

SB 1640 talking points

- Upon request strike through increases the volume of detailed estimates from thousands to millions - ASCs are not staffed and systems are not in place to deal with that volume (line 176 in SB 1640). ASCs estimate it could cost over \$25 million for ASCs to add one to two additional administrative staff to handle the volume increase.
- All ASCs currently provide estimates to patients about procedures and the patient's financial responsibility for care.
- The concern is that this language and subsequent language prohibiting billing a patient or insurance company more than the initial estimate (lines 233 and 234 of SB 1640) will require estimates that are more like the final bill provided to the insurance company and patient. This bill would contain procedures and costs not known at the time of surgery such as implants and other necessary procedures discovered at the time of surgery. Implants can cost more than procedural costs.
- As a result, initial estimates will require speculation about other possible but hopefully unnecessary costs. This results in a potentially inflated estimate and larger copays by the patient. Larger and unnecessary copays by the patient will be reimbursed to the patient but again that is money the patient must come up with before surgery and wait for after surgery. The volume of paperwork for the ASCs also goes up as reimbursements are paid out to patients.
- All patients currently sign a document when agreeing to surgery that states that there could be unanticipated other damage or issues that are discovered during surgery and providing the surgeon permission to correct this issues.
- Parts of the bill assumes that facilities are currently required to comply with similar provisions in federal law. Most of the federal transparency law requires hospitals to comply not ASCs. There is a provision related to "self pay" patients that affects ASCs.
- The Hospitals have struggled for several years to comply with the federal law. According to staff reports some hospitals still do not comply with the law resulting in increased fines in the bill and connecting the provisions of the bill to conditions of licensure. ASCs will need time to comply with these new provisions.
- The HHS2 provides an exemption for ASCs to allow them time to develop administrative systems, higher new administrative staff and train those staff. The current provisions of SB 1640 would require ASCs to comply in less than six months to provisions that hospitals with all of their resources have struggled to implement. (see section 12 of HHS2 - lines 459-461).
- Fines increased in SB 1640 (lines 227 - 231) are tied to submission of previously discussed estimates to patients, potential patients and insurers. These fines appear to be in response to the slow implementation of federal legislation by hospitals. Again ASCs have not failed to implement these provisions but are the most likely to fail in their attempt to do so because of the issues mentioned previously. A \$10,000 fine to an ASC is a major expense and may well exceed the cost of care.