

LATE TESTIMONY

TO: COMMITTEE ON JUDICIARY AND LABOR
Senator Gilbert S.C. Keith-Aragan, Chair
Senator Maile S. L. Shimabukuro, Vice Chair

FROM: Dr. Robert F. Wong, Pacific Endoscopy Center, LLC

SUBJECT: SB 3105: RELATED TO HEALTHCARE REFERRALS

DATE: February 25, 2016

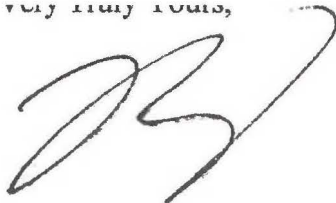
My name is Robert F. Wong, MD and I am a Board of Directors Member of the Hawaii Ambulatory Surgery Center Association. I oppose Senate Bill 3105. SB 3105 is invasive and creates redundancy as physician-owners of medical facilities are already required by CMS' Conditions for Coverage (see relevant excerpt below) to disclose financial interest. If passed SB 3105 would merely legislate redundancy. I therefore urge your Committee to oppose passage of SB 3105.

SB 3105 furthermore discourages Hawaii patient's access to safe, cost-effective and efficient medical facilities. Passage of SB 3105 also sets the stage for further delays in or restricted reimbursement by commercial payors to Hawaii medical facilities that physicians have ownership in. Hawaii's physicians who have ownership in medical facilities actually go at risk for the betterment of Hawaii's patients so they should not be penalized legislatively for creating a better delivery model which may by its nature complete effectively with other inefficient delivery models in Hawaii. By operating in ASCs, physicians gain increased control over their surgical practices. In the ASC setting, physicians are able to schedule procedures more conveniently, assemble teams of specially-trained and highly skilled staff, ensure that the equipment and supplies being used are best suited to their techniques, and design facilities tailored to their specialties and to the specific needs of their patients. It is widely cited that Hawaii already has a 22% access shortage of physicians and also has no tort reform. This bad Bill creates a trifecta which cannot be good for patients and physicians by discouraging patients from accessing the high quality care available at physician-owned medical facilities.

In closing, I again urge your Committee to oppose the passage of this invasive and redundant piece of legislation, SB 3105.

Very Truly Yours,

Very Truly Yours,



Robert F. Wong, MD

Medicare Conditions for Coverage Excerpt:

(Rev. 95, Issued: 12-12-13, Effective: 06-07-13, Implementation: 06-07-13) 5416.50(b) Standard: Disclosure of physician financial interest or ownership. The ASC must disclose, in accordance with Part 420 of this subchapter, and where applicable, provide a list of physicians who have financial interest or ownership in the ASC facility. Disclosure of information must be in writing.

Interpretive Guidelines: '416.50(b) An ASC that has physician owners or investors must provide written notice to the patient, the patient's representative or surrogate, prior to the start of the surgical procedure, that the ASC has physician-owners or physicians with a financial interest in the ASC.

CMS considers the disclosure of physician financial interest or ownership to be part of the overall "patient rights information" that is now required to be given prior to the start of the procedure. 42 CFR Part 420 provides definitions and requirements concerning ownership and control of Medicare-participating providers and suppliers. Surveyors are not expected to have expert knowledge of what constitutes ownership and control, but ASCs are required to comply with the provisions of Part 420. ASCs that meet the physician ownership and control threshold specified in 42 CFR Part 420 must disclose their physician ownership to patients and provide them with a list of physicians who have a financial interest or ownership in the ASC. The intent of this disclosure requirement is to assist the patient in making an informed decision about his or her care by making the patient, or the patient's representative or surrogate, aware when physicians who refer their patients to the ASC for procedures, or physicians who perform procedures in an ASC also have an ownership or financial interest in the ASC. The written notice must disclose, in a manner designed to be understood by all patients, that physicians have an ownership or financial interest in the ASC. Information should be provided in a manner that is not only technically correct, but also easily understood by persons not familiar with financial statements, legal documents or technical language. The ASC should also be aware of the age and the cognitive abilities of its patients in developing its written notice. (72 FR 50475, August 31, 2007) Survey Procedures: '416.500).

LATE TESTIMONY

Keith Agaran3 - Ashlee

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 25, 2016 7:23 PM
To: JDLTestimony
Cc:
Subject: Submitted testimony for SB3105 on Feb 26, 2016 10:00AM
Attachments: BCBS Outpatient Centers.pdf

SB3105

Submitted on: 2/25/2016

Testimony for JDL on Feb 26, 2016 10:00AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Scott J Miscovich MD	Individual	Oppose	No

Comments: Senators BAKER, KEITH-AGARAN, I am commenting on SB3105 because I believe it's intent is to eliminate competition in the form of outpatient centers providing healthcare. I would like to present this important new study to your committees' that was published only yesterday by the Blue Cross and Blue Shield national organization. It highlights the \$11Billion savings achieved national from the lower costs achieved in outpatient centers compared to hospitals. Here are the highlights and the entire study is attached: 1)The Blue Cross Blue Shield Association (BCBSA) has announced a new study demonstrating the consumer and payer savings achieved when medical procedures are performed in an outpatient rather than inpatient setting. 2)The study looks at four common and "shoppable" procedures from 2010 to 2014: hysterectomy, lumbar/spine surgery, angioplasty and gallbladder removal, which it says cost BCBS companies and members about \$11 billion in 2014. 3)The report also highlights the trend toward more frequently selecting an outpatient site of care for procedures that could be done in either setting. Scott J Miscovich MD Family Physician, Kaneohe

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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Hawaii Ambulatory Surgery Center Association
“the united voice of the Hawaii ASC industry”

TO: SENATE COMMITTEE ON JUDICIARY AND LABOR
Sen. Gilbert S. C. Keith-Aragan, Chair
Sen. Maile S. L. Shimabukuro, Vice Chair

FROM: Woodrow M. Moore, Executive Director,
Hawaii Ambulatory Surgery Center Association

SUBJECT: SB 3105: RELATED TO HEALTHCARE REFERRALS

DATE: February 25, 2016

My name is Woodrow M. Moore and I am the Executive Director of the *Hawaii Ambulatory Surgery Center Association*, “the united voice of the Hawaii ASC industry”. I oppose Senate Bill 3105 so therefore I urge your Committee to oppose passage of SB 3105. SB 3105 is invasive and creates redundancy as physician-owners of medical facilities, such as Ambulatory Surgery Centers (ASCs), are already required by CMS’ Conditions for Coverage (see relevant excerpt below) to disclose financial interest. If passed SB 3105 would merely legislate redundancy.

SB 3105 furthermore discourages Hawaii patient’s access to safe, cost-effective and efficient medical facilities. Passage of SB 3105 also sets the stage for further delays in or restricted reimbursement by commercial payors to Hawaii medical facilities that physicians have ownership in. Hawaii’s physicians who have ownership in medical facilities actually go at risk for the betterment of Hawaii’s patients so they should not be penalized legislatively for creating a better delivery model which may by its nature complete effectively with other inefficient delivery models in Hawaii. By operating in ASCs, physicians gain increased control over their surgical practices. In the ASC setting, physicians are able to schedule procedures more conveniently, assemble teams of specially-trained and highly skilled staff, ensure that the equipment and supplies being used are best suited to their techniques, and design facilities tailored to their specialties and to the specific needs of their patients. It is widely cited that Hawaii already has a 22% access shortage of physicians and also has no tort reform. This bad Bill creates a trifecta which cannot be good for patients and physicians by discouraging patients from accessing the high quality care available at physician-owned medical facilities.

In closing, I again urge your Committee to oppose the passage of this invasive and redundant piece of legislation, SB 3105.

Very Truly Yours,



Woodrow M. Moore

Medicare Conditions for Coverage Excerpt:

(Rev. 95, Issued: 12-12-13, Effective: 06-07-13, Implementation: 06-07-13) §416.50(b) Standard: Disclosure of physician financial interest or ownership. The ASC must disclose, in accordance with Part 420 of this subchapter, and where applicable, provide a list of physicians who have financial interest or ownership in the ASC facility. Disclosure of information must be in writing.

Interpretive Guidelines: §416.50(b) An ASC that has physician owners or investors must provide written notice to the patient, the patient's representative or surrogate, prior to the start of the surgical procedure, that the ASC has physician-owners or physicians with a financial interest in the ASC. CMS considers the disclosure of physician financial interest or ownership to be part of the overall "patient rights information" that is now required to be given prior to the start of the procedure. 42 CFR Part 420 provides definitions and requirements concerning ownership and control of Medicare-participating providers and suppliers. Surveyors are not expected to have expert knowledge of what constitutes ownership and control, but ASCs are required to comply with the provisions of Part 420. ASCs that meet the physician ownership and control threshold specified in 42 CFR Part 420 must disclose their physician ownership to patients and provide them with a list of physicians who have a financial interest or ownership in the ASC. The intent of this disclosure requirement is to assist the patient in making an informed decision about his or her care by making the patient, or the patient's representative or surrogate, aware when physicians who refer their patients to the ASC for procedures, or physicians who perform procedures in an ASC also have an ownership or financial interest in the ASC. The written notice must disclose, in a manner designed to be understood by all patients, that physicians have an ownership or financial interest in the ASC. Information should be provided in a manner that is not only technically correct, but also easily understood by persons not familiar with financial statements, legal documents or technical language. The ASC should also be aware of the age and the cognitive abilities of its patients in developing its written notice. (72 FR 50475, August 31, 2007) Survey Procedures: §416.50(b).

TO: SENATE COMMITTEE ON JUDICIARY AND LABOR
Sen. Gilbert S. C. Keith-Aragan, Chair
Sen. Maile S.L Shimabukuro, Vice Chair

FROM: William K.Wong, Jr. MD

SUBJECT: SB 3105: RELATED TO HEALTHCARE REFERRALS

DATE: February 25, 2016

My name is William K Wong, Jr. MD and I am a Hawaii Ambulatory Surgery Center Association Board of Director's Member, the current President of the Honolulu County Medical Society and the Hawaii Ophthalmological Society. On behalf of these society memberships, we oppose Senate Bill 3105. SB 3105 is invasive and creates redundancy as physician-owners of medical facilities are already required by CMS' Conditions for Coverage (see relevant excerpt below) to disclose financial interest. If passed SB 3105 would merely legislate redundancy and create additional unnecessary paperwork and inefficiency which focusses valuable time and resources on bureaucracy and satisfying regulatory requirements rather than actual patient care. I therefore urge your Committee to oppose passage of SB 3105.

SB 3105 furthermore discourages Hawaii patient's access to safe, cost-effective and efficient medical facilities. Passage of SB 3105 also sets the stage for further delays in or restricted reimbursement by commercial payors to Hawaii medical facilities that physicians have ownership in. Hawaii's physicians who have ownership in medical facilities actually go at risk for the betterment of Hawaii's patients so they should not be penalized legislatively for creating a better delivery model which may by its nature complete effectively with other inefficient delivery models in Hawaii. By operating in ASCs, physicians gain increased control over their surgical practices. In the ASC setting, physicians are able to schedule procedures more conveniently, assemble teams of specially-trained and highly skilled staff, ensure that the equipment and supplies being used are best suited to their techniques, and design facilities tailored to their specialties and to the specific needs of their patients. It is widely cited that Hawaii already has a 22% access shortage of physicians and also has no tort reform. This bad Bill creates a trifecta which cannot be good for patients and physicians by discouraging patients from accessing the high quality care available at physician-owned medical facilities.

In closing, I again urge your Committee to oppose the passage of this invasive and redundant piece of legislation, SB 3105. Very Truly Yours,

William K. Wong, Jr. MD

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