



January 19, 2012

TO: Senator Pam Galloway, Chair, Senate Public Health Committee
Members of the Senate Public Health Committee

FROM: Bob Kwech, President of the Ambulatory Surgery Center Association of Wisconsin

RE: Support for Senate Bill 297

Chairwoman Galloway, and members of the Senate Public Health Committee. Thank you for the opportunity to testify today on Senate Bill 297. My name is Bob Kwech. I am Executive Director of 3 ambulatory surgery centers in the Milwaukee area, and current president of the Association. I am here today to share our support for Senate Bill 297.

What is an “ASC.” Ambulatory surgery centers (ASCs) are facilities where surgeries that do not require hospital admission are performed. Patients who choose to have surgery in an ASC arrive on the day of their procedure, have their surgery in a fully equipped operating room and recover under the care of highly skilled staff. An ASC may perform surgeries in several specialties, or dedicate their services to one specialty. Most ASCs are owned by physicians. The first ASC opened nationally in 1970, and Medicare began reimbursing ASCs in 1982. WISCA itself was created in 1995. WISCA’s membership has grown to represent over 75% of the state’s Medicare certified centers.

We are proud of the patient care provided by ASCs in Wisconsin. We provide a high quality, low-cost health care option. Medicare payments to ASCs for comparable services provided in a hospital setting are lower; with many procedures receiving 40% less than hospitals for the same surgeries. A National report titled “Ambulatory Surgery Centers: A Positive Trend in Health Care” reports that ASCs save the Medicare program approximately \$464 million each year. Individuals and private insurers also benefit, with savings passed on to employers in the form of lower health care costs – and employees in the form of lower co-payments.

Our quality rates very high. Certification requires routine site inspection by authorized representatives that review safety and quality of staff and the facility. In addition, many ASCs also participate in voluntary accreditation which involves external benchmarking of performance among centers. ASCs have equal if not lower infection rates compared to other health care settings.

And our patient satisfaction rates are also very high. A recent survey by the US Inspector General rated ASC patient satisfaction at 98%. Some of the most common reasons shared for the high patient satisfaction are the safety and quality of services, ease of scheduling, personal attention and lower costs.



The Assessment is not working

Unfortunately the assessment is not working for Wisconsin. If anything, it has put an important part of our health care system at risk during a time we should be doing everything we can to support low-cost, high-quality care. This is not the right time to penalize our part of our state's economy that is supporting jobs, paying taxes and contributed to the overall economy. An economic impact study published last spring reports that Wisconsin's ASCs employ more than 1500 people throughout the state, and contribute an estimated \$758 million annually to the state's economy.

The assessment is not good policy. It is neither fair nor is it sustainable. ASCs owners already pay income tax and property taxes. In addition, not all of the centers in the state have the ability to capture the enhanced reimbursement because of their patient base. And the program's dependence on federal funding also makes it not sustainable.

We ask for your support in repealing the ASC assessment. This is an unfair tax that is a greater burden and cost to our centers than ever predicted. The Legislative Fiscal Bureau's report in November 2011 found that only 25 of the 58 centers studied benefited from the assessment. Far less than was ever predicted or projected when the assessment was created.