



Ambulatory Surgery Center Market Insights

Key Priorities: A Roadmap Ahead



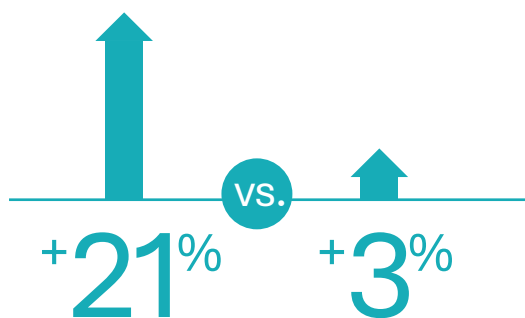
Data-driven insights, benchmarking, cost optimization drive ASC performance

A recent Vizient® survey of ASC leaders found disparate data sets and disjointed technologies are their top pain points. Adopting an approach that integrates cross-domain data and expertise to unlock efficient strategic growth is critical.

While the continued shift to ambulatory surgery centers is substantial — according to Sg2 Impact of Change® estimates, growth in the ASC space will increase by 21% over the next decade compared to 3% for inpatient — growth in procedure volume is not uniform or guaranteed for every new ASC.

So, how do you develop a strategy that ensures sustainable growth underpinned by quality patient care and revenue generation?

The answer lies in cross-domain benchmarking, data-driven cost optimization and category expertise to drive performance.



KEY TAKEAWAYS

- With substantial growth anticipated in the ASC space over the next decade — along with significant shifts in certain procedural volumes — developing a data-driven ASC strategy is critically important.
- A recent survey of Vizient clients showed disparate data sets and disjointed technologies are the top pain points for ASC leaders, followed by a lack of transparent benchmarking and “facilities like me” comparisons.
- Successful strategy requires cross-domain benchmarking insights, data-driven cost optimization and category expertise to drive performance.
- Partnerships with organizations that can provide insights across clinical and supply data will prove key to unlocking the drivers behind supply costs, utilization and quality of care while identifying opportunities for greater operational efficiencies.

After all, a site of care this complex requires integration of insights across your facility. As accelerated investment in ASCs continues due to projected procedural growth, superior operational efficiencies and payer pressure, your strategy must be as robust as the market you're addressing.

Consider the procedures that have seen significant growth. GI endoscopy is the most common ASC procedure nationally, but from 2021 to 2023, several other procedures saw significant percentage point shifts including arteriovenous (AV) fistula procedures (+3%), neurostimulator procedures (+2.4%), primary knee replacement (+2.1%) and primary hip replacement procedures (+2%). Vizient projects outpatient volumes for primary knee, hip and shoulder replacements will

grow 69% in the next decade and 90% will take place either in an ASC or hospital outpatient department (HOPD).

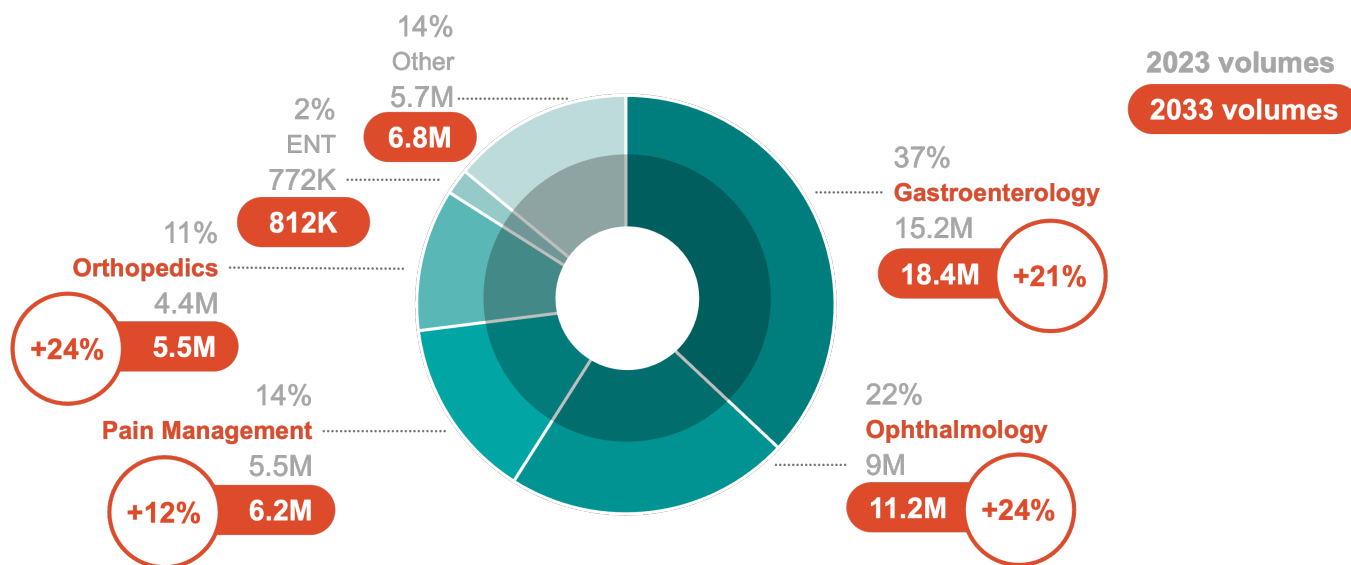
Forecasting is an important component of strategy development, but ASC leaders must also determine how to best assess market dynamics and disruptor activity, improve ambulatory surgery operational efficiency and evaluate procedural profitability.

Anticipated top-shifting procedures over the next decade

- Total joint
- Spine fusions
- Knee revision
- Prostatectomy
- Choles
- Bariatric surgery

Fig. 1

Tracking ASC Expansion: Where Specialty Volumes Are Headed



Note: Percentages may not add to 100 due to rounding. Gastroenterology specialty includes endoscopy: colonoscopy; endoscopy: screening colonoscopy; endoscopy: ERCP; endoscopy: upper GI endoscopy. Pain management specialty includes procedures—minor RF ablation; procedures—minor arthrocentesis and/or injections. All subsequent service line volumes exclude GI/endoscopy and pain management volumes and are defined as procedures—major; procedures—minor, endoscopy; diagnostics: diagnostic catheterization. ERCP = endoscopic retrograde cholangiopancreatography; GI = gastrointestinal; mgmt = management; RF = radiofrequency. Sources: Impact of Change®, 2023; Proprietary Sg2 All-Payer Claims Data Set, 2021; The following 2021 CMS Limited Data Sets (LDS): Carrier, Denominator, Home Health Agency, Hospice, Outpatient, Skilled Nursing Facility; Claritas Pop-Facts®, 2023; Sg2 Analysis, 2023.



Data, technology and expertise enable growth

Navigating those dynamics is a challenge, which is why Vizient recently surveyed 56 leading healthcare organizations to identify their most pressing priorities related to ASC performance. Unsurprisingly, disparate data sets and disjointed technologies that limit workflow integration were the top pain point — meaning ASC leaders should avoid simple point solutions and prioritize investing in comprehensive resources that allow for standardized, consistent cross-domain benchmarking insights, data-driven cost optimization and category expertise. This allows them to

know where their organization stands today and chart a clear path toward improvement.

Meanwhile, physician productivity, provider connections/referral programs and labor availability were seen as the top three most important components for measuring and managing performance to drive growth strategy. Several organizations noted their top priorities over the next 12-18 months include physician alignment to maximize margins, streamlined workflows to improve capacity, and physician recruitment and retention.

Fig. 2

Leaders rank connection between market data and operational performance as their biggest pain point behind disparate data sets

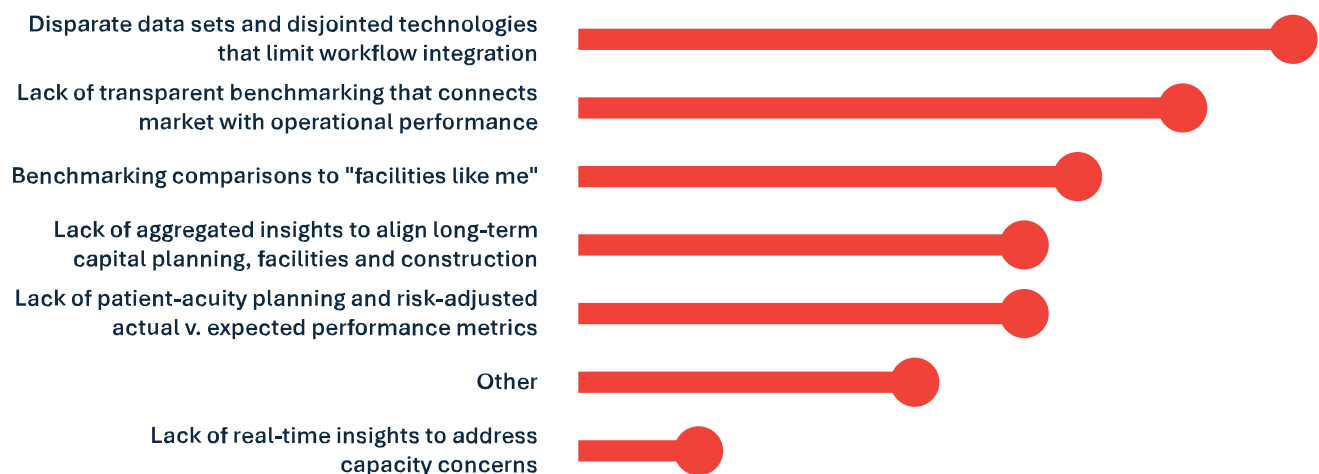
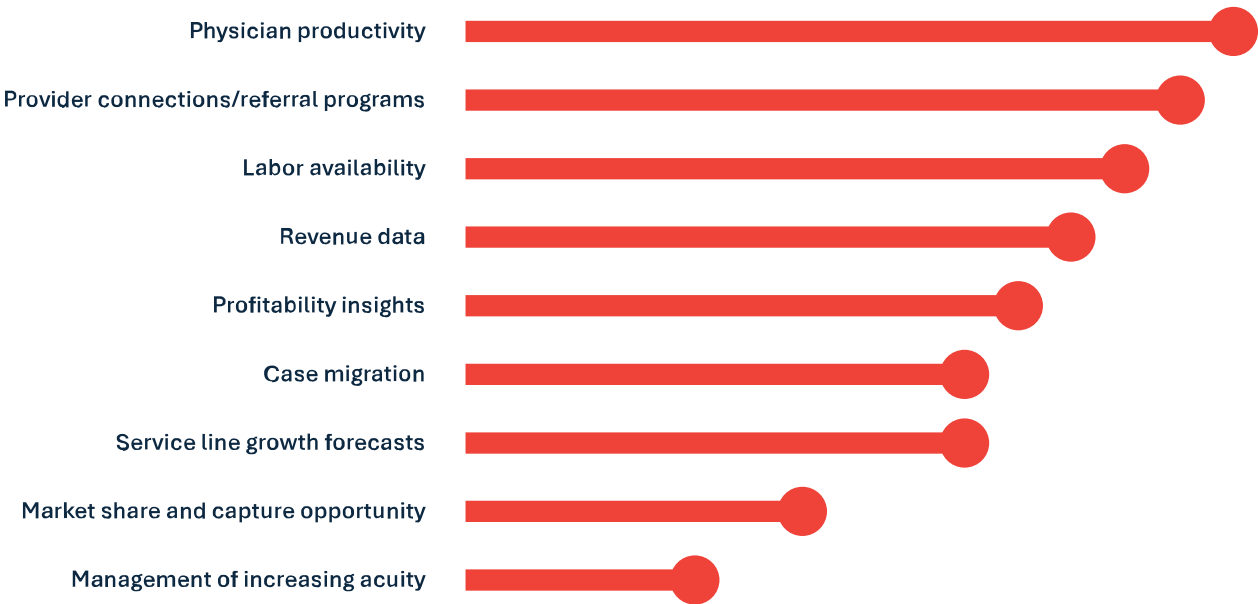


Fig. 3

Leaders rank physician productivity as most important component for measuring/managing performance to drive growth and strategy





Balancing efficiency, cost and quality

Respondents indicated four primary areas in which they need greater insights to streamline operational and cost efficiencies: financial management case mix/site mix, capacity and throughput, labor and productivity benchmarking and non-labor expense.

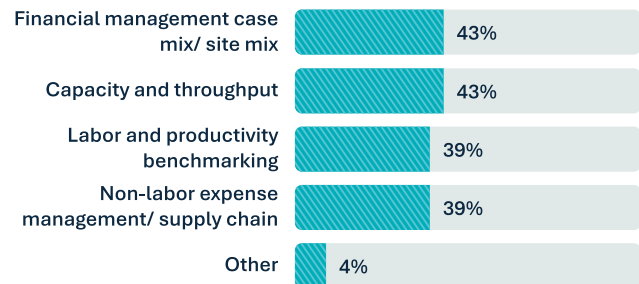
These responses align with the interconnected priorities ambulatory leaders must juggle, including payer pressures, policy changes, market growth and cost containment. While market expansion presents opportunities, it also brings financial and operational pressures, and ownership models further complicate this dynamic by influencing decision-making and resource allocation.

To succeed, ASCs must refine their financial strategies, ensuring they remain cost effective and quality driven while maintaining a competitive advantage.

For instance, it's crucial to understand the financial dynamics of ASCs to ensure strategic pricing and contract negotiations. Reimbursement varies significantly by site of service, which can affect financial viability. For total joint knee replacements, inpatient hospital reimbursement is highest, followed by HOPD, and ASCs. While ASCs receive lower reimbursement, they offer cost efficiencies that make them a preferred site for many procedures. Based on data from December

Fig. 4

Primary needs to enhance operational and cost efficiency



2023 to November 2024, the Vizient Procedural Analytics cohort of ASC facilities demonstrated that per case, procedural supply cost is \$430 (8%) less for total joint knee replacements when compared to the academic medical center facilities cohort, with an average procedure time of 77 minutes. Though these costs are reflective of supplies used per case, estimates from the Vizient Operational Data Base suggest a range of \$26-60 cost per OR minute.

The key to success lies in leveraging data-driven strategies to align financial, clinical and operational goals, including analyzing case volume trends, turnover times and scheduling patterns to optimize OR utilization and maximize case throughput; reducing inefficiencies to lower costs per

procedure; and using real-time inventory and cost analysis to reduce waste. Leaders also must connect the dots across large cost drivers such as labor and productivity and more granular cost drivers such as supplies to pull in a total-cost perspective.

The right data for the right quality and cost outcomes

Not all data is created the same. Here's the depth and breadth of insights you should look for to grow your ASC strategy:

- **Comparison of supply data and clinical outcomes:** Don't rely on data that isolates supply usage and clinical outcomes. Instead, look for datasets that connect cost and quality and enable value-based care decisions.
- **Data at the physician/surgeon level of detail:** Data with limited validation processes can lead to inconsistencies or unreliable benchmarks. Instead, trust data with multi-layered logic that ensures accuracy and context for deeper insights.
- **Insights into service lines:** Don't focus narrowly on a few high-cost areas like orthopedics or cardiology — look for data that provides insights across a broad range of specialties and procedures.
- **Extensive procedure groups:** You don't want a platform that groups procedures into broad categories, which can obscure key variations in performance and opportunities for improvement. Granularity enables more precise comparisons.
- **Granular supply categorization:** Data around unique supply categories — as opposed to limited or general supply categorizations — empowers users to identify inefficiencies, optimize supply usage and address costs at a micro level.

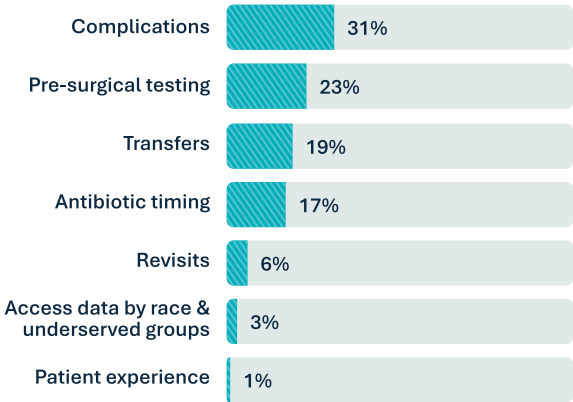


To assess quality and value, respondents indicated the use of various measures, such as patient outcomes and satisfaction, process and procedure audits, readmission rates, transfers, case times and reimbursement comparisons.

The survey showed that among all measures, deeper insights into complications are considered most crucial.

But there are additional considerations that support sustainable quality gains. For one, it's important to build better collaboration with physician leadership in ASCs, who will often prove to be powerful advocates in leading quality improvement strategies. A population health approach also is key — look at the holistic performance of a patient population and a procedure type across care settings.

Fig. 5
Primary needs to enhance quality and value



Case study: ACL knee arthroscopy

A health system with ASCs implemented Vizient Procedural Analytics, a resource that combines procedural clinical and supply data to provide deeper insights into the drivers behind supply costs, utilization and quality of care. By bringing together clinical service line and supply chain leaders to address gaps and improve data integrity, the system was able to enhance its operational efficiency.

Shortly after implementation, the system identified a key opportunity within ACL knee arthroscopy procedures performed across ASCs and hospital sites. By analyzing variations between locations, leaders uncovered **\$365,000** in annual savings on sports medicine supplies — driven by internal variation of utilization practices — along with an additional **16-18%** opportunity in new sourcing strategies. The key driver: Commitment to creation and sustainment of multi-governance structures and organizational alignment to tackle quality outcomes-enabled cost-reduction strategies.

Ingredients for a successful implementation:

- Strong advocacy from executive leadership for use of procedural supply data
- Experts across the business who are engaged in the project, including those from procedural areas (OR, cath lab, interventional radiology, etc.), supply chain, quality department and decision support



Integrated metrics fuel sustainable gains

Ultimately, ASC growth will depend on market, competition and strategy — along with metrics that reveal how efficiencies can and should be created in the increasingly complex ambulatory surgery center landscape. Integrated data transforms disconnected systems into real-time, actionable insights that allow for informed decisions and transparent benchmarking provides the clarity needed

to measure performance, identify opportunities and drive long-term success.

But remember — these elements don't work in isolation. When aligned, they create a powerful strategy to help ASCs optimize financial and operational performance, navigate complexity and stay competitive in an evolving market. Considering the continued procedural shifts to ASCs, not having a clearly defined strategy isn't an option

What else should you consider in your ASC approach?

- Physician ownership and alignment is crucial to the success of ASCs. Over 80% of ASCs have some form of physician ownership, which helps incentivize physicians to bring cases to the ASC.
- Optimally performing ASCs address OP surgical capacity constraints, allow for better control of case migration for both clinical and financial purposes, reduce costs amid surging expenses, impact equity-based physician alignment models and respond to continued consumer-driven trends.
- The need for high-performing ASCs will be magnified in states with recently revised CON laws (e.g., North Carolina and South Carolina) and in states considering revising their CON laws (e.g., Mississippi, Kentucky, Alabama, Georgia, Connecticut)
- Market dynamics vary significantly, and factors like availability of ASC capacity, physician preference, policy/regulation and real estate/zoning can all influence the pace of procedures shifting to the ASC setting.
- To compete with private equity-backed ASC entities, traditional healthcare providers need to be less risk-averse and consider offering equity to their physicians in ASC joint ventures.
- Key things to watch for in 2025 and beyond include changes to the inpatient-only list and ASC covered procedures list, as well as vigilant monitoring of your own physician-owned ASC opportunities and competitor activity.

Discover how Vizient can help you gain deeper, more integrated insights to bolster performance across the continuum of care with tools like Procedural Analytics. And connect with our experts who can help you build a sustainable ASC strategy.



**For more information or to
request a demo contact us at:**

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