

ASC BACKGROUND

What is an ambulatory surgery center (ASC)?

ASCs are modern healthcare facilities focused on providing same day surgical care, including diagnostic and preventive procedures that were once performed exclusively in hospitals. ASCs provide innovative, high-quality, patient-centered care and create a significant savings for patients and the healthcare system.

ASCs are more affordable for patients.

ASCs are the most cost-effective solution for outpatient surgical procedures for patients, healthcare providers and the Medicare system. According to the Ambulatory Surgery Center Association (ASCA), ASCs save Medicare \$2 billion annually by providing low-cost services. Every procedure performed in an ASC saves the Medicare program 40% and saves the beneficiaries between 50-60% on their co-payments. For example, in 2015, Medicare saved more than \$100 million on cataract procedures and \$25.1 million on upper GI procedures because patients elected to have them performed in California ASCs.

ASCs are a solution to healthcare reform by offering a safe, high-quality and lower cost alternative to services provided in the hospital environment. Due to the influx of patients into the healthcare system as a result of the ACA, nearly 4 million uninsured Californians have gained medical coverage under the Patient Protection and Affordable Care Act (PPACA). With more patients insured, ASCs are a cost-effective contributor to the system and a more convenient alternative for patients.

ASCs more convenient and accessible for patients.

There are more than 5,700 Medicare-certified ASCs across all 50 states, with more than 750 facilities in California owned in partnerships with community hospitals and physicians. For example, ASCs enable:

- Efficient use of the ASC facility
- Conducive settings tailored to patients' needs
- Shorter stays for patients
- Better control over scheduling, so procedures are not often delayed or rescheduled due to staffing issues or demands

OVERSIGHT

How are California ASCs currently regulated?

ASCs are owned and operated by highly trained licensed medical professionals that provide patients with specialized service and care. The centers are independently regulated by several rigorous processes including Medicare certification, California state licensure and national accreditation.

Some ASCs are regulated by the California Department of Public Health (CDPH). However, most ASCs are under the regulatory oversight of the Medical Board of California (MBC) which requires that ASCs be nationally accredited by an accrediting agency approved by the MBC. Many ASCs that are certified by the Center of Medicare & Medicaid Services (CMS) are under the oversight of both the CDPH and the MBC. Interestingly, the CA licensure criteria for ASCs are the CMS standards. So, CMS certified ASCs are following the same standards as licensed surgical clinics.

Why are there various regulatory requirements for outpatient surgery settings different depending on who owns the setting?

California law stipulates that if an ASC is performing a procedure that requires sedation, then that facility needs to be Medicare certified, licensed by CDPH or nationally accredited. State licensure and Medicare certification use the same quality standards. Accreditation standards are similar and just as rigorous. An ASC will be Medicare certified in order to see that patient population and get reimbursed by the program. An ASC may choose to also be accredited. CDPH has interpreted a court decision from 2007 in such a way that renders just about all California ASCs ineligible for state licensure due to the fact they have physician partners with equity in that facility.

Why are a majority of outpatient surgery centers regulated by the Medical Board of California (MBC) and not California Department of Public Health (CDPH), unlike hospital-based outpatient surgery centers?

California law allows an ASC to seek licensure by CDPH at their discretion. State law does not require mandatory state licensure by CDPH for ASCs like it does from hospitals. CDPH has interpreted a court decision from 2007 in such a way that renders just about all California ASCs ineligible for state licensure due to the fact they have physician partners with equity in that facility. As a result, legislation was signed into law in 2012, strengthening the accreditation oversight standards by the MBC. Since CDPH prohibits almost all ASCs from seeking state licensure, those facilities have chosen to be regulated by the MBC and Medicare.

How has CASA worked in the past to ensure adequate certification and state licensing for ambulatory surgery centers?

CASA has sponsored and supported a number of bills in recent years that would ensure patient safety through the development of licensure criteria, establishment of licensing requirements for ASCs under CDPH consistent with Medicare Conditions of Participation and national accreditation standards and required mandatory reporting to Office of Statewide Health Planning and Development (OSHPD) by all ASCs.

SAFETY AND QUALITY

ASCs have policies and procedure that protect patient safety.

Medicare & accreditation standards requires ASCs to have extensive protocols in place to reinforce the importance of maintaining patient safety and infection prevention practices. All Medicare-certified and accredited ASCs must comply with an extensive set of regulations including patient safety, governing board oversight and infection prevention standards. ASCs maintain infection prevention programs based on the protocols established by the Centers for Disease Control and Prevention (CDC) and other nationally and internationally recognized infection control guidelines, including recommendations provided by the Centers for Medicare & Medicaid Services (CMS).

Is there information available to the public regarding ASCs and their Quality?

The MBC has done a stellar job in publicly posting information regarding ASCs they are required to oversee via the accreditation process. There is currently public access to information about settings regulated by the MBC at http://www.mbc.ca.gov/Consumers/Outpatient_Surgery/. As of January 2018, CDPH has included those settings regulated by the CDPH Licensing and Certification Program including Medicare certified ASCs and licensed surgical clinics at <https://www.cdph.ca.gov/Programs/CHCO/LCP/CalHealthFind/Pages/Home.aspx>.

Are ASCs obligated to report adverse events to a state reporting agency?

ASCs are obligated to report adverse events to the MBC if they are nationally accredited.