Ambulatory Services Oversight Project:
Purpose and Issues Statement

Need to Plan for and Manage the Impact of Emerging Ambulatory Services on:

- Quality and cost of ambulatory services
- Access to care by low-income and Medicaid individuals
- Stability of regulated providers whose market share and revenue may be jeopardized
- Consumer ability to make informed decisions as traditional health care delivery roles become blurred

Issues to Consider:

- Changing Health Care Delivery/Payment Models
    - Migration of increasingly complex services from hospital settings, with ACA-related payment changes (reduced ability to cost-shift).
    - Non-licensed physician practices and non-hospital affiliated clinics increasingly are:
        - ✓ performing an expanding range of surgeries; and
        - ✓ offering advanced medical imaging services and radiation therapies.
    - Operation of hybrid organizational models.
- Regulatory Disparity – New and hybrid models of ambulatory services are not subject to DOH oversight while identical services provided in an Article 28 facility are regulated, e.g.:
    - Multi-specialty ambulatory service sites operated by private physician practices, with extensive diagnostic, surgical, and therapeutic services;
    - "Captive practices" in which hospitals, insurers, retail pharmacy chains, and radiation therapy firms have significant control or are publicly traded;
    - Medical school and hospital faculty practices comprised of hundreds of physicians across multiple counties;
    - Telemedicine, home nursing and pharmacy joint venture;
    - Supermarket-based "telemedicine" booths; and
    - Multiple models providing urgent care services.

Note: No decisions/prejudgments have been made related to this project. This document is for discussion purposes only.

- Uneven Playing Field - Regulatory oversight of licensed facilities compared to private physician practices raises competitive concerns:
    - Licensed facilities are subject to CON, operating and physical plant requirements, and HCRA surcharges while non-licensed providers are not subject to the same oversight and payment rules.
    - Hospitals and some DTCs provide public goods (e.g., emergency care, obstetrics, indigent care, medical education).
    - Hospitals, DTCs including FQHCs, must serve Medicaid and low income populations.
    - Licensed facilities cannot easily expand or change services due to CON and licensure requirements.
    - Hospitals experiencing difficulty in recruitment and retention of physicians (e.g., employed physicians, certain specialties and voluntary physicians who agree to be on call).

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