



AMERICAN SOCIETY OF  
PLASTIC SURGEONS



THE PLASTIC SURGERY  
FOUNDATION

Executive Office

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June 20, 2018

The Honorable John Larson  
United States House of Representatives  
1501 Longworth House Office Building  
Washington, D.C. 20515

The Honorable Devin Nunes  
United States House of Representatives  
1013 Longworth House Office Building  
Washington, D.C. 20515

**RE: H.R.1838 – the Ambulatory Surgical Center Quality and Access Act of 2017**

Dear Representatives Nunes and Larson:

The American Society of Plastic Surgeons (ASPS) is the largest association of plastic surgeons in the world, representing more than 7,000 members and 94 percent of all board-certified plastic surgeons in the United States. Many of our members provide surgical services to Medicare beneficiaries in ambulatory surgery centers (ASCs), and so we are pleased to see legislation implementing two positive changes – H.R.6138, the *Ambulatory Surgical Center Payment Transparency Act* – slated for consideration at markup. H.R.6138 would increase transparency on CMS determinations that procedures are not appropriate for ASCs and add new ASC representation on the CMS Advisory Panel on Hospital Outpatient Payment. ASPS supports these changes.

That said, ASPS strongly supports your original legislation dealing with these issues, H.R.1838, the *Ambulatory Surgical Center Quality and Access Act of 2017*. H.R.6138 is missing critical additional provisions that are part of H.R.1838. We request that you consider amending H.R.6138 to restore these provisions.

As you know, ASCs offer cost-effective alternatives to hospital-based surgery because Medicare pays ASCs only 55% of the hospital outpatient rate for the same procedure. On its face, this may look like a good thing from a federal payer standpoint, but the gap between the two rates is increasing. This growing gap is impacting the viability of ASCs as a site of service for Medicare beneficiaries, and in doing so makes potential absorption in large hospital systems more attractive for private group practices. When those practices deliver the same services to Medicare beneficiaries as part of a hospital outpatient department, the costs are significantly higher.

The language we are requesting for adoption into H.R.6138 would apply the same methodology – the hospital market basket update – for changing payments to ambulatory surgery centers that is applied to hospital outpatient department payments. The hospital market basket better measures inflationary costs of procedures and related services far better than the current methodology used for ASCs, the Consumer Price Index for All Urban Consumers.

While it may appear that this would increase federal spending, the ultimate impact of this change has to be considered in light of its influence on hospital consolidation of the outpatient surgery market. If this change makes private group practice more viable in any meaningful way – which it will – it could shift substantial portions of the surgical procedural market into less expensive settings. Every Medicare procedure has to be

done somewhere. When high-quality, cost-effective options are gobbled up by hospital systems and converted to more expensive settings, costs are driven up.

The American Society of Plastic Surgeons appreciates the opportunity to provide comments on H.R.6138 and looks forward to working with you to advance this legislation. If you think amending it will jeopardize its ability to advance, we understand and appreciate its current impact. In that case, we will continue to support you in your efforts to enact the remaining provisions of the *Ambulatory Surgical Center Quality and Access Act* in the future.

Thank you for your attention to these critical issues and your support for ASCs. Please do not hesitate to contact Patrick Hermes, Director of Advocacy and Government Relations, at [phermes@plasticsurgery.org](mailto:phermes@plasticsurgery.org) or (847) 228-3331 with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeffrey E. Janis". The signature is fluid and cursive, with a large initial "J" and "E".

Jeffrey E. Janis, MD, FACS  
President, American Society of Plastic Surgeons