

**SENATE APPROPRIATIONS COMMITTEE  
FISCAL NOTE**

**BILL NO.** House Bill 1234

**PRINTER NO.** 1461

**AMOUNT**

No Adverse Fiscal Impact

**FUND**

General Fund

**DATE INTRODUCED**

April 17, 2017

**PRIME SPONSOR**

Representative Fabrizio

**DESCRIPTION AND PURPOSE OF BILL**

House Bill 1234 amends the definition of “ambulatory surgical facility” contained in the Health Care Facilities Act to permit outpatient surgical treatment that is not expected to exceed 24 hours following an admission.

The bill repeals the current regulation in the Pennsylvania Code which limits these surgical procedures to those which do not exceed 8 hours (4 hours for the procedure and 4 hours for recovery).

This act shall take in 60 days.

**FISCAL IMPACT:**

House Bill 1234 will have no adverse fiscal impact to the Commonwealth. There is a potential for savings to the Commonwealth in the Pennsylvania Employees Benefit Trust Fund, Medicaid and Children’s Health Insurance Program. These savings would be achieved if cost for services at the ambulatory surgical facility is less than those at a hospital setting and if the individuals chose to utilize the newly allowable service at these facilities.

Based upon an industry study, there was an average 53% reduction in Medicare rates that were paid to ambulatory surgical facilities when compared to hospital outpatient departments.

There are no savings to Department of Human Services until Fiscal Year 2020-2021 when the actuarial analysis of actual Medicaid costs are reviewed for the time period when new services are available at the ambulatory surgical facilities and the Managed Care Organizations rates are determined based upon those costs.