



# Connected Care for Profitable ASC Growth

The ambulatory surgery center (ASC) market is positioned for rapid growth following the COVID-19 pandemic. ASC leaders must prepare now for smart, deliberate growth to preserve profitability.

Before the 2020 COVID-19 pandemic, ASCs across the country were performing an average of 41% of all surgical procedures with the other 59% taking place in hospital outpatient departments, inpatient hospital settings, and physician offices. Following the pandemic, it is projected that ASCs will assume responsibility for 68% of orthopedic procedures, 30% of spine procedures, and 33% of cardiology procedures - all increases compared to pre-pandemic utilization.<sup>1</sup>

The shift from hospital inpatient or outpatient surgeries to ASCs is clear.

- Patients demand a more convenient, safe, and specialized setting
- The payor cost is lower compared to outpatient hospital departments
- Most payors are expanding coverage of more case types due to the cost saving nature of ASC utilization
- Clinicians prefer the convenience and reliability of surgery centers
- Surgeons can do a higher volume of cases in a day due to quicker OR turnaround time and ASC efficiency

“ We estimate that there is over \$60 billion of cases that will shift from inpatient to outpatient over the next several years. And, we estimate that over 60 percent of those procedures are in musculoskeletal and cardiology.”<sup>2</sup> ”

**Eric Evans**

Chief Executive Officer  
Surgery Partners, Inc. (SGRY)

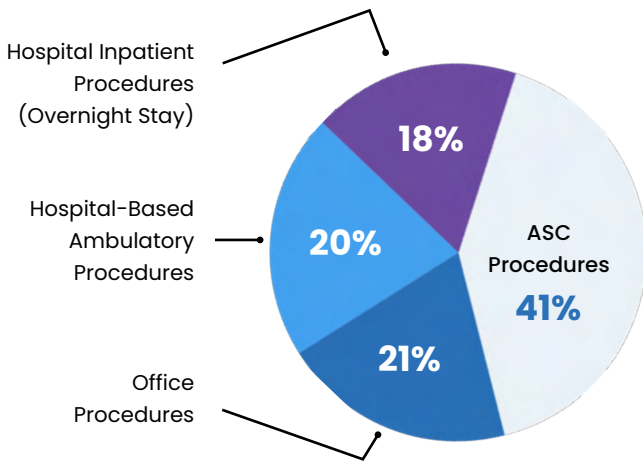


<sup>1</sup> Health Industry Distributors Association - 2020 Ambulatory Surgery Center Market Report

<sup>2</sup> <https://www.fool.com/earnings/call-transcripts/2021/03/10/surgery-partners-inc-sgry-q4-2020-earnings-call-tr/>



### Surgical Procedure Breakout By Site, 2020<sup>3</sup>



However, in order for ASC leaders to take advantage of the projected rapid growth of their surgery centers and realize full profitability, they must act now to quickly onboard connected care and data intelligence systems. **The core problem is that while ASC's are getting more sophisticated, expanding their footprint, and spending big dollars to take on more complex cases they are still using the same old static, bedside-only monitors that have been around for 20+ years.**

In fact, ASCs now have access to robotics, resources, and technology that were previously reserved for big hospitals. So why haven't ASCs upgraded their bedside monitoring, patient recovery tracking, and risk assessment technology?

**Without improved data intelligence, ASCs run the risk of unregulated growth, assuming unmanageable risk, and taking losses on rather than realizing full profitability potential.**

## Connected Care for Profitable ASC Growth

The fact is that most ASCs in the United States operate in a specialty bubble. ASC leadership has perfected the workflows that govern patient intake, surgery, recovery, and discharge. Impressively, many smaller ASCs have managed to accomplish this without modern connected care, and in most cases without the aid of connected electronic medical records systems.

**In 2021, most ASCs are finely tuned machines.**

As ASCs grow, the demand for increased caseload, more complex cases, and less selectivity will become a pressure valve on the well-oiled ASC machine. More volume means more comorbidities, more clinical and social risk factors, and more unknowns. Increased competition will reduce the ability of leadership to be selective with patient cohorts - incurring more and more profitability-threatening risk.

**The solution is connected care monitoring.**

<sup>3</sup> OR Manager, Can Your Hospital Survive the Growing Dominance of ASCs? January 13, 2020

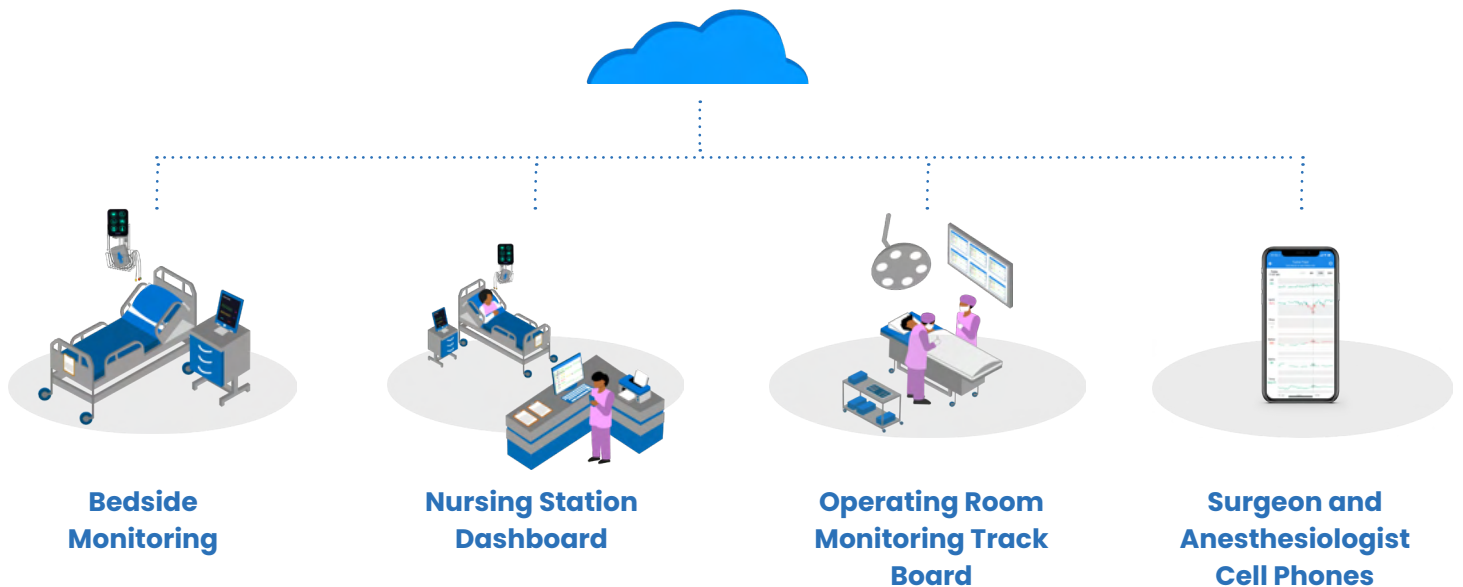
For the first time ever, even small ASCs have access to the robust connected care monitoring techniques used by large hospital systems. Screening activities and selection management have become critical tasks to manage both clinical and financial risk as well as strategically control incoming workload - a factor directly tied to workforce stress and burnout.

Connected care monitors bring vital signs beyond the bedside. With connected care, clinicians can access live vital signs data beyond the bedside, beyond nursing station computers, and even beyond the PACU with smartphone dashboards. Connected care brings earlier notification of changes, earlier intervention, and better management of patient recovery.

In addition, Stasis Connected Care further enables:

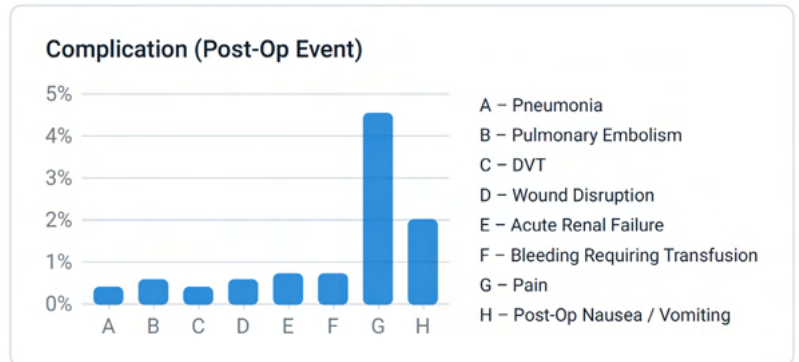
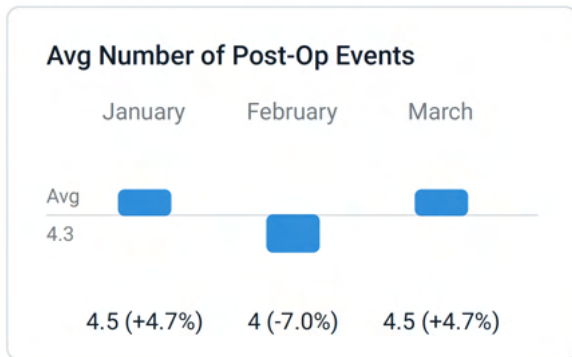
- 1 Real time visibility of all patients recovery status
- 2 Measurability of ASC clinical performance and risk assessment
- 3 Identification of safe patient care expansion opportunities assessment

## ASC Connected Care



The projected shift in volume and patient risk factors will make increased post-OP events inevitable. However, ASC leaders can control costly post-OP events and maintain manageable risk if, and only if, they have visibility on changes in post-OP events at scale. Rather than evaluating events on a case-by-case or procedure-by-procedure basis, connected care enables visualization of these profitability-threatening events at the macro level - by event type and over time.

This seemingly simple report is a key element to preserving profitability with ASC growth. Clear and accurate reporting of post-OP events has enabled Stasis partners to address new post-OP events early and adjust clinician procedures accordingly.



## Intake to Discharge

The quick turnaround time from patient intake, to procedure, to recovery and discharge is the lifeblood of the ASC. It's what makes outpatient surgery centers the clear preference for patients and practicing clinicians alike. Frankly, the carefully-coordinated timelines are the very elements of ASC practice that have enabled the projected growth in the mid-2020's.

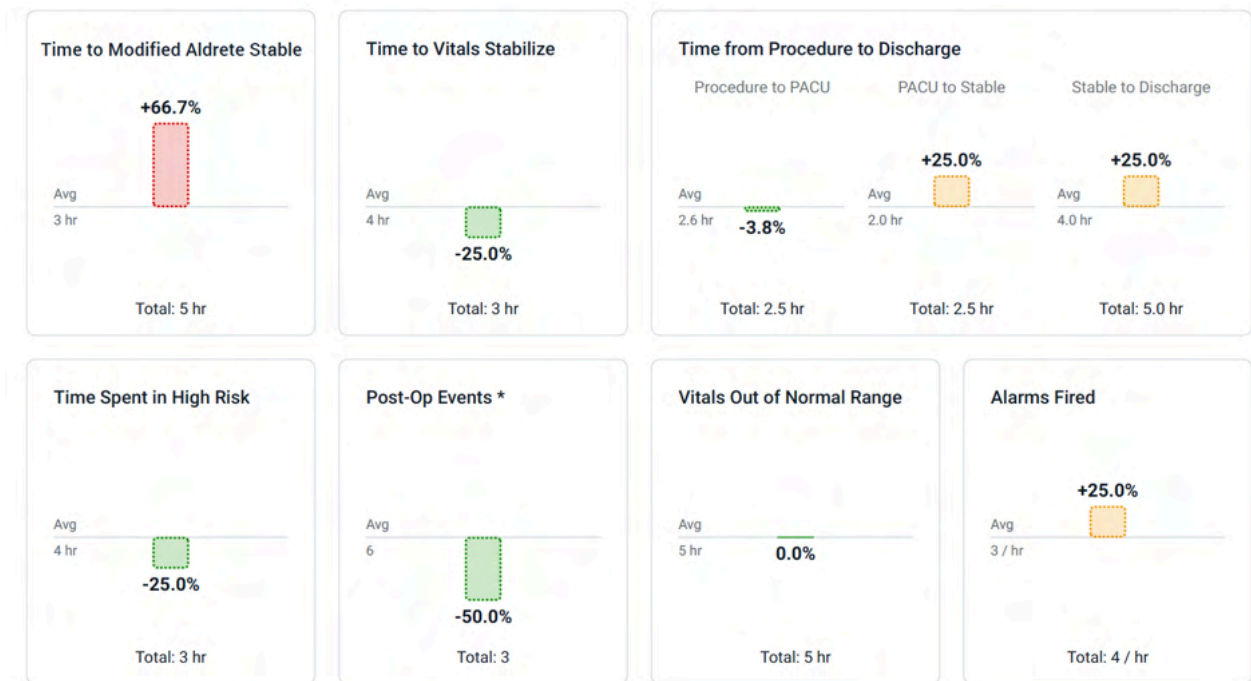


However, what will happen when those finely-tuned timelines are disrupted by changes to patient volume, procedure type, and risk factors? **Unless ASC leaders can accurately and regularly monitor these tight tolerances, the disruption could be catastrophic before the problem is even identified.**



With Stasis Connected Care, clinicians and leaders take advantage of a macro-view of time-based performance metrics. This has allowed Stasis partners to closely monitor and optimize ASC processes to not only avoid costly increases in time-to-discharge metrics, but even increase profitability while scaling volume.

## Projected Performance Metrics



\* Projection is weak due to a low number of data in our system.

## Case Costing and Utilization Changes

ASC leaders tell us that their goal for 2021/2022 is to safely and profitably increase their number of cases each month. However, on inspection, we find that less than 20% of ASCs are prepared to achieve that goal with existing monitoring and reporting systems. Most ASC leaders don't have a plan for monitoring increased utilization resulting from increased caseload. As ASC's take on more complex cases, continue to grow and shift cases from hospital to ASC they will need data, and connectivity resources to realize full profitability potential.

**Case costing is a critical process for ensuring an ASC remains financially viable and successful. While it can be a lengthy process, there are numerous reasons why any time spent on case costing should be considered time well spent. [...] Without taking the time to determine this information, ASCs will have trouble being successful and serving their patients in the long term. Case costing performed before an ASC opens and annually thereafter will help fill in many of the details needed to develop an accurate budget."**<sup>4</sup>

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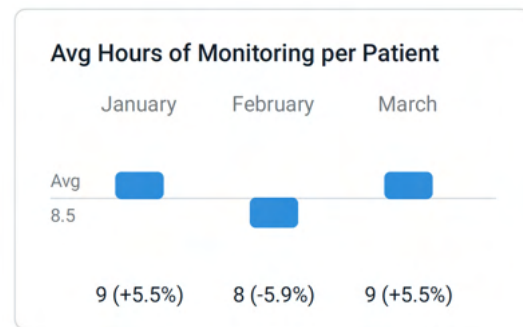
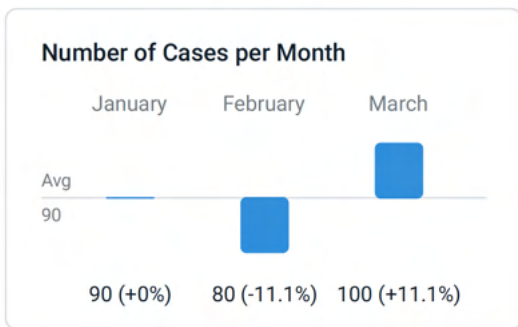
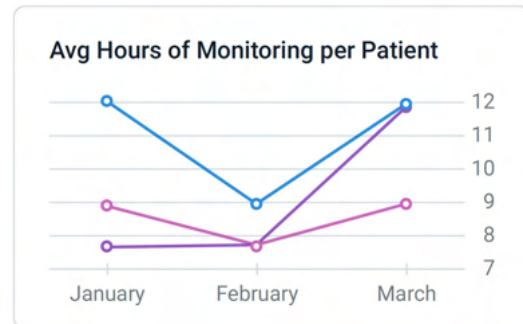
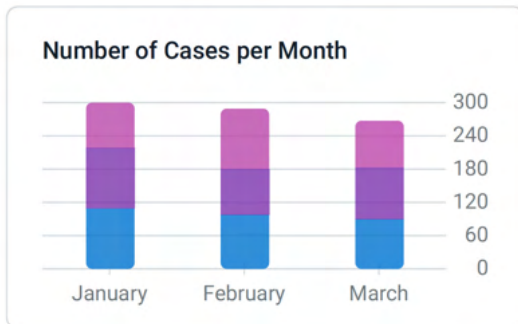
The critical case-costing that will take place over the next three years will determine which ASCs remain profitable and which don't. Valuable information about the time required to move a patient from procedure to PACU and to recovery directly translate to the profitability of the surgery center. Like any other non-healthcare business, if these critical metrics begin to slip without keen observation, the bottom line will be impacted.

That's why Stasis Connected Care monitors enable visibility into key utilization metrics so ASC leaders can monitor sudden changes and address challenges within 24 hours of a change in baseline utilization.

## Stasis Utilization Metrics Include:

- Number of Cases per Month
- Procedures by CPT
- Patient Demographics, BMI, and Social History
- Comorbidities per Patient
- Avg. Hours of Monitoring per Patient
- Avg. % of Monitors Occupied
- Avg. Hours from Procedure to PACU
- Avg. Hours to Modified Aldrete State
- Avg. Hours of High-Risk EWS
- Avg. Number of Post-OP Events

■ Center - Los Angeles
 ■ Center - San Diego
 ■ Center - San Francisco



## Patient Risk Stratification made Simple

As ASCs scale, increase caseload, and take on more complex cases, the level of patient risk will increase. In order to preserve profitability, ASC leaders need full visibility into patient risk assessment in an easy-to-understand, actionable, and out-of-the-box format.

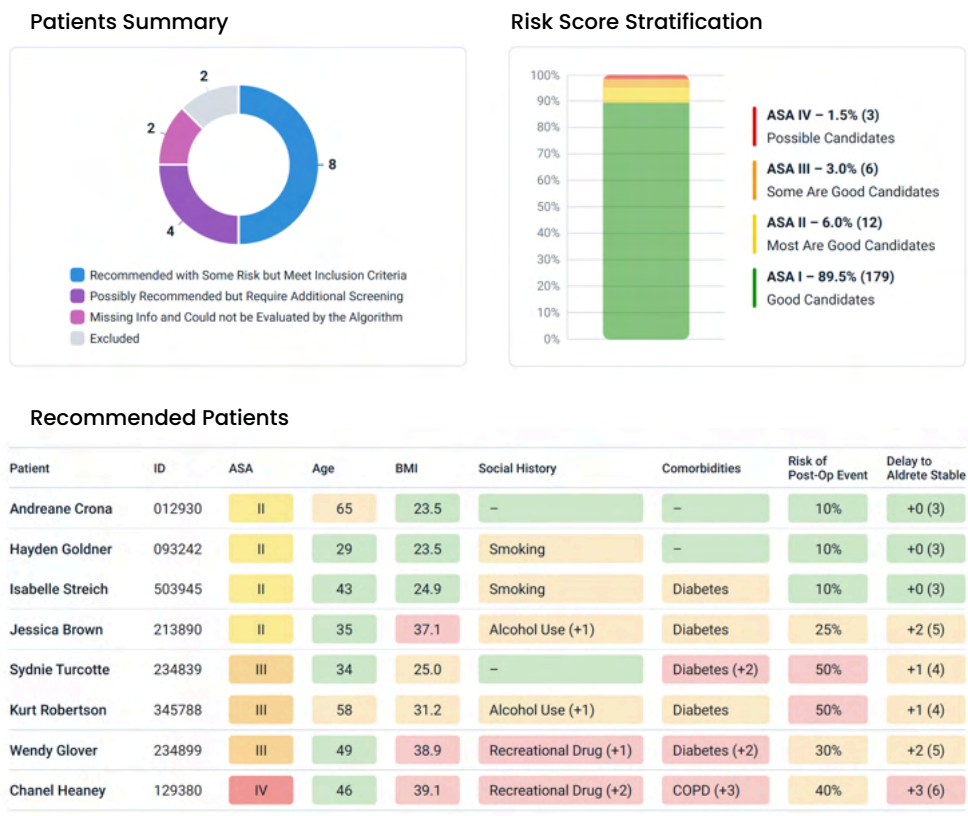
**The currently available ASA risk assessment tools are insufficient for profitability-focused, scalable ASC growth with minimized risk.**

That's why Stasis Front-End Risk Assessments are specifically designed to help ASC leaders make informed decisions about growing their surgery centers in a post-pandemic environment. We believe in the value of data to best project risk, recovery, and facility utilization.

It is time ASC's consider a more comprehensive, data-driven risk assessment tool. An ASA score or simple History & Physical may not be enough. Traditional ASA scoring may lead to patients being directed to the hospital that upon further review fall within reasonable risk for ASC cases.

ASC's need additional tools to better differentiate risk and best determine appropriate patient selection for an ASC procedure. ASC Stasis partners have found scalable success using risk stratification reports to best ensure appropriate patient selection and to safely take on more complex cases with longer recovery times.

As the table below illustrates, many ASA II+ recommended patients have reasonable risk when viewed by age, BMI, social history, comorbidities, risk of post-op event, and time delay to Aldrete Stable. **Only 48 percent of all surgical procedures approved to be performed at an ASC are actually performed at one, but if the other 52 percent were performed at an ASC, \$41 billion could be saved annually<sup>5</sup>.** Many ASCs are simply leaving revenue on the table by choosing to send these riskier cases to hospital departments even though most are actually good candidates.



In 2021 and beyond ASCs will have the unique opportunity to take advantage of increased patient demand. However, this opportunity comes hand-in-hand with the very real threat of uncontrolled growth that may threaten existing workflows and profitability. That's why the Stasis Monitoring System is specifically designed to bring big-hospital resources to ASC leaders today.

Start collecting data and improving the patient experience within minutes of going live with Stasis. With powerful new insights right at your fingertips you'll be ready to confidently increase caseload types and volume.

**Drive More Care with Data from Stasis**

<sup>5</sup> By the Numbers: The Healthcare Savings and Cost-Effectiveness of ASCs by IowaCityASC Nov 15, 2018

