STATE OF NEW YORK
PUBLIC HEALTH AND HEALTH PLANNING COUNCIL

Ad Hoc Advisory Committee on Freestanding Ambulatory Surgery Centers and Charity Care

AGENDA

November 13, 2014
Immediately following the Committee on Health Planning which is scheduled to begin at 10:00 a.m.

Empire State Plaza, Concourse Level,
Meeting Room 6, Albany

Issues for Discussion

Committee Charge - Revised

The Committee is to examine the factors affecting the level of Medicaid and charity care being provided by freestanding ambulatory surgery centers (ASCs), including those that cause some ASC operators to fall significantly short of their Medicaid and charity care targets. The Committee is also to consider alternatives to the provision of charity care and services to Medicaid clients by freestanding ASCs that may nevertheless expand access to care by the underserved and uninsured.

Current Requirements

- 10 NYCRR section 709.5 requires ASCs, whether freestanding or hospital-based, to provide charity care, as evinced by:

  > (3) written documentation that the facility's hours of operation and admission policies will promote the availability of services to those in need of such services regardless of their ability to pay. This shall include, but not be limited to, a written policy to provide charity care and to promote access to services regardless of an individual's ability to pay. *Charity care* shall mean care provided at no charge or reduced charge for the services the facility is certified to provide to patients who are unable to pay full charges, are not eligible for covered benefits under Title XVIII or XIX of the Social Security Act or are not covered by private insurance;

  - No specific percentage for charity care required.

Need to Define Charity Care

- No Charge - Full absorption of costs
- Reduced Charge – Sliding fee scale
- Bad debt
  - Often "forgiven" or reclassified
  - Regardless, represents uncompensated care.

- How to Measure?
  - Cases
  - Procedures
  - Costs/revenues

Obstacles for ASCs in Serving Underserved Groups

- A declining population of uninsured clients
  - Affordable Care Act and NY State of Health Enrollment
  - Medicaid Redesign Initiatives

- Medicaid Managed Care
  - Almost all Medicaid clients are enrolled
  - ASCs have no control over Medicaid enrollment
  - DSRIP changes and linkage of Medicaid Managed Care plans to PPS's

- Location
  - ASCs often not located in underserved areas or integrated with community providers
  - Cultural/linguistic barriers

Options

- Require ASCs to enter into contracts with at least one Medicaid managed care plan.

- Require ASCs to have referral arrangements with FQHCs or other providers of services to the underserved.

- Evaluate applications according to the totality of proposed level of services to the underserved, whether Medicaid, charity care or a combination thereof.

- In evaluating proposed efforts to serve the underserved, consider applicant's surgical specialty and likely clientele (for example, ophthalmology and endoscopy ASCs have high concentrations of Medicare clients).

- Allow ASCs to substitute payments to FQHCs for services to Medicaid and/or uninsured clients.