



# **Ambulatory Surgery Centers (ASC) :**

## **Impact on Community Hospitals in CON Review**

PHHPC Planning Committee  
Date: May 15, 2019

- **History and Background**
- **Current CON Review Process**
- **ASC Trends**
- **Policy Considerations**

# History and Background

- Studies comparing ambulatory surgery outcomes in hospital outpatient departments, ambulatory surgery centers, and physician offices generally conclude that outcomes are similar, regardless of setting, when risk-adjusted for patient acuity.
- A high level comparison of costs and reimbursement shows that, on average, procedures tend to be most expensive in hospital settings and least expensive in physician offices, with ASC's in the middle.

# History and Background

- Current need methodology was designed to encourage the expansion of free standing ASC's to enhance access.
- At the same time, the Department also recognizes the vital role played by hospitals in our health care delivery system. Many of these essential services are cross-subsidized by services such as ambulatory surgery.

## History and Background

- Since the early 2000s, at PHHPC's request, the Department solicits feedback from surrounding hospitals regarding the impact the proposed ASC would have on their operations/financial viability when a hospital is not a direct member of proposed ownership.
- Currently, the Department will only recommend disapproval of a new site if the impact is such that the Department concludes it will likely result in the closure of a local hospital.

# History and Background

- Since approximately 2006, PHHPC has imposed a limited duration operating certificate on newly established freestanding ASC's, which do not have a hospital as a direct operator or member, as a way to monitor ASC's efforts in reaching the un- and under- insured populations.

# Current ASC Review Criteria

## NYCRR 10 Section 709.5

- Documentation that proposed facility/service will be sufficiently used to make it financially feasible.
- Documentation that proposed facility/service will increase access, including to the underserved.
- Documentation that proposed facility/service will increase availability of services, including a written policy to provide charity care.
- Documentation that proposed facility is willing and able to safely serve patients in accordance with NYCRR 10 Part 755.

# Current ASC Review Criteria

## Policy

- Limited Life, 2% Charity Care and an appropriate percentage Medicaid.
- Soliciting feedback from surrounding hospitals as to the impact the proposed ASC would have on their operations/financial viability.

# NYS ASC penetration per 100,000 population by year (2007-2008; 2017-2019)

Year	2007 <sup>a</sup>	2008 <sup>a</sup>	2017 <sup>a</sup>	2018 <sup>a</sup>	2019 <sup>b</sup>
Population Estimate	19,132,335	19,212,436	19,590,719	19,542,209	19,875,625
Ambulatory Surgery Centers <sup>c</sup>	290	284	371	378	383
Ratio (ASCs/100,000 People)	1.5	1.9	1.9	1.9	1.9

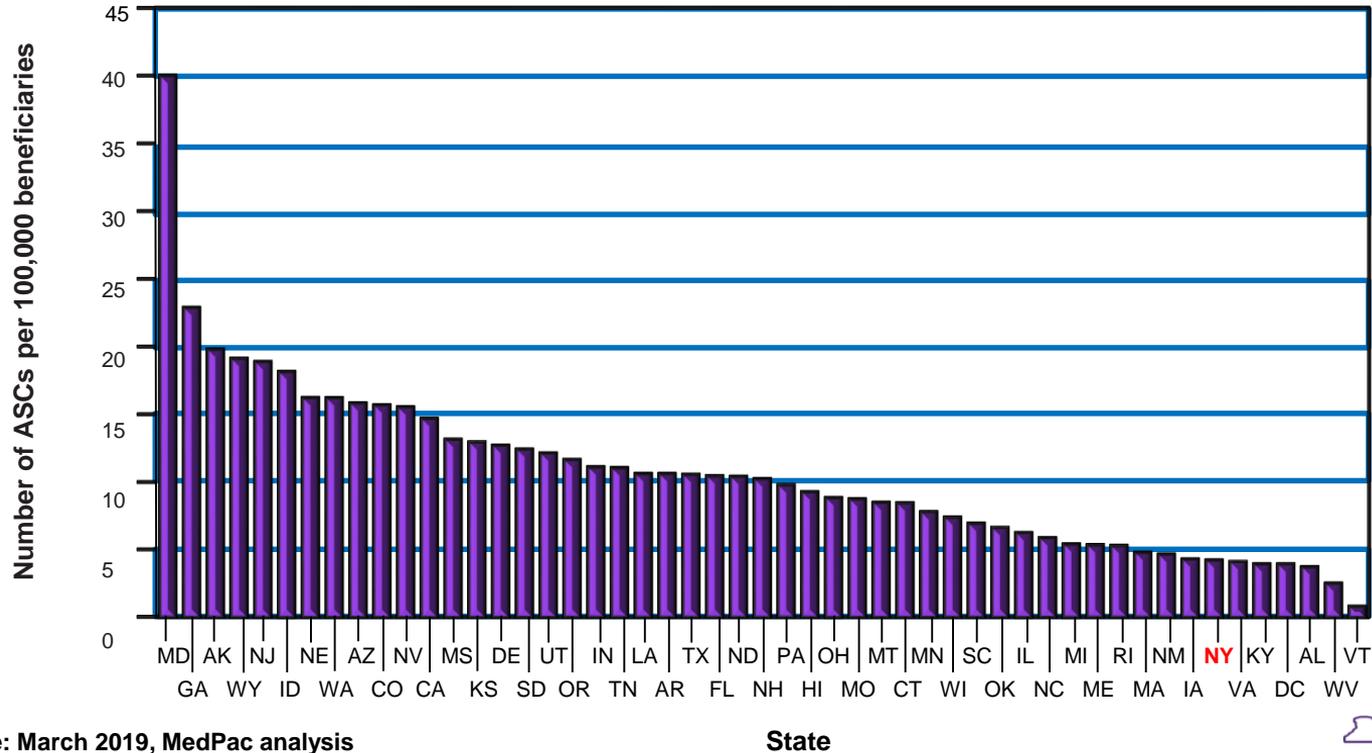
<sup>a</sup> New York State Department of Labor

<sup>b</sup> 2019 population estimates from a web source, <http://worldpopulationreview.com/states/new-york-population/>

<sup>c</sup> Health facility information system (HFIS) 2017-2019

Prepared on 5/1/2019 by OPCHSM-DMAR

# Number of ASCs per Part B beneficiary varies widely across states



Source: March 2019, MedPac analysis  
of CMS denominator file for 2017

# New York State ASC's By Facility Type/Region

New York State Ambulatory Surgery Centers by Facility Type and Region				
HSA Region	Hospital Based	Hospital Extension Clinics	Diagnostic & Treatment Center	Total
Western (HSA=1)	23	3	13	39
Finger Lakes (HSA=2)	17	3	6	26
Central NY (HSA=3)	22	7	18	47
NYPENN (HSA=4)	4	1	0	5
Northeastern (HSA=5)	25	5	14	44
Hudson Valley (HSA=6)	26	2	20	48
NYC Boroughs (HSA=7)	53	13	58	124
Nassau-Suffolk (HSA=8)	21	4	25	50
<b>Total</b>	<b>191</b>	<b>38</b>	<b>154</b>	<b>383</b>

Source: HFIS, as of 4/25/2019

# New York State ASC's (excluding hospitals & their extension clinics) by Region

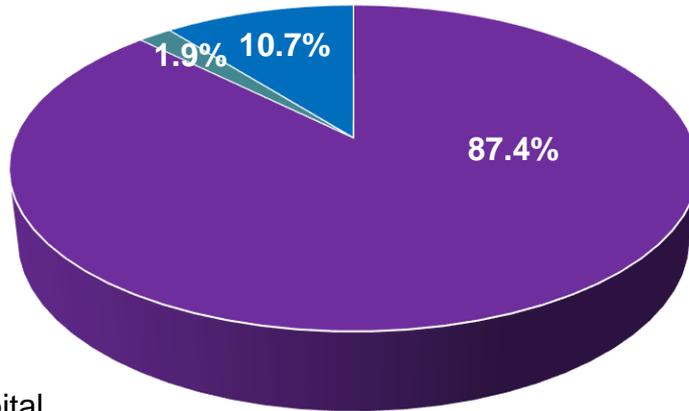
HSA Region	Multi-Specialty	Multiple Single Specialty	Single Specialty					Total
			Gastro-enterology	Ophthalmology	Orthopedics	Pain Management	Non Specified	
Western (HSA=1)	8	1	1	2	0	0	1	13
Finger Lakes (HSA=2)	5	0	0	1	0	0	0	6
Central NY (HSA=3)	4	5	2	1	3	2	1	18
Northeastern (HSA=5)	3	1	1	5	2	2	0	14
Hudson Valley (HSA=6)	13	1	4	2	0	0	0	20
NYC Boroughs (HSA=7)	26	6	13	7	1	2	3	58
Nassau-Suffolk (HSA=8)	14	2	7	1	1	0	0	25
<b>Total</b>	<b>73</b>	<b>16</b>	<b>28</b>	<b>19</b>	<b>7</b>	<b>6</b>	<b>5</b>	<b>154</b>

Source: HFIS, as of 4/25/2019

# Distribution of Ambulatory Surgery Procedures by Facility Setting in NYS

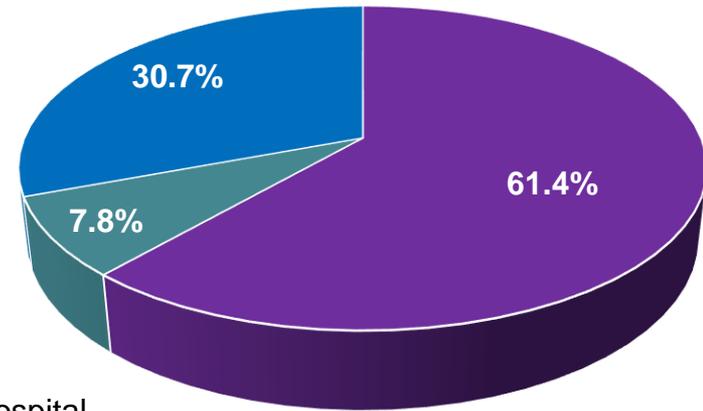
Data Source: SPARCS

2007



- Hospital
- Hospital Extension Clinic
- Diagnostic & Treatment Center

2017



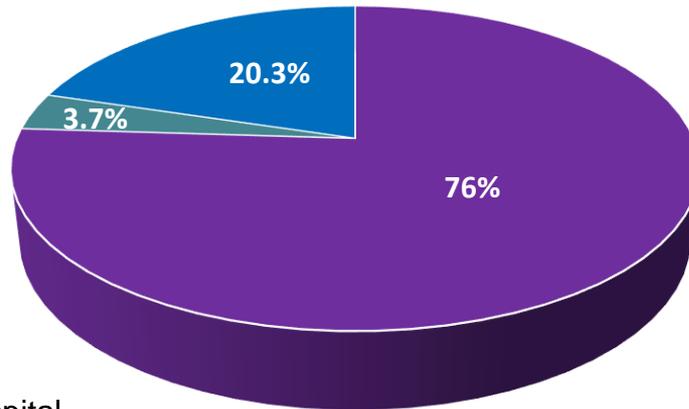
- Hospital
- Hospital Extension Clinic
- Diagnostic & Treatment Center

# Distribution of Most Common Ambulatory Surgery Procedures by Facility Setting in NYS

Colonoscopy and Biopsy (CCS=76)

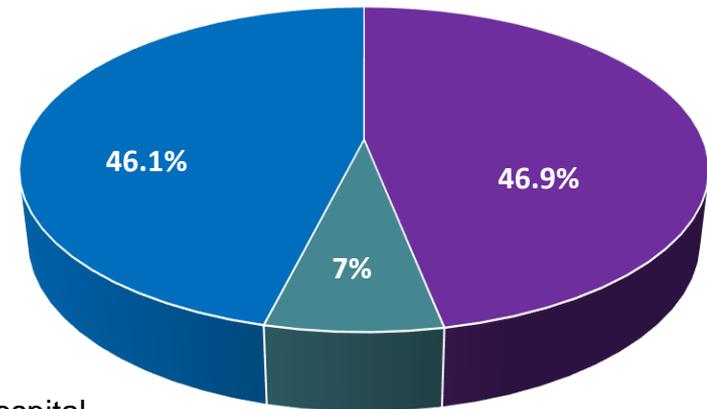
Data Source: SPARCS

2007



- Hospital
- Hospital Extension Clinic
- Diagnostic & Treatment Center

2017



- Hospital
- Hospital Extension Clinic
- Diagnostic & Treatment Center



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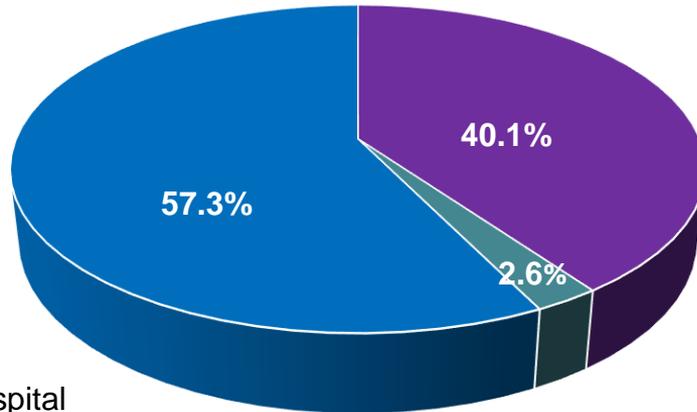
# Distribution of Most Common Ambulatory Surgery Procedures by Facility Setting in NYS

Lens & Cataract Procedures (CCS=15)

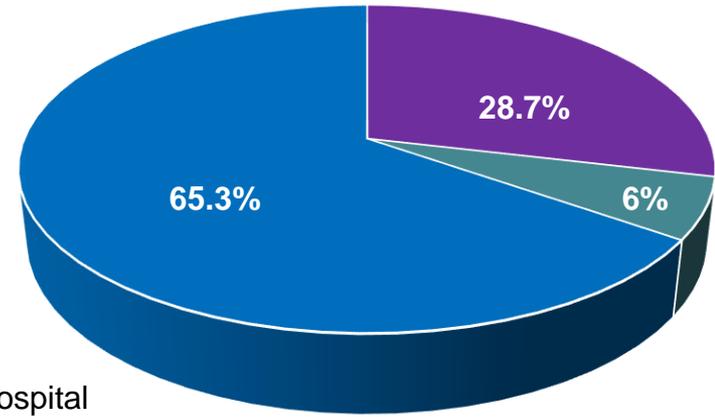
Data Source: SPARCS

2007

2017

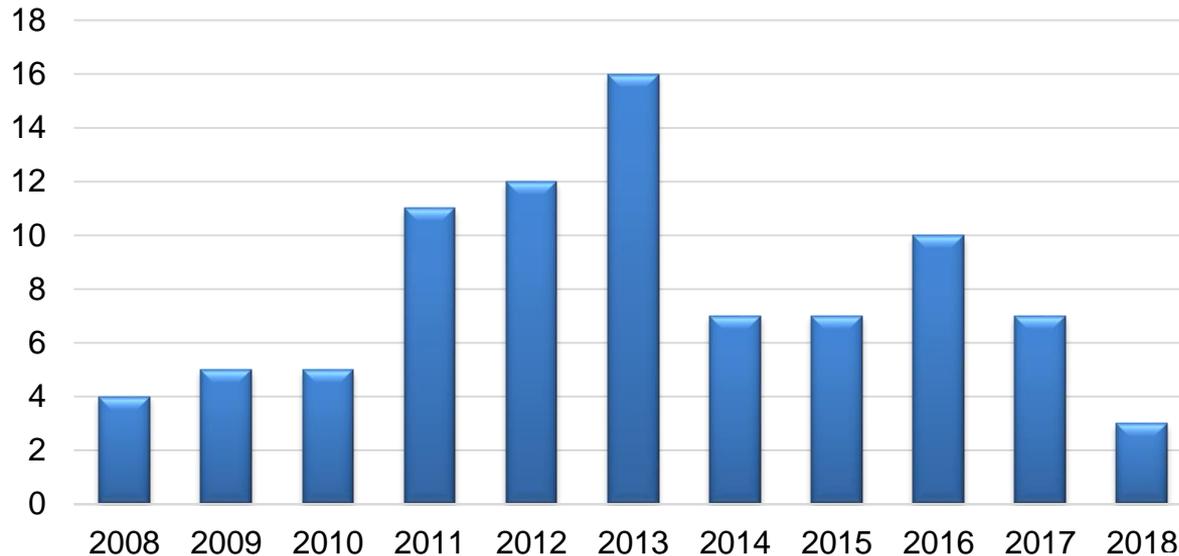


- Hospital
- Hospital Extension Clinic
- Diagnostic & Treatment Center



- Hospital
- Hospital Extension Clinic
- Diagnostic & Treatment Center

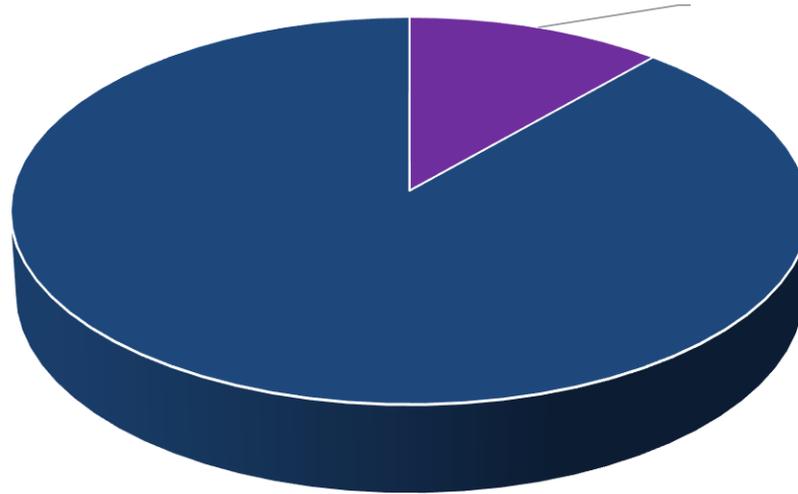
Between 2008 and 2018: 87 ASC's (DT&C's)  
have been approved, 1 disapproved



# Hospital Affiliated ASCs vs. Independent ASCs (Approved 2008-2018)

Hospital Affiliated ASCs 11%

Independent ASCs 89%

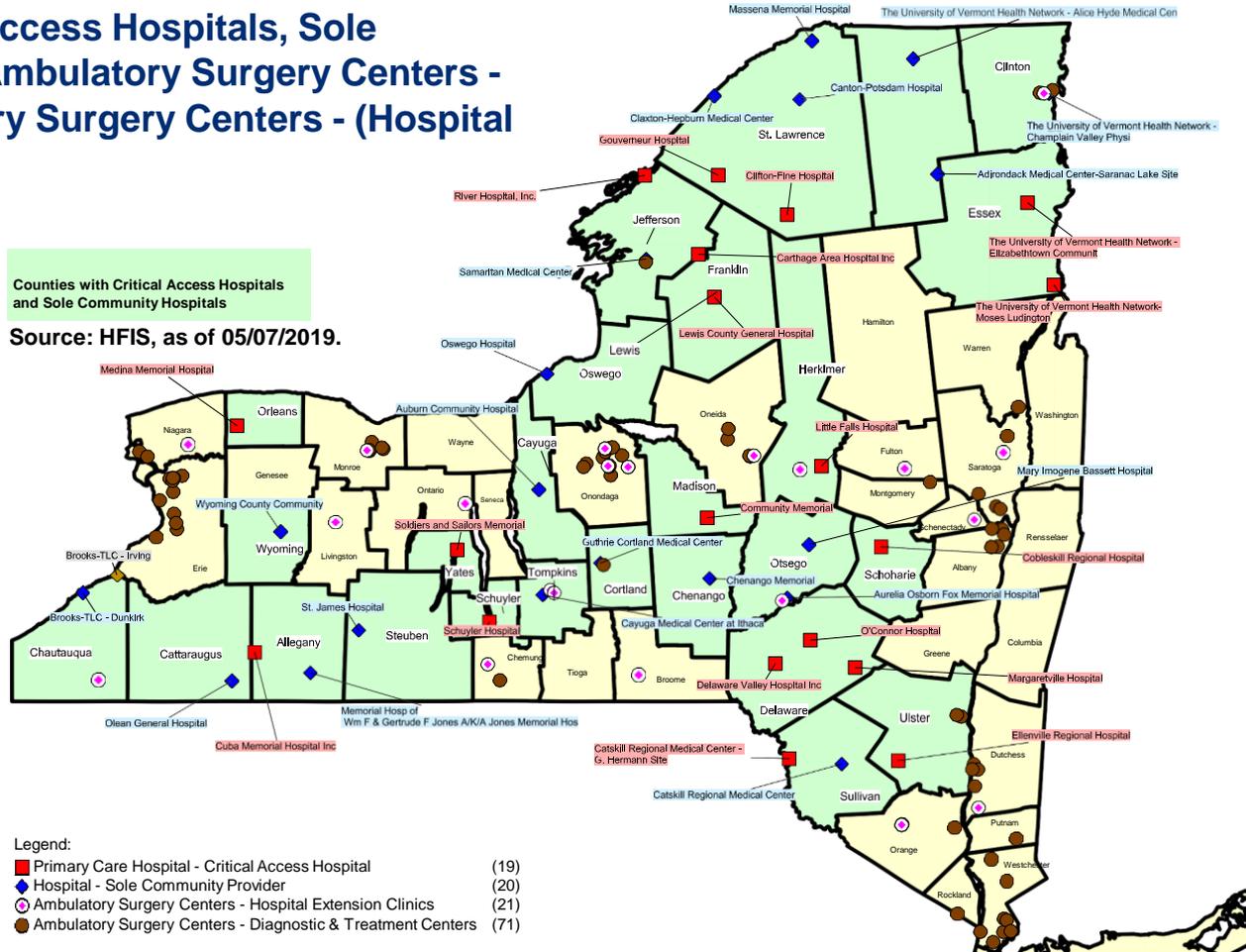


- Hospital Affiliated ASCs
- Independent ASCs

# Distribution of Critical Access Hospitals, Sole Community Hospitals, Ambulatory Surgery Centers - (DT&Cs) and Ambulatory Surgery Centers - (Hospital Extension Clinics) in Upstate New York Counties.

Counties with Critical Access Hospitals and Sole Community Hospitals

Source: HFIS, as of 05/07/2019.



# Policy Considerations

- What factors should be considered in recommending approval or disapproval of a proposed ASC?
- When should limited life be imposed?

# Thank You