



MIKE ROHRKASTE

STATE REPRESENTATIVE • 55TH ASSEMBLY DISTRICT

Assembly Bill 840
Relating to: ambulatory surgical center assessment reporting.
Testimony of State Representative Mike Rohrkaste
Assembly Committee on Health
February 10, 2016

Thank you, Chair Sanfelippo, and members of the Assembly Committee on Health for holding this public hearing.

AB 840, increases transparency and accountability in the Ambulatory Surgery Center (ASC) assessment program. This legislation is similar to an existing provision which requires the Department of Health Services to provide an update to the Joint Finance Committee concerning the hospital assessment. The ASC assessment program was established in the 2009-11 state budget and does not receive a report.

Currently, Wisconsin has 70 ASCs around the state. These facilities have provided exceptional care and customer service to Wisconsinites since their inception and have also helped to reduce costs. ASCs provide patients with the convenience of having surgeries safely performed outside of the hospital setting.

The annual report on the ambulatory surgical center assessment will provide legislators, state agencies and ASCs with important information concerning the assessment. The report will include the total revenue collected from eligible ASCs under the assessment, the amount each eligible ASC paid under the assessment, and the total amount of funds received by each managed care organization. The report will also contain the total amount each managed care organization paid to ASCs, and the total amount of revenue to ASCs under the assessment.

AB 840 contains language similar to that which received unanimous bi-partisan support in the Joint Finance Committee process but was later vetoed by the Governor. Senator Moulton and I along with the Association of Wisconsin Surgery Centers have worked with the Governor's office and the Department of Revenue to ensure changes were made to address their concerns.

Thank you for your time and I'm happy to answer any questions.



TERRY MOULTON



WISCONSIN STATE SENATOR

23RD SENATE DISTRICT

From: Senator Terry Moulton
To: Assembly Committee on Health
Re: Testimony on Assembly Bill 840
Relating to: ambulatory surgical center assessment reporting.
Date: February 10, 2016

Chair Sanfelippo and committee members, thank you for the opportunity to speak to you today about Assembly Bill 840, a bill that will increase transparency and accountability in the Ambulatory Surgery Center (ASC) assessment program. The legislation mirrors an existing requirement in which Department of Health Services provides a status update to the Joint Finance Committee concerning the hospital assessment.

ASCs are health care facilities that offer patients the convenience of having surgeries and procedures performed safely outside the hospital setting. These facilities serve Wisconsin residents throughout the state. Since their inception more than four decades ago, ASCs have demonstrated an exceptional ability to provide high quality care and customer service while simultaneously reducing costs.

The ASC assessment program, which was established in the 2009-11 budget, allows the Department of Revenue to assess ambulatory surgical centers up to 5.5% of their annual gross patient revenue. The assessment is used to collect federal matching funds. While Wisconsin hospitals receive an annual report on their assessment, there is not currently a report for Wisconsin ASCs. Legislators, policymakers and Wisconsin's 70 ASCs have had a difficult time obtaining a full accounting of how and if the assessment is working as it was intended.

The annual report on the ambulatory surgical center assessment will provide legislators, state agencies and ASCs with valuable information on the assessment revenue generated and returned. The report will contain: (1) the total revenue collected from eligible ASCs under the assessment; (2) the amount each eligible ASC paid under the assessment; (3) total amount of funds received by each managed care organization (e.g. HMOs); (4) total amount each managed care organization paid to ASC's; and (5) the total amount of revenue returned to ASC's under the assessment.

The language here is similar to the language that received unanimous bi-partisan support in the Joint Finance Committee process budget but was later vetoed by the Governor. In consultation with the Governor's office and the Department of Revenue changes have been made to address concerns that led to the veto and ensure the report can be produced smoothly. I ask you to please recommend the passage of Assembly Bill 840. Thank you again for allowing me to testify today.

Serving the 23rd Senate District

State Capitol • Post Office Box 7882 • Madison, WI 53707-7882

(608) 266-7511 • Toll Free: (888) 437-9436 • Fax: (608) 282-3563 • Sen.Moulton@legis.wi.gov • Website: www.SenatorMoulton.com