

800 NE Oregon Street, Suite 640
Portland, OR 97232
Voice: (971) 673-1222
Fax: (971) 673-1299
TTY: (971) 673-1222

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TO: The Honorable Mitch Greenlick, Chair
House Committee on Health Care

FROM: Dana Selover, MD, MPH
Manager, Health Care Regulation and Quality Improvement
Public Health Division, Office of Community Health and Health Planning
Oregon Health Authority
(971) 673-0540

SUBJECT: HB 2664 –Extended Stay Facilities

Chair Greenlick and members of the committee; I am Dr. Dana Selover, Section Manager of the Health Care Regulation and Quality Improvement Section for the Center for Health Protection, Public Health Division, Oregon Health Authority (Authority). I am here today to testify about HB 2664 which would require the Authority to license extended stay centers as a health care facility, adopt rules, collect and analyze data, and staff the ongoing management of an advisory committee.

Protecting the safety of people in Oregon is a critical responsibility of state government. The Legislature has recognized the importance of regulating the health care industry as part of this protection function, and consequently the HCRQI section has been given the statutory mandate to ensure a safe and healthy environment is provided by over 500 health-related facilities and agencies including hospitals, ambulatory surgery centers, renal dialysis facilities, birthing centers, in-home care agencies, hospice agencies and home health agencies. HB 2664 will add ESCs to those health care facilities licensed by the Authority. While the bill does not define an ESC, it is understood that the purpose of these facilities is to provide ongoing monitoring and care to patients after a surgical procedure for up to 48 hours after discharge from a hospital or ambulatory surgery center. This raises concerns about patient safety and individuals who are in need of more comprehensive care, based on complexity of the surgery or procedure.

There are a number of issues and concerns that the Authority has relating to the bill as written, including a multitude of missing or unclear definitions and clarification needed for successful implementation.

Other matters related to the regulation of ESCs need further clarification including whether an ESC will be considered an inpatient facility; requirements for fire life safety code, infection control, emergency care on-site, construction and design plans review and approval; staffing requirements including whether nurse staffing provisions will apply; and physician availability. Although the bill appears to try to address some of these factors by requiring facilities to comply with all "hospital requirements," clarification is needed about intent in order to draft rules.

The Authority is required to license no more than 15 ESCs in the first five years; however, there is no criteria identified to be able to choose the initial licensees. The Authority will need criteria to fairly determine which facilities should be selected.

ESCs are not recognized by CMS and therefore only private pay individuals would be eligible to receive extended stay services. There is a potential violation of CMS regulations if a hospital or ASC co-mingles operations with the recovery center, discharges patients before they are ready or goes beyond the scope of what types of surgeries and patients are appropriate for an ambulatory setting.

In summary, the Authority believes regulatory oversight of health care facilities and agencies is one important component for promoting patient safety and better health outcomes. The HCRQI section would be happy to work with stakeholders to seek answers to these questions and concerns.

Thank you for the opportunity to testify. I'd be happy to answer any questions.