

Significant Legislative Engagement by CASA Protects ASCs and Amplifies the Industry's COVID-19 Response

This was the busiest year for CASA and ASCs in several years. Through the tireless efforts of the CASA Board and strategic member engagement we have secured positive results and defended the ASCs against attacks by opponents.

KEY LEGISLATIVE PRIORITIES

Expansion of Cardiology Procedures in ASCs: AB 370 (Arambula) and AB 3083 (Arambula)

With CMS approving cardiac catheterization CPT codes for ASCs, CASA began exploring how California ASCs can add this service line. Unfortunately, California law only allows these cardiac catheterization procedures to be done in a licensed acute care hospital setting. CASA sponsored AB 3083 (Arambula) in 2020 and AB 370 (Arambula) in 2021 to allow these procedures to be performed in ASCs, but both bills were held in the Assembly Appropriations Committee due to opposition from labor and concerns about the implementation cost pressures on the state general fund.

In pursuit of both bills, CASA conducted outreach to legislators to increase their understanding about the safety of cardiology procedures in ASCs and how allowing diagnostic tests and minimally-invasive procedures in ASCs increases access and efficiency of patient care. CASA not only activated 20 facility members to send letters of support, but also developed a coalition of industry support including the American College of Cardiology (ACC), Society for Cardiovascular Angiography and Interventions (SCAI), California Medical Association (CMA), California Chapter – American College of Cardiology (CA-ACC), Philips, and AdvaMed. CASA also secured vocal support from consumer and community groups such as the California Chronic Care Coalition (CCCC), Latino Coalition for a Healthy California, Mixteco, Indigena Community Organizing Project (MICOP), and the American Heart Association (AHA). Continued legislative engagement is essential to counter fundamental opposition from the Service Employees International Union (SEIU), which opposes the bill and any growth of the ASC industry.

Cost Containment Strategies & the Office of Health Care Affordability: AB 1130 (Wood)

This bill originally established the Office of Health Care Affordability (OHCA) to analyze the health care market for cost trends and drivers of spending, develop data-informed policies for lowering costs for consumers, set and enforce cost targets, and create a state strategy for ensuring health care affordability for consumers and purchasers. CASA solicited input and received feedback from some of our members on the downstream impacts this bill would have on the ASC industry in California, and submitted a "Letter of Concern" to the author, Assembly Health Committee Chair Jim Wood. Governor Newsom indicated that creation of the OHCA was a priority and worked with Assembly Member Wood to include funding for this initiative in a Budget Trailer Bill, which was passed by the Legislature. Many of the provisions are still vague, but may provide CASA a long sought-after pathway to generate the independent third-party data necessary to prove that ASCs are less expensive options for many services and that the quality of care provided in ASCs is commensurate or superior to care provided in other sites of service.

TOP THREATS FOR CASA AND THE CALIFORNIA ASC INDUSTRY

- ✓ Ensuring new regulations on mergers/acquisitions don't undermine ASC businesses
- ✓ Defending against attacks on physician ownership of ASCs
- ✓ Protecting against threats to MICRA
- ✓ Maintaining appropriate oversight, reporting and licensing rules
- ✓ Fighting for fair reimbursement and "out of network" options



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Single-Payer System: AB 1400 (Kalra)

This bill aimed to create the California Guaranteed Health Care for All program, or CalCare, to provide comprehensive single-payer health care coverage and a health care cost control system for the benefit of all residents of the state. AB 1400 did not receive a hearing in the Assembly Health Committee in time to meet the April 20, 2021 policy committee deadline. It is now a "two-year bill" that cannot be acted upon in 2021, and would need to move out of committee sometime between January 1-31, 2022. CASA has concerns about the impact a single-payer system would have on patient choice of provider, wait times to receive care, and disruption to the implementation of the Affordable Care Act.

PPE Stockpile Requirements: SB 275 (Pan)

When SB 275 (Pan) was introduced in 2020, it would have required an ASC to maintain a 90-day declared emergency stockpile of Personal Protective Equipment (PPE), with 25 percent of this PPE stockpile manufactured in California. Failure to comply would subject an ASC to civil penalties of \$25,000 per violation. CASA immediately adopted an "oppose unless amended" strategy and began working with stakeholders. The bill was successfully amended to exempt ASCs from the requirement.



Health Care Consolidation/ M&A: SB 977 (Monning) and AB 1132 (Wood)

CASA members sent over 300 letters voicing their concerns regarding SB 977 (Monning), which was defeated in the Assembly in 2020. This bill would have negatively affected thousands of transactions, affiliations, and joint venture opportunities between ASCs and our hospital/health system and private equity partners. These transactions could have been denied by the Attorney General if his office determined there was a likelihood of anti-competitive effects that outweighed the benefits of clinical integration or benefits of increased services for an underserved population. AB 1132 (Wood) was introduced in 2021 to prohibit contracts between a health care plan or insurer and a health care provider or facility from containing terms that restricted the plan/insurer from steering an enrollee to another provider/facility, or required the plan/insurer to contract with other affiliated providers or facilities. CASA was able to secure an amendment limiting the application of the bill to only certain ASCs, and was pursuing a blanket exemption from the bill entirely. Then Assembly Member Wood abandoned this bill concept for the year, and it was "gutted and amended" into a bill dealing with Medi-Cal and an issue completely unrelated to ASCs.

CASA LED ESSENTIAL COMMUNICATION WITH STATE AGENCIES AND STAKEHOLDERS ON THE INDUSTRY'S COVID-19 RESPONSE:

- ✓ Ongoing communication with Governor Newsom, his Administration, and the California Department of Public Health (CDPH) on ASC capacity to assist with COVID-19 response, the importance of elective surgical procedures, and potential waivers for ASCs to assist with the surge
- ✓ Collaborated with the California Medical Association (CMA) on a survey regarding equipment & PPE availability; distributed a joint press release on equipment, elective surgery and ASC response
- ✓ Provided frequent member communications and webinars on rapidly changing rules and surge circumstances, and developed COVID-19 resource page on CASA website
- ✓ Coordinated with the CalChamber Health Care Committee and the CA Society of Anesthesiologists
- ✓ Developed a respiratory protection plan template for CASA members