Making a Case for ASC Specific Software Solutions

Written by Tracy Hume

Most ambulatory surgery centers (ASCs) are models of efficiency. ASCs accomplish this by implementing best practices across all operations, including surgical scheduling, inventory control, case-costing, and revenue cycle management. Because of this emphasis on efficiency, ASCs are able to deliver safe, high-quality patient care at a cost below that of inpatient surgery centers or hospital outpatient surgery departments. A study published in Health Affairs indicated that procedures performed in ASCs are up to 25 percent more efficient and cost-effective than the same procedures performed in a hospital.

Tom Hui, President & CEO HSTpathways

An important, but often overlooked, aspect of ASC efficiency is the use of software that supports ASCs' streamlined approach to care delivery. Specialized ASC software plays a critical role in ensuring ASCs retain their competitive edge by facilitating operational efficiency.

Hospital enterprise software, such as EPIC or Cerner, or physician practice management systems "typically do not work as well for ASCs,"

said Chris McMenemy, President of Ortmann Healthcare Consulting Services. "ASCs are different business lines than hospitals or non-ASC physician practices. ASCs use a different business model and they need to track costs, revenues and inventory accordingly. That is why ASCs are generally better off using specialized software to support their operations."

SPECIALIZED ASC SOFTWARE SUPPORTS CASE-BASED COSTING

One of the most significant financial differences between ASCs and hospitals or non-ASC physician practices is the use of case-based costing and revenue tracking. Most hospi-

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tal and physician practice systems are designed to track episodes of care, units of work, itemized services and supplies, or individual procedures. However, hospital and physician practice systems are not usually designed to track, report, or analyze data by case.

"Case-based costing is a very different way of looking at data," said Tom Hui, President and CEO of HSTpathways. In case-based costing,

patient data is analyzed, reported and reimbursed by case as opposed to by procedure or unit of work. Case-based costing aligns with how Medicare reimburses ASCs and also aligns with how ASCs analyze expenses and revenues to improve business operations.

"Most hospital software systems and physician practice systems are not designed to look at their financial operations that way, so they are either unable to produce case costing reports or they produce inaccurate case costing data," said Hui. "Specialized ASC software, on the other hand, is designed to produce meaningful and accurate case analysis and financial reports. This analytic method is critical for managerial decisions regarding payer contracts and utilization reviews."

The ability to retrieve accurate and timely case-based costing information is essential for ASCs as they examine care-delivery costs, revenues, and lines of service in order to stay relevant in a changing healthcare environment. "Accurate case-based information helps you plan for the future," said McMenemy. "How many patients are you seeing? What is your cost per patient? What are you paid per patient? How much time does each patient take? What is the inventory impact of each case? Where are you seeing growth? In the ASC business model, it is very important to be able to answer these questions."

SPECIALIZED ASC SOFTWARE SUPPORTS OPERATIONAL EFFICIENCY

ASCs realize cost efficiencies through specialization. Unlike a hospital, ASCs do not have to accommodate other business lines such as physical therapy, respiratory therapy, emergency surgeries and the like. ASCs focus on surgeries which are elective and planned, minimizing surprises.

"Specialized ASC software leverages this predictability to automate the highly-tuned workflow that exists in surgery centers," said Hui. "Software that is written specifically for surgery centers doesn't have a lot of baggage and unnecessary load, unlike software designed for hospitals, which by necessity is burdened by a 'one-size-fits-all' design."

In other words, the design of specialized ASC software mirrors the streamlined design of ASC workflows. Because specialized ASC software doesn't have to accommodate functions and modules that aren't directly relevant to surgery centers, ASC software is typically less complex than software designed for hospitals. It is less expensive to purchase; easier to deploy; and typically features a more user-oriented design, since it is written with surgery center workflow in mind.

One area in which ASC software has a clear advantage is inventory management. In a hospital-focused, enterprise system, inventory management is likely to be elaborate and complex. It must be designed to accommodate hospital-wide inventory needs. And, non-ASC physician practice management systems have no reason to offer robust inventory

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management functionality and typically do not offer any of that functionality.

With specialized ASC software, inventory management is scaled directly in proportion to surgery center workflow needs. "What you are really providing with specialized ASC software is an inventory process," said Hui. "It gives you control over what you order; it depletes inventory so you know what you've used; it gives you an accurate benchmarking of what your surgeons are using and it gives you reports so that you can analyze how much you are spending with each vendor." It also helps with receiving inventory for restocking and maintaining accurate par levels.

In addition, specialized ASC software includes a physician preference card module that integrates with the inventory management system. Physician preferences with respect to equipment, supplies and operating room set-up are important for physician satisfaction as well as operating room efficiency. A well-designed physician preference card module is easy to use and easy to update. For example, a global "search-and-replace" feature across the physician preference card database can help ensure that it remains a relevant resource for both the clinical and material management staff, instead of an outdated, unused archival database.

SPECIALIZED ASC SOFTWARE IS RESPONSIVE TO CHANGE

All healthcare providers, including ASCs, are impacted by the rapid changes that characterize today's healthcare industry. These changes occur in the regulatory environment, payer practices, technology, and industry trends.

Specialized ASC software vendors have the advantage of being able to monitor these changes from a single point of view: that of the ASC provider. Specialized software vendors are often able to respond to these changes much more quickly than vendors of large, complex hospital software systems. "Because they focus on ASCs, ASC software vendors are monitoring the news for changes all of the time. When they learn about changes, they get the software ready to accommodate those changes," said McMenemy.

One example of this is state reporting requirements. In addition to ASC-specific Federal quality reporting requirements, more than 30 states also have unique and specific reporting requirements for ASCs. Vendors of specialized ASC software monitor changes in state reporting requirements to ensure that the

software is able to generate all required reports. This feature is not generally found in physician practice management systems.

Changes in technology also drive changes in software systems. When ASCs first emerged in the 1970s, web-based software did not exist. Now web-based software (also referred to as cloud-based software) is becoming widely adopted. Web-based software frees providers from the necessity of hosting and maintaining IT hardware and software. It also increases the flexibility and accessibility of the software. Specialized ASC vendors have designed software that incorporates the latest encryption technology, communications practices, and updated HIPAA audit logs.

Specialized ASC software vendors are also quick to adapt to changes in the industry. For example, thirty years ago, the typical ASC was a stand-alone, physician-owned center. Today, an increasing number of ASCs have become part of large national or regional chains. In response, specialized ASC software has been developed to accommodate enterprise-level business, enabling organizations to standardize business processes and coding tables across multiple facilities.

SPECIALIZED ASC SOFTWARE VENDORS CAN OFFER UNPARALLELED CUSTOMER SUPPORT

A final, but not insignificant advantage of using specialized ASC software is the quality of customer support specialized vendors are able to provide. "From a practical point of view, the revenue from outpatient surgery in a hospital setting is a fraction of the hospital's total revenue," said Hui. In that context, it can be difficult to rally support from an already overburdened hospital IT staff. A call to an enterprise system's help desk may not be effective either, due to a lack of specific knowledge about ASC operations on the part of customer support. However, vendors of specialized ASC software are able to focus explicitly on ASC industry needs and workflows, and are therefore in a better position to provide relevant and knowledgeable customer service.

Ultimately, "large hospital systems and small, physician practice management systems were designed for different types of customers. That's the bottom line," said Hui. "And that's why using specialized ASC software – designed with the surgery center in mind – is preferable."

HSTpathways is the leading provider of cloud-based surgery center management software. HSTpathways' application suite supports surgical scheduling, inventory management, EHR clinical workflows, medical coding, insurance and patient billing, and accounts receivable collections for freestanding ambulatory surgery centers, multi-facility corporate enterprises, and ASC-hospital joint ventures. HSTpathways applications help surgery centers maximize case profitability, achieve faster reimbursement, and lower AR days. For more information, visit: www. hstpathways.com.

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