

Chair Greenlick and members of the committee,

Good afternoon! For the record, my name is Dr. Tom Lorish, I serve as the medical director of orthopedics and ambulatory surgery centers and the Chief Executive of Outreach and Strategic Affiliations for Providence Health & Services in Oregon. I am here today to share our support for House Bill 2664 with some forthcoming amendments.

In addition to our eight hospitals and 54 clinics, Providence is a joint venture partner in five Ambulatory Surgery Centers. Through our partnerships, we have expanded the ability to serve patients with high quality care in a lower cost setting. Not every patient, nor every surgery, is appropriate for an ASC setting, but with increasing technology, we are able to care for an increasing number of patients with this model. With the proper oversight we believe that Ambulatory Surgery Centers with extended care facilities will further the goal of the triple aim.

Providence worked closely with the ASC Association in search of a bill we could support. Some of the key points of agreement included:

- Licensure - A single license for an ASC and Extended Care Facility is the best structure for these new entities. Providence believes that ASC and Extended Care Facilities should not be under separate licenses; instead, they should be under the same license in order to facilitate increased accountability and coordination of care. Current CMS guidelines prohibit this structure as a condition of Medicare and Medicaid. The bill, and further clarified with amendments, will require OHA to pursue a CMS waiver to enable a single licensure.

- Hours – The same technology that has enabled the expanded use of ASC's has also contributed to the decreased time for patients during a typical hospital stay. However, ASC's are not hospitals, and there is a limit, even with an extended care center, for how long it would be appropriate for patients to stay in these facilities without the need to transfer to a hospital. After much discussion, we have agreed that the maximum amount of time for a patient stay would be 48 hours – from the minute the patient checks in to the ASC to discharge from the extended care center. There is a provision to allow for patients to extend discharge for patient safety or clinical reasons as determined by the clinical staff at the facility. It is our expectation that these exceptions are rare – adequate patient planning should prevent the use of this exception.
- Entity structure – Because extended stay centers will enable ASC's to see patients of a higher acuity, and stay for longer periods of time, it is our belief that these entities will produce better outcomes and quality when partnered with a hospital or health system. Through multiple rounds of negotiation, we have agreed that of the 16 licenses available for ASC's, eight will be reserved for joint ventures, five will be for non-joint ventures and three will be open to either structure.

Achieving the triple aim and pursuing population health strategies require hospitals and health systems to think differently about how to deliver care to patients. As a fully integrated health care delivery system, Providence views ASC extended care centers as a way to further improve the delivery of care and reduce cost – and done correctly, these new centers will not act as a threat to hospitals, but enable patients to be seen in the right setting – reserving hospital care for the sickest and most vulnerable patients.

Thank you for the opportunity to share our support for House Bill 2664 with amendments. I am happy to answer any questions you might have.