



PROPOSED STUDY QUESTIONS

Regulation of Ambulatory Surgical Facilities

State of Washington Joint Legislative Audit and Review Committee

Revised December 2019

JLARC was directed to review the Department of Health's regulatory program for ambulatory surgical facilities

The Department of Health (DOH) licenses and inspects more than 180 ambulatory surgical facilities (ASFs) in Washington. ASFs provide outpatient surgical services in various specialties such as orthopedics, eye surgery, and plastic surgery. ASFs must be state licensed, and many are also certified to participate in Medicare and Medicaid.

The 2019-21 operating budget directed JLARC to review DOH's regulatory program for ASFs.

DOH inspects ASFs to ensure they meet health and safety standards

DOH performs state licensing inspections of ASFs to ensure they meet minimum state health and safety standards. These inspections, known as surveys, may occur no more than once every 18 months if an ASF is state licensed only.

To participate in the Medicare and Medicaid programs, ASFs must certify that they meet federal health and safety standards. This also requires periodic surveys, which DOH is contracted to perform for the Centers for Medicare & Medicaid Services (CMS). For CMS-certified facilities, DOH performs less frequent state licensing surveys.

State license fees and federal funds pay for DOH oversight

State law requires that ASFs fully cover the cost of state oversight. DOH must set license fees at an appropriate level to fund the costs of administering the state-licensing program. The federal government provides funding for DOH to inspect CMS-certified facilities.

In 2016 and 2017, DOH reported to the Legislature that license fees were insufficient to cover the full costs of the regulatory program. DOH reports this resulted in an inspection backlog. DOH last increased license fees for ASFs in April 2019.

This study will address the following questions

1. Do state license fees and federal funds cover the respective costs of regulating ASFs?
2. Is staffing for DOH's regulatory program aligned with statutory requirements?
3. How does DOH's survey program for state licensing compare to its program for CMS certification?
4. How do licensing and inspection requirements for Washington ASFs compare to requirements in other states?
5. Do conclusions from these questions provide opportunities to improve efficiency?

Study Timeframe

Preliminary Report: December 2020

Proposed Final Report: January 2021

Study Team

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JLARC Study Process



JOINT LEGISLATIVE AUDIT & REVIEW COMMITTEE

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