

Single Specialty Ambulatory Surgery Demonstration Project

Project Description:

Three new separately licensed single specialty ambulatory surgical facilities with two operating rooms each.

CRITERIA	CRITERIA BASIC PRINCIPLE AND THE RATIONALE
<p>Establish a special need determination for three new separately licensed single specialty ambulatory surgical facilities with two operating rooms each, such that there is a need identified for one new ambulatory surgical facility in each of the three following service areas:</p> <ul style="list-style-type: none"> • Mecklenburg, Cabarrus, Union counties (Charlotte Area) • Guilford, Forsyth counties (Triad) • Wake, Durham, Orange counties (Triangle) 	<p><i>Value</i> At least one county in each of the groups of counties has a current population greater than or equal to 200,000 and more than 50 total ambulatory/shared operating rooms and at least 1 separately licensed Ambulatory Surgery Center. Locating facilities in high population areas with a large number of operating rooms and existing ambulatory surgery providers prevents the facilities from harming hospitals in rural areas, which need revenue from surgical services to offset losses from other necessary services such as emergency department services.</p>
<p>In choosing among competing demonstration project facilities, priority will be given to facilities which are owned wholly or in part by physicians.</p>	<p><i>Value</i> Giving priority to demonstration project facilities owned wholly or in part by physicians is an innovative idea with the potential to improve safety, quality, access and value. Implementing this innovation through a demonstration project enables the State Health Coordinating Council to monitor and evaluate the innovation's impact.</p>
<p>Each demonstration project facility shall provide care to the indigent population, as described below: The sum of the revenue for self-pay and Medicaid surgical cases shall be at least seven percent of the facility's total revenue.</p> <p>Self pay and Medicaid revenue is based on the Medicare allowable and is calculated as follows: Total self pay and Medicaid revenue equals: Medicare allowable amount for all surgical cases – all revenue collected from self-pay and Medicaid cases.</p>	<p><i>Access</i> Requiring service to indigent patients promotes equitable access to the services provided by the demonstration project facilities.</p>

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<p>Following are examples of the calculation of self pay and Medicaid revenue:</p> <p style="padding-left: 40px;">If Medicare allows \$300 for a surgical procedure and a self-pay patient pays the facility \$0, \$300 is considered self-pay revenue.</p> <p style="padding-left: 40px;">If Medicare allows \$300 for a surgical procedure and a self-pay patient pays the facility \$50, \$250 is considered self-pay revenue.</p> <p style="padding-left: 40px;">If Medicare allows \$300 for a surgical procedure and Medicaid pays the facility \$225, then \$75 is considered Medicaid revenue.</p> <p>Demonstration project facilities shall report utilization and payment data to the statewide data processor as required by G.S. 131E-214.2.</p> <p>The Agency will monitor compliance with indigent care requirements by analyzing payment data submitted by the facilities.</p>	
<p>Each demonstration project facility shall develop a system to measure and report patient outcomes to the Agency for the purpose of monitoring the quality of care provided in the facility. If patient outcome measures are available for a facility's particular surgical specialty, the facility shall identify those measures and may use them for reporting patient outcomes. If patient outcome measures are not available, the facility shall develop its own patient outcome measures that will be reported to the Agency. Demonstration project facilities shall submit annual reports to the Agency regarding the results of patient</p>	<p><i>Safety and Quality</i> Implementing a system for measuring and reporting quality promotes identification and correction of quality of care issues and overall improvement in the quality of care provided.</p>

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outcome measures. Examples of patient outcome measures include: wound infection rate, post-operative infections, post-procedure complications, readmission, and medication errors.	
Demonstration project facilities are encouraged to develop systems which will enhance communication and ease data collection, for example, electronic medical records that support interoperability with other providers.	<i>Safety and Quality, Access, Value</i> Electronic medical records improve the collection of quality and access to care data and collecting data is the first step in monitoring and improving quality of care and access. Interoperability facilitates communication among providers, enhancing care coordination.
Demonstration project facilities are encouraged to provide open access to physicians.	<i>Access</i> Services will be accessible to a greater number of surgical patients if the facility has an open access policy for physicians.
Physicians affiliated with the demonstration project facilities are encouraged to establish or maintain hospital staff privileges and to begin or continue meeting Emergency Department coverage responsibilities. <i>Note – Work Group members request assistance from the Acute Care Committee on wording this item .</i>	<i>Safety and Quality</i> Encouraging physicians to establish or maintain hospital staff privileges and to begin or continue meeting Emergency Department coverage responsibilities helps prevent a decrease in the quality of the overall healthcare system resulting from lack of resources.
Facilities shall obtain a license no later than two years from the date of issuance of the certificate of need, unless this requirement is changed in a subsequent State Medical Facilities Plan.	<i>Access and Value</i> Timely project completion increases access to services and enhances project value.
The Single Specialty Ambulatory Surgery Work Group values the collective wisdom of the North Carolina Hospital Association and the North Carolina Medical Society and requests that the two organizations work together to assist the demonstration project facilities in developing quality measures and increasing access to the underserved.	<i>Safety and Quality, Access and Value</i> Collaboration between the North Carolina Hospital Association and the North Carolina Medical Society in an effort to develop quality measures and increase access to the underserved promotes all three Basic Principles.
Facilities will provide annual reports to the Agency showing the facility’s compliance with the demonstration project criteria in the State Medical Facilities Plan. The Agency may specify the reporting requirements and reporting format.	<i>Safety and Quality, Access, Value</i> Timely monitoring enables the Agency to determine if facilities are meeting criteria and to take corrective action if facilities fail to meet criteria. This ensures that all three Basic Principles are met by the demonstration project facilities.

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<p>The Agency will perform an evaluation of each facility at the end of the first calendar year the facility is in operation and will perform an annual evaluation of each facility thereafter. The Agency may require corrective action if the Agency determines that a facility is not meeting or is not making good progress towards meeting the demonstration project criteria.</p> <p>The Agency will evaluate each facility after each facility has been in operation for five years. If the Agency determines that the facilities are meeting or exceeding all criteria, the work group encourages the State Health Coordinating Council to consider allowing expansion of single specialty ambulatory surgical facilities beyond the original three demonstration sites. The Agency may require corrective action if the Agency determines that a facility is not meeting or is not making good progress towards meeting the demonstration project criteria.</p> <p>If the Agency determines that a facility is not in compliance with any one of the demonstration project criteria, the Department, in accordance with G.S. 131E-190, “may bring an action in Wake County Superior Court or the superior court of any county in which the certificate of need is to be utilized for injunctive relief, temporary or permanent, requiring the recipient, or its successor, to materially comply with the representations in its application. The Department may also bring an action in Wake County Superior Court or the superior court of any county in which the certificate of need is to be utilized to enforce the provisions of this subsection and G.S. 131E-181(b) and the rules adopted in accordance with this subsection and G.S. 131E-181(b).”</p>	<div style="text-align: center; font-size: 48px; opacity: 0.1; pointer-events: none;"> STATE HEALTH </div>