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Quality of Care in Ambulatory Surgical Centers

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Master of Healthcare Administration

The Growth and Regulation of ASCs

- Freestanding ASCs (those not affiliated or owned by a hospital) “have increased from about 400 in 1983 to over 3,300 in 2001” throughout the country (Bian & Morrissey 2006, p. 111).
- Forty-three states, including New Jersey, require Ambulatory Surgical Centers to obtain a state license (NJAASC 2011, p.2)
- If an ASC wishes to accept Medicare or Medicaid, it must also meet separate federal regulations (NJAASC 2011, p.2)

Regulation of ASCs in New Jersey

- Multi OR “ASCs must satisfy very specific criteria regarding patient safety mechanisms, infection prevention, staff qualifications, facility policies and procedures and physical plant requirements, including Life Safety Code compliance” (NJAASC 2011, p.2).
- Licensed facilities are inspected the Department of Health and Senior Services prior to licensure and at least every two years thereafter.

Regulation of ASCs in New Jersey

- An ASC that provides Medicare/Medicaid care must obtain certification through a private certification authority:
 - Joint Commission
 - Accreditation Association for Ambulatory Health Care
 - American Osteopathic Association
 - American Association for Accreditation of Ambulatory Surgical Facilities.
- One OR facilities must be approved by one of these organizations regardless of Medicare status.

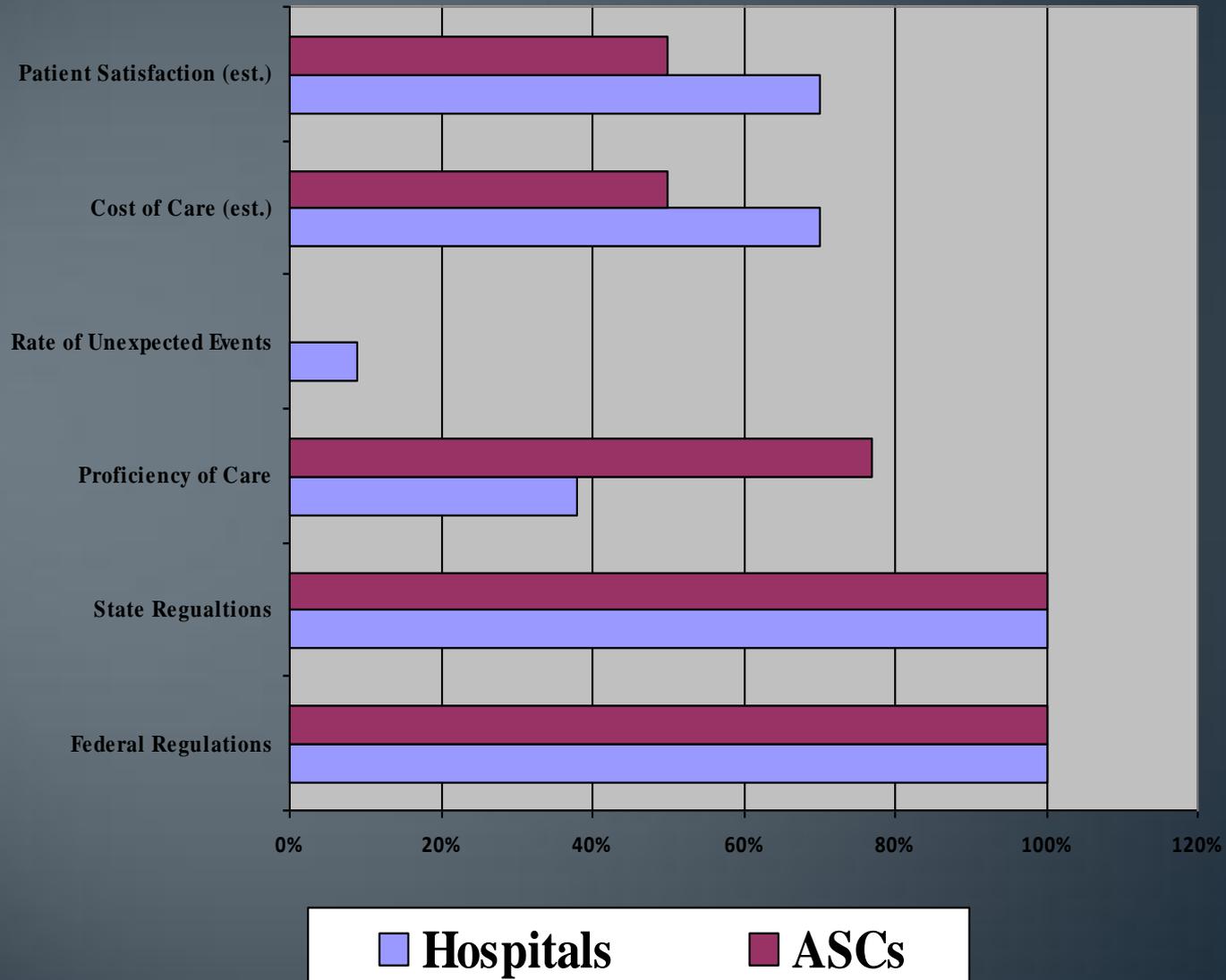
Main Tactics to Inhibit ASC Growth

- Codey Law (New Jersey Anti-Self Referral Statute)
 - until 2009 – no significant effect (Patterson & Albright 2010, p. 20)
- *Garcia v. Health Net of New Jersey, Inc.*, 2007 WL 5253484 (Ch. Div. 2007), provided judicial interpretation that clearly prohibited physician self-referral to ASCs in which they had an ownership interest (Patterson & Albright 2010, p. 20).
- Codey Law was immediately amended to preserve the exception for ASCs

2009 Amendment to the Codey Law

- Moratorium on the issuance of new licenses to ASCs except:
 - change of ownership of an existing center
 - relocation of an ASC to within 20 miles or to a “Health Enterprise Zone”
 - entities owned in whole or in part by a New Jersey hospital
 - entities owned in whole or in part by a New Jersey medical school

Comparison of Hospitals and Ambulatory Surgical Centers



Recommendation

- “Medicare pays more for some procedures in an ASC than in a hospital outpatient surgery department setting and vice versa, but according to recent reports by the OIG and the Medicare Payment Advisory Commission (MedPAC), it is unlikely that the ASC payments, at least, accurately reflect cost” (Casalino, et. al. 2011, p. 60).
- Insurance companies must be called to the table to account for these payment discrepancies.