Acute Care Services Committee
Agency Report
Petition to Add New Policy OR-1 to the
Proposed 2016 State Medical Facilities Plan

Petitioner:
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Contact:
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Request:
The petitioner requests the creation of Policy OR-1 to establish certain conditions that would exempt operating rooms (ORs) in licensed and CMS-certified ambulatory surgical facilities dedicated to pediatric dental surgery from the standard OR methodology in Chapter 6 of the State Medical Facilities Plan (SMFP). The petitioners provide information to support the claim that pediatric dental patients have special problems of access to surgical services, which warrants the creation of a policy to address this specialty. Further, the petition sets out conditions that facilities would be required to meet should the exemption be granted.

Background Information:

North Carolina General Statute § 131E-146 defines ambulatory surgical facilities as follows:

> (1) "Ambulatory surgical facility" means a facility designed for the provision of a specialty ambulatory surgical program or a multispecialty ambulatory surgical program. An ambulatory surgical facility serves patients who require local, regional or general anesthesia and a period of post-operative observation. An ambulatory surgical facility may only admit patients for a period of less than 24 hours and must provide at least one designated operating room…, have available the necessary equipment and trained personnel to handle emergencies, provide adequate quality assurance and assessment by an evaluation and review committee, and maintain adequate medical records for each patient. An ambulatory surgical facility may be operated as a part of a physician or dentist's office, provided the facility is licensed under G.S. Chapter 131E, Article 6, Part 4.…"

The methodology in the SMFP establishes the conditions under which need for ORs is determined. The "SHCC assigns the highest priority to a need methodology that favors providers delivering services to a patient population representative of all payer types in need of those services in the service area" (p. 2, 2015 SMFP).

The OR methodology determines need based on how the projected population growth in a service area is estimated to affect the need for additional ORs. Need is projected for a period four years after the year for which data are collected. The methodology distinguishes between inpatient and ambulatory procedures, but does not distinguish among surgical specialties. It also does not distinguish among inpatient ORs, shared ORs, hospital-based ambulatory surgical facilities, and free-standing ambulatory surgical facilities when projecting OR need. The 2015 SMFP shows a statewide surplus of 262 ORs.

Chapter 2 of the State Medical Facilities Plan (SMFP) describes the purpose and process for submitting petitions to amend the SMFP during its development. Early in the planning year petitions related to basic SMFP policies and methodologies that have a statewide impact may be submitted. The SMFP defines changes with the potential for a statewide impact as "the addition, deletion, and revision of policies or projection methodologies" (p.7, 2015 SMFP). If approved, the policy proposed in this petition would be applicable statewide.

Analysis/Implications:

The petitioner describes medical, regulatory, financial, and geographical challenges to serving children with significant dental health needs, especially those children whose dental care is covered by Medicaid.

A medical challenge lies in the average 2.5 hour duration of pediatric dental surgery, as cited by the petitioner. A recent study (cited in the petition) of pediatric dental surgeries performed in a large metropolitan children's hospital reported an average of 110 minutes, excluding room turnover time.[1] The standard average case time used in the SMFP methodology is 1.5 hours for ambulatory cases and 3 hours for inpatient cases. In 2012-2013, NC License Renewal Applications showed that oral surgery accounted for 0.4% of inpatient surgical cases, 2.3% of ambulatory cases in hospitals, and 0.8% of cases in ambulatory surgical facilities. Overall, oral surgery accounted for 2.0% of all ambulatory surgery cases. Data provided to the Agency does not distinguish between adult and pediatric oral surgery cases, nor does it contain a breakdown of payer type.

A regulatory challenge noted by the petitioner is that North Carolina hospital licensure rules do not allow dentists to admit surgical patients directly (10A NCAC 13B.1905(a), 10A NCAC 13B.1902(26)). On the other hand, ambulatory surgery centers do allow dentists to admit patients independently. Both types of facilities require recertification by a physician of the patient's history and physical examination within 24 hours before admission. North Carolina law does not define dentists as physicians.[2] This challenge lies outside the purview of the SHCC.

[1] Forsyth, Anna R., Seminario, Ana Lucia; Scott, Joanna; Berg, Joel; Ivanova, Iskra; Lee, Helen. (2012). General Anesthesia Time for Pediatric Dental Cases. *Pediatric Dentistry*. 23(5), 129-135.

[2] NC General Statutes § 90-9.1. Oral surgeons, however, are defined as physicians under NC law.

The petition points out that medical and regulatory challenges can translate into financial barriers, especially for patients covered by Medicaid. Medicaid reimburses anesthesia costs for procedures done in ORs only, so dentists may be unlikely to perform operative procedures in the office setting, even if the facility has the proper equipment and staff. Given the long average duration of pediatric dentistry surgical cases, Medicaid reimbursement rates reportedly are not attractive, which may serve to limit block time for pediatric dental surgery in settings outside of the dental practice.

In 2011, the SHCC formed a Pediatric OR workgroup, charged to investigate and develop recommendations about whether the standard operating room methodology should include a determination of need for dedicated pediatric ORs. This workgroup focused on hospital-based ORs. Recognizing the differences between the needs and characteristics of pediatric and adult surgery patients, the workgroup recommended to the Acute Care Services (ACS) Committee that pediatric cases be weighted heavier than adult cases in determining OR need. The ACS Committee, however, determined that a change to the policy was not warranted and did not forward the workgroup's recommendations to the SHCC. Instead, the ACS Committee adopted (and the SHCC approved) a motion recommending that hospitals with high volumes of pediatric OR cases should consider submitting adjusted need determination petitions to address needs for pediatric ORs. The motion included a request that such petitions address issues related to pediatric surgical case types and times (in comparison to average adult case times) and appropriate age groupings. Regardless, hospitals are free to designate existing ORs for pediatric surgery.

Policies in the SMFP, by definition, have statewide impact. The Agency acknowledges the general shortage of dentists in North Carolina, the importance of comprehensive pediatric dental care, and the substantial challenges to providing such care to children in families of low income. The petition and supporting documents focus almost exclusively on characteristics of and problems reportedly encountered in Health Service Area (HSA) V, however. What is not clear from this petition and comments received is whether limited access to ORs for pediatric dental surgery is a statewide phenomenon. The SHCC "encourages the development of value-driven health care by promoting collaborative efforts … and promoting coordinated services that reduce duplicative and conflicting care" (pp. 3-4, 2015 SMFP). While cooperative efforts may have experienced challenges in HSAV, the petition does not provide data that describes the situation statewide.

Agency Recommendation:

The SHCC historically has not favored creating or changing policies or methodologies to address issues regarding a single specialty, whether it be a proposed new single-specialty facility or ORs dedicated to a single specialty in an existing facility.

Given available information submitted by the March 20, 2015 deadline date for comments on petitions, and in consideration of factors discussed above, the agency recommends denial of this petition. The Agency supports the standard methodology for OR need determinations. While the SMFP shows that the state has a sufficient number of ORs to serve pediatric dental patients, the Agency recognizes that accessing surgical services can present challenges for some types of patients, specialties, and providers. Additional analysis and discussion would be necessary to examine whether these challenges exist statewide. The ACS Committee may choose to recommend a stakeholder group or other mechanism to explore options and alternatives to address this request.