



Testimony of Amanda Gunthel
Wilton Surgery Center
Before the Finance Committee
In Support of SB 1131, An Act Concerning the Ambulatory Surgical Centers Tax

April 29, 2019

Good afternoon, Sen. Fonfara, Rep. Rojas and members of the Finance Revenue and Bonding Committee. My name is Amanda Gunthel and I am here today as the President of the Connecticut Association of Ambulatory Surgery Centers, representing all of the freestanding surgery centers in Connecticut, and as the Administrator of the Wilton Surgery Center to speak in support of SB 1131, An Act Concerning the Ambulatory Surgical Centers Tax.

First, I want to thank this committee and Sen. Fonfara for his leadership in recognizing the value ASCs bring to the discussion surrounding health care spending in Connecticut.

Back in March, you heard me discuss the damaging effect that the 6% gross receipts tax has had on the ambulatory surgery center industry and the need for relief. Rather than focus on our challenges, today I would like to focus on the role our Centers play in providing high-quality care at a fraction of the cost of other providers. Medicare, as an example, reimburses surgery centers

50% less than what they pay hospitals for the exact same procedure, under the same regulatory requirements. ASCs are Connecticut's lower-cost, high-quality outpatient surgical provider. Our Centers are an integral part of the healthcare delivery system and can represent significant savings for patients, employers and the state of Connecticut.

The bill before you today maintains the current \$1m exemption by creating a waiver process and working with CMS to address concerns with the current tax structure. At the same time, the bill creates a new deduction from the tax for Medicaid revenue as an added incentive.

This deduction is critical as we continue to treat Medicaid patients under the increased burden of the ASC tax. To help illustrate the current situation, I'm going to use a rotator cuff repair surgery; a very common outpatient orthopedic procedure. For a Connecticut Medicaid patient, an ASC would be reimbursed \$717, while a hospital would be paid \$5606.42. This rate disparity emphasizes the need to reduce the tax burden on ASCs, but more importantly, clearly shows the significant savings potential ASCs represent for the state.

As an added benefit, we estimate that additional savings of almost \$1.5 million dollars are possible within the state employee population by shifting a significant percentage of colonoscopy care to ASCs. The Ambulatory Surgery Center Association (ASCA) reports that in one year, Connecticut patients saved \$6.4 million dollars through lower co-payments and deductibles by having their colonoscopies performed in ASCs. The ever-increasing prevalence of high-deductible health plans only magnifies the importance of these savings for Connecticut patients.

It is clear that ASCs represent significant health care savings for the state of Connecticut. Let's work together to achieve that goal. SB 1131 is a step in the right direction as we seek to improve access to high-quality, cost effective health care in Connecticut. We urge your support.

Thank you for your consideration.