

PRESS RELEASE

# Cedar Gate Data Analysis of 12 Million Members Reveals Accelerated Shift from Inpatient to Outpatient Surgeries

- DATA INSIGHTS REVEAL 22% COST SAVINGS IN SHIFT TO OUTPATIENT SETTINGS -

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GREENWICH, CONNECTICUT – Based on anonymized data from more than 12 million commercial insurance members, [Cedar Gate Technologies](#) (Cedar Gate) finds inpatient surgery utilization levels decreased 7.33% from 2019 to 2021, with a corresponding increase in utilization rates for non-inpatient facilities. Hospital outpatient surgery volume was up 3.1%, but the biggest increase was in ambulatory surgical centers (ASCs), with utilization rates rising by 10.26%.

Cedar Gate's data scientists found that after an initial drop in monthly surgeries in March and April 2020 – from approximately 175,000 per month to 70,000 – volumes recovered by June 2020 to pre-pandemic levels. However, more of those surgeries are now taking place outside hospital inpatient settings. Most of the deferred surgeries in early 2020 were likely elective – beneficial but not medically necessary surgeries to preserve a person's life – creating an opportunity for patients and surgeons to safely move them to hospital outpatient or ASC settings when appropriate.

"The pandemic accelerated a trend toward decreasing inpatient surgeries, and this shift is impacting hospital revenue in real time. Experts increasingly agree that hospital inpatient surgery volume is unlikely to ever go back to pre-pandemic levels," said Rajiv Mahale, SVP & Chief Analytics Product Officer, Cedar Gate. "Increases in outpatient and ASC surgical volumes, however, present an opportunity for value-based care delivery models by providing strong patient outcomes and lower costs."



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## Factors Driving Change

In 2020 and 2021, many patients avoided hospitals due to concerns and risks surrounding COVID-19 infections, leading to deferred treatment and possibly driving patients to alternative solutions outside a hospital setting altogether.

Data suggest that patients who deferred a total knee arthroplasty, for example, may have pursued less invasive treatment options, including nonsurgical orthopedic care alternatives such as physical therapy. Cedar Gate's member data tracked a 2.26% increase in orthopedic physical therapy from 2019 to 2021, coinciding with reductions in elective surgery volume.

Advanced technology that is less invasive and reduces risks and recovery time also contributes to the shift out of hospital settings. This technology makes outpatient and ASCs more efficient alternatives while also improving patient care, outcomes, and satisfaction, according to recent studies.

In a comparison of total knee arthroscopy costs between July 2020 and June 2021, Cedar Gate's data revealed that costs were 22% lower at an ASC or hospital outpatient department – averaging \$23,895 and \$24,020 (respectively). In a hospital inpatient setting, the average cost was \$30,825 for the same procedure.

## The Data

Cedar Gate Technologies accessed anonymized claims information from its database of 12 million member lives to analyze movement from inpatient surgeries to outpatient and ACOs settings. The data is derived from commercial payers, absent Medicare or Medicaid patient data. The analysis leverages Cedar Gate's composable solutions for analytics, data management, population health and care management, and payment technology to provide in-depth insights.

"Our data enables healthcare systems to improve value-based care initiatives by leveraging benchmark and best practice insights," continued Rajiv. "Organizations seeking to advance service lines and optimize value-based services can build and reposition their offerings using our deep and insightful data to shed light on effective healthcare delivery in this rapidly evolving landscape. Understanding the 'why' behind these trends helps healthcare organizations develop meaningful plans to manage care while repositioning based on dynamic forces accelerated by the pandemic."

## About Cedar Gate Technologies

Cedar Gate enables payers, providers, employers, and service administrators to excel at value-based care with a unified technology and services platform delivering analytics, population health, and payment technology on a single data management foundation. From primary care attribution, to bundled payments, to capitation, Cedar Gate is improving clinical, financial, and operational outcomes for every payment model in all lines of business. To learn more, visit [cedargate.com](https://cedargate.com).

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