

February 9, 2018

Oregon State Legislature
House Committee on Health Care
900 Court St. NE
Salem Oregon 97301

Re: House Bill 4020 – Ambulatory Surgery Center Extended Stay Centers

Chair Mitch Greenlick and Members of the House Health Care Committee:

The Oregon Association of Hospitals and Health Systems (OAHHS) will support HB 4020, allowing for an ambulatory surgery center (ASC) extended stay system in Oregon, when it is amended to reflect agreed upon provisions between the Oregon Ambulatory Surgical Association (OASCA) and OAHHS. We are still awaiting the final amendment.

As you know, previous attempts to extend ASC length of stay have been met with active opposition by a broad majority of the hospital community. OAHHS appreciates the time committee members and stakeholders gave hospitals during the interim. OAHHS is pleased to report that hospitals have followed through on this commitment and collectively developed an extended stay model that offers additional outpatient options to patients while ensuring key safety and quality metrics are in place for accountability.

The pending amendments, reflect this agreement and include the following key provisions:

Criteria for eligible ASCs to have ESCs	<ol style="list-style-type: none"> 1. Must have an OHA license, be CMS-certified, and fully accredited. 2. Must operate in Oregon for 24+ months. 3. Must be located within areas 10 miles from the center of a “40,000 centroid”¹. 4. An ESC must be contiguous to where surgery is performed and distinct for licensing and certification. 5. An ESC may have two (2) beds for every operating room, with a cap of ten (10) beds per ASC 6. Only one (1) ESC per ASC. 7. The total time for a patient at an ASC with an ESC is 48 hours.
Key patient safety measures that apply to ASCs that ESCs must have:	<ol style="list-style-type: none"> 1. Align with current Oregon Patient Safety Requirements as other health care facilities. 2. Must, at a minimum, comply with the CMS requirements for all ASC and ESC transfers. 3. Complete an initial application and ongoing reporting and evaluation of types of procedures performed, average duration of patient stay, acuity of patients served, adverse events/infections, payer mix, quality standards, frequency and cause of transfers, etc.
Improving access	<ol style="list-style-type: none"> 1. ESCs, like ASCs, must notify Medicare patients that services at the ESC may not be covered. 2. ESCs cannot deny a patient based on payer alone.

¹ This includes: Albany, Beaverton, Bend, Corvallis, Eugene, Gresham, Hillsboro, Medford, Portland, Salem, Springfield, Tigard as defined as ‘urban areas’ by the Oregon Office of Rural Health.

	<ol style="list-style-type: none">3. OHA is directed to mitigate barriers for ESCs to accept Medicaid patients.4. HERC is directed to provide guidelines for ESCs.
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The proposed amendments to HB 4020 have been carefully crafted to garner support of both OAHHS and OASCA. A formal letter of agreement has been submitted as a demonstration of this commitment and to the specific policy elements that are essential for maintaining support of the hospital community. Our collective leadership recognizes that the delivery of more complex health care services continues to shift to appropriate outpatient settings; this ASC extended stay model responds to that shift and creates operational and structural standards to ensure patient safety and quality.

With the amended version of HB 4020, Oregon will be at the forefront of innovative delivery system reform, joining a handful of states that have passed similar legislation. Thank you for your consideration in supporting HB 4020 with amendments that reflect the OASCA and OAHHS agreement.

Respectfully,

Andi Easton
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Oregon Association of Hospital and Health Systems