

Meeting Patients Where They Live

The Increasing Relevance of “Mini Hospitals,” ASCs, and Remote Support; and the Keys to Ensuring Facility Success



In the not-so-distant past, the move to outpatient settings was driven by advances in technology and procedures that enabled more minimally invasive procedures to address conditions once destined for the OR. Most in the industry agreed that there were benefits to moving certain procedures to the ambulatory surgery center (ASC), including shortened recovery time and a reduction in infrastructure requirements.

Today other factors are at play, such as an ASC-friendly reimbursement environment, consumer choice often driven by pricing considerations, and opportunities for physicians to have financial stakes in ASCs are continuing to fuel ASC growth,¹ even as they've taken a hit from the pandemic's non-essential procedure shut down. It's backlog time, and as ASCs catch up to the caseloads, they are becoming more agile all the time. At the same time, remote care, in terms of telemedicine, remote consults, even specialists attending surgeries, is becoming more common.

Although these changes have required great agility of healthcare systems, as well as some growing pains, patients stand to realize benefits. For some, travel will be reduced for certain types of treatment. For others who feel anxiety about a hospital visit during a pandemic, the smaller and more controlled setting may bring peace of mind. Still others may appreciate the less-expensive impact to their deductibles, as ASCs may at times provide comparable treatments to hospitals but at lower costs.

On the provider and supplier side, most agree that at least some of this “new normal” is here to stay.

ASCs Looking for Ways to Do More

ASCs tend to be focused on specific procedures that are high volume and elective in nature, including screening colonoscopies, outpatient ureteroscopies, orthopedics, and ophthalmology. Pandemic restrictions meant a complete shutdown for many and extreme limitations for most. As a result, ASCs have been hard hit and are looking for ways to make up lost revenue.

Access to the proper equipment is one of the biggest challenges for ASCs looking to fill newly emerging gaps in the care available to communities. As they plan for expansion, ASCs will need to be able to finance new equipment and they'll need to consider how to add new procedures while also remaining profitable in relation to those procedures.

Recognizing these needs from the pandemic's start, Olympus created a task force specifically focused on the growth of ASCs for the emerging new healthcare landscape, and determined that the most important value for facilities would be in the form of 1) Flexible Financing to address the realities of new and changing market conditions and 2) Robust Customer Service. Combining these with an already deep product portfolio is key to meeting a range of ASC needs.

Flexible Financing

To optimize purchasing, ASCs will benefit from working with companies that offer flexible funding options, to minimize the impact of equipment purchases and a rebuilding of revenue streams.

Some financing options ASCs should consider are:

- › **Disposable purchasing power:** Some programs allow ASCs to leverage their disposable purchasing power across specialties. For example, some companies allow the ASC to fund capital equipment through an ongoing purchase of disposable devices on a pay-as-you-go basis. In this arrangement, there is no large upfront capital outlay. The ASC is able to order what they need, when they need it.
- › **Cost per Procedure:** A good partner might also offer an arrangement that allows the ASC access to the equipment and service needed, financed and paid via a per-procedure payment, based on the valuation of everything provided. For instance, \$500,000 worth of equipment and \$1 million worth of turnkey financing may result in less than a \$100 per-procedure payment. A CPP program obligates the ASC to perform a specific number of procedures within a specified time limit, such as 16,000 flexible endoscopy procedures in 36 months, but also eliminates a large upfront expenditure.

- › **Leasing and Financing:** Equipment lease structures, master lease/financing arrangements, vendor-agnostic financing, turnkey project financing are all options available for agile and productive product fulfillment. A good partner will be able to offer favorable repayment terms with minimal interest. It's also important for an ASC to choose a supplier that is not going to resell a loan, because ASCs will want to maintain flexibility in their repayment plans.
- › **Creative Contracting:** The most important element in the financing relationship may be flexibility. As an example, the Total Partnership Program by Olympus gives ASCs access to competitive pricing and streamlines purchasing and leasing through one monthly invoice, saving time and money for long-term stability and predictability in business planning.

Robust & Versatile Customer Support

A recent survey by the Strategic Marketplace Initiatives consortium showed that both suppliers and providers believe that only the most important or clinically-focused meetings will be in person. Accurate immunization records may be required of support staff and more control of vendor access – ASCs should make their requirements clear and medical device companies should also state clearly their expectations regarding the safety of their support staff.

Most agree that, now that a greater swath of healthcare professionals are accustomed to video conferencing, there

is potential for more efficiency, more representation of multiple functions and even better outcomes as a result of remote meetings. As meetings are scheduled, there will be increased scrutiny over the meeting format decision, as to which makes more sense: fully virtual with broad attendance, or in-person with limited attendance.

Remote support, where possible, will continue being used because of its benefits. Virtual consults and telecollaboration are on the rise, as Olympus has witnessed with increased interest in our MedPresence offering. The ASC and the supplier should discuss options for keeping support quality high, whether it happens in person or online.

Deep Product Portfolio

In building for the future, ASCs should consider standardizing their capital equipment so that it can support multiple specialties, which ensures the best return on investment. Imaging platforms, for example, can serve multiple purposes, from endoscopy to surgical to gynecology to urology. A vendor-neutral capital platform with room to grow may ready the ASC for a changing healthcare landscape and may be a way to attract the best talent.

Ultimately the move of more procedures to ASCs will be good for the healthcare industry and patients, as procedures conducted in ASCs are known for keeping healthcare costs down while providing great access for patients.

The good news is that these are changes and relationships that we expect to be positive, lasting ones. ■

For more information about Olympus and how they partner with ASCs, [click here](#).

¹ <https://www.advisory.com/en/daily-briefing/2019/03/05/asc-shift>

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