Dear Chair Lois Kolkhorst and Members of the Texas Senate Committee on Health & Human Services:

On behalf of our member ambulatory surgical centers (ASCs) in the state of Texas, the Ambulatory Surgery Center Association (ASCA) strongly opposes S.B. 1275, relating to facility fees charged by certain health care providers. ASCA is the national trade association representing the interests of the more than 6,000 Medicare-certified surgery centers in the United States.

As noted in the legislation, facility fees are charged by health care providers to compensate the provider for the operational expenses that assure patients receive surgical and procedural care in a safe and well-regulated environment. Facility fees for outpatient services are an essential part of operating surgery centers and a patient’s overall care, and account for virtually all costs of a patient’s care beyond the professional fee that reimburses physicians for their services.

Facility fees reimburse ASCs for nursing, technician and related services, diagnostic or therapeutic services, items directly related to the provision of a surgical procedure, administrative services, recordkeeping services, housekeeping services, and the operating surgeon’s supervision of the services provided by an anesthetist. As a general rule, facility fees also cover the costs of drugs, biologicals, surgical dressings, supplies, splints, casts, appliances and equipment that are directly related to the provision of surgical procedures, as well as anesthesia materials and implants.

It is not an exaggeration to say that prohibiting facility fees is tantamount to banning ASCs in Texas. The loss of facility fees would lead to the closure of our member facilities across the state, restricting Texans’ access to the convenient, high quality and low-cost care provided by ASCs. The loss of access to ASCs would also drive up the cost of outpatient surgical services for Texans as they would be forced to seek care in higher cost settings. In 2021 Texas ASCs performed over 3.6 million surgical procedures, the third highest volume of any state.

The closure of our facilities would gut the state’s outpatient surgical capacity and create a massive backlog of cases as hospitals struggle to absorb these patients. We have already experienced the negative impact on our patients’ health and wellbeing from delays in surgical care caused by the COVID-19 pandemic. The thought that the Texas Legislature could pass legislation that would force our patients to relive this experience is difficult to fathom. If passed, Texas would be the only state in the union to prohibit facility fees.

Absent an amendment or substitution to exclude ASCs from the legislation, ASCA respectfully urges
you to oppose S.B. 1275. We would also encourage all members of the committee and the legislature to meet with our members and tour their facilities to gain a greater understanding of the indispensable role that ASCs play in the state’s health care landscape. If you have questions or would like additional information, please contact Stephen Abresch, Assistant Director of Government Affairs, State Affairs, for ASCA at 703-636-0622 or sabresch@ascassociation.org.

Sincerely,

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