

Ambulatory Surgery Fact Sheet
CON Modernization Task Force
April 20, 2018

Supply of Ambulatory Surgical Facilities (2015):

- 325 licensed ambulatory surgical facilities (ASFs) with 280 operating rooms and 485 procedure rooms.
- Most of these licensed ASFs are not subject to CON regulation. Only “health care facilities” are subject to CON regulation and, in the CON law, an ASF subject to CON regulation is one that has two or more operating rooms (ORs). There were 41 ASFs of this type in 2015.
- Thus, most licensed ASFs (239 or 85% of all licensed ASFs) are not “health care facilities” subject to CON regulation. These ASFs have only one operating room or no operating rooms. The State Health Plan refers to these ASFs that fall below the threshold of CON regulation as “physician outpatient surgery centers” or POSCs.
- The total number of licensed ASFs changed very little between 2011 and 2015.
- The number of ORs at all licensed ASFs (regulated and unregulated) declined 5.7% between 2011 and 2015. The number of procedure rooms at all licensed ASFs increased 6.1% over the same period
- Pain management is the most frequently reported specialty by licensed ASFs (29% of all ASFs), followed by podiatry (26%), GI (22%), plastic surgery (20%), and orthopaedic surgery (18%).
- 73% of licensed ASFs report a single surgical specialty. 10% of ASFs report two to three surgical specialties. 17% report four or more surgical specialties. All general hospitals are multi-specialty providers of ambulatory surgery.

ASF Payor Mix (2015)

- Licensed ASF Payor Mix (2015): Private pay (46%), Medicare (26%), Other (24%), Medicaid (4%),

Scope of ASF CON Regulation

- A CON or exemption from CON is required to establish a CON-regulated ASF (i.e., an ASF with two or more ORs). A CON or CON exemption from CON is required to expand an ASF’s OR capacity. A CON is required to relocate an ASF, in some cases. A CON is required if an ASF makes a capital expenditure exceeding an expenditure threshold established in law (currently \$6 million).

Ambulatory Surgery in Hospitals (2015)

- 47 general hospitals with 596 operating rooms and 216 procedure rooms. Almost all hospital ORs are mixed-use, used to perform inpatient and outpatient surgery.
- One new general hospital was established in Maryland between 2011 and 2015.
- The number of hospital-based ORs increased 1.5% between 2011 and 2015. The number of hospital-based procedure rooms declined 4.4% during the same period.

Scope of Hospital Surgical Facility CON Regulation

- A CON is required to expand hospital OR capacity if the OR will be used to provide outpatient surgery. A CON is required for a capital expenditure related to surgical facilities that exceeds the current expenditure threshold (currently \$12 million) unless the hospital “takes the pledge” with MHCC and HSCRC. Hospitals have the ability (new in 2018) to “relocate” two ORs to create a two-OR ASF using a request for an exemption from CON.

Hospitals vs. ASFs (2015)

- For all cases (operating room and procedure room), ASFs performed 664,009 cases or 59% of the Maryland total. Hospitals reported 463,120 cases (41% of total cases).
- Overall case volume (ORs and procedure rooms) at all ASFs (regulated and unregulated) increased 9.9% between 2011 and 2015. Overall case volume (ORs and procedure rooms) at hospitals decreased 0.4% during the same period.

Recent Regulatory Reform:

- A new SHP chapter of regulation recently went into effect that allows physician-owned POSCs to establish themselves as ASFs (by adding a second OR) and allows hospitals to create two-OR ASFs if overall ASF capacity does not increase, through exemption from CON reviews. (See previous bullet point on “Scope of Hospital Surgical Facility CON Regulation.” In essence, two ORs at the hospital would need to be decommissioned.)

Other

- Analysis of ASF supply throughout the U.S. indicates that Maryland would be likely to have fewer but larger ASFs if it regulated all ASF development or did not regulate any ASF development.
- The current state of the art in development of quality measures for ASF performance is underdeveloped when compared with most other types of health care facilities regulated under CON.