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Testimony on S 278
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Fairness to Patients

- Patients are losing their options for where they would like to receive care
- Patients are experiencing excessive wait times for outpatient surgical procedures and appointments with specialists
- Patients are seeing their health insurance premiums and out-of-pocket costs rise unsustainably year after year, with limited outlets to seek lower-cost care

Options for care are decreasing as the number of independent practices in Vermont has declined

Table 1: Number of primary care providers and specialists in Vermont, independent (SK&A data set, 2017)

<i>TOTAL (No.)</i>	1514	1589	1601	1,534
% Employed	53%	58%	67%	69%
% Independent	47%	42%	33%	31%

Source : GMCB_Fair Reimbursement Report_Oct_1_2017_Final

Timely access to specialty care is a Top concern among patients in Chittenden County

- Access to timely specialist care is cited as a moderate to high need by 73.5% of Chittenden County and Grand Isle patients
- Access to timely specialist care saw the highest increase in % of patients concerned about this issue between the 2013 and 2016 community needs assessments (<https://www.uvmhealth.org/medcenter/Documents/About-Us/CHNA.pdf>)
- The issue of excessive wait times has been further documented in all the public comment received during review of GMSC's CON application
- We need more/better access to specialist care, not less

Why are ASCs able to offer quicker access to care and lower prices?

- ASC's are more efficient - staff trained in a specific small set of procedures, procedures are routine and uncomplicated, small setting allows for improvements in processes to be made quickly
- ASC's lack the administrative overhead that larger providers have built-up over time
- ASCs have pricing discipline - ASCs are price-takers from Medicare and often times commercial insurers as well. They have had to adapted to operating with a much lower cost-structure than hospitals historically

ASCs are NOT hospitals

- ASCs have a restricted license to offer only outpatient surgical procedures with no overnight stay; some ASCs are limited to providing a services for a single-specialty (the eye surgery center)
- No distinct ASC entity is allowed to mix functions with, or offer, physician office services, independent imaging services, labs, or other services, per Medicare and the CON license; Hospitals can offer any services they want
- The average patient revenue budget for an ASC in Vermont is less than 0.5% of the local hospital's net patient revenue budget; even if 1 additional ASC opens, combined ASC NPR will still be less than 1% of the local hospital's budget

Therefore, ASCs should be regulated differently, and are already through the CON process

- The 29 CON conditions for the Green Mountain Surgery Center contain many regulations which are **NOT** required of Hospitals
 - Condition B9: requires that prices for 25 most common procedures be posted publicly on the ASC's website and updated quarterly
 - Condition B10: requires the ASC to demonstrate to the GMCB that all the services offered are evidenced-based
 - Condition B14: requires that, in advance of surgery, the ASC provide all patients with written disclosures that outline the total price of their surgery
 - Condition B18: requires that all physicians utilizing the surgery center sign a Collaborative Care Agreement committing to referral and communication protocols with primary care providers
 - Condition B20: requires public reporting on payer mix by revenue and volume for outpatient procedures

S 278's requirements go FAR beyond the CON conditions put in place on GMSC by the GMCB

- Section 6 requires ASCs to undertake an extensive community health needs assessment and long-term planning process with annual progress reporting
- Section 7 calls for additional reporting to the state across 7 categories including quality, staffing levels, financials, pricing, and governance; requirements which are redundant to the CON, Medicare, and Joint Commission reporting requirements already in place
- Section 8 subjects ASCs to the full annual budget review and GMCB approval process that general hospitals are subject to
- The Fees and Assessments in the bill would add at least \$500k+ per year in operating costs to the GMSC

CON conditions are appropriately applied to ASCs on a case-by-case basis after extensive reviews of the specific projects

- The same conditions may not be appropriate for a single-specialty versus a multi-specialty Ambulatory Surgery Center
- Per CON law, GMCB Rule 4.500(4) an applicant may request relief from certain conditions after a CON is granted; GMSC is participating in this process right now

For Further Discussion...

- Patient satisfaction, safety, quality, and infection control at ASCs
- Independent physicians' record of treating Medicaid and Medicare patients in Vermont
- Potential licensing and credentialing statutory requirements for Vermont ASCs in future
- Physician incentives, productivity, restricted supply effects on prices and health spending, access to care, under- and over-utilization of services -- recent studies and academic viewpoints