



Pricing ASC Space for Hospital Overflow

As hospitals across the country continue to reach capacity in the service of COVID-19 patients, bed space is at a premium. Hospitals are looking to hotels, convention centers and other non-clinical sites to add beds to care for patients outside of the four walls of the hospital for surge capacity. However, many entities near or on the hospital campus already equipped with support staff and infrastructure such as access to oxygen, medical supplies, and medical equipment represent a better choice.

As noted in the recent Stark waiver, an ASC is a great alternative for hospitals, especially considering the moratorium on the performance of non-essential elective cases. Although the waivers exist and provide flexibility, many clients are seeking documentation for the file and to help with transition after the pandemic is over.

A hospital could likely provide certain specialized equipment and staff while the ASC would provide space, equipment and other medical supplies. The hospital would also bill for any services provided within the ASC. Since the variable expenses are undeterminable at present, fees can be charged on either a case rate basis or a per bed per day basis using an expected procedure mix. A buildup of potential fees based on ASC cost, reimbursement models and margin requirements can help in calculation of a fee schedule.

Pinnacle has substantial experience developing accelerated COVID-19 fee schedules for ASCs to sublease combinations of the above contracted operational components to other clinical entities. We can conclude to either a per case rate, per bed or block lease basis. For more information, please contact:

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