

REVENUE: May have revenue impact, statement not yet issued

FISCAL: May have fiscal impact, statement not yet issued

Action:	Without Recommendation as to Passage, Be Printed Engrossed, and Be Referred to the Committee on Ways and Means by prior reference
Vote:	5 - 4 - 0
Yeas:	Bonamici, Cannon, Gelser, Kotek, Greenlick
Nays:	Bruun, Flores, Maurer, Richardson
Exc.:	0
Prepared By:	Sandy Thiele-Cirka, Administrator
Meeting Dates:	4/12 (Policy sub), 4/26 (Policy sub), 4/30 (Full)

WHAT THE MEASURE DOES: Requires inspection by Department of Human Services of ambulatory surgical centers. Specifies procedures that may be performed and imposes licensing requirements on centers. Requires physician referring patient for procedure at ambulatory surgical center to disclose financial interest and obtain informed consent. Increases annual license fee for ambulatory surgical centers from \$1,000 to \$1,400.

ISSUES DISCUSSED:

- Components of the measure: specifies the types of surgical services that can be delivered in ambulatory surgical centers (ASCs), increases state oversight of ASCs, requires physicians who provide services in ASCs to disclose their financial interest in the ASC
- Importance of having hospitals and ASCs held to the same level of safety and quality
- Clarification of how disclosure would be presented to patients
- Current statutory definitions inadequate
- Review of the state inspection process and frequency
- Concerns associated with patient care, safety and quality
- Quantity of Oregon ASCs that are inspected and certified by the Joint Commission on the Accreditation of Healthcare Organizations (JCAHO)
- ASCs offer cost-effective, alternative treatment options
- Summary of Oregon's ASCs patient safety data
- Potential for ASCs to hand select profitable services, which could impact the cost shift for hospitalization procedures
- Proposed amendments with stakeholder agreement

EFFECT OF COMMITTEE AMENDMENT: Specifies procedures that should not be performed in ASCs. Codifies that ASC's must evaluate all the patient's risk factors, and that during the evaluation the ASC may not consider the patient's coverage by a third party, health insurance, Medicaid, or Medicare. Directs physicians, podiatric physicians, surgeons or dentists that have a financial interest in the ASC to notify the patient orally and in writing of that interest. Directs the ASCs to post, in a prominent place, a notice with DHS's address and phone number for patients to contact if they have concerns relating to the ASC. Modifies the ASC annual license fee to \$1,400.

BACKGROUND: Ambulatory Surgery Centers are facilities where surgeries not requiring hospital admission are performed. Proponents of ASCs state that the facilities provide a cost-effective and convenient environment that may be less stressful than hospitals. Particular ASCs may perform surgeries in a variety of specialties or dedicate their services to one specialty, such as eye care. Generally, patients who elect to have surgery in an ASC arrive on the day of the procedure, have the surgery in an operating room, and recover under the care of the nursing staff.

Medicare began reimbursing ASCs in 1982. A 2005 study indicated that ASCs could save Medicare and its beneficiaries up to \$1.1 billion. ASCs are subject to state and federal inspections; Medicare has certified 85 percent of the centers, and 43 states require ASCs to be licensed. Additionally, many surgery centers choose to go through voluntary accreditation process conducted by their peers.

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This summary has not been adopted or officially endorsed by action of the committee.