surgery Center

Category : Ambulatory Surgical Center

Issue Areas/Comments

GENERAL

GENERAL

See attachment from Byron W. Riegel MD FACS of Sierra Ambulatory Surgery Center.

CMS-1506-P2-708-Attach-1.TXT

CMS-1506-P2-708-Attach-2.DOC

#708

Sierra Ambulatory Surgery Center
A Medical Corporation
2828 West Main Street
Visalia, California 93291-4331
Telephone (559) 734-7272

November 1, 2006

Comment On:

Docket: CMS-1506-P2 - Medicare Program; The Ambulatory Surgical Center Payment System and CY 2008 Payment Rates

Comments Submitted By: Byron W. Riegel MD FACS (ophthalmologist)
Shareholder and Surgeon at Sierra ASC

Background: Six years ago a partner and I developed an ASC devoted to ophthalmic surgery. My partner and I had become frustrated by the disorganized and depersonalized services offered at the sole local hospital. We installed the exact equipment that we felt would give premium surgical results. We hired dedicated personnel who are specifically trained in ophthalmic operative and perioperative care.

We have tracked both quality and patient satisfaction. Quality is good. Patient satisfaction is very high. We are constantly praised for the results and the personalized care that we have been able to achieve.

To summarize we find that our surgical and satisfaction results are largely attributable to:

1. The ability of the ASC to provide the instrumentation and efficient workplace that is required.
2. The ability of the ASC to have personnel deducted to one area of specialization.

Comment on Proposed List of Covered Services: Aside from procedures that require the use of a hospital (e.g. planned admission for in-patient service after the surgery), the HOPD list and the ASC list of covered procedures should be identical. There is no reason to have separate lists.

Comment on Proposed Reimbursement Rate: The proposed 62% of HOPD rate is entirely inadequate and punitive. Such a rate will almost certainly:

1. Hamper the ability of ASCs to make quality-improving capital investments.
2. Discourage future ASC development that, in turn would:
   A. Be bad for payers, as use of ASCs is less expensive than HOPDs.
   B. Be bad for patients, as HOPDs have higher co-payments and are frequently less patient-friendly.

A rate of 75% of HOPD rate for ALL procedures is suggested as a minimum.

Comment on Uniform Payment for All Services: Carve outs of either lesser or greater payment for certain procedures is inappropriate. All procedures should receive the same reimbursement rate.

Comment on Payment for "Office-Type" Procedures: "Office-type" procedures should receive the same reimbursement rate as other ASC procedures. There should be uniform pricing for all services.

Comment on Annual Update: If the ASC reimbursement rate is a percentage of the HOPD rate then the annual update should be the same for the HOPD and ASC, *i.e.* the Hospital Market Basket. After all, HOPDs and ASCs are providing the same services . . . just at a more economical rate at the ASC. Of course, the "economical rate" must provide adequate financial reason to keep the ASC community fit and enduring.

Submitter : Dr. Charles Schneider **Date:** 11/01/2006

Organization : Idaho Surgery Center

Category : Ambulatory Surgical Center

Issue Areas/Comments

ASC Coinsurance

ASC Coinsurance

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changes in clinical practice and innovations in technology continue to expand the scope of services that can be safely performed on an outpatient basis.

Submitter : Mrs. Kelly Strickland **Date:** 11/01/2006

Organization : DaVita

Category : Nurse

Issue Areas/Comments

ASC Payable Procedures

ASC Payable Procedures

The inclusion of CPT codes 35475, 35476, 36205 and 37206 to the list of Medicare approved ambulatory surgical center (ASC) procedures would provide Medicare the opportunity to reduce the cost of, and promote quality outcomes for, end-stage renal disease (ESRD) patients through more thoughtful reimbursement and regulation of vascular access procedures.

Submitter : Ms. Cheryl Kensok **Date:** 11/02/2006

Organization : DaVita

Category : Nurse

Issue Areas/Comments

GENERAL

GENERAL

Dialysis access procedures should remain in the outpatient setting, or surgery centers. Our patients have enough hospital visits, and hate the issues they deal with their accesses.

Submitter : Ms. Juliette LaRegina **Date:** 11/02/2006

Organization : Day-Op Center of Long Island

Category : Ambulatory Surgical Center

Issue Areas/Comments

ASC Payable Procedures

ASC Payable Procedures

We support CMS's decision to adopt MedPAC's recommendation from 2004 to replace the current inclusive list of ASC-covered procedures with an exclusionary list of procedures that would not be covered in ASCs based on two clinical criteria: (i) beneficiary safety; and (ii) the need for an overnight stay.
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Submitter : Ms. Juliette LaRegina **Date:** 11/02/2006

Organization : Day-Op Center of Long Island

Category : Ambulatory Surgical Center

Issue Areas/Comments

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Submitter : **Ms. Juliette LaRegina** **Date: 11/02/2006**

Organization : **Day-Op Center of Long Island**

Category : **Ambulatory Surgical Center**

Issue Areas/Comments

ASC Office-Based Procedures

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Submitter : Ms. Juliette LaRegina **Date:** 11/02/2006

Organization : Day-Op Center of Long Island

Category : Ambulatory Surgical Center

Issue Areas/Comments

ASC Ratesetting

ASC Ratesetting

We urge CMS to maximize alignment of the ASC and HOPD payment systems by adopting in the final rule the same packaging policies, the same payment caps for office-based procedures, the same multiple procedure discounts, the same wage index adjustments and the same inflation updates for ASCs and HOPDs. These facilities exist in the same communities and often in partnership with the community hospital. Aligning the payment systems for ASCs and hospital outpatient departments will improve the transparency of cost and quality data used to evaluate outpatient surgical services for Medicare beneficiaries. We believe that the benefits to the taxpayer and the Medicare consumer will be maximized by aligning the payment policies to the greatest extent permitted under the law.

Submitter : Ms. Juliette LaRegina **Date:** 11/02/2006

Organization : Day-Op Center of Long Island

Category : Ambulatory Surgical Center

Issue Areas/Comments

ASC Packaging

ASC Packaging

We urge CMS to maximize alignment of the ASC and HOPD payment systems by adopting in the final rule the same packaging policies, the same payment caps for office-based procedures, the same multiple procedure discounts, the same wage index adjustments and the same inflation updates for ASCs and HOPDs. These facilities exist in the same communities and often in partnership with the community hospital. Aligning the payment systems for ASCs and hospital outpatient departments will improve the transparency of cost and quality data used to evaluate outpatient surgical services for Medicare beneficiaries. We believe that the benefits to the taxpayer and the Medicare consumer will be maximized by aligning the payment policies to the greatest extent permitted under the law.

Submitter : Ms. Juliette LaRegina **Date:** 11/02/2006

Organization : Day-Op Center of Long Island

Category : Ambulatory Surgical Center

Issue Areas/Comments

ASC Payment for Office-Based Procedures

ASC Payment for Office-Based Procedures

We urge CMS to maximize alignment of the ASC and HOPD payment systems by adopting in the final rule the same packaging policies, the same payment caps for office-based procedures, the same multiple procedure discounts, the same wage index adjustments and the same inflation updates for ASCs and HOPDs. These facilities exist in the same communities and often in partnership with the community hospital. Aligning the payment systems for ASCs and hospital outpatient departments will improve the transparency of cost and quality data used to evaluate outpatient surgical services for Medicare beneficiaries. We believe that the benefits to the taxpayer and the Medicare consumer will be maximized by aligning the payment policies to the greatest extent permitted under the law.

Submitter : Ms. Juliette LaRegina **Date:** 11/02/2006

Organization : Day-Op Center of Long Island

Category : Ambulatory Surgical Center

Issue Areas/Comments

ASC Wage Index

ASC Wage Index

We urge CMS to maximize alignment of the ASC and HOPD payment systems by adopting in the final rule the same packaging policies, the same payment caps for office-based procedures, the same multiple procedure discounts, the same wage index adjustments and the same inflation updates for ASCs and HOPDs. These facilities exist in the same communities and often in partnership with the community hospital. Aligning the payment systems for ASCs and hospital outpatient departments will improve the transparency of cost and quality data used to evaluate outpatient surgical services for Medicare beneficiaries. We believe that the benefits to the taxpayer and the Medicare consumer will be maximized by aligning the payment policies to the greatest extent permitted under the law.

Submitter : Ms. Juliette LaRegina **Date:** 11/02/2006

Organization : Day-Op Center of Long Island

Category : Ambulatory Surgical Center

Issue Areas/Comments

ASC Inflation

ASC Inflation

We urge CMS to maximize alignment of the ASC and HOPD payment systems by adopting in the final rule the same packaging policies, the same payment caps for office-based procedures, the same multiple procedure discounts, the same wage index adjustments and the same inflation updates for ASCs and HOPDs. These facilities exist in the same communities and often in partnership with the community hospital. Aligning the payment systems for ASCs and hospital outpatient departments will improve the transparency of cost and quality data used to evaluate outpatient surgical services for Medicare beneficiaries. We believe that the benefits to the taxpayer and the Medicare consumer will be maximized by aligning the payment policies to the greatest extent permitted under the law.

Submitter : Ms. Juliette LaRegina **Date:** 11/02/2006

Organization : Day-Op Center of Long Island

Category : Ambulatory Surgical Center

Issue Areas/Comments

ASC Coinsurance

ASC Coinsurance

We support retaining the Medicare beneficiary coinsurance for ASC services at 20 percent. For Medicare beneficiaries, lower coinsurance obligations will continue to be a significant advantage for choosing an ASC to meet their surgical needs. Beneficiaries will save significant dollars each year under the revised ASC payment system because ASC payments will in all cases be lower than the 20-40 percent HOPD coinsurance rates allowed under the OPPS.

Submitter : Ms. Juliette LaRegina **Date:** 11/02/2006

Organization : Day-Op Center of Long Island

Category : Ambulatory Surgical Center

Issue Areas/Comments

ASC Phase In

ASC Phase In

Given the size of the payment cuts contemplated under the proposed rule for certain procedures and specialties; especially GI, pain and ophthalmology, one year does not provide adequate time to adjust to the changes. Thus, we believe the new system should be phased-in over several years.

Submitter : Ms. Juliette LaRegina **Date:** 11/02/2006

Organization : Day-Op Center of Long Island

Category : Ambulatory Surgical Center

Issue Areas/Comments

ASC Conversion Factor

ASC Conversion Factor

62 % conversion factor is unacceptable and often does not cover the cost of the procedure. We understand that budget neutrality is mandated in the MMA of 2003; however, we believe that CMS made assumptions in order to reach budget neutrality with which we differ, most especially the migration of cases from and to the ASC. The ASC industry has worked together with our physicians and established a migration model that is being provided to CMS along with the data in an industry comment letter. We encourage CMS to accept this industry model.

Submitter : Ms. Juliette LaRegina **Date:** 11/02/2006

Organization : Day-Op Center of Long Island

Category : Ambulatory Surgical Center

Issue Areas/Comments

ASC Updates

ASC Updates

We are pleased that CMS is committing to annual updates of the new ASC payment system, and agree it makes sense to do that conjunction with the OPPS update cycle so as to help further advance transparency between the two systems. Regular, predictable and timely updates will promote beneficiary access to ASCs as changes in clinical practice and innovations in technology continue to expand the scope of services that can be safely performed on an outpatient basis.

Submitter : **Dr. benjamin johnson** **Date: 11/02/2006**

Organization : **Dr. benjamin johnson**

Category : **Physician**

Issue Areas/Comments

GENERAL

GENERAL

See attachment

CMS-1506-P2-724-Attach-1.DOC

#724

November 6, 2006

Leslie V. Norwalk, Esq., Acting Administrator
Centers for Medicare and Medicaid Services
Department of Health and Human Services
Attention: CMS-1506-P
Room 445-G
Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

Re: CMS-1506-P - Medicare Program; the Ambulatory Surgical Center Payment System and CY 2008 Payment Rates

Dear Ms. Norwalk:

As a practicing interventional pain physician for over 20 years, I am disappointed at CMS's proposed rule for ASC payments. This rule will create significant inequities between hospitals, ASCs, and beneficiaries' access will be harmed. While this may be good for some specialties, interventional pain management will suffer substantially (approximately 20% in 2008 and approximately 30% in 2009 and after). The various solutions proposed in the rule with regards to mixing and improving the case mix, etc., are not really feasible for single specialty centers. CMS should also realize that in general healthcare uses, the topdown methodology or bottom-up methodology used by Medicare is the primary indicator for other payers - everyone following with subsequent cuts. Using this methodology, Medicare will remove any incentive for other insurers to pay appropriately.

Based on this rationale, I suggest that the proposal be reversed and a means be established where surgery centers are reimbursed at least at the present rate and will not go below that rate. We understand there are multiple proposals to achieve this. If none of these proposals are feasible, Congress should repeal the previous mandate and leave the system alone as it is now. However, inflation adjustments must be immediately reinstated. The danger of leaving the proposed rule intact is the reality of decreasing access to pain treatment for Medicare patients by competent pain specialists. Since competent pain specialists operate at a higher cost of operation, due to JCAHO-oriented levels of service, we cannot provide our level of service with the proposed cuts in ASC reimbursement. This means that lower levels of service will be provided by less qualified practitioners for Medicare recipients, many of whom have multiple co-morbidities.

I hope this letter will assist in coming with appropriate conclusions and helping the elderly in the United States.

Sincerely,

Benjamin W. Johnson, Jr., MD, MBA
Associate Professor of Anesthesiology,
Vanderbilt University School of Medicine
Pain Consultant, Neurological Surgeons, PC

Submitter : **Date: 11/02/2006**

Organization :

Category : **Ambulatory Surgical Center**

Issue Areas/Comments

CY 2008 ASC Impact

CY 2008 ASC Impact

See Attachment

CMS-1506-P2-725-Attach-1.DOC

#725

Kevin L. Boyer, M.D.

7005 Cortez Road West
Bradenton, FL 34210
941-750-0602

October 31, 2006

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attn: CMS-1506-P
P.O. Box 8011
Baltimore, MD 21244-1850

Dear Sir or Madam:

I am writing to comment on the proposed 2007 and 2008 changes to the ambulatory surgical center payment system. I would like to make sure that all Medicare beneficiaries have access to ambulatory surgical centers (ASCs). I am hoping that CMS will broadly interpret the budget neutrality provision enacted by Congress. I feel that offering to reimburse ASCs 62% of the hospital outpatient department (HOPD) fee schedule is simply not adequate for us to provide quality, safe care.

I also feel the ASC list reform proposed by CMS is too limited. I hope that CMS will expand the ASC list of procedures to include any and all procedures that can be performed in a HOPD. CMS should exclude only those procedures that are on the inpatient only list.

ASC reimbursements should be updated based upon the hospital market basket because this more appropriately reflects inflation in providing surgical services than does the consumer price index. I feel the same relative weights should be used in ASCs and hospital outpatient departments.

Aligning the payment systems for ASCs and hospital outpatient departments will improve the transparency of cost and quality data used to evaluate outpatient surgical services for Medicare beneficiaries. I believe that the benefits to the taxpayer and the Medicare consumer will be maximized by aligning the payment policies to the greatest extent permitted under the law.

For these reasons, I respectfully request CMS revise the proposed 2007 and 2008 ambulatory surgical center payment system and increase the reimbursement percentage to at least 75%.

Sincerely,

Kevin L. Boyer, M.D.

Submitter : **Date: 11/02/2006**

Organization :

Category : **Ambulatory Surgical Center**

Issue Areas/Comments

CY 2008 ASC Impact

CY 2008 ASC Impact

See Attachment

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE AND MEDICAID SERIVICES
OFFICE OF STRATEGIC OPERATIONS & REGULATORY AFFAIRS

Please note: We did not receive the attachment that was cited in this comment. We are not able to receive attachments that have been prepared in excel or zip files. Also, the commenter must click the yellow "Attach File" button to forward the attachment.

Please direct your questions or comments to 1 800 743-3951.

Submitter : **Date: 11/02/2006**

Organization :

Category : **Ambulatory Surgical Center**

Issue Areas/Comments

CY 2008 ASC Impact

CY 2008 ASC Impact

See Attachment

CMS-1506-P2-727-Attach-1.DOC

#727

Ear, Nose & Throat Associates of Manatee, P.A.

701 Manatee Ave. W.
Bradenton, FL 34205
941-748-2455

October 31, 2006

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attn: CMS-1506-P
P.O. Box 8011
Baltimore, MD 21244-1850

Dear Sir or Madam:

I am writing to comment on the proposed 2007 and 2008 changes to the ambulatory surgical center payment system. I would like to make sure that all Medicare beneficiaries have access to ambulatory surgical centers (ASCs). I am hoping that CMS will broadly interpret the budget neutrality provision enacted by Congress. I feel that offering to reimburse ASCs 62% of the hospital outpatient department (HOPD) fee schedule is simply not adequate for us to provide quality, safe care.

I also feel the ASC list reform proposed by CMS is too limited. I hope that CMS will expand the ASC list of procedures to include any and all procedures that can be performed in a HOPD. CMS should exclude only those procedures that are on the inpatient only list.

ASC reimbursements should be updated based upon the hospital market basket because this more appropriately reflects inflation in providing surgical services than does the consumer price index. I feel the same relative weights should be used in ASCs and hospital outpatient departments.

Aligning the payment systems for ASCs and hospital outpatient departments will improve the transparency of cost and quality data used to evaluate outpatient surgical services for Medicare beneficiaries. I believe that the benefits to the taxpayer and the Medicare consumer will be maximized by aligning the payment policies to the greatest extent permitted under the law.

For these reasons, I respectfully request CMS revise the proposed 2007 and 2008 ambulatory surgical center payment system and increase the reimbursement percentage to at least 75%.

Sincerely,

Brian Hoban, M.D.

Submitter : **Date: 11/02/2006**

Organization :

Category : **Ambulatory Surgical Center**

Issue Areas/Comments

CY 2008 ASC Impact

CY 2008 ASC Impact

See Attachmcnt

CMS-1506-P2-728-Attach-1.DOC

#728

Gastroenterology Associates of Manatee, P.A.

1886 59th Street West
Bradenton, FL 34209
941-794-1980

October 31, 2006

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attn: CMS-1506-P
P.O. Box 8011
Baltimore, MD 21244-1850

Dear Sir or Madam:

I am writing to comment on the proposed 2007 and 2008 changes to the ambulatory surgical center payment system. I would like to make sure that all Medicare beneficiaries have access to ambulatory surgical centers (ASCs). I am hoping that CMS will broadly interpret the budget neutrality provision enacted by Congress. I feel that offering to reimburse ASCs 62% of the hospital outpatient department (HOPD) fee schedule is simply not adequate for us to provide quality, safe care.

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For these reasons, I respectfully request CMS revise the proposed 2007 and 2008 ambulatory surgical center payment system and increase the reimbursement percentage to at least 75%.

Sincerely,

Carlos Montero, M.D.

Submitter : **Date: 11/02/2006**

Organization :

Category : **Ambulatory Surgical Center**

Issue Areas/Comments

CY 2008 ASC Impact

CY 2008 ASC Impact

See Attachment

CMS-1506-P2-729-Attach-1.DOC

#729

Gastroenterology Associates of Manatee, P.A.

1886 59th Street West
Bradenton, FL 34209
941-794-1980

October 31, 2006

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attn: CMS-1506-P
P.O. Box 8011
Baltimore, MD 21244-1850

Dear Sir or Madam:

I am writing to comment on the proposed 2007 and 2008 changes to the ambulatory surgical center payment system. I would like to make sure that all Medicare beneficiaries have access to ambulatory surgical centers (ASCs). I am hoping that CMS will broadly interpret the budget neutrality provision enacted by Congress. I feel that offering to reimburse ASCs 62% of the hospital outpatient department (HOPD) fee schedule is simply not adequate for us to provide quality, safe care.

I also feel the ASC list reform proposed by CMS is too limited. I hope that CMS will expand the ASC list of procedures to include any and all procedures that can be performed in a HOPD. CMS should exclude only those procedures that are on the inpatient only list.

ASC reimbursements should be updated based upon the hospital market basket because this more appropriately reflects inflation in providing surgical services than does the consumer price index. I feel the same relative weights should be used in ASCs and hospital outpatient departments.

Aligning the payment systems for ASCs and hospital outpatient departments will improve the transparency of cost and quality data used to evaluate outpatient surgical services for Medicare beneficiaries. I believe that the benefits to the taxpayer and the Medicare consumer will be maximized by aligning the payment policies to the greatest extent permitted under the law.

For these reasons, I respectfully request CMS revise the proposed 2007 and 2008 ambulatory surgical center payment system and increase the reimbursement percentage to at least 75%.

Sincerely,

John Roddenberry, M.D.

Submitter : **Date: 11/02/2006**

Organization :

Category : **Ambulatory Surgical Center**

Issue Areas/Comments

CY 2008 ASC Impact

CY 2008 ASC Impact

See Attachment

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE AND MEDICAID SERIVICES
OFFICE OF STRATEGIC OPERATIONS & REGULATORY AFFAIRS

Please note: We did not receive the attachment that was cited in this comment. We are not able to receive attachments that have been prepared in excel or zip files. Also, the commenter must click the yellow "Attach File" button to forward the attachment.

Please direct your questions or comments to 1 800 743-3951.

Submitter : **Date: 11/02/2006**

Organization :

Category : **Ambulatory Surgical Center**

Issue Areas/Comments

CY 2008 ASC Impact

CY 2008 ASC Impact

See Attachment

CMS-1506-P2-731-Attach-1.DOC

#731

Suncoast G.I. Associates, P.A.

250 2nd Street East, Suite 3E
Bradenton, FL 34208
941-748-2417

October 31, 2006

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attn: CMS-1506-P
P.O. Box 8011
Baltimore, MD 21244-1850

Dear Sir or Madam:

I am writing to comment on the proposed 2007 and 2008 changes to the ambulatory surgical center payment system. I would like to make sure that all Medicare beneficiaries have access to ambulatory surgical centers (ASCs). I am hoping that CMS will broadly interpret the budget neutrality provision enacted by Congress. I feel that offering to reimburse ASCs 62% of the hospital outpatient department (HOPD) fee schedule is simply not adequate for us to provide quality, safe care.

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ASC reimbursements should be updated based upon the hospital market basket because this more appropriately reflects inflation in providing surgical services than does the consumer price index. I feel the same relative weights should be used in ASCs and hospital outpatient departments.

Aligning the payment systems for ASCs and hospital outpatient departments will improve the transparency of cost and quality data used to evaluate outpatient surgical services for Medicare beneficiaries. I believe that the benefits to the taxpayer and the Medicare consumer will be maximized by aligning the payment policies to the greatest extent permitted under the law.

For these reasons, I respectfully request CMS revise the proposed 2007 and 2008 ambulatory surgical center payment system and increase the reimbursement percentage to at least 75%.

Sincerely,

Mark Dawson, M.D.

Submitter : **Date: 11/02/2006**

Organization :

Category : **Ambulatory Surgical Center**

Issue Areas/Comments

CY 2008 ASC Impact

CY 2008 ASC Impact

See Attachment

CMS-1506-P2-732-Attach-1.DOC

#732

Suncoast G.I. Associates, P.A.

250 2nd Street East, Suite 3E
Bradenton, FL 34208
941-748-2417

October 31, 2006

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attn: CMS-1506-P
P.O. Box 8011
Baltimore, MD 21244-1850

Dear Sir or Madam:

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For these reasons, I respectfully request CMS revise the proposed 2007 and 2008 ambulatory surgical center payment system and increase the reimbursement percentage to at least 75%.

Sincerely,

Marie Fazzary, M.D.

Submitter : **Date: 11/02/2006**

Organization :

Category : **Ambulatory Surgical Center**

Issue Areas/Comments

CY 2008 ASC Impact

CY 2008 ASC Impact

See Attachment

CMS-1506-P2-733-Attach-1.DOC

#133

Suncoast G.I. Associates, P.A.

250 2nd Street East, Suite 3E
Bradenton, FL 34208
941-748-2417

October 31, 2006

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attn: CMS-1506-P
P.O. Box 8011
Baltimore, MD 21244-1850

Dear Sir or Madam:

I am writing to comment on the proposed 2007 and 2008 changes to the ambulatory surgical center payment system. I would like to make sure that all Medicare beneficiaries have access to ambulatory surgical centers (ASCs). I am hoping that CMS will broadly interpret the budget neutrality provision enacted by Congress. I feel that offering to reimburse ASCs 62% of the hospital outpatient department (HOPD) fee schedule is simply not adequate for us to provide quality, safe care.

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For these reasons, I respectfully request CMS revise the proposed 2007 and 2008 ambulatory surgical center payment system and increase the reimbursement percentage to at least 75%.

Sincerely,

Mark Kocab, M.D.

Submitter :

Date: 11/02/2006

Organization :

Category : Ambulatory Surgical Center

Issue Areas/Comments

CY 2008 ASC Impact

CY 2008 ASC Impact

See Attachment

CMS-1506-P2-734-Attach-1.DOC

#734

Suncoast G.I. Associates, P.A.

250 2nd Street East, Suite 3E
Bradenton, FL 34208
941-748-2417

October 31, 2006

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attn: CMS-1506-P
P.O. Box 8011
Baltimore, MD 21244-1850

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Sincerely,

Kakuturu L. Reddy, M.D.

Submitter : **Date: 11/02/2006**

Organization :

Category : **Ambulatory Surgical Center**

Issue Areas/Comments

CY 2008 ASC Impact

CY 2008 ASC Impact

See Attachment

CMS-1506-P2-735-Attach-1.DOC

#735

Suncoast G.I. Associates, P.A.

250 2nd Street East, Suite 3E
Bradenton, FL 34208
941-748-2417

October 31, 2006

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attn: CMS-1506-P
P.O. Box 8011
Baltimore, MD 21244-1850

Dear Sir or Madam:

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For these reasons, I respectfully request CMS revise the proposed 2007 and 2008 ambulatory surgical center payment system and increase the reimbursement percentage to at least 75%.

Sincerely,

Malery Shashidhara, M.D.

Submitter : Dr. Jack Zamora **Date:** 11/02/2006

Organization : Ophthalmic Consultants of Colorado

Category : Physician

Issue Areas/Comments

CY 2008 ASC Impact

CY 2008 ASC Impact

I am writing to voice my disappointment with the direction of CMS with regards to ASC's and reimbursement. I have no proprietary interest in any ASC or any hospital. I am merely a hispanic physician who sees first hand the differing levels of care and cost for ophthalmic procedures in a multitude of settings. I am an ophthalmologist in private practice performing surgery at multiple ASC's and one hospital, an assistant professor at Boston University performing surgery at a underpriveleged city hospital, and an employee of the Veteran's Hospital in Boston, performing surgery at the outpatient center. Patients are happy, procedures are safe, and results are great at each location. With respect to efficiency and cost effectiveness, the surgery centers where I operate stand leagues above the other locations. So, why would you punish great performance by your recommendations in the CY 2008 Payment Rates. Why would you discriminate against smaller centers by your recommendations in the CY 2008 Payment Rates? Mostly, why would you limit the number of patients that can experience a successful and LESS EXPENSIVE procedure at a surgery center with the CY 2008 Payment rates. CY 2008 payment rates demonstrate that CMS is going in the wrong direction to accomplish a desperately needed goal. Excellent, efficient, and inexpensive healthcare. I fear that many surgery centers will be closed by the time the baby boom reaches the ophthalmologists door. I fear that we all will have to wait for procedures to be performend at hospitals so that patients can see to read, to write, to work. Treat all of the centers equally--without discrimination. Work on the centers that are underperforming. Reward the centers that deliver great, safe, and inexpensive care. And give your patients the choice.

Submitter : Ms. Kathryn Goode **Date:** 11/02/2006

Organization : Resurgens Orthopaedics

Category : Other Health Care Professional

Issue Areas/Comments

ASC Ratesetting

ASC Ratesetting

We urge CMS to maximize alignment of the ASC and HOPD payment systems by adopting in the final rule the same packaging policies, the same payment caps for office-based procedures, the same multiple procedure discounts, the same wage index adjustments and the same inflation updates for ASCs and HOPDs. These facilities exist in the same communities and often in partnership with the community hospital. Aligning the payment systems for ASCs and hospital outpatient departments will improve the transparency of cost and quality data used to evaluate outpatient surgical services for Medicare beneficiaries. We believe that the benefits to the taxpayer and the Medicare consumer will be maximized by aligning the payment policies to the greatest extent permitted under the law.

Submitter : Sheryl Johnson **Date:** 11/02/2006

Organization : Dallas Surgical Partners

Category : Ambulatory Surgical Center

Issue Areas/Comments

ASC Coinsurance

ASC Coinsurance

We support retaining the Medicare beneficiary coinsurance for ASC services at 20 percent. For Medicare beneficiaries, lower coinsurance obligations will continue to be a significant advantage for choosing an ASC to meet their surgical needs. Beneficiaries will save significant dollars each year under the revised ASC payment system because ASC payments will in all cases be lower than the 20-40 percent HOPD coinsurance rates allowed under the OPPS.

ASC Conversion Factor

ASC Conversion Factor

62 % conversion factor is unacceptable and often does not cover the cost of the procedure. We understand that budget neutrality is mandated in the MMA of 2003; however, we believe that CMS made assumptions in order to reach budget neutrality with which we differ, most especially the migration of cases from and to the ASC. The ASC industry has worked together with our physicians and established a migration model that is being provided to CMS along with the data in an industry comment letter. We encourage CMS to accept this industry model.

ASC Office-Based Procedures

ASC Office-Based Procedures

We support CMS s proposal to extend the new ASC payment system to cover procedures that are commonly performed in physician offices. While physicians may safely perform many procedures on healthy Medicare beneficiaries in the office setting, sicker beneficiaries may require the additional infrastructure and safeguards of an ASC to maximize the probability of a good clinical outcome. In other words, for a given procedure, the appropriate site of service is dependent on the individual patient and his specific condition.

ASC Payable Procedures

ASC Payable Procedures

We support CMS s decision to adopt MedPAC s recommendation from 2004 to replace the current inclusive list of ASC-covered procedures with an exclusionary list of procedures that would not be covered in ASCs based on two clinical criteria: (i) beneficiary safety; and (ii) the need for an overnight stay. However, the ASC list reform proposed by CMS is too limited. CMS should expand the ASC list of procedures to include any and all procedures that can be performed in an HOPD. CMS should exclude only those procedures that are on the inpatient only list and follow the state regulations for overnight stays.

ASC Phase In

ASC Phase In

Given the size of the payment cuts contemplated under the proposed rule for certain procedures and specialties; especially GI, pain and ophthalmology, one year does not provide adequate time to adjust to the changes. Thus, we believe the new system should be phased-in over several years.

ASC Ratesetting

ASC Ratesetting

ASC Payment for Office-Based Procedures (Section XVIII.C.5); ASC Multiple Procedure Discounting (Section XVIII.C.6); ASC Wage Index (Section XVIII.C.7); ASC Inflation (Section XVIII.C.8)
We urge CMS to maximize alignment of the ASC and HOPD payment systems by adopting in the final rule the same packaging policies, the same payment caps for office-based procedures, the same multiple procedure discounts, the same wage index adjustments and the same inflation updates for ASCs and HOPDs.. These facilities exist in the same communities and often in partnership with the community hospital. Aligning the payment systems for ASCs and hospital outpatient departments will improve the transparency of cost and quality data used to cvaluate outpatient surgical services for Medicare beneficiaries. We believe that the benefits to the taxpayer and the Medicare consumer will be maximized by aligning the payment policies to the greatest extent permitted under the law.

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Submitter : Dr. Thomas McQuail **Date:** 11/02/2006

Organization : Resurgens Orthopedics

Category : Physician

Issue Areas/Comments

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Submitter : Dr. Thomas McQuail **Date:** 11/02/2006

Organization : Resurgens Orthopedics

Category : Physician

Issue Areas/Comments

ASC Coinsurance

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We support retaining the Medicare beneficiary coinsurance for ASC services at 20 percent. For Medicare beneficiaries, lower coinsurance obligations will continue to be a significant advantage for choosing an ASC to meet their surgical needs. Beneficiaries will save significant dollars each year under the revised ASC payment system because ASC payments will in all cases be lower than the 20-40 percent HOPD coinsurance rates allowed under the OPPS.

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62 % conversion factor is unacceptable and often does not cover the cost of the procedure. We understand that budget neutrality is mandated in the MMA of 2003; however, we believe that CMS made assumptions in order to reach budget neutrality with which we differ, most especially the migration of cases from and to the ASC. The ASC industry has worked together with our physicians and established a migration model that is being provided to CMS along with the data in an industry comment letter. We encourage CMS to accept this industry model.

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ASC Phase In

ASC Phase In

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Submitter : Whitney Miller **Date:** 11/02/2006

Organization : Whitney Miller

Category : Individual

Issue Areas/Comments

GENERAL

GENERAL

See attached

CMS-1506-P2-741-Attach-1.DOC

#741

November 1, 2006

Leslie V. Norwalk, Esq., Acting Administrator
Centers for Medicare and Medicaid Services
Department of Health and Human Services
Attention: CMS-1506-P
Room 445-G
Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

Re: CMS-1506-P - Medicare Program; the Ambulatory Surgical Center Payment System and CY 2008 Payment Rates

Dear Ms. Norwalk:

I am writing regarding the proposed payment changes for Ambulatory Surgery Centers. I work for Nueterra Healthcare, a management company for ASCs. Through our affiliated centers, we serve thousands of Medicare recipients each year. We are very concerned that the changes, as currently proposed by CMS will have a detrimental affect on ASCs and the Medicare program.

Given the outdated cost data and crude payment categories underlying the current ASC system, we welcome the opportunity to link the ASC and hospital outpatient department (HOPD) payment systems. Although the HOPD payment system is imperfect, it represents the best proxy for the relative cost of procedures performed in the ASC.

In the comments to follow, we focus on three basic principles:

- maximizing the alignment of the ASC and HOPD payment systems eliminate distortions between the payment systems that could inappropriately influence site of service selection,
- ensuring beneficiary access to a wide range of surgical procedures that can be safely and efficiently performed in the ASC, and
- establishing fair and reasonable payment rates to allow beneficiaries and the Medicare program to save money on procedures that can be safely performed at a lower cost in the ASC than the HOPD.

Alignment of ASC and HOPD Payment Policies

Aligning the payment systems for ASCs and hospital outpatient departments will improve the transparency of cost data used to evaluate outpatient surgical services for Medicare beneficiaries. The benefits to the taxpayer and the Medicare consumer will be maximized by aligning the payment policies to the greatest extent permitted under the law. While we appreciate the many ways in which the agency proposes to align the payment system, we are concerned that the linkage is incomplete and may lead to further distortions between the payment systems. Many policies applied to payments for hospital outpatient services were not extended to the ASC setting, and these inconsistencies undermine the appropriateness of the APC relative weights, create disparities in the relationship between the ASC and HOPD payment rates, and embed in the new payment system site of service incentives that will cost the taxpayer and the beneficiary more than necessary.

There are many components of the regulation where a more complete alignment of the ASC and HOPD payment systems is appropriate. Below is an overview of the major areas where further refinement of the proposed rule is warranted. These issues are discussed in greater detail under the relevant section heading in the text to follow.

- **Procedure list:** HOPDs are eligible for payment for any service not included on the inpatient only list. The CMS proposal would limit a physician's ability to determine appropriate site of service for a procedure excludes many surgical procedures appropriate for the ASC setting.

- **Treatment of unlisted codes:** Providers occasionally perform services or procedures for which CPT does not provide a specific code and therefore use an unlisted procedure code identify the service. HOPDs receive payment for such unlisted codes under OPPS; ASCs should also be eligible for payment of selected unlisted codes.

- **Different payment bundles:** Several of the policies for packaging ancillary and other procedure costs into the ASC payment bundle result in discrepancies between service costs represented in the APC relative weight. For example, when HOPDs perform services outside the surgical range that are not packaged, they receive additional payments for which ASCs should also be eligible.

- **Cap on office-based payments:** CMS proposes to cap payment for certain ASC procedures commonly performed in the office at the physician practice expense payment rate. No such limitation is applied to payments under the OPPS, presumably because the agency recognizes the cost of a procedure varies depending on the characteristics of the beneficiary and the resources available at the site of service. We likewise believe this cap is inappropriate for the ASC and should be omitted from the final regulation.

- **Different measures of inflation:** CMS updates the OPPS conversion factor for annual changes in inflation using the hospital market basket; however, the agency proposes to update ASC payments using the consumer price index for all urban consumers. The market basket is a better proxy for the inflationary pressures faced by ASCs, as it is the measure used by the agency to update payments to hospitals providing the same services.

- **Secondary rescaling of APC relative weights:** CMS applies a budget neutrality adjustment to the OPPS relative weight values after they are recalibrated with new cost data each year. The agency proposes a secondary recalibration of the relative weights before they are used by ASCs. This secondary recalibration will result in annual and potentially cumulative variation between ASC and HOPD payments without any evidence that the cost of providing services has further diverged between settings.

- **Non-application of HOPD policies to the ASC.** Over the years, CMS has implemented through statutory or administrative authority numerous policies to support services in the HOPD, including additional payment for high-cost outliers, transitional corridor and hold-harmless payments to rural and sole-community hospitals, and payments for new technologies. While not all of these policies are appropriate for the ASC, surgery centers should be eligible to receive new technology pass-through payments.

- **Use of different billing systems:** The HOPD and ASC use the UB-92 and CMS-1500, respectively, to submit claims to the government for services. Use of different forms prevents ASCs from documenting all the services provided to a Medicare beneficiary, therefore undermining the documentation of case mix differences between sites of service. Most commercial payors require

ASCs to submit claims using the UB-92, and the Medicare program should likewise align the payment system at the claim level.

Ensuring Beneficiaries' Access to Services

Ambulatory surgery centers are an important component of beneficiaries' access to surgical services. As innovations in science and technology have progressed, ASCs have demonstrated tremendous capacity to meet the growing need for outpatient surgical services. In some areas and specialties, ASCs are performing more than 50% of the volume for certain procedures. Sudden changes in payments for services can have a significant effect on Medicare beneficiaries' access to services predominantly performed in ASCs.

The implementation of the revised payment system proposed by Medicare will result in significant redistribution of payments for many specialties. Because ASCs are typically focused on a narrow spectrum of services that require similar equipment and physician expertise, they have a limited ability to respond to changes in the payment system other than to adjust their volume of Medicare patients. On the one hand, for procedures such as ophthalmology, there is a limited market for these services in the non-Medicare population. If the facility fee is insufficient to cover the cost of performing the procedure in an ASC, responding to the change may mean relocating their practice to the HOPD. Such a decision would increase expenditures for the government and the beneficiary. On the other hand, the demand for services such as diagnostic colonoscopies is extremely high in the non-Medicare population. If ASCs determine that the payment rates for such services are too low, they may be able to decrease the proportion of Medicare patients they see without reducing their total patient volume. In that case, beneficiaries may experience significant delays accessing important preventive services or treatment. Neither outcome is optimal for the beneficiary of the Medicare program.

Establishing Reasonable Reimbursement Rates

Medicare payment rates for ASC services have remained stagnant for nearly a decade. Over time, the industry has identified which services it can continue to offer to Medicare beneficiaries through reductions in cost and improvements in efficiency. In the Medicare Payment Advisory Commission's first review of ASC payments in 2003, ASCs were paid more than the HOPD for eight of the top ten procedures most frequently performed in the ASC. One suggestion by the commission was that services migrated to the ASC because the payment rate was higher than the HOPD. However, a multi-year payment freeze on ASC services has turned the tables and now the HOPD rate in 2007 will be higher (or the same) for eight of the same ten ASC procedures. The continued growth of ASCs during the payment freeze is a strong testament to their ability to improve their efficiency and the preference of physicians and beneficiaries for an alternative to the hospital outpatient surgical environment.

The impact of HOPD payments eclipsing the ASC rates has had the perverse effect of increasing the "cost" of the budget neutrality requirement imposed by the Medicare Modernization Act on the future conversion factor for ASC payments. The Lewin Group estimates that the inflation updates applied to the HOPD rates since passage of the MMA account for 40 percent of the discount required to achieve budget neutrality under the agency's proposed rule. This, combined with the agency's narrow interpretation of budget neutrality, produce an unacceptably low conversion factor for ASC payments.

- Budget Neutrality: Adopt an expansive, realistic interpretation of budget neutrality. The new payment system and the expansion of the ASC list will result in migration of services from one site of service setting to another. CMS has the legal authority and the fiduciary responsibility to examine the

consequences of the new ASC payment system on all sites of care – the physician office, ASCs, and HOPD.

- ASCs should comment on the possible negative effect on access to services, since the methodology proposed results in ASC payments equaling only 62% of HOPD.

- By setting rates this low, CMS would force doctors to move cases to the more expensive hospital setting, increasing the amount of money paid by Medicare beneficiaries and the government. Rather than paying ASCs a set percentage of HOPD rates, the proposed rule establishes a complicated formula to link ASC payment to HOPD payment but does not link payment in a uniform manner. This will impede Medicare beneficiaries' ability to understand their real costs in alternative settings. In the words of President Bush, Medicare beneficiaries need to be able to make "apples to apples" comparisons in order to increase transparency in the health care sector.

- CMS failed to include on the procedure list many higher complexity services that have for years been safely and effectively performed in ASCs throughout the country. By not creating a truly exclusionary list, CMS is losing an opportunity to increase patient choice and rely on the clinical judgment of the surgeon.

In conclusion, I am asking for a reconsideration of many of the elements of the proposed changes as outlined above. Truly aligning the ASC payment system with that of the HOPDs is the most logical, fair and best policy approach to benefit the Medicare program those served by the program. Should you have any questions regarding any of the issues in this letter, do not hesitate to contact me. My e-mail is wmiller@nueterra.com and my phone number is 913-387-0673 and my mailing address is 11221 Roe Ave. Ste. 320, Leawood, KS 66211.

Sincerely,

Whitney Miller

Submitter : Mrs. Patricia Ewald **Date:** 11/02/2006

Organization : Dallas Surgical Partners

Category : Ambulatory Surgical Center

Issue Areas/Comments

ASC Coinsurance

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We support retaining the Medicare beneficiary coinsurance for ASC services at 20 percent. For Medicare beneficiaries, lower coinsurance obligations will continue to be a significant advantage for choosing an ASC to meet their surgical needs. Beneficiaries will save significant dollars each year under the revised ASC payment system because ASC payments will in all cases be lower than the 20-40 percent HOPD coinsurance rates allowed under the OPPS.

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Submitter : Cheryl Liubakka **Date:** 11/02/2006

Organization : Superior Endoscopy Center

Category : Ambulatory Surgical Center

Issue Areas/Comments

GENERAL

GENERAL

See Attachment

CMS-1506-P2-743-Attach-1.DOC

#743

SUPERIOR ENDOSCOPY CENTER
1414 W. FAIR AVE., STE. 135
MARQUETTE, MI 49855
(906) 226-6025

November 2, 2006

Leslie V. Norwalk, Esq., Acting Administrator
Centers for Medicare & Medicaid Services,
Department of Health and Human Services,
Attention: CMS-1506-P
Room 445-G
Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

Dear Administrator Norwalk:

I am writing to address my concerns with the proposed Medicare ASC Payment System and ASC List Reform.

I am the Financial Manager at a freestanding endoscopy center located in the Upper Peninsula of Michigan with twelve full-time employees and several part-time employees. Our center has provided a high-quality, cost-effective, patient-focused place to have procedures for over ten years. We offer care to patients covered by Medicare, Medicaid and private health insurance. The Upper Peninsula is a region with a significant number of Medicare-aged residents.

As you know, ambulatory surgery centers (ASC's) have not had an increase in payments since 2003. Now, the proposed rule is to pay ASC's 62% of the HOPD rates. On average this will result in a 22% reduction in fees for our center. Although we strive to contain our costs, rising health insurance premiums, energy costs, and supply costs (medical and other), as well as rising labor costs due to cost of living adjustments and competition in the labor market continue to increase the cost of doing endoscopy procedures in our center. In addition, it is costly to maintain a state of the art facility with high quality and technically advanced equipment. I am sure we are not alone.

Many ASC's will be negatively affected if the fee structure is adopted as proposed by CMS. Sixty-two percent (62%) of the HOPD rate is not adequate and could have a disastrous impact, especially on single-specialty GI ASC's. This would limit the number of places Medicare beneficiaries can choose to have endoscopy procedures performed, therefore requiring them to have their procedures in a more costly hospital setting.

The payment systems for ASC's and hospital outpatient departments should be more closely aligned to improve the transparency of cost and quality data used to evaluate outpatient surgical services for Medicare beneficiaries. ASC's should be updated based upon the hospital market basket because this more appropriately reflects inflation in providing services than does the consumer price index. Also, the same relative weights should be used in ASC's and hospital outpatient departments.

Finally, the ASC list reform proposed by CMS is too limited. CMS should expand the ASC list of procedures to include any and all procedures that can be performed in an HOPD excluding only those that require an overnight stay or where safety is an issue. Medical technology has made incredible advances over the past 30 years and will make significant strides in the years to come. By using many of the same limitations on what can or cannot be performed, ASC's will face the same problems in providing cost-effective care to their patients in the future.

Your consideration of these issues is appreciated and I look forward to the possibility of a change in the proposed fee structure or fee structure percentage as well as a change to the proposed ASC List Reform. Let's make sure that Medicare beneficiaries continue to have access to high-quality and cost-effective ASC's.

Sincerely,

Cheryl A. Liubakka, CPA
Financial Manager

Submitter : Mrs. Polly Johnes **Date:** 11/02/2006

Organization : Riverside Surgery Center, LP

Category : Ambulatory Surgical Center

Issue Areas/Comments

ASC Coinsurance

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Submitter : **Ms. Deborah Womble** **Date: 11/02/2006**

Organization : **Children's West Surgery Center**

Category : **Ambulatory Surgical Center**

Issue Areas/Comments

ASC Unlisted Procedures

ASC Unlisted Procedures

October 31, 2006
Leslie V. Norwalk, Esq., Acting Administrator
Centers for Medicare & Medicaid Services
Department of Health & Human Services
Attention: CMS-1506-P
Room 445-G
Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201
Dear Administrator Norwalk:
I am writing in opposition to the proposed rule for aligning ASC reimbursement with the hospital outpatient prospective payment system but at 62% of HOPD. I have worked in surgical services for 31 years and am currently Nurse Administrator for a pediatric specific surgery center. I was in the hospital environment until 2002. I had the privilege and task to organize and develop this surgery center. The vision I share with the owners is to provide the highest quality of surgical outpatient care for our patients. We have a 2 OR facility in a very fast growing area of town. We accomplished a three year accreditation with no deficiencies this year.
From a payer standpoint, we have about 35% Medicaid population. Some of the reimbursements that we are currently getting from TennCare fall far below what it takes just to keep our doors open. We additionally do several procedures as outpatients that are not on the ASC list. We have many pediatric specific surgeons. We have determined it is appropriate for outpatient surgery in children who are undergoing kidney and bladder surgeries. In particular, nephrectomies, open kidney surgeries, pyeloplasties and reimplantation surgeries of most types are safely performed in ASCs in children. In the past three years, we have performed over 100 ureteral reimplantations, 40 pyeloplasties, and greater than 25 nephrectomies. None of these patients have required transfer to a tertiary facility nor required subsequent admission. There have been no complications. When you compare the cost to the payer of having something done at an ASC as compared to a tertiary facility, it is a great cost savings. I petition you to add these procedures to the ASC list for pediatric specific facilities. We use very careful screening and do a very good job educating the care givers of our patients concerning home care.
My years in a hospital setting were in a small community hospital. When I transfer the knowledge gained from there to a small free standing ASC, the thought of receiving 62% of the outpatient rate is not acceptable. We have very similar costs and some costs that hospitals don t have. (You cannot take shortcuts with surgical care of patients.) We compete with hospitals for staff. We can safely do any procedure here as an outpatient as the hospitals can for the appropriately screened patient. You can t strictly go by the procedure but most evaluate the patient as an appropriate candidate in the setting where it will be done. We have learned to decrease our cost while maintaining the same or better level of care as in the hospital setting. Our patient/family satisfaction is excellent. Our outcomes are excellent. I feel that we are being punished for being cost effective. Hospitals have a lot of fluff. Perhaps it would lower the cost of doing business for our tax dollars if the hospitals where more closely aligned with the ASC reimbursement.
Respectfully,
Deborah Womble, R.N., CNOR
Administrator

CMS-1506-P2-745-Attach-1.DOC

745

October 31, 2006

Leslie V. Norwalk, Esq., Acting Administrator
Centers for Medicare & Medicaid Services
Department of Health & Human Services
Attention: CMS-1506-P
Room 445-G
Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

Dear Administrator Norwalk:

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Respectfully,

Deborah Womble, R.N., CNOR
Administrator

1020 CHILDREN'S WAY
KNOXVILLE, TN 37922

Submitter : Kimberly Collins **Date:** 11/02/2006

Organization : Sunset Hills Ambulatory Surgery Center, L.P.

Category : Ambulatory Surgical Center

Issue Areas/Comments

GENERAL

GENERAL

See Comment.

CMS-1506-P2-746-Attach-1.WPD

#146

November 3, 2006

Leslie V. Norwalk, Esq.
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-1506-P
Hubert H. Humphrey Building
Room 445-G
200 Independence Avenue, SW
Washington, DC 20201

Re: 2007 OPPS Proposed Rule (CMS-1506-P) – Comments on Proposed Revised Ambulatory Surgical Center Payment System for Implementation January 1, 2008 (Section XVIII)

Dear Administrator Norwalk:

I am writing to you concerning the above Rulemaking published on June 12, 2006, regarding updates to rate-setting methodology, payment rates, payment policies, and the list of covered surgical procedures for ambulatory surgical centers. I am the facility Administrator at the Sunset Hills Ambulatory Surgical Center, a multi-speciality facility located in St. Louis, MO.

The goal for all of us--providers, physicians, and payors--is to create a health care system that delivers excellent clinical outcomes in a cost efficient environment.

The broad statutory authority granted to the Secretary to design a new ASC payment system in the Medicare Modernization Act of 2003 presents the Medicare program with a **unique** opportunity to better align payments to providers of outpatient surgical services. Given the antiquated cost data and crude payment categories underlying the current ASC system, we welcome the opportunity to link the ASC and hospital outpatient department (HOPD) payment systems. The following comments focus on three principles:

- maximizing **parity between the ASC and HOPD payment systems** to prevent differences between the payment systems

- ensuring **beneficiary access** to a wide range of surgical procedures that can be safely and efficiently performed in the ASC, and

- establishing **fair and reasonable payment rates** to allow beneficiaries and the Medicare program to save money on procedures that can be safely performed at a lower cost in the ASC than the HOPD.

1. ASC Payable Procedures (Section XVIII.B.1)

We support CMS's decision to adopt MedPAC's recommendation from 2004 to replace the current "inclusive" list of ASC-covered procedures with an "exclusionary" list of procedures that would not be covered in ASCs based on two clinical criteria: (i) beneficiary safety; and (ii) the need for an overnight stay.

However, the ASC list reform proposed by CMS is too limited. CMS should expand the ASC list of procedures to include any and all procedures that can be performed in an HOPD. CMS should exclude only those procedures that are on the inpatient only list and follow the state regulations for overnight stays.

2. ASC Unlisted Procedures (Section XVIII.B.2)

At a minimum, when all the specific codes in a given section of CPT are eligible for payment under the revised ASC payment system, the associated unlisted code also should be eligible for payment.

3. ASC Office-Based Procedures (Section XVIII.B.3)

We support CMS's proposal to extend the new ASC payment system to cover procedures that are commonly performed in physician offices. While physicians may safely perform many procedures on healthy Medicare beneficiaries in the office setting, sicker beneficiaries may require the additional infrastructure and safeguards of an ASC to maximize the probability of a good clinical outcome. In other words, for a given procedure, the appropriate site of service is dependent on the individual patient and his specific condition.

4. ASC Ratesetting (Section XVIII.C.2); ASC Packaging (Section XVIII.C.3); ASC Payment for Office-Based Procedures (Section XVIII.C.5); ASC Multiple Procedure Discounting (Section XVIII.C.6); ASC Wage Index (Section XVIII.C.7); ASC Inflation (Section XVIII.C.8)

We urge CMS to maximize alignment of the ASC and HOPD payment systems by adopting in the final rule the same packaging policies, the same payment caps for office-based procedures, the same multiple procedure discounts, the same wage index adjustments and the same inflation updates for ASCs and HOPDs..

These facilities exist in the same communities and often in partnership with the community hospital. Aligning the payment systems for ASCs and hospital outpatient departments will improve the transparency of cost and quality data used to evaluate outpatient surgical services for Medicare beneficiaries. We believe that the benefits to the taxpayer and the Medicare consumer will be maximized by aligning the payment policies to the greatest extent permitted under the law.

5. ASC Coinsurance (Section XVIII.C.9)

We support retaining the Medicare beneficiary coinsurance for ASC services at 20 percent. For Medicare beneficiaries, lower coinsurance obligations will continue to be a significant advantage for choosing an ASC to meet their surgical needs. Beneficiaries

will save significant dollars each year under the revised ASC payment system because ASC payments will in all cases be lower than the 20-40 percent HOPD coinsurance rates allowed under the OPPS.

6. ASC Phase-In (Section XVIII.C.10)

Given the size of the payment cuts contemplated under the proposed rule for certain procedures and specialties; especially GI, pain and ophthalmology, one year does not provide adequate time to adjust to the changes. Thus, we believe the new system should be phased-in over several years.

7. ASC Conversion Factor (Section XVIII.C.11)

62 % conversion factor is unacceptable and often does not cover the cost of the procedure. We understand that budget neutrality is mandated in the MMA of 2003; however, we believe that CMS made assumptions in order to reach budget neutrality with which we differ, most especially the migration of cases from and to the ASC. The ASC industry has worked together with our physicians and established a migration model that is being provided to CMS along with the data in an industry comment letter. We encourage CMS to accept this industry model.

8. ASC Updates (Section XVIII.C.12)

We are pleased that CMS is committing to annual updates of the new ASC payment system, and agree it makes sense to do that conjunction with the OPPS update cycle so as to help further advance transparency between the two systems. Regular, predictable and timely updates will promote beneficiary access to ASCs as changes in clinical practice and innovations in technology continue to expand the scope of services that can be safely performed on an outpatient basis.

If you have questions or would like to visit me regarding my comments, I can be reached at 314-729-0100 and again my sincere appreciation for the work and commitment of CMS to the patients each of us serves.

Best regards,

Kimberly Collins
Administrator
12399 Gravois Road
Suite 102
St. Louis, MO 63127

Submitter : Dr. Anthony M. Pisacano **Date:** 11/02/2006

Organization : Ambulatory Surgery Center of Greater New York, Inc

Category : Ambulatory Surgical Center

Issue Areas/Comments

CY 2008 ASC Impact

CY 2008 ASC Impact

My comments are attached.

CMS-1506-P2-748-Attach-1.DOC

#148

Ambulatory Surgery Center
of Greater New York, Inc.

November 2, 2006

Leslie V. Norwalk, Esq., Acting Administrator
Centers for Medicare and Medicaid Services
Department of Health and Human Services
Hubert H. Humphrey Building
200 Independence Avenue, NW
Washington, D.C. 20201

Attention: CMS-1506-P, Room 445-G

Dear Administrator Norwalk:

The Ambulatory Surgery Center of Greater New York is a New York State Article 28 freestanding surgery center. We have been providing high quality, patient centered and cost-effective ophthalmic laser and surgical services since 1987 and we care for more than 8200 patients a year, over 85% of who are Medicare beneficiaries.

This letter is in regard to the Notice of Proposed Rulemaking published on June 12, 2006 regarding updates to the rate-setting methodology, payment rates, payment policies and the list of covered surgical procedures for ambulatory surgery centers. I am submitting the following comments in the interest of creating a healthcare system that delivers excellent clinical outcomes in a cost-efficient environment:

- The Centers for Medicare and Medicaid Services' proposed reform of the ambulatory surgery center procedures list remains far too restrictive. The expansion of the list to include any and all procedures that can be performed in a hospital outpatient department will result in migration of services from one site of service setting to another.

- The decision as to the site of surgery should be made by the surgeon in consultation with his patient. The Centers for Medicare and Medicaid Services' proposal to limit the physician's ability to determine the appropriate site of service for a procedure excludes many surgical procedures appropriate for the ambulatory surgery setting.

1101 Pelham Parkway N., Bronx, New York 10469 (718) 515-3500 FAX (718) 515-3503
Accredited by Accreditation Association for Ambulatory Health Care, Inc.

- Ambulatory surgery centers should be permitted to furnish and receive facility reimbursement for any and all procedures that are performed in hospital outpatient departments. When hospital outpatient departments perform services or procedures for which specific codes are not provided, they use an unlisted procedure code, identify the service and receive payment. I believe ambulatory surgery centers should also be eligible to utilize this process.

- Proposing to pay ambulatory surgery centers only 62% of the procedural rates paid to hospital outpatient departments does not reflect a realistic differential of the costs incurred by ambulatory surgery centers and hospitals in providing the same services. The budget neutrality provision should be interpreted to permit ambulatory surgery centers to be paid at a rate of 75% of the hospital outpatient department rate as recommended by the ambulatory surgery center industry. Such interpretations should include all hospital outpatient department payments in addition to just ambulatory surgery center payments. Broadly interpreting the budget neutrality requirement imposed by Congress would provide Medicare beneficiaries with access to ambulatory surgery centers, thereby reducing Medicare costs.

- The percentage that is eventually adopted by the Centers for Medicare and Medicaid Services in the final regulation should be applied uniformly to all ambulatory surgery center services, regardless of the type of procedure or the specialty of the facility.

- Although the Centers for Medicare and Medicaid Services has added many ophthalmic services to the ambulatory surgery list, it would pay for many office-type services, like laser procedures, at the Medicare Professional Fee Schedule practice expense amount, i.e., your current reimbursement rate, rather than at the 62% rate. As noted above, whatever percentage is ultimately adopted it should be applied uniformly to all services, regardless of type. Most such services will also be transferred from the hospital outpatient department to the ambulatory surgery center setting thereby reducing Medicare costs and offsetting possible increased costs on the shifting of such services from office to ambulatory surgery center.

- Ambulatory surgery centers should be updated based upon the hospital market basket because it more appropriately reflects inflation in providing surgical services than does the consumer price index. The same relative weights should be used for ambulatory surgery centers and hospital outpatient departments since both provide the same services and incur the same costs in delivering surgical care.

- Aligning the payment systems for ambulatory surgery centers and hospital outpatient departments will improve the transparency of cost and quality data used to evaluate outpatient surgical services for Medicare beneficiaries. The benefits to the taxpayer and the Medicare consumer will be maximized by aligning the payment policies to the greatest extent permitted under the law.

- The cap on office-based payments is inappropriate for the ambulatory surgery center and should be omitted from the final regulation.

- Devices used for surgical procedures should be included in the global fee.

- Ambulatory surgery centers should be eligible to receive new technology pass-through payments.

- The computation of rates and rate changes should be the same for both the hospital outpatient department and ambulatory surgery center reimbursement.

In summary, my firm belief is that the proposed changes to the ambulatory surgery center payment policies contain serious flaws that must be addressed in order to keep the Medicare program viable for ambulatory surgery centers. I urge that your serious attention be given to the items discussed above and I thank you for your time reviewing this correspondence.

Sincerely,

Anthony M. Pisacano, M.D.
Surgeon Director

Submitter : Mr. David Lewis **Date:** 11/02/2006

Organization : United Surgical Partners

Category : Ambulatory Surgical Center

Issue Areas/Comments

ASC Payable Procedures

ASC Payable Procedures

We support CMS s decision to adopt MedPAC s recommendation from 2004 to replace the current inclusive list of ASC-covered procedures with an exclusionary list of procedures that would not be covered in ASCs based on two clinical criteria: (i) beneficiary safety; and (ii) the need for an overnight stay. However, the ASC list reform proposed by CMS is too limited. CMS should expand the ASC list of procedures to include any and all procedures that can be performed in an HOPD. CMS should exclude only those procedures that are on the inpatient only list and follow the state regulations for overnight stays.

Submitter : **Mrs. Robin Owen** **Date: 11/02/2006**

Organization : **KEY Connections**

Category : **Nurse**

Issue Areas/Comments

ASC Payable Procedures

ASC Payable Procedures

Vascular access is one of the greatest sources of complications and cost for dialysis patients. Why, because America uses more surgical grafts and catheters for vascular access than the rest of the developed world, even though there is substantial evidence that they impose higher initial and maintenance costs, lead to greater clinical complications, and result in higher mortality than arterio-venous (AV) fistulae.

The inclusion of CPT codes 35475, 35476, 36205 and 37206 to the list of Medicare approved ambulatory surgical center (ASC) procedures would provide Medicare the opportunity to reduce the cost of, and promote quality outcomes for, end-stage renal disease (ESRD) patients through more thoughtful reimbursement and regulation of vascular access procedures.

Submitter : Mr. David Lewis **Date:** 11/02/2006

Organization : United Surgical Partners

Category : Ambulatory Surgical Center

Issue Areas/Comments

ASC Coinsurance

ASC Coinsurance

We support retaining the Medicare beneficiary coinsurance for ASC services at 20 percent. For Medicare beneficiaries, lower coinsurance obligations will continue to be a significant advantage for choosing an ASC to meet their surgical needs. Beneficiaries will save significant dollars each year under the revised ASC payment system because ASC payments will in all cases be lower than the 20-40 percent HOPD coinsurance rates allowed under the OPPS.

ASC Conversion Factor

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ASC Inflation

ASC Inflation

We urge CMS to maximize alignment of the ASC and HOPD payment systems by adopting in the final rule the same packaging policies, the same payment caps for office-based procedures, the same multiple procedure discounts, the same wage index adjustments and the same inflation updates for ASCs and HOPDs.. These facilities exist in the same communities and often in partnership with the community hospital. Aligning the payment systems for ASCs and hospital outpatient departments will improve the transparency of cost and quality data used to evaluate outpatient surgical services for Medicare beneficiaries. We believe that the benefits to the taxpayer and the Medicare consumer will be maximized by aligning the payment policies to the greatest extent permitted under the law.

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ASC Packaging

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ASC Payment for Office-Based Procedures

ASC Payment for Office-Based Procedures

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ASC Phase In

ASC Phase In

Given the size of the payment cuts contemplated under the proposed rule for certain procedures and specialties; especially GI, pain and ophthalmology, one year does not provide adequate time to adjust to the changes. Thus, we believe the new system should be phased-in over several years.

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ASC Unlisted Procedures

ASC Unlisted Procedures

At a minimum, when all the specific codes in a given section of CPT are eligible for payment under the revised ASC payment system, the associated unlisted code also should be eligible for payment.

ASC Updates

ASC Updates

We are pleased that CMS is committing to annual updates of the new ASC payment system, and agree it makes sense to do that conjunction with the OPPS update cycle so as to help further advance transparency between the two systems. Regular, predictable and timely updates will promote beneficiary access to ASCs as changes in clinical practice and innovations in technology continue to expand the scope of services that can be safely performed on an outpatient basis.

ASC Wage Index

ASC Wage Index

We urge CMS to maximize alignment of the ASC and HOPD payment systems by adopting in the final rule the same packaging policies, the same payment caps for office-based procedures, the same multiple procedure discounts, the same wage index adjustments and the same inflation updates for ASCs and HOPDs.. These facilities exist in the same communities and often in partnership with the community hospital. Aligning the payment systems for ASCs and hospital outpatient departments will improve the transparency of cost and quality data used to evaluate outpatient surgical services for Medicare beneficiaries. We believe that the benefits to the taxpayer and the Medicare consumer will be maximized by aligning the payment policies to the greatest extent permitted under the law.

Submitter : **Date: 11/02/2006**

Organization :

Category : **Ambulatory Surgical Center**

Issue Areas/Comments

CY 2008 ASC Impact

CY 2008 ASC Impact

See Attachment

CMS-1506-P2-752-Attach-1.DOC

#752

Owen M. McCarthy, M.D.

4701 Manatee Ave. W.
Bradenton, FL 34209
941-795-3844

October 31, 2006

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attn: CMS-1506-P
P.O. Box 8011
Baltimore, MD 21244-1850

Dear Sir or Madam:

I am writing to comment on the proposed 2007 and 2008 changes to the ambulatory surgical center payment system. I would like to make sure that all Medicare beneficiaries have access to ambulatory surgical centers (ASCs). I am hoping that CMS will broadly interpret the budget neutrality provision enacted by Congress. I feel that offering to reimburse ASCs 62% of the hospital outpatient department (HOPD) fee schedule is simply not adequate for us to provide quality, safe care.

I also feel the ASC list reform proposed by CMS is too limited. I hope that CMS will expand the ASC list of procedures to include any and all procedures that can be performed in a HOPD. CMS should exclude only those procedures that are on the inpatient only list.

ASC reimbursements should be updated based upon the hospital market basket because this more appropriately reflects inflation in providing surgical services than does the consumer price index. I feel the same relative weights should be used in ASCs and hospital outpatient departments.

Aligning the payment systems for ASCs and hospital outpatient departments will improve the transparency of cost and quality data used to evaluate outpatient surgical services for Medicare beneficiaries. I believe that the benefits to the taxpayer and the Medicare consumer will be maximized by aligning the payment policies to the greatest extent permitted under the law.

For these reasons, I respectfully request CMS revise the proposed 2007 and 2008 ambulatory surgical center payment system and increase the reimbursement percentage to at least 75%.

Sincerely,

Owen M. McCarthy, M.D.

Submitter : **Ms. Frances Waddell** **Date: 11/02/2006**

Organization : **Ms. Frances Waddell**

Category : **Individual**

Issue Areas/Comments

CY 2008 ASC Impact

CY 2008 ASC Impact

As a kidney disease patient and medicare recipent my income is very limited. I already have to pay for some of my mediciences myself. If I had to pay for care I woyuld have to make choices. As it is UI have to live with family because I cannot afford to live alone.

Submitter : **Date: 11/02/2006**

Organization :

Category : **Ambulatory Surgical Center**

Issue Areas/Comments

CY 2008 ASC Impact

CY 2008 ASC Impact

See Attachment

CMS-1506-P2-754-Attach-1.DOC

#754

Urology Partners

200 3rd Avenue West, Suite 210
Bradenton, FL 34205
941-752-1553

October 31, 2006

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attn: CMS-1506-P
P.O. Box 8011
Baltimore, MD 21244-1850

Dear Sir or Madam:

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ASC reimbursements should be updated based upon the hospital market basket because this more appropriately reflects inflation in providing surgical services than does the consumer price index. I feel the same relative weights should be used in ASCs and hospital outpatient departments.

Aligning the payment systems for ASCs and hospital outpatient departments will improve the transparency of cost and quality data used to evaluate outpatient surgical services for Medicare beneficiaries. I believe that the benefits to the taxpayer and the Medicare consumer will be maximized by aligning the payment policies to the greatest extent permitted under the law.

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Sincerely,

G. Austin Hill, M.D.

Submitter : **Date: 11/02/2006**

Organization :

Category : **Ambulatory Surgical Center**

Issue Areas/Comments

CY 2008 ASC Impact

CY 2008 ASC Impact

See Attachment

CMS-1506-P2-755-Attach-1.DOC

#755

Ear, Nose & Throat Associates of Manatee, P.A.

701 Manatee Avenue West
Bradenton, FL 34205
941-748-2455

October 31, 2006

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attn: CMS-1506-P
P.O. Box 8011
Baltimore, MD 21244-1850

Dear Sir or Madam:

I am writing to comment on the proposed 2007 and 2008 changes to the ambulatory surgical center payment system. I would like to make sure that all Medicare beneficiaries have access to ambulatory surgical centers (ASCs). I am hoping that CMS will broadly interpret the budget neutrality provision enacted by Congress. I feel that offering to reimburse ASCs 62% of the hospital outpatient department (HOPD) fee schedule is simply not adequate for us to provide quality, safe care.

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For these reasons, I respectfully request CMS revise the proposed 2007 and 2008 ambulatory surgical center payment system and increase the reimbursement percentage to at least 75%.

Sincerely,

Michael Gurucharri, M.D.

Submitter : **Date: 11/02/2006**

Organization :

Category : **Ambulatory Surgical Center**

Issue Areas/Comments

CY 2008 ASC Impact

CY 2008 ASC Impact

See Attachment

CMS-1506-P2-756-Attach-1.DOC

#756

Ear, Nose & Throat Associates of Manatee, P.A.

701 Manatee Avenue West
Bradenton, FL 34205
941-748-2455

October 31, 2006

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attn: CMS-1506-P
P.O. Box 8011
Baltimore, MD 21244-1850

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Sincerely,

Axay Kalathia, M.D.

Submitter : **Date: 11/02/2006**

Organization :

Category : **Ambulatory Surgical Center**

Issue Areas/Comments

CY 2008 ASC Impact

CY 2008 ASC Impact

See Attachment

CMS-1506-P2-757-Attach-1.DOC

#757

Ear, Nose & Throat Associates of Manatee, P.A.

701 Manatee Avenue West
Bradenton, FL 34205
941-748-2455

October 31, 2006

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Department of Health and Human Services
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Sincerely,

John Shelton, M.D.

Submitter : Mr. Anthony Hernandez **Date:** 11/02/2006

Organization : Memorial Hermann Surgery Center Northwest

Category : Ambulatory Surgical Center

Issue Areas/Comments

ASC Coinsurance

ASC Coinsurance

We support retaining the Medicare beneficiary coinsurance for ASC services at 20 percent. For Medicare beneficiaries, lower coinsurance obligations will continue to be a significant advantage for choosing an ASC to meet their surgical needs. Beneficiaries will save significant dollars each year under the revised ASC payment system because ASC payments will in all cases be lower than the 20-40 percent HOPD coinsurance rates allowed under the OPPS.

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