

The background features decorative white line art. On the left, there are stylized, overlapping shapes resembling leaves or petals. On the right, there are several curved, overlapping lines that suggest a flame or a stylized 'S' shape.

# **13 Benchmarks + 5 Trends for ASCs:** Insights from the 2024 State of the Industry Report



# Welcome & Housekeeping



# Replay on HST's Weekly Podcast



This episode will be released on **Wednesday, October 9th, 2024.**



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# Receive Your Copy in the Mail



The order will be placed  
**Wednesday, October 9th** and  
shipped a few days after.

Questions?

[erica.palmer@hstpathways.com](mailto:erica.palmer@hstpathways.com)

# Meet Your Speakers



**Erica Palmer**

Director of  
Content Marketing



**Will Evans**

Senior Director, Data  
Science and Insights



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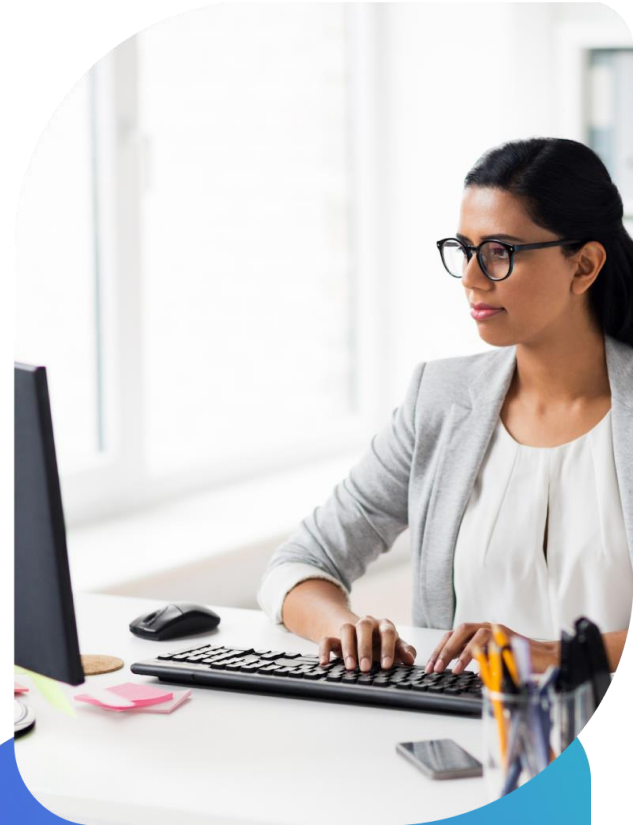
# Report Introduction





## What's Inside?

- ✓ 130+ KPIs
- ✓ 50 chapters
- ✓ 36 charts
- ✓ 12 YoY comparisons
- ✓ 5 emerging trends







# Who Informed Our Insights

590

Centers

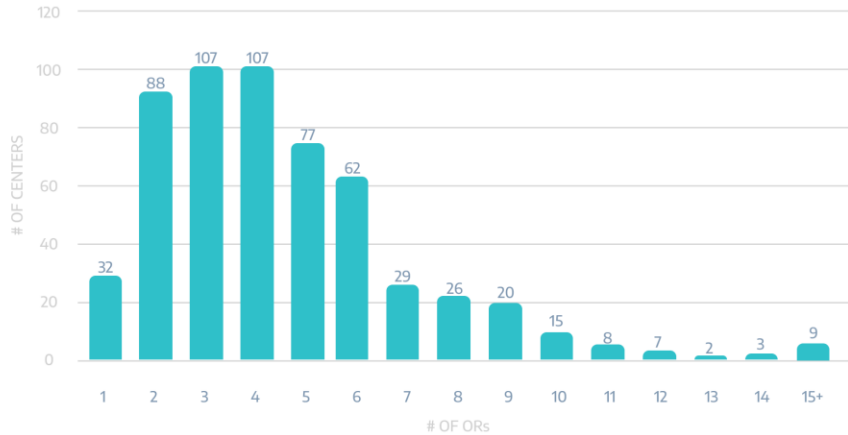
47

States

~3M

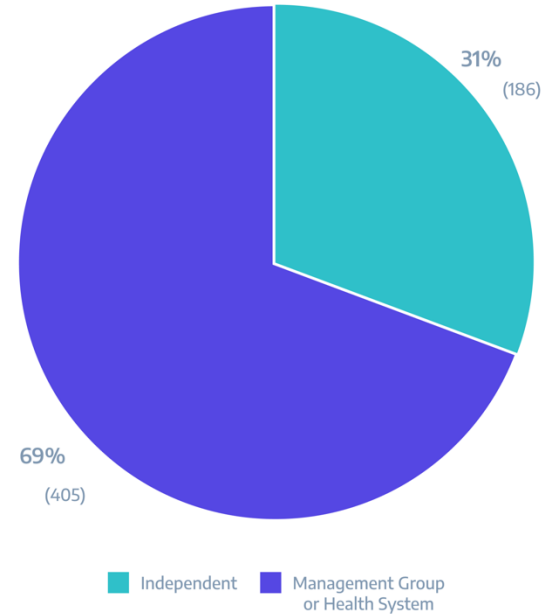
Cases

Centers by OR Count



Source: HST Pathways

Ownership Breakout



Source: HST Pathways

# Why it Matters



# The World Has Changed For ASCs

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Stagnating  
Reimbursements



Increasing  
Competition &  
Consolidation



Higher Acuity  
Cases



Staffing  
Shortages



Rising Cost  
of Everything



# Proactive Operations Is The New Game

Now the most successful and profitable centers are focused on efficient, data driven, proactive operations.

Shift from Reactive → Proactive Operations

---



# Significant Disparity

THE "HAVES" & "HAVE NOT" ASCs



## Profitability

23%

Average ASC

32%

Top Quartile ASC

42%

90th Percentile ASC

Top decile ASCs achieve \$2.1M in higher profitability than their peers with the same annual revenue level



Source: [VMG Health](#)

## OR Utilization

56%

Average ASC

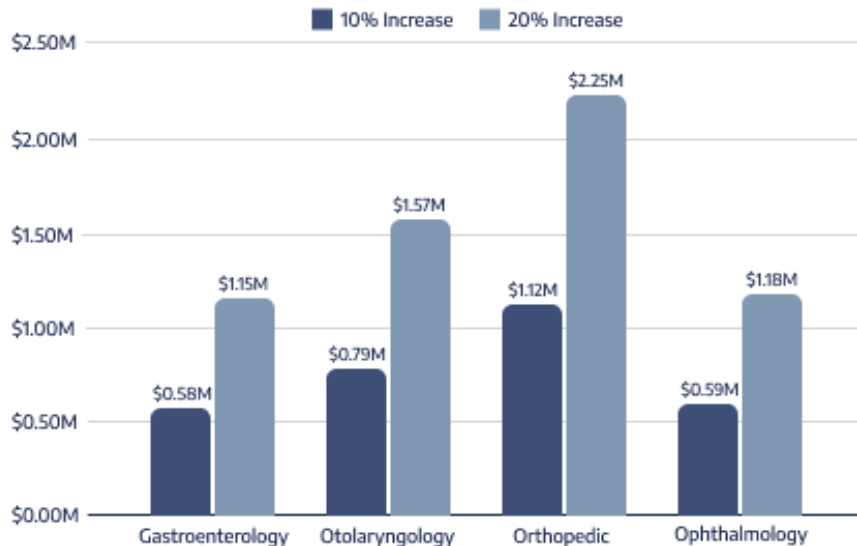
64%

Top Quartile ASC

76%

90th Percentile ASC

Increasing OR Utilization by 10-20% can produce up to \$575K - \$2.25M in additional annual net revenue depending on specialty mix



Source: [HST Data](#)

# What Outliers Are Doing Differently

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Being Surgical With  
OR Utilization & Case Mix



Analyzing Case  
Profitability



Automating  
Manual Processes



Benchmarking  
Everything



Forecasting Hiring  
Needs & Supply Needs



Optimizing Physician  
Experience

# This Changes Everything



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Administrators &  
Business Office Teams

Reactive work, redundant low  
value tasks



Proactive improvements, high value  
work based on automated insights

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Clinical Teams

Clerical with limited visibility of  
compliance issues



Clinical & fully visible patient safety,  
spending time in the right areas

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Physicians

Business inconveniences



Improved quality of life, focus on  
healing patients and driving center  
profitability

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Management  
Company Partners

Delayed insights



Proactive real-time insights, patterns  
& benchmarking from their full  
portfolio

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Financial Outcomes

Decent distributions, possible  
liquidity event



Outsized distributions and outcomes

---



# Poll Time!



# 5 Emerging Trends



# Cardiology: A Specialty on the Rise



**OR Duration:** Decreased 28%

**Net Revenue Per Case:** Decreased 8%

**Revenue Per OR Min:** Increased 27%

## Influencing Factors:

- More experience in the OR
- Technological advances
- Payer reimbursement policies
- Shifts in case volume

Cardiology Key Performance Indicators (KPI)	2023	2024
Average OR Duration in Minutes	48.0	↓ 34.7
Average Net Revenue Per Case	\$5,014.00	↓ \$4,611.00
Average Revenue Per OR Minute	\$104.46	↑ \$132.88

Source: HST Pathways

# Ortho Sees 4.5% in Revenue Per Case



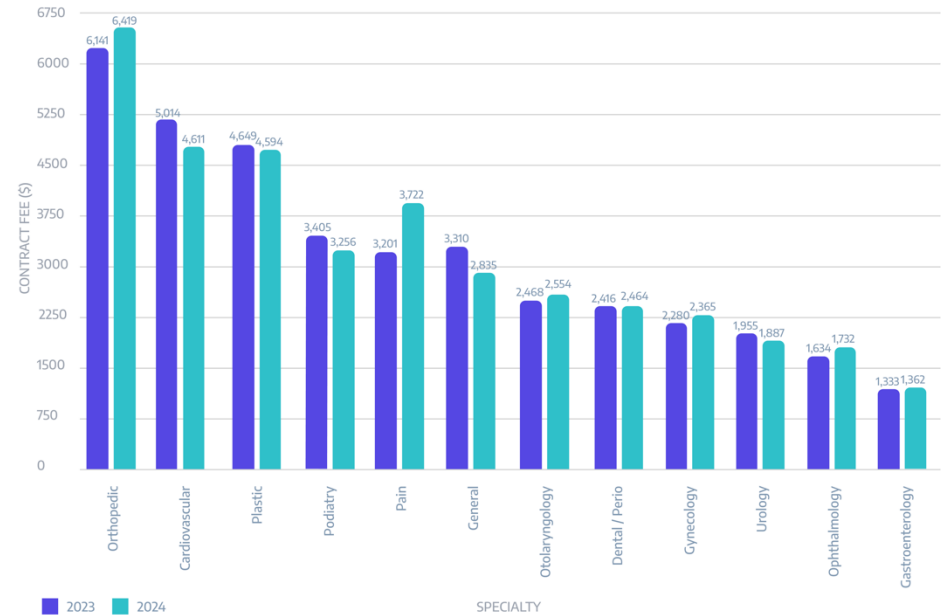
## Orthopedics sees a 4.5% YoY increase:

- 2023: \$6,141
- 2024: \$6,419

## Influencing Factors:

- Strong demand for ortho procedures
- Potentially higher reimbursement rates

2023 vs. 2024 Average Net Revenue Per Case



Source: HST Pathways

# Claim Denial Rates Notably Improved

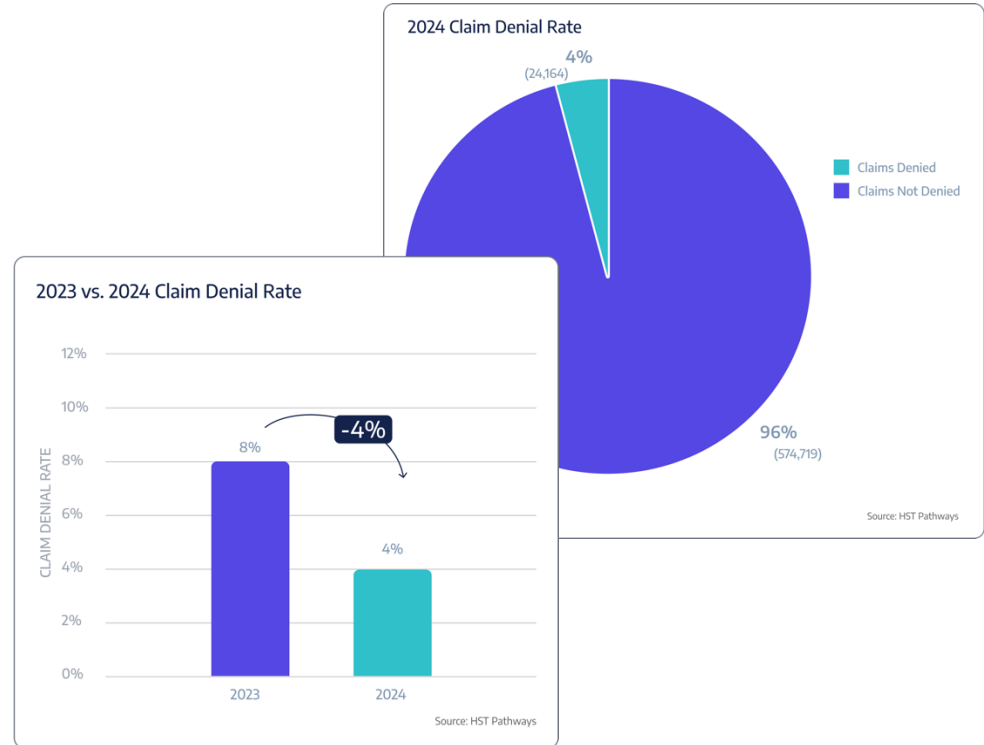


## Claim denial rates improved YoY:

- 2023: 8%
- 2024: 4%

## Influencing Factors:

- More effective RCM
- Better documentation
- Better KPI tracking
- Improved coding practices (e.g., AI)



# 2-OR ASCs Saw the Highest YoY Growth



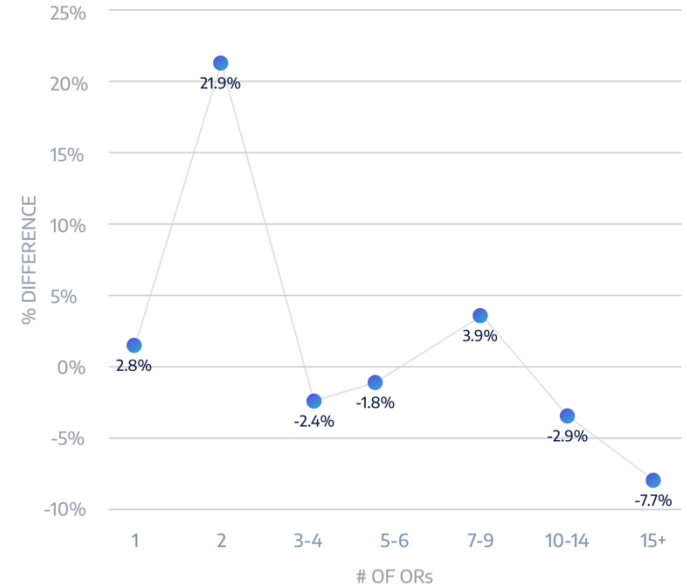
## ASCs saw varying levels of change:

- 2 ORs: 22% Growth
- 15 ORs: 8% Decline

## Influencing Factors:

- Smaller ASCs are more efficient; better positioned to adapt to market demands.
- Larger ASCs have operational complexities in scaling efficiently; staffing is an issue.

2023 vs. 2024 Case Volume Change



Source: HST Pathways

# Partial Payments | Total Payments



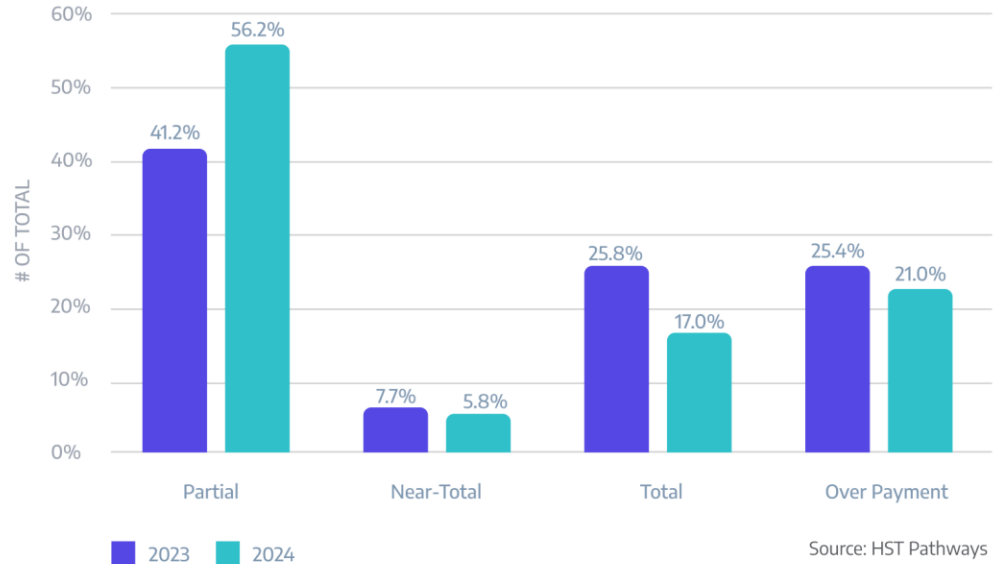
## Total reimbursements saw an interesting pattern:

- Partial payments increased
- Total payments decreased

## Influencing Factors:

- High deductible plans
- Patients are paying in installments
- Payers are not reimbursing in full
- Payment plans are more common

2023 vs. 2024 Total Reimbursement



# 13 Benchmarks



# OR Block Time Utilization

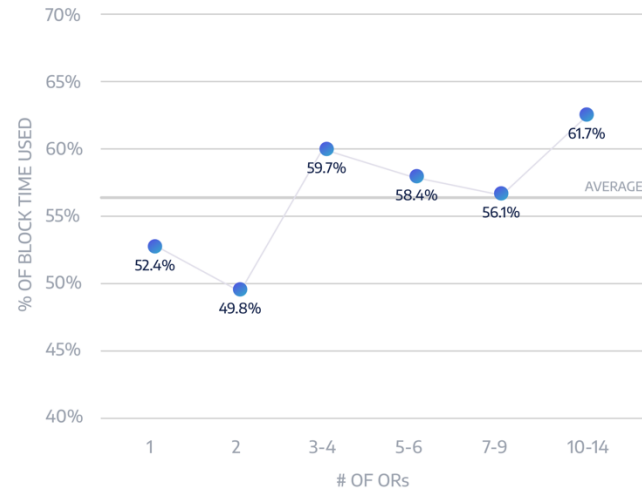


**On average, 44% of blocked OR time ends up being unused.**

## Improve by:

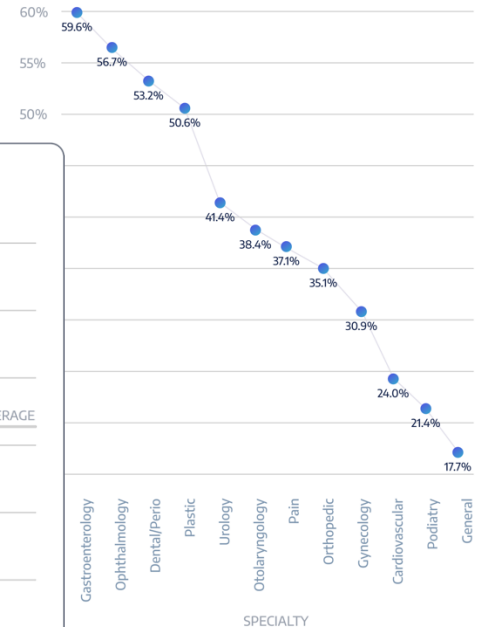
- Sharing OR availability online
- Setting internal goals
- Having 72-hour release policies
- Automating email reminders
- Recognizing high utilization (ideally >70%)

2024 OR Block Utilization



Source: HST Pathways

2024 OR Block Utilization by Specialty



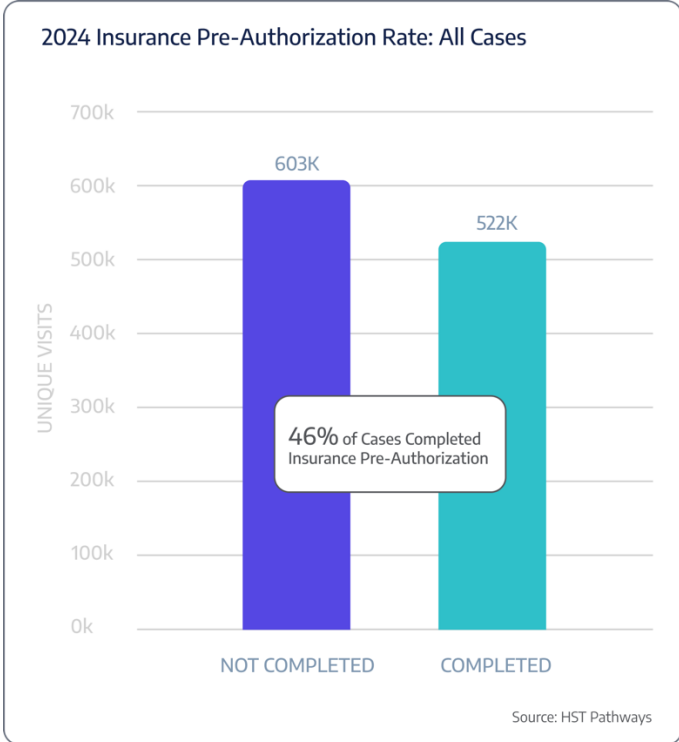
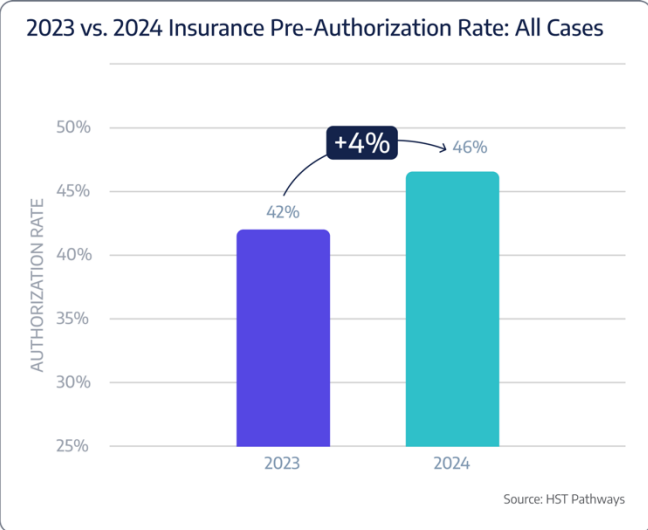
Source: HST Pathways



# Pre-Authorization Rates (Part 1 of 2)



**46% of cases completed pre-authorization.**



# Pre-Authorization Rates (Part 2 of 2)

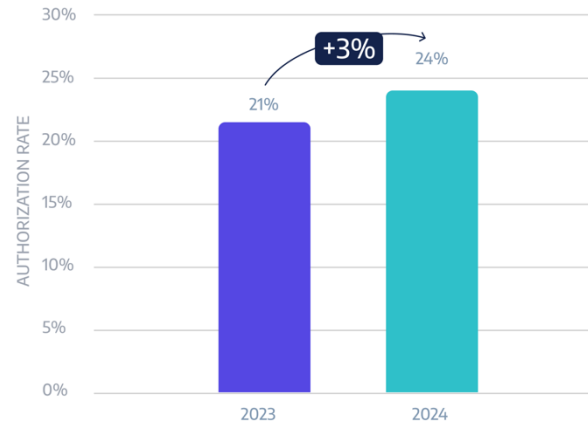


**But! Only 24% of cases completed pre-auth when it was required.**

## Improve by:

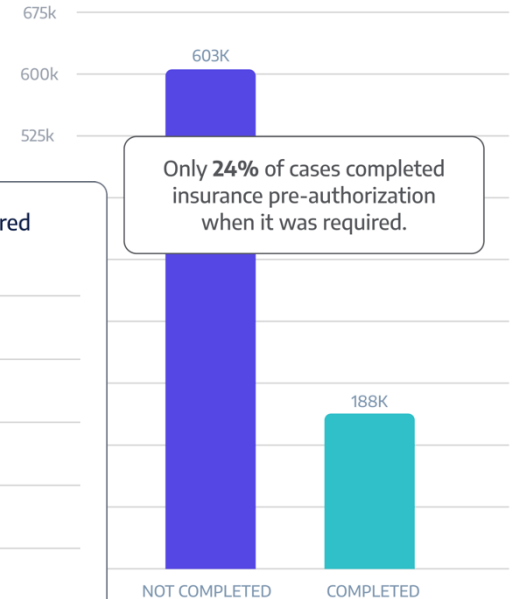
- Identifying trends
- Improving communication between the front office and billing staff
- Utilizing technology that integrates with clearinghouses
- Adjusting documentation practices
- Training staff

2023 vs. 2024 Pre-Authorization Rates When Required



Source: HST Pathways

2024 Pre-Authorization Rates When Required



Source: HST Pathways

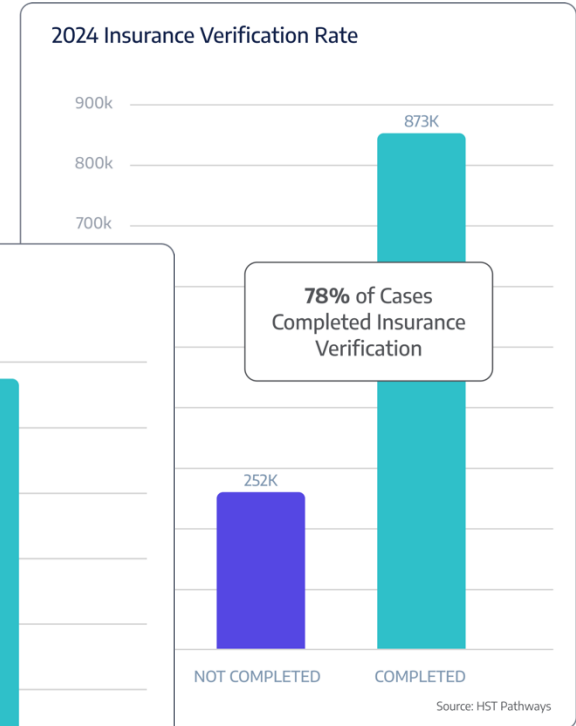
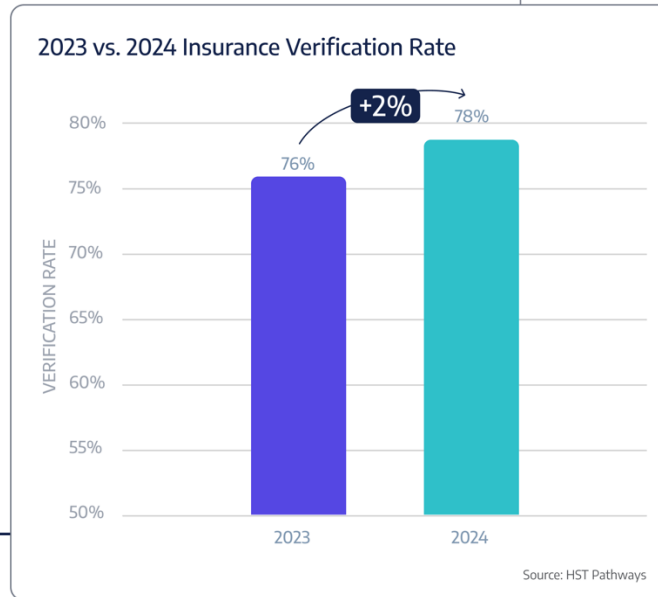
# Insurance Verification Rates



**Only 78% of cases completed insurance verification.**

## Improve by:

- Identifying trends such as procedures, payers, time periods
- Fixing communication between the front office and billing staff
- Utilizing technology that automatically integrates with clearinghouses
- Adjusting documentation practices
- Training staff

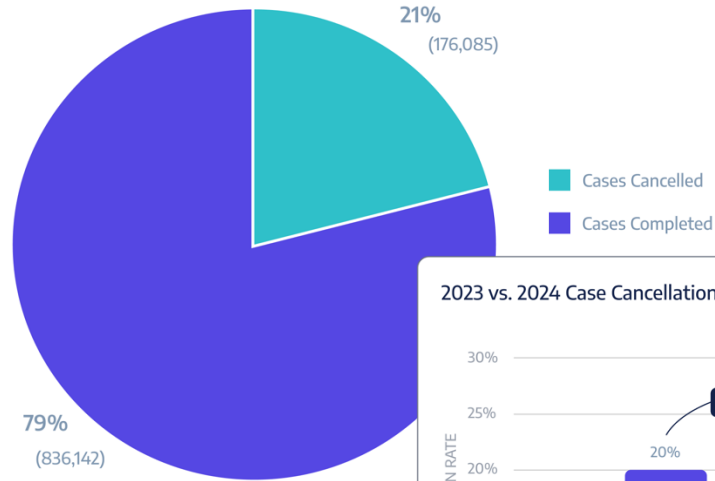


# Case Cancellation Rate (Part 1 of 2)

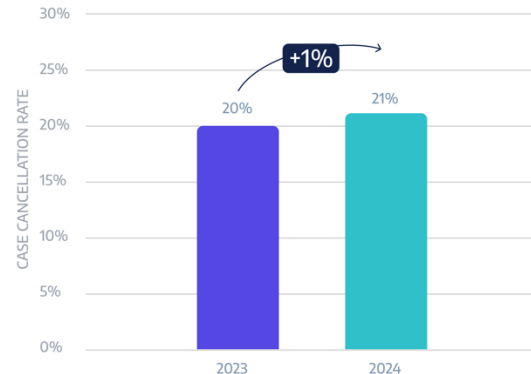


**ASCs are experiencing a 21% cancellation rate.**

2024 Case Cancellation Rates



2023 vs. 2024 Case Cancellation Rate



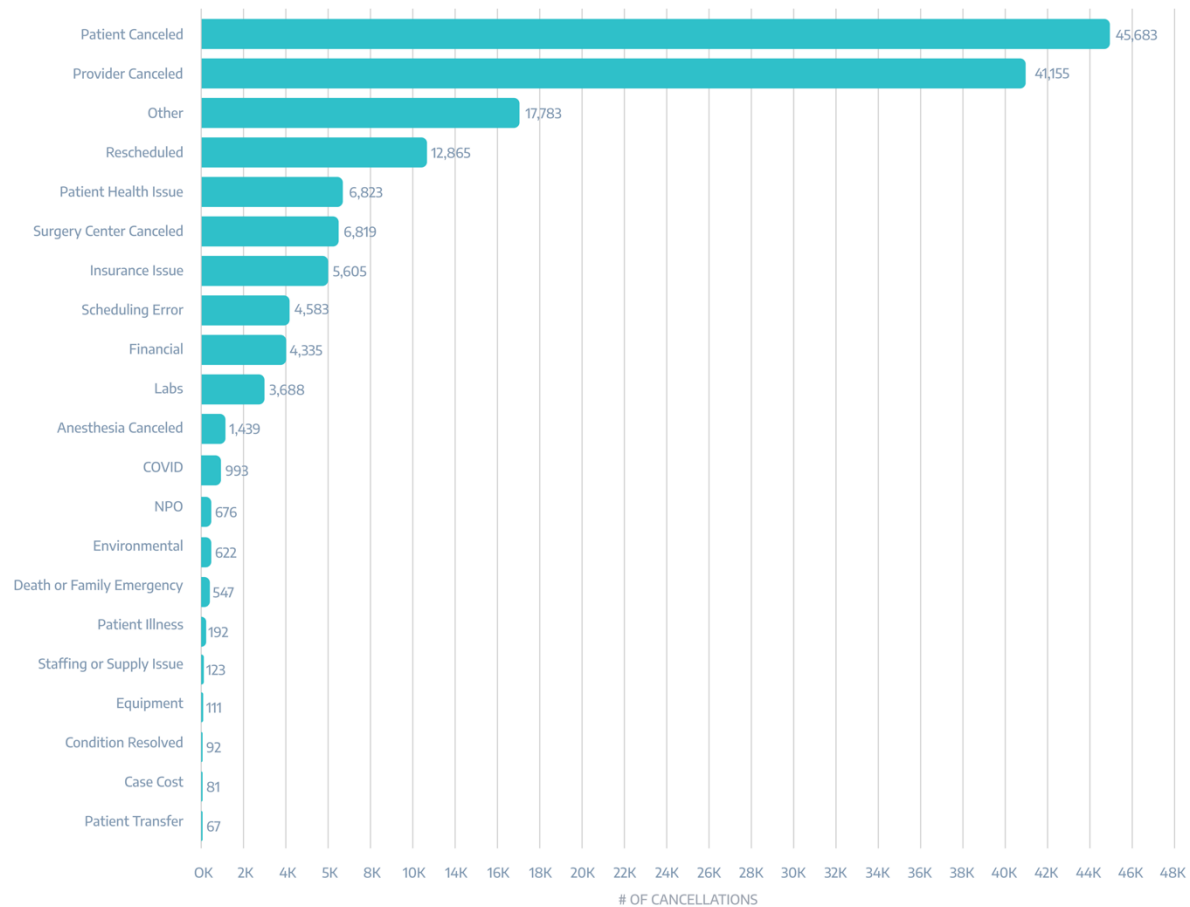
Source: HST Pathways

## Improve rates by:

- Identifying trends, specifically ones that are in your control
- Automating text reminders
- Automating pre-op instructions
- Offering financial counseling
- Communicating with vendors in one central location



## 2024 Case Cancellation Reasons



Source: HST Pathways

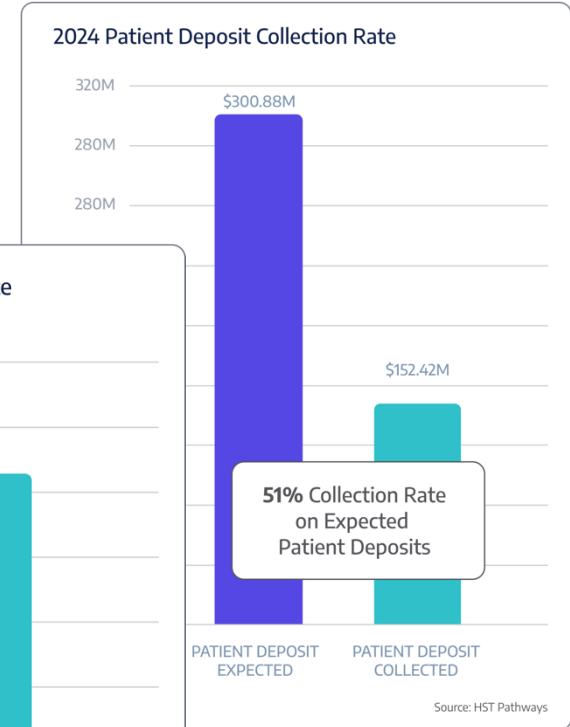
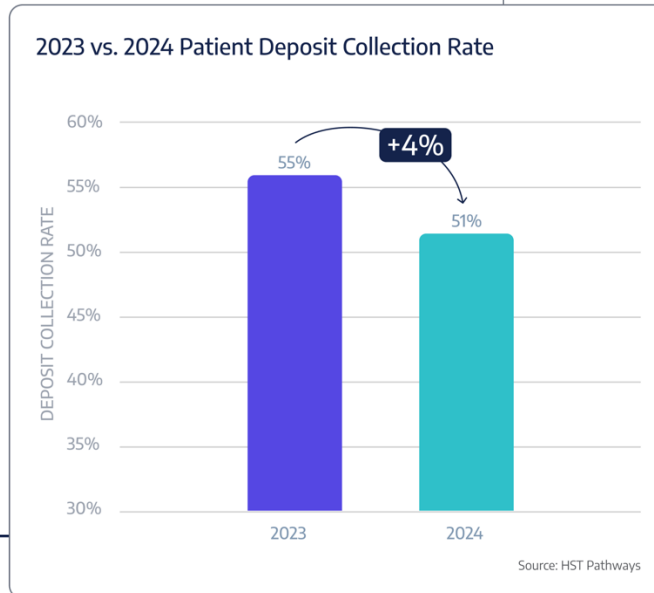
# Patient Deposit Collection Rate



**A typical ASC is only collecting 51% of expected patient deposits at time of service.**

## Improve rates by:

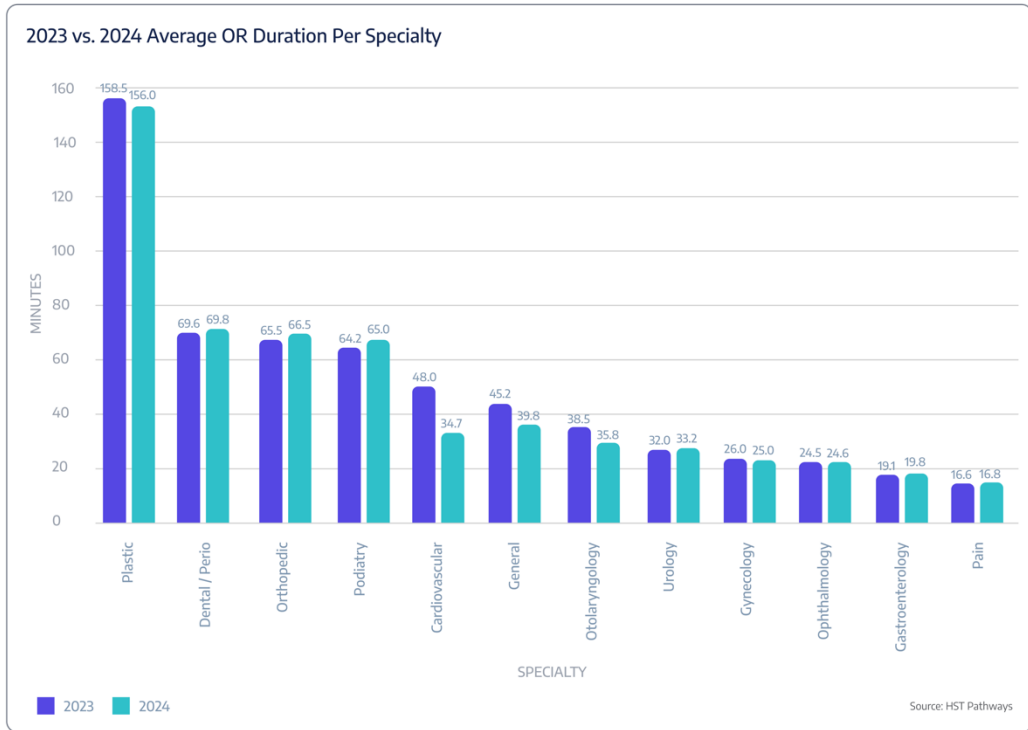
- Automating cost estimation and pre-service financial clearance
- Providing online, payment plan options
- Offering discounts for upfront payments
- Texting estimates to patients
- Offering transparency at every level and financial counseling



# OR Duration (Part 1)



**Safety is most important, but every minute you spend in the OR directly impacts your bottom line.**



# OR Duration (Part 2)

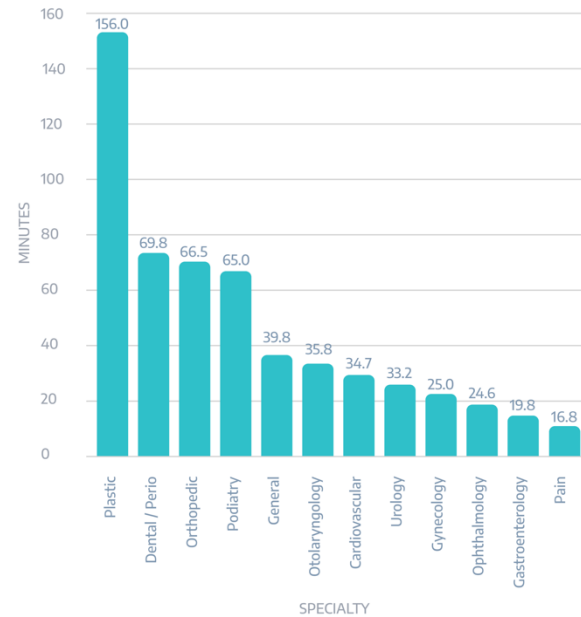


**On average, surgeries take 5.8 minutes longer than expected.**

## Improve by:

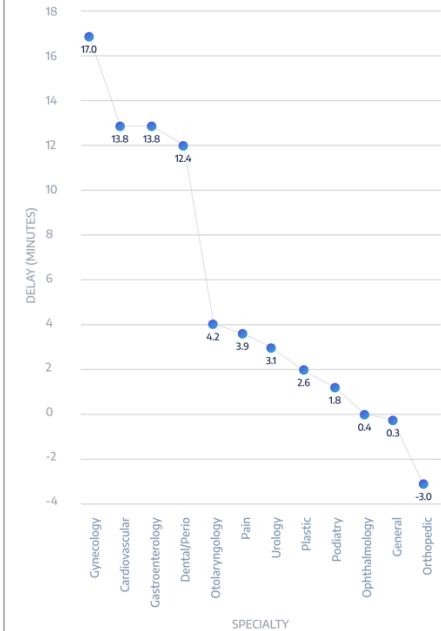
- Optimize OR staffing
- Streamlining processes (pit crew)
- Using surgical checklists
- Making data analysis and feedback a weekly process

2024 Average OR Duration Per Specialty



Source: HST Pathways

2024 Expected OR Duration vs. Actual OR Duration



Source: HST Pathways



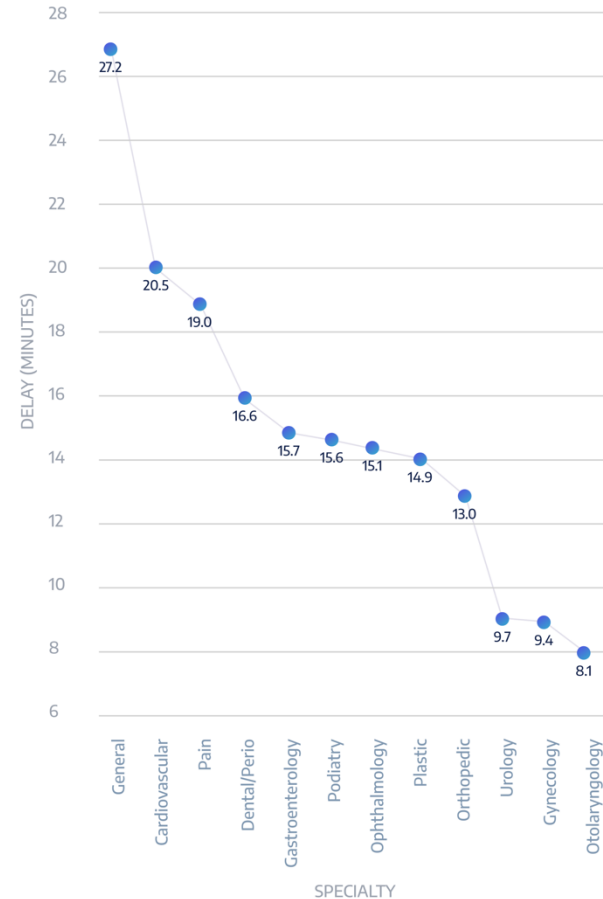
# On-Time Starts

**On average, surgeries are delayed 15.4 minutes.**

## Improve by:

- Setting clear expectations and incentivizing surgeons, anesthesiologists, and OR staff
- Streamline pre-operative processes
- Implement first-case-on-time start policies
- Monitoring on-time start metrics

2024 Expected OR Start Time vs. Actual OR Start Time



Source: HST Pathways

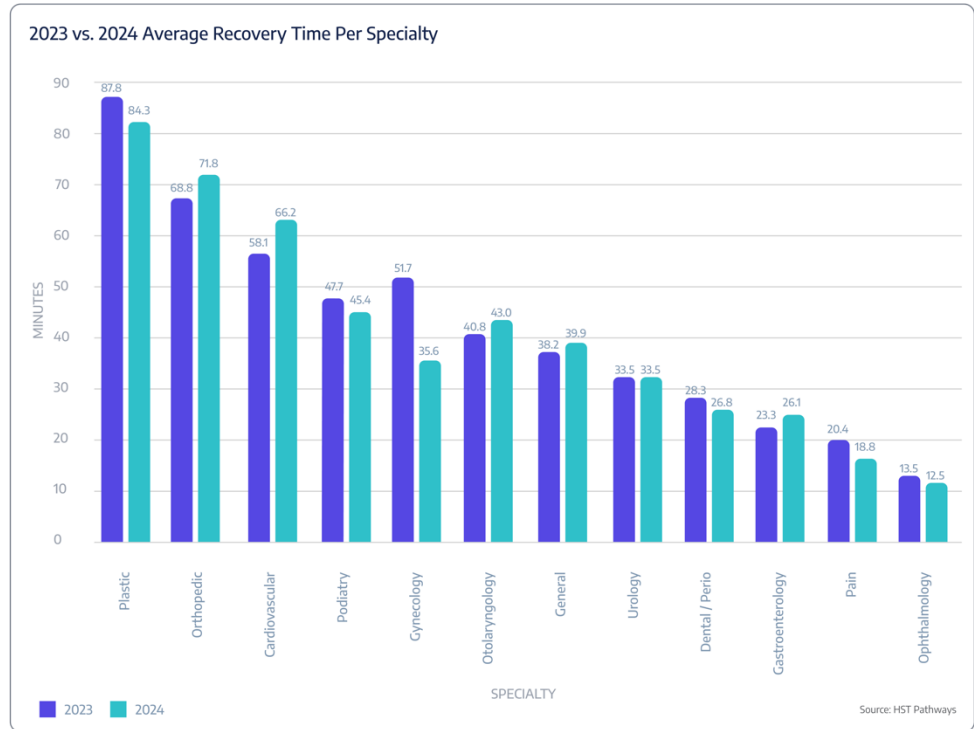


# Recovery Times



## Improve by:

- Streamlining post-op protocols
- Monitoring anesthesia protocols and partnering with your anesthesia group
- Optimizing staffing in recovery rooms
- Using post-operative nausea and vomiting (PONV) management
- Preparing patients in advance for a comfortable transition home
- Tracking recovery times



# Days to Bill (Part 1)

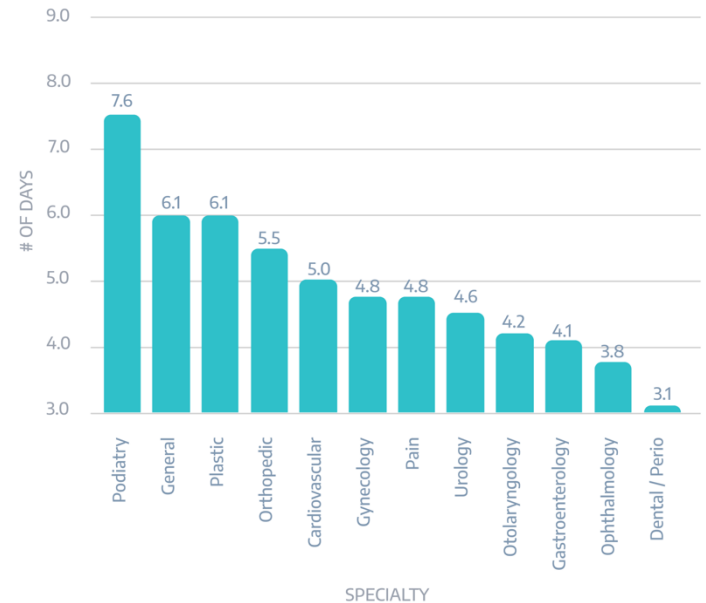


**On average, ASCs are taking 5 days to bill post-DOS.**

## **Improve by:**

- Develop standardized templates for procedures
- Track incomplete charts
- Establish clear documentation deadlines
- Automating the billing workflow
- Cross-training staff
- Monitoring days-to-bill performance
- Outsource RCM support

2024 Average Days to Bill by Specialty

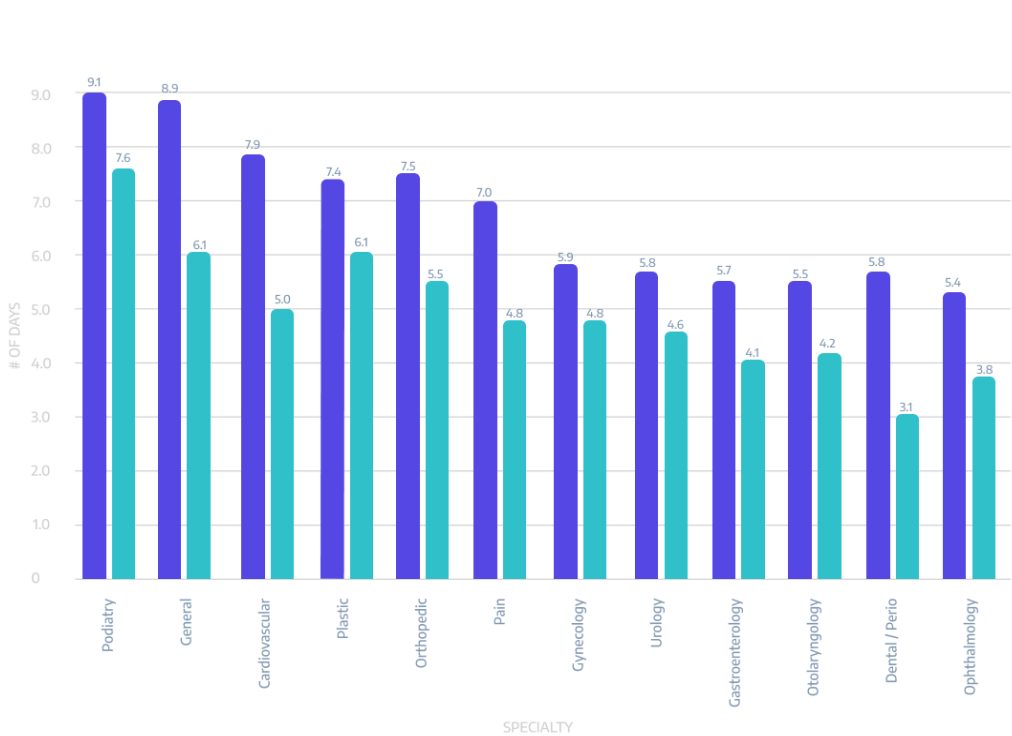


Source: HST Pathways

# Days to Bill (Part 2)



2023 vs. 2024 Average Days to Bill



2023 2024

Source: HST Pathways

# Case Volume



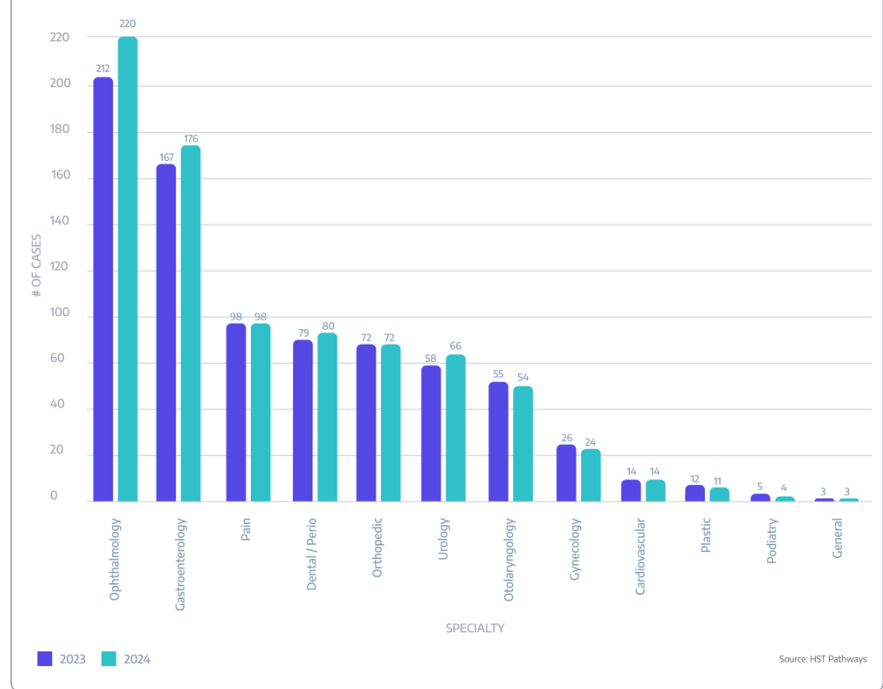
## Three Metrics to Drive Your Growth Strategy

1. Identify **Operating Room Utilization %** and **Revenue Per OR Minute**.
2. Identify the highest **Average Net Revenue Per Case**.
3. Create a strategy to bring in more cases.

This could look like:

- Prioritizing procedures
- Seeking partnerships or referral
- Engaging in targeted marketing efforts

2023 vs. 2024 Monthly Case Volume Per Specialty



# Patient Bills Unworked Post-DOS



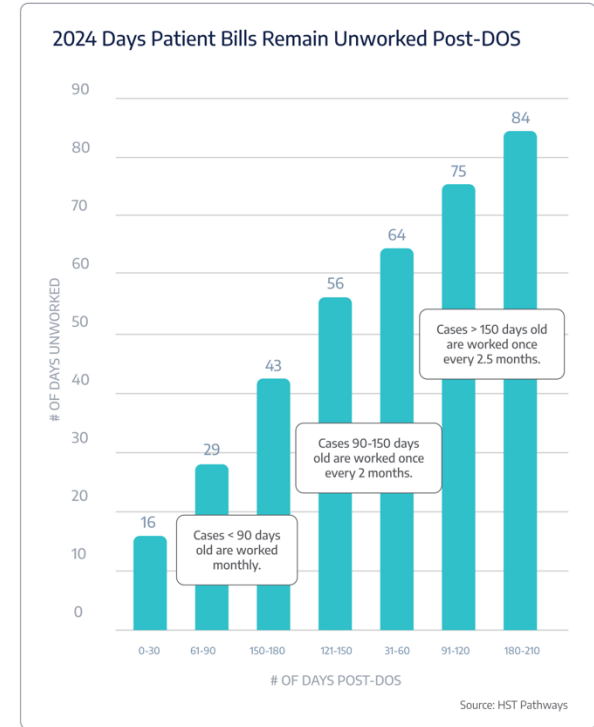
**Cases 1-90 days old = worked monthly**

**Cases 90-150 days old = worked every 2 months**

**Cases 150+ days old = worked every 2.5 months**

## Improve by:

- Prioritize high-value accounts
- Leverage automated reminders
- Offer flexible payment options
- Incorporate early intervention with phone calls
- Outsource RCM support



# Outstanding AR

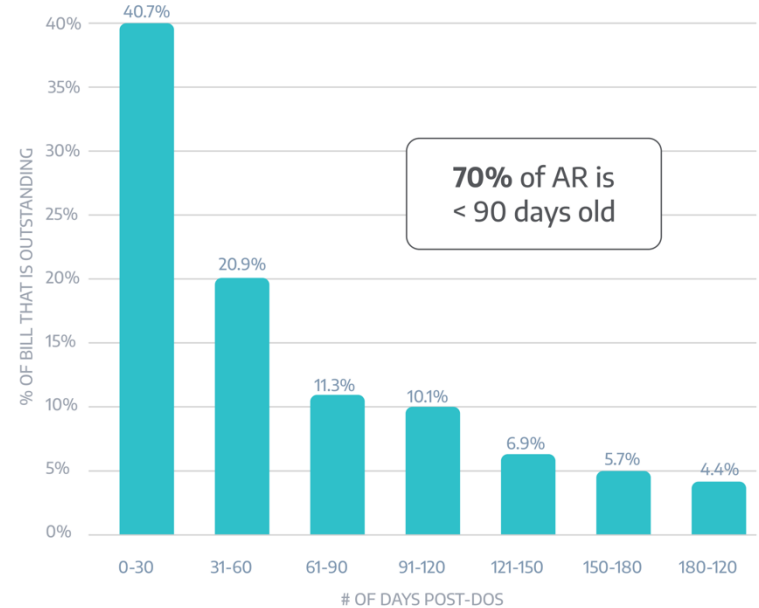


**70% of AR is > 90 days old.**

## Improve by:

- Breaking down your "days not worked" into 30, 60, 90 days
- Using RCM software to send alerts internally and to the patient

2024 Percentage of Bill Outstanding Post-DOS



Source: HST Pathways

# Net Revenue Per Case

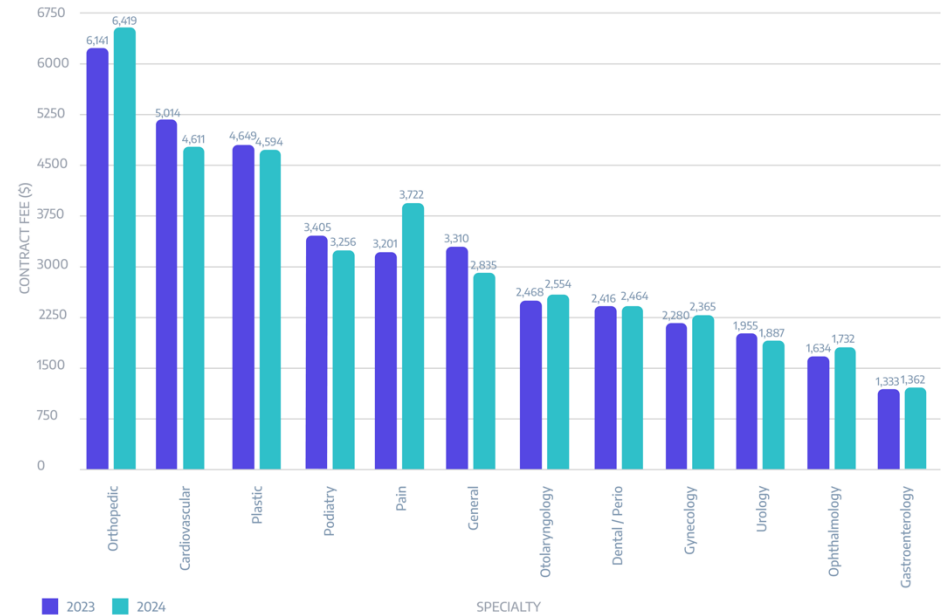


**We looked at this earlier, but it's worth addressing again!**

## Improve by:

- Monitoring closely to find operational inefficiencies
- Using profitability software to help proactively spot "losing" cases
- Determining profitability thresholds all stakeholders are comfortable with

2023 vs. 2024 Average Net Revenue Per Case



Source: HST Pathways





# Thank you.

**Questions?** \_\_\_\_\_

**Contact Us**

Erica Palmer

[erica.palmer@hstpathways.com](mailto:erica.palmer@hstpathways.com)

