

**TESTIMONY ON HB 2522  
Physician Self-Referral Legislation**

**Submitted by**

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**June 8, 2010**

**Pennsylvania House of Representatives  
Insurance Committee**

Good morning, Mr. Chairman and Members of the House Insurance Committee. Thank you for inviting the Pennsylvania Ambulatory Surgery Association to testify today on House Bill 2522.

My name is Pam Ertel. I am the Administrative Director at the Reading Hospital SurgiCenter at Spring Ridge and President of the Pennsylvania Ambulatory Surgery Association (PASA). We represent 142 of the approximately 298 Ambulatory Surgery Centers (ASCs) in Pennsylvania. Today I would like to discuss the issue of self disclosure and transparency as it applies to Physician-Ownership in an ambulatory surgery center and Patient's Right to Know.

**Transparency:**

Most physicians and surgery centers agree that disclosing a physician's financial interest in an ambulatory surgery center, or other specialty medical office is necessary and ethical, especially when referring a patient for further procedures.

Medicare establishes requirements, Conditions for Coverage, which all ASCs must meet in order to be certified to participate with Medicare. Effective May 18, 2009 under section 416.50 Conditions for Coverage in regards to disclosure of physician ownership:

(ii) The ASC must also disclose where applicable, physician's financial interests or ownership in the ASC facility in accordance with the intent of Part 420 of this subchapter. Disclosure of information must be in writing and furnished to the patient in advance of the date of the procedure.

ASCs have implemented varying processes to meet this requirement. It is our intention to provide patients with all the information needed to make an informed consent about their care. The clinical interests of the patient are first and foremost.

Several ways in which physician disclosure of ownership have been implemented throughout the Pennsylvania ASC arena providing transparency in the relationship between the physician and the surgery center are:

- 1) Included on the Patient Consent Form: I am aware that my physician does/does not (circle one) have a financial and ownership interest in \_\_\_\_\_ Surgery Center. I acknowledge that I have selected \_\_\_\_\_ Surgery Center at which to have the procedure performed after considering both my physicians financial interest in \_\_\_\_\_ Surgery Center and my ability to have the procedure performed at a different facility.
- 2) Brochures are produced that include a picture and biography of each physician owner.
- 3) Information is included in patient packets that are distributed in the physician's office at the time the patient is scheduled for a procedure.
- 4) Reminders when the patient is contacted for a pre-admission assessment phone call. "Have you received all the information and what questions can I answer for you?"

5) Mail information to the patient prior to the procedure date.

If these initiatives aren't enough to ascertain physician ownership transparency, we propose placing signage in each ASC and the Physicians' offices with the list of physician owners with financial interest and the centers at which they have a stake respectively.

**Patients' Right to Know:**

At a time when healthcare costs are skyrocketing and access to quality patient care is a national priority, the U.S. House Energy and Commerce Committee has penned three health care bills focusing on transparency. The Patients' Right to Know Act (HR 4803) is meant to give patients greater access to information concerning their care. One component of the bill would require ASCs and HOPDs to report publicly their charges for services on typically performed procedures, reimbursement from Medicare and Medicaid for these services, factors used in reducing fees for those with financial need and quality care data. We believe this bill will empower patients with critical information in order to make more informed decisions on where to receive their care. A public record of the quality and cost data of ASCs will assist in educating the public on the benefits of ASCs.

ASCs are meeting America's surgical needs and so much more.

- We provide high quality cost effective services receiving 62% of what hospitals received for the same service.
- Like other segments of the community, ASCs find creative and numerous ways to give back to the community via Health Fairs and fundraisers for charitable events.
- ASCs are typically a for profit business and thus contribute to their communities' tax base. In addition ASCs pay other taxes contributing to the provision of government services.

In closing, ASCs do SUPPORT disclosure of physician ownership and/or financial interest. We believe the Conditions of Coverage, as established by Medicare, have addressed the requirements necessary to ascertain ownership disclosure to patients and our compliance to these requirements have been implemented. We also support legislation in support of patients' right to know.

Thank you for your opportunity to testify and to provide PASA's perspective on physician ownership and transparency. I welcome your questions.

With Respect,

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