Is There An Interventional Radiology ASC (irASC) In Your Future?

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Professional, business, and regulatory paradigm shifts occurring in interventional radiology present a new opportunity for interventional radiologists and their groups: Profiting from ownership of interventional radiology ambulatory surgery centers ("irASCs").

Some radiology groups have soured on the notion of developing imaging facilities due to declining technical side reimbursement and perceived conflicts with hospitals. The new opportunities for irASCs, however, have nothing to do with imaging facilities and with technical fees as commonly understood by radiologists. Reimbursement from Medicare and from other payors to an irASC is based upon CPT coded facility fees, which, depending on the procedure, can be quite significant, in some cases into the mid-four figures per procedure. Note that those facility fees are in addition to the professional fee for the interventional radiologist's own services.

The birth of the irASC concept is a result of a confluence of professional and business trends as well as a significant payment-related regulatory shift. In the hospital setting, interventional radiology has suffered from the image of the specialty as a "service" as distinguished from a surgical specialty. This has resulted in an artificial cap on referrals from other medical specialists.

Interventional radiologists now are beginning to shift their professional image from that of radiologists who are interventionalists to that of interventionalist surgeons who happen to be radiologists. This same shift is occurring in other interventional specialties such as interventional cardiology.

On the business side, there's a huge push by insurers to move cases across the board from the very expensive hospital setting, even the hospital outpatient setting, to freestanding surgery centers. The magnitude of potential cost savings to payors cannot be understated.

Although exact prices can't be discussed due to antitrust restrictions, some interventional radiology procedures that would result in a hospital charge in the range of $25,000 (exclusive of any physician fee) can be performed in an irASC setting for an all-inclusive (facility plus all physicians') fee in the range of $10,000 to $15,000 and still be quite profitable to the irASC due to the much lower surgery center cost structure.

On the regulatory side, there are now more than 40 surgical CPT codes for interventional radiology procedures. The existence of those codes enables outpatient interventional radiology surgical facility fees to be billed and collected by an irASC.