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**Medicare Agency Jeopardizes Access to Cost-Effective Care, Potentially Threatens Health of U.S. Seniors by Limiting Life-Saving Colorectal Cancer Screening**

*Gastroenterologists Predict CMS “Death Blow” to Ambulatory Surgery Centers*

**Bethesda, MD, July 17, 2007** - Last night, the Centers for Medicare and Medicaid Services (CMS) announced a final rule on payment policies for Ambulatory Surgical Centers (ASCs) which cuts facility fees dramatically starting in January 2008. When fully implemented in 2011, CMS expects to pay ASCs at approximately 65% of the outpatient hospital rate, whereas GI ASCs are generally paid now at approximately 89% of the outpatient hospital rate.

These unfair and arbitrary cuts to reimbursement for endoscopic procedures performed in the ambulatory setting create false economic incentives that will have a devastating impact on access to care by Medicare beneficiaries which could severely limit use of lifesaving colorectal cancer screening tests.

ASCs provide a safe, convenient and cost-effective environment for GI endoscopic services, which include screening tests for gastrointestinal cancers and other chronic digestive disorders. CMS’s new rule creates profound and disproportionate negative impact on GI ASCs. Services provided in ASCs ultimately will be reimbursed at a rate that is actually below costs, according to an analysis performed by the Lewin Group and placed in the record of this rulemaking.

“The American College of Gastroenterology predicts that CMS has dealt a disastrous death blow to GI ASCs through draconian cuts to payment. This ill-conceived and unfair scheme threatens public health by severely limiting access to colorectal cancer screening in what is widely accepted as a safe, cost-effective setting for delivery of these health care services,” explained ACG President David A. Johnson, M.D., FACG. “Further, the rule will force Medicare patients to migrate back into the more expensive hospital outpatient setting, ultimately costing the federal government more.”

According to the ACG, there are already significant barriers to screening for colon cancer, the second leading cancer killer among men and women, and dramatic under-utilization by Medicare patients of this lifesaving method of early detection. The College fears that use of the Medicare colorectal screening benefit, under this new federal rule, will decline further still. “In life and death terms, many Medicare beneficiaries will die unnecessarily if the access to sites where colonoscopies can be performed is reduced by the closing of GI ASCs. Waiting times for screening will increase, and the overall rate of colorectal cancer screening will plummet further,” according to Edward L. Cattau, Jr., M.D., FACG, Chair of the College’s National Affairs Committee.

In formulating the payment structure for the new ASC rule, CMS has unfairly adopted a too narrow view of the overall health care environment for ASCs. The agency has ignored economic realities of the care provided in ASCs versus the higher cost setting of the hospital outpatient department. The new rule's impact on ASCs, many of which provide GI services only, will be to force these small businesses to close their doors. A recent Deutschebank analysis on the proposed rule concludes that any ASC that provides fewer than 3,500 procedures per year will be put out of business. This will dramatically reduce the effectiveness of Medicare's preventive colorectal cancer screening, as patient access is confined to fewer screening sites, and disenfranchised beneficiaries wait longer or simply decide in frustration not to be screened.

### **About the ASC Rule**

The Medicare Modernization Act of 2003 (MMA) required CMS to modify how ambulatory surgery centers (ASCs) are reimbursed. In August 2006, CMS began to implement ASC payment reform and published a notice of proposed rulemaking (NPRM) to create significant modifications to the ASC payment system and sought comments on their proposal. The final rule will be implemented beginning with procedures performed on or after January 1, 2008.

### **About the ACG**

Founded in 1932, the American College of Gastroenterology (ACG) is an organization with an international membership of more than 9,000 individuals from 80 countries. The College is committed to serving the clinically oriented digestive disease specialist through its emphasis on scholarly practice, teaching and research. The mission of the College is to serve the evolving needs of physicians in the delivery of high quality, scientifically sound, humanistic, ethical, and cost-effective health care to gastroenterology patients.

**Physician Experts Available for Interviews** Please contact Anne-Louise Oliphant, 301-263-9000 or [aloliphant@acg.gi.org](mailto:aloliphant@acg.gi.org)

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