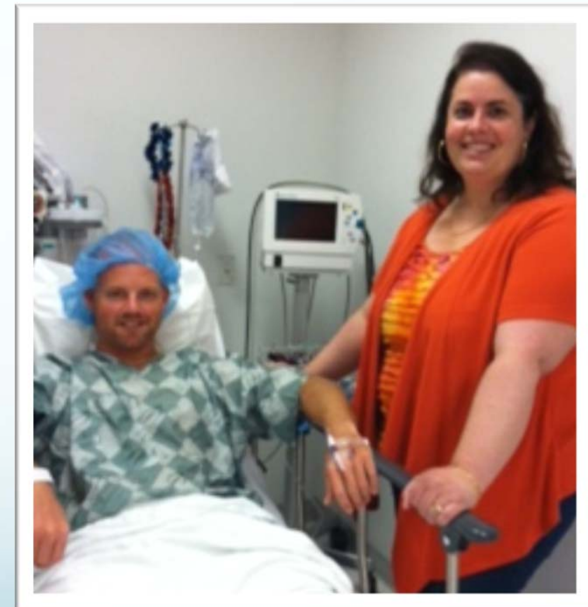
OREGON AMBULATORY SURGERY CENTER ASSOCIATION

Our Patients Come First

Extended Stay Recovery Centers: HB2664 (amendt)

OREGON AMBULATORY
SURGERY CENTER ASSOCIATION
Our Patients Come First

- **Ambulatory Surgery Centers:** Less than 24 hours
- **Convalescent Care Centers:** Up to 72 hours in Colorado; Proposed: Combined 48 hours for Oregon (+4 hour safety window)
  - Excellent clinical outcomes;
  - Outstanding patient satisfaction;
  - Significant cost savings for employers, patients and insurers;



What's The Issue?

- Technology is improving
- Insurers/Federal Agencies asking that more be done in an outpatient setting
- Other states adopting rules to ensure safety, patient choice, predictability and cost savings for the system
- Oregon does not currently have a procedure to adapt to these changes

Industry Trends

July, 2015 United Healthcare Network Bulletin:

"These procedures will require prior authorization if performed in an outpatient hospital setting. **No prior authorization will be required if they are performed at an ambulatory surgery center."**

Industry Trends

The guidelines apply to the following codes and procedures:

Procedures & Services	Codes for UnitedHealthcare Commercial Plans
Abdominal Paracentesis	49083
Carpal Tunnel Surgery	64721
Cataract Surgery	66821 66982 66984
Hernia Repair	49585 49587 49650 49651 49652 49653 49654 49655
Liver Biopsy	47000
Tonsillectomy & Adenectomy	42821 42826
Upper & Lower Gastrointestinal Endoscopy	43235 43239 43249 45378 45380 45384 45385
Urologic Procedures	50590 52000 52005 52204 52224 52234 52235 52260 52281 52310 52332 52351 52352 52353 52356 57288

CMS Trends

- In 1980, Congress authorized Medicare to begin covering the facility costs of certain procedures in ASCs. This policy change was intended to encourage the shift of surgical procedures from inpatient to less costly ambulatory settings.
  Source: "Comparing the Mix of Patients in Various Outpatient Surgery Settings." *Health Affairs. November 2003. Vol. 22 no. 6, 68-75.*
- There are more than 5,300 Medicare-certified ASCs across all 50 states, with more than 1,000 facilities owned in partnership with community hospitals.

CMS Trends

- Federal statute requires the Secretary of Health and Human Services to develop a plan to implement a value-based purchasing program for payments under the Medicare program for ambulatory surgical centers (ACCs).

- CMS views VBP as an important step forward in revamping how Medicare pays for health care services; moving the program towards rewarding better value, outcomes, and innovations, instead of merely volume.

Source: https://cms.gov/Medicare/Medicare-Fee-for-Service-payment/ASCPayment/index.html

CMS Trends

In October 2014, the Centers for Medicare and Medicaid Services added 9 new spine and neck codes to its list of reimbursable procedures that can now be performed at ambulatory surgery centers.

The following nine codes are recently payable as separate procedures:

- Neck spine fuse&remov bel c2(22551)
- Neck spine fusion (22554)
- Lumbar spine fusion (22612)
- Neck spine disk surgery (63020)
- Low back disk surgery (63030)
- Laminotomy single lumbar (63042)
- Removal of spinal lamina (63045)
- Removal of spinal lamina (63047)
- Decompress spinal cord (63056)

CMS Trends

ASCs are also performing many cardiac procedures, including:

- Loop recorders implants/insertions
- New pacemaker implants and battery exchanges
- New defibrillator implants and battery exchanges
- SVT Ablation – radio frequency ablation because of rapid heart rhythm in upper chambers known as Supraventricular Tachycardia

Procedures

- Total joint replacements: hip, knee, shoulder, ankle
- Arthroscopy: shoulder, knee, ankle
- Sports medicine: ACL repairs, rotator cuff
- Spine & neck: fusions
- Hand & upper extremity
- Foot and ankle reconstruction
- Pain management
- Pediatrics
- Trauma and fractures
- Worker's Compenation care

Extended Stay Recovery:

- *Extended Stay Recovery License models in Colorado, Arizona, Illinois, Florida, and Nevada*

- *Considered last legislative session in Wyoming, Washington, New Hampshire, Oregon*

Cost Comparisons

ORTHOPEDIC ASC - COLORADO	2013 Average Charge
Knee/Hip Replacement	$22,000-$23,000
Major Joint Replacement (MSDRG 470)	**2013 Average Hospital Charge**
McKee Medical Center	$46,207
Poudre Valley Hospital	$54,642
Medical Center of the Rockies	$66,041
No. Colorado Medical Center	$61,867
Good Samaritan Medical Center	$80,164
Kaiser Foundation Health Plan	$22,423 (average reimbursement)

Quality Measures

	2013	2014	2015 (Q1-2, 2015)
Infection rate	0.31%	0.0019%	0.0035%
Complication rate	0.57%	0.002%	0.002%
Patients transferred to hospital	4	5	3
Satisfaction with surgical experience	97%	97%	97%
Satisfaction with Recovery Center experience	98%	97%	97%
Nurse/Patient ratio in Recovery Center	1:3 (4 max)		

Extended Stay Recovery: The Solution

- *Duration of stay should be determined by Physician as to what is medically necessary for ideal patient outcome (48 hours)*
- *Will not dramatically change utilization (123 CO ASCs; 12 CCC)*
- *Goal is to enhance patient experience and clinical outcomes*

HB2664 Amendment

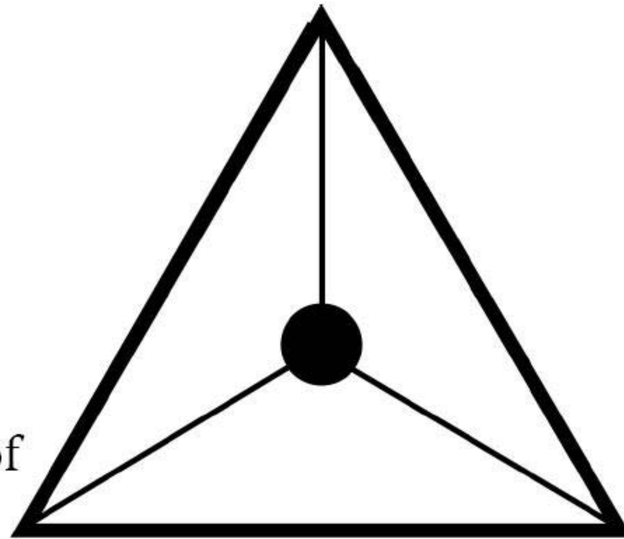
- **Major Provisions of the Proposal:**
- **HOURS:** Certain patients would be allowed to remain for a total of 48 hours in an Ambulatory Surgery Center and Extended Stay facility. An extra 4 hour window would be allowed in limited cases where a patient shouldn't be released early in the morning (i.e. 6 a.m.)
- **NUMBER:** Up to 16 extended stay centers would be licensed by the state during the 5 year pilot project
- **OWNERSHIP:** 8 centers would be joint ventures with another health system. 5 more would be non-affiliated centers. 3 applications would be open to either type of applicant.
- **STANDARDS AND METRICS:** Extended stay facilities would have to meet the same life/safety standards as those for patients in other extended stay settings.

Agreement Continued….

- **PATIENT NOTIFICATION OF ELIGIBLE SERVICES:** Medicare patients would be clearly notified of the limits of Medicare coverage for these services.

- **MEDICAL SPONSOR / PRESERVING HIGH QUALITY:** An applicant would have to have a surgery center medical sponsor which had a clean track record of Oregon operations for 24 months to ensure patient safety.

- **STRUCTURE / EVALUATION / OVERSIGHT:** The bill would follow current CMS restrictions, and require a separate license for the extended stay center. The bill would ask OHA to investigate and apply for authority to pursue a single license system from CMS. A standing task force would be established to advise OHA. Annual reports would be required on key metrics and outcomes.



- Safe
- Effective
- Patient centered
- Efficient
- Timely
- Equitable

*Triple*Aim

Better care for individuals, better health for populations, lower per capita costs