

IHA Legislative Position 2012

Oversight of Ambulatory Surgical Centers



★ Background

Technological advances in health care over the past several decades have dramatically altered how care is delivered to patients. For example, the average length of a hospital stay has now declined to just over four days and approximately three-fourths of all hospital surgeries are now done on an outpatient basis.

Additionally, the kinds of procedures that physicians can now do in their office settings have also evolved significantly. This has led to a growth in freestanding ambulatory surgical centers (ASCs) throughout Iowa. While these facilities must demonstrate community service needs in order to open through Iowa's certificate of need (CON) process, there is no licensing process or data requirements on such facilities. In an era where there is an increasing demand for oversight and transparency for health care providers, Iowa needs to reexamine how it views outpatient care and join the 43 other states that regulate ambulatory surgical centers as part of the statewide health care system.

★ Action Needed

Iowa hospitals provide a great deal of information to the public regarding cost, quality, and utilization data (see www.iowahospitalfacts.com). Hospitals also have a statutory requirement to annually report inpatient, outpatient, and ambulatory data to the Department of Public Health as collected by the Iowa Hospital Association (Iowa Code §135.166). Hospitals are also subject to annual statewide licensure (Iowa Code §135B.3 – §135B.6), with licensure fees directed toward hospital educational programs regarding process improvements. ASCs have no such licensure or data requirements, despite the fact that they provide the same sort of care as 75 percent of hospital surgeries.

It is important to understand that most freestanding ASCs in Iowa have a hospital ownership component. Regardless of that fact, the Iowa Hospital Association supports annual licensure and data reporting requirements for freestanding ASCs. This is important for several reasons:

- It ensures that Iowa can monitor the operation of such facilities.
- Regulatory oversight of healthcare facilities is important to safeguard public safety, and state licensure for facilities providing surgical services is an essential component of that oversight.
- Failure to understand the utilization impact of ASCs creates a serious lack of knowledge in ongoing health care cost containment efforts.
- The lack of physician data in overall utilization creates significant gaps in understanding cost and quality trends. Legislation was introduced (but not passed) in 2011 to develop an all-payer claims data base. Because the hospital data is already provided to the state, incorporating from freestanding ASCs would largely fulfill that legislative aim.

IHA supports legislation in 2012 to (1) annually license freestanding ambulatory surgical centers; (2) set an annual licensure fee of \$500 (current hospital licensing fee); and (3) report outpatient and ambulatory data to the Department of Public Health through the same process currently used to collect hospital data. IHA encourages the Iowa General Assembly to adopt such legislation, recognizing that the health care delivery system has changed and that ASCs are in large measure providing many of the same services that are available in Iowa hospitals. There should be no distinctions in licensing or data collection for these like facilities.