



TO: Commissioners

FROM: Ben Steffen *Ben Steffen*
Executive Director, MHCC

DATE: November 16, 2023

RE: Follow up on Ambulatory Surgery Discussion

During our October 19th Public Meeting, the MHCC staff provided a brief update on the number of freestanding ambulatory surgery facilities (FASFs) in Maryland as compared to other states. This preliminary information was provided in response to Chairman Sergent's concern over the impact of 2019 regulatory changes that streamlined the review process for applicants seeking to establish an ASF with less than three ORs. The staff looked at the number of ambulatory surgery providers, including ASCs (less than 3 ORs) and ASFs (3 or more ORs) before and after the regulatory change and found a 7% increase in the number of ambulatory surgery providers (313 in 2018; 335 in 2021 [the most recent time available]).

Since the October meeting, the staff has identified additional data sources for the number of ORs per state that may help inform our understanding of the Maryland landscape. Although quality measures for ambulatory surgery providers are limited, the staff found one metric that is reliably available for Maryland providers: COVID-19 Vaccination Coverage Among Health Care Personnel. The attached dashboard highlights these data points.

Key takeaways included in the table for Maryland are as follows:

- 1) Maryland has the most ambulatory ORs per capita, with 14.53 ORs per 100,000.
- 2) Maryland has a higher-than-average percentage of *COVID-19 Vaccination Coverage Among Health Care Personnel*, included as a proxy to gauge quality.
- 3) States with CON requirements have been identified but there are no initial correlations.

Findings from additional analysis:

- 1) Maryland has the most ASFs per capita in the country, with 5.66 facilities per 100,000.
- 2) Maryland has the most ASFs that have two or less operating rooms, with 3.64 facilities per 100,00. The next highest state is Georgia with 2.93 ASFs with two or less operating rooms. This may be related to the 2019 updated CON program requirements.
- 3) Maryland has the most ASFs that provide pain surgery, with 1.69 facilities per 100,000.
- 4) CMS operates the Ambulatory Surgical Center Quality Reporting (ASCQR) program, a voluntary pay-for-reporting federal program that determines reimbursement rates. There are currently eight measures within the program, with only the included *COVID-19 Vaccination Coverage Among Health Care Personnel* reported for Q3 of 2022 that is not tied to a specific service specialty. Based on 2021 ASCQR data, Maryland is aligned with or better than the national average on measures specific to gastroenterology, urology, and orthopedics. Please note, due to the voluntary nature of this program along with minimum case counts to be included, these data only include a subset of Maryland ASFs and vary widely by specialty and measure.

Maryland's approach to ambulatory surgery facility development affects the establishment of these facilities. Physician practices, hospitals, and ASF investors in Maryland can establish or expand a facility up to two operating rooms without a full CON review. These entities must obtain a CON if the ASF is configured with three or more operating rooms. An ASF operator is not limited in the number of non-sterile procedure rooms in an ASF. Entities that wish to establish one or two operating room ASF are required to request a determination from MHCC that the project is not subject to CON review. Staff reviews the configuration of the facility including the number, location, and size of the non-sterile procedure rooms. If consistent with MHCC regulations, I issue the determination that the facility is not subject to CON review.

Maryland's Total Cost of Care Model may incent the establishment of ASFs because these facilities are not subject to the model. A surgery performed at ASF will be paid a substantially lower rate than if the same surgery was in a hospital outpatient department. Several health systems have established new ASFs to be more price competitive with physician and investor owned ASFs.

The staff will continue to identify national, state, and other data sources to build a better system to monitor, evaluate and report on the performance of ambulatory surgery providers in Maryland. I want to thank Teresa Brown, Mariama Simmons, and Theresa Lee for continuing to examine the unique ASF environment in Maryland.

attachment



National Ambulatory Surgery Center Operating Rooms per Capita Comparison					
State	Total ASC Operating Rooms	Total ASCs	2019 Census Population	ASC Operating Rooms per (100k) capita (largest to smallest)	COVID-19 Vaccination Coverage Among Health Care Personnel
Maryland	880	342	6,045,680	14.56	94.76
Arizona*	822	211	7,278,717	11.29	84.61
Colorado*	576	136	5,758,736	10.00	92.52
Nebraska	166	49	1,934,408	8.58	90.66
Mississippi	251	76	2,976,149	8.43	80.02
Nevada	240	77	3,080,156	7.79	91.50
South Carolina	392	77	5,148,714	7.61	87.64
Georgia	791	386	10,617,423	7.45	87.61
Wyoming*	43	20	578,759	7.43	81.52
Delaware	71	21	973,764	7.29	96.06
Florida	1,560	463	21,477,737	7.26	81.93
Kansas*	207	66	2,913,314	7.11	86.19
New Jersey	626	260	8,882,190	7.05	95.34
Oregon	283	91	4,217,737	6.71	90.66
Indiana	445	134	6,732,219	6.61	84.48
Tennessee	446	137	6,829,174	6.53	85.48
Alaska	46	18	731,545	6.29	88.43
Pennsylvania*	797	246	12,801,989	6.23	91.77
Washington	461	184	7,614,893	6.05	88.37
Idaho*	107	54	1,787,065	5.99	78.51
Arkansas	180	72	3,017,804	5.96	88.06
Louisiana*	277	89	4,648,794	5.96	76.60
Ohio	667	198	11,689,100	5.71	82.04
Connecticut	199	55	3,565,287	5.58	97.30
Minnesota	312	83	5,639,632	5.53	91.27
Montana	58	20	1,068,778	5.43	80.07
Rhode Island	57	14	1,059,361	5.38	98.78
California*	2,107	845	39,512,223	5.33	92.93
Texas*	1,536	461	28,995,881	5.30	85.55
New Hampshire*	70	28	1,359,711	5.15	96.20
Wisconsin*	293	75	5,822,434	5.03	85.95
Missouri	302	101	6,137,428	4.92	87.94
Alabama	228	42	4,903,185	4.65	81.39
North Carolina	465	137	10,488,084	4.43	89.06
Iowa	132	30	3,155,070	4.18	93.30
Utah*	128	47	3,205,958	3.99	86.10
Kentucky	178	37	4,467,673	3.98	89.55
South Dakota*	35	15	884,659	3.96	82.34
New Mexico*	81	20	2,096,829	3.86	88.41
North Dakota*	28	13	762,062	3.67	86.14
Illinois	455	133	12,671,821	3.59	92.38
Michigan	348	112	9,986,857	3.48	88.05
Hawaii	48	22	1,415,872	3.39	94.40
Maine	44	15	1,344,212	3.27	97.31
New York	599	158	19,453,561	3.08	99.39
Oklahoma	121	39	3,956,971	3.06	82.87
Virginia	244	62	8,535,519	2.86	91.61
Massachusetts	162	56	6,892,503	2.35	97.89
West Virginia	38	8	1,792,147	2.12	83.88
Vermont	8	2	623,989	1.28	99.05
District of Columbia*	9	3	705,749	1.28	100.00

*Certificate of Need (CON) not required by state

Operating room data are derived from the CMS Provider of Services File - Hospital & Non-Hospital Facilities, limited to Ambulatory Surgical Centers. Last updated May 2022: <https://data.cms.gov/provider-characteristics/hospitals-and-other-facilities/provider-of-services-file-hospital-non-hospital-facilities>

The percentage of COVID-19 Vaccination Coverage Among Health Care Personnel data are derived from the CMS Ambulatory Surgical Center Quality Reporting program. Last updated July 2022: <https://data.cms.gov/provider-data/dataset/4jcv-atw7>