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Saying no to a hasty move to mini- hospitals

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By Andy Davidson | April 13, 2017

Would “mini-hospitals” improve the quality and reduce the cost of health care in Oregon?

Good question.

So far, the answers are hazy, which is why the Oregon Legislature should be cautious about pushing communities into this uncertain arena.

The issue is House Bill 2664. On the surface, it seems straightforward: It would allow outpatient surgery centers — formally known as ambulatory surgery centers or ASCs — to become inpatient surgery centers. Those ASCs would be allowed to keep patients in-house for up to 52 hours after surgery.

Isn’t that what a hospital does now?

Yes. And therein lies the difference between community health care now and if HB 2664 were to become law.

The bill allows surgery centers to act like hospitals for days after a person’s surgery, but it does not hold the surgery centers to the same regulatory, community need and insurance standards as traditional hospitals.

Hospitals are under intense scrutiny and regulation to ensure they provide the best-possible care. In order to receive federal insurance payments, hospitals undergo regular inspections by national organizations like The Joint Commission. Inspectors from these organizations show up unannounced and examine everything from the proper hiring and licensing of employees to patient care procedures to the placement of electrical outlets to avoid hazardous events. If they don’t improve, deficient hospitals can lose accreditation and ultimately be closed.

ASCs can, and should, undergo similar certification. But HB 2664, while granting ASCs hospital-like status, does not require those same ongoing levels of certification and transparency.

Perhaps more troublingly, HB 2664 would only require that the ambulatory surgery centers have procedures in place to transfer patients who are “in need of hospitalization.” Shouldn’t patients who require hospitalization be in a hospital?

There is no question that such independent surgery centers have an important role in reducing health care costs, largely for people who have private insurance. Because they are not required to

treat any patient who walks in their doors and they are not held to the same regulatory and patient safety standards as hospitals, they can operate at a lower cost.

Under current federal regulations, Medicaid cannot pay for care at these mini-hospitals. The bill directs the state to seek a change in those federal regulations.

Compared with the rest of the country, Oregon has made great progress in holding down health care costs. It would be unfortunate if Oregon undid that collaborative progress and gradually adopted a two-tier system of health care: mini-hospitals for some patients and full-service hospitals for those who lack good insurance.

That is why HB 2664 is not ready for prime time, despite the well-intended work that its supporters have put into it. The better approach is for the Oregon Health Authority to bring together stakeholders — including community leaders and private citizens — in a legislatively-mandated, collaborative process to find ways that ambulatory surgery centers and hospitals can complement one another.

The Oregon Association of Hospitals and Health Systems stands ready to support and fully participate in that collaboration.

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