

Game-Changing Opportunities in Outpatient Cardiology

By Michelle Luffey

One of the most significant shifts in the ever-evolving healthcare landscape has been the rapid migration of cardiology procedures from hospital settings to ambulatory surgery centers (ASCs).

This transition is offering multiple benefits for patients as well as providers and facility leaders. By understanding these advantages as well as the strategic considerations involved in running an outpatient cardiology line, facility leaders can make informed decisions that properly balance financial performance with quality care.

Lower Costs, Higher Margins

One of the primary benefits of moving cardiology procedures to ASCs is the potential for cost savings. ASCs typically operate at a lower cost than hospitals due to their streamlined operations and lower overhead. This cost efficiency can translate into improved margins — despite the fact that reimbursements for these procedures when performed in ASCs are generally lower than they are in hospital settings.

The key consideration for leadership is the trade-off between lower reimbursements and reduced operational costs. While lower reimbursements can negatively impact revenue, the reduced costs associated with the ASC setting can offset that impact. The result is often a favorable margin that can ultimately result in a financial net positive.

Enhanced Patient Experience and Outcomes

ASCs are designed to provide a more patient-centric experience. They often offer shorter wait times, more personalized care and a less intimidating environment than large hospitals do. For patients who likely are already experiencing significant stress about their cardiovascular health, the ASC setting can be better equipped to provide them with a more comfortable and reassuring experience.

Studies show that patient outcomes in ASCs are comparable to, if not better than, those in hospital settings. The focused nature of ASCs allows for specialized care, which in turn can lead to fewer complications and [quicker recovery times](#). This dynamic, when executed successfully, not only benefits patients but also enhances the reputation of the provider, potentially attracting more patients in the long run.

Strategic Partnerships Prevent Volume Leakage

One of the most significant advantages of moving these procedures to ASCs is the opportunity for facilities to forge meaningful partnerships with cardiovascular providers in the interest of creating a more integrated and efficient care delivery model. These partnerships can lead to improvements in coordination of care, patient outcomes and patient satisfaction — meaning they can prove not only clinically beneficial but also financially advantageous.

Hospitals can benefit from affiliating with cardiovascular ASCs too. By working closely with their cardiovascular providers, hospitals can ensure they capture a portion of the procedure volume that they might otherwise lose if their physicians were to set up their own independent ASCs and establish their own patient bases. This collaborative approach among physicians, hospitals and ASCs can help maintain and even grow the hospital's and the ASC's market share in cardiovascular care.

Hospital leadership should consider the long-term implications of an ASC affiliation strategy for cardiovascular care. While an initial investment may be required to set up or expand the ASC's capabilities, the hospital's ability to capture and retain procedural volume can lead to sustained financial benefits for all parties. For hospitals or health systems, the ability to maintain control over the patient journey from diagnosis to treatment can enhance the ASC's and the larger health system's [reputation and patient loyalty](#).

From an ASC/OBL Hybrid to a Full ASC Model

One of our health system clients recently completed a successful development of an ASC that started as a hybrid model, combining an office-based lab (OBL) and an ASC. The initial hybrid approach was strategically chosen to reduce start-up costs and leverage community relationships by partnering with independent cardiologists and a private equity management company.

Initially, the health system partnered with 12 independent cardiologists and the private equity management company to open the hybrid OBL/ASC. The hybrid model allowed for flexibility and adaptability, catering to office-based and surgical procedures. However, as demand for ASC services increased and revenue from OBL/PFS (Professional Fee Schedule) decreased, the system transitioned to a full ASC model at the hybrid site while opening another ASC. The transition involved several key steps:

1. **Proactive planning.** The hybrid facility's leadership recognized the need to adapt to changing demands and planned for a shift to a full ASC model when it needed to be done. They carefully evaluated the weekly rotations between OBL and ASC services and identified the inefficiencies that arose from this arrangement.
2. **Management structure shift.** To align with the health system's primary goals and improve operational efficiency, the management structure was adjusted to move away from the management company as an equity partner. The resulting ownership structure was 49% physician ownership and 51% health system ownership, ensuring greater control of the system's and the facility's objectives.
3. **Multispecialty approach.** The ASC found that a combination of specialties, including orthopedics, neurology, cardiology, vascular, general surgery and pain management, created a sweet spot for its operations. This multispecialty approach allowed for better utilization of resources and increased patient volume.

The results of this strategic shift were significant. Year-one projections at both ASCs were 1,100 procedures. For the converted hybrid facility that was now an ASC, this caseload represented a 19% increase in volume, demonstrating the success of the transition to a full ASC model. By leveraging partnerships with cardiovascular providers and adapting to market demands in a timely way, the ASC achieved financial stability and improved patient outcomes.



COMFORT FACTOR. For already anxious patients, an ASC setting can serve as a more comfortable and reassuring experience.

Financial Considerations

Leaders of interested hospital systems should complete a detailed analysis — preferably with the help of a reputable consulting firm — to evaluate the financial impact of moving cardiovascular procedures to an ASC. The analysis should include an examination of the following factors:

- **Cost analysis.** Compare the operational costs of performing procedures in ASCs versus hospital settings, taking into account factors such as

staffing, equipment, facility maintenance and other overhead expenses.

- **Reimbursement rates.** Understand the payor landscape for these procedures in the ASC setting, and how it compares with the hospital setting. Again, while ASCs typically receive lower reimbursements, the overall cost savings can result in favorable margins.
- **Volume projections.** How many cardiovascular procedures can be performed at the ASC? This projection should factor in current patient demand, market trends and the potential for growth.
- **Partnership opportunities.** Collaborative agreements with cardiovascular providers can help ensure a steady flow of patients to the hospital-affiliated ASC while preventing the loss of hospital volume to independent ASCs.
- **Regulatory considerations and ASC accreditation standards.** Compliance with these standards is essential to ensure patient safety and maintain reimbursement eligibility.

Golden Opportunity

The migration of cardiovascular procedures to ASCs presents a compelling chance for health systems to enhance patient care, improve financial performance and strengthen partnerships with cardiovascular providers. Understanding the trade-offs and strategic considerations involved is crucial to make informed decisions that benefit both facilities and patients.

The shift of outpatient cardiology to the ASC setting is happening. The question is, how will leaders in the healthcare industry respond? Successful facilities understand that this isn't merely a financial decision but a strategic move that can lead to better patient outcomes, higher patient satisfaction and a stronger market presence.



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