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May 14, 2013

**Honorable Kemp Hannon
Chairman
Senate Health Committee
State Capitol Building
Room 420
Albany, New York 12247**

RE: S.2944, Hannon/A. 6702, Quart. AN ACT to amend the public health law, in relation to registration of office-based surgery facilities and payments for the use thereof

Dear Senator Hannon,

On behalf of the New York State Society of Dermatology and Dermatologic Surgery, I write to support the above-noted legislation. As you know, this legislation would require accredited office-based surgery facilities to register and obtain an operating certificate from the Department of Health and to require health plans to provide payment to accredited office-based surgical facilities for covered procedures performed in such accredited facilities.

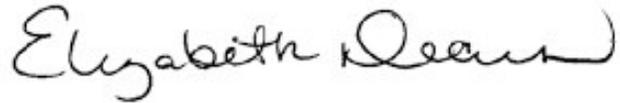
Current law requires that office-based surgery facility must obtain and maintain full accredited status by a nationally-recognized accredited agency approved by the Commissioner of Health. There are three accreditation entities which have been approved by the Commissioner: Accreditation Association for Ambulatory Health Care (AAAHC), American Association for Accreditation of Ambulatory Surgery Facilities (AAAASF) and The Joint Commission. The accreditation conferred upon these office-based surgical facilities assures that these practices meet nationally recognized standards for patient safety and quality care and include: environment of care; emergency management; infection prevention and control; life safety; and medication management.

Office based surgery facilities have been shown to be as safe as other settings, and most patients prefer them to the larger ASCs and hospitals. However, insurance companies will pay for the cost of the operating room when performing procedures such as a colonoscopy in a hospital or ambulatory surgery center (ASC), but they now refuse to pay a facility fee when such procedures are performed in an accredited office based surgery facility. Some insurance companies will contract with or reimburse the largest OBS facilities, but for those with much smaller facilities that do not have the market clout, they often refuse to reimburse. This bill is intended to address such inequities. It is not a mandate to require insurance companies to pay for this fee, but instead makes it clear that insurance companies can pay and removes some of the barriers to payment created by the insurance companies.

As a result of the insurers' refusal to reimburse facility-related cost, many physicians are closing their doors and moving these procedures from the less expensive OBS setting to the more expensive hospital or ASC. This will cost patients more money in the long run and will drive up the costs of health insurance.

For all of the reasons stated above, we urge legislative passage of this proposal.

Sincerely,

A handwritten signature in black ink that reads "Elizabeth Dears". The signature is written in a cursive, flowing style.

ELIZABETH DEARS, ESQ.
NYSSDDS