



Oregon

Theodore R. Kulongoski, Governor

Department of Human Services

Office of the Director

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July 7, 2009

The Honorable Peter Courtney, Co-Chair
The Honorable Dave Hunt, Co-Chair
State Emergency Board
900 Court St. NE
H-178 State Capitol
Salem, OR 97301-4048



Re: Ambulatory Surgical Center Healthcare-Associated Infection
(ASC-HAI) Prevention Initiative
ARRA Funding – Non-Competitive Notification

Dear Co-Chairpersons:

The Department of Human Services (DHS), Public Health Division has received a notice of available increased funding for an estimated \$205,400 for the Ambulatory Surgical Center Healthcare-Associated Infection (ASC-HAI) Prevention Initiative. The award period for these funds is upon federal approval of Oregon's implementation plan through September 30, 2010. The increased funding is available to state agencies who receive federal funds to conduct health facility surveys.

The increased funding is available through the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS). The request for applications was received on June 12, 2009, with a due date of June 30, 2009. This increased federal funding requires no state matching funds or maintenance of effort beyond the grant award period.

There is existing evidence that suggests widespread problems in infection control practices in ambulatory surgery centers (ASCs). CMS has concluded that an improved survey inspection process and more frequent inspections of ASCs will make a significant

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contribution to reducing the risk of healthcare-associated infections. The increased funding will be used to implement a new three person survey process for ASCs that includes an enhanced oversight of infection control practices in the operating room. The existing survey protocol is for a one person survey team with a less comprehensive survey process. The ARRA allocation would provide funding to hire 2.50 FTE limited duration Client Care Surveyors to conduct the required three person survey process.

Nationally there have been significant errors in infection control practices by staff in ASCs. These unsafe practices were not detected until significant patient harm had occurred. Historic frequency of surveys going for more than 10 years in some cases allowed these practices to go undetected and uncorrected. Oregon has utilized state licensing fees to conduct surveys approximately every six years, but even that is inadequate to ensure compliance with regulations and mitigate risks to patients.

This ARRA funding is formula driven and is being allocated to all 50 states based upon the number of facilities, the willingness of the state to participate, the average cost per hour to conduct the surveys, and number of facilities the state is willing to survey using the new three person survey process. States will be required to track how the money is spent and must complete the work prior to October 1, 2010.

At the end of the ARRA funding cycle, DHS will continue the base ASC survey program. There is no expectation that the state will provide continued funding for this activity.

These federal funds further the DHS mission to assist Oregonians to become independent, healthy and safe by ensuring that all Oregonians have safe access to health care. DHS will return to a future Emergency Board for any necessary position or expenditure limitation adjustments.

This grant is a result of the American Recovery and Reinvestment Act (ARRA).

The Honorable Peter Courtney, Co-Chair
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For additional information, please call Grant Higginson, MD at
971-673-1225.

Sincerely,

A handwritten signature in black ink, appearing to read 'JRS', with a stylized flourish extending to the right.

Jim Scherzinger
Deputy Director of Finance

CC: John Britton, Legislative Fiscal Office
Sheila Baker, Legislative Fiscal Office
Blake Johnson, Department of Administrative Services