

Triangle Orthopaedics Surgery Center, LLC (TOSC)

State Health Coordinating Council Acute Care Services Committee
April 4, 2017 10:00am Brown Building, Raleigh
Single Specialty Ambulatory Surgery Demonstration Project:
Dedicated to Care of the Indigent in our Community



EmmergeOrtho

Objectives

- Summary of 7% Indigent Care since July, 2016 (TOSC began quarterly reporting)
- Challenges of current calculation methodology
- Proposed changes to Indigent Care Reporting Method
- TOSC Physician's commitment to the community and patients

Overview Last 3 Quarters to Date July 2016 - March 2017

	7% Worksheet	Self-Pay	Medicaid	Total
A	# of Surgical Cases	42	79	121
B	Average Medicare Allowable Amount per Surgical Case	3,391	2,756	2,976
C	Revenue (A x B)	142,439	217,689	360,127
D	Revenue Collected (net revenue by payor category)	32,598	16,277	48,875
E	Difference (C - D)	109,840	201,412	311,252
F	Total Net Revenue (all payors combined)	2,937,462	2,937,462	2,937,462
G	Percentage (E / F)	3.74%	6.86%	10.60%

Challenges in Meeting 7% Requirement Using Current Method

- Changes in insured/uninsured population since ACA 2010
 - Decreased uninsured statewide
 - Increased High Deductible/OOP Plans
 - Location- Orange, Wake, and Durham County are rated 1,2, and 11th lowest uninsured population counties in NC.*
- Implant intensive procedures-fractures/joint replacement

*<http://www.countyhealthrankings.org/>



EmmergeOrtho

Challenges in Meeting 7% Requirement Using Current Method

- Tricare (insurer for our military, their dependents, and military retirees) not included in current formula
- Current method penalizes successful efforts in negotiating fair reimbursements from commercial payers
- Based on federal archives, annual Medicaid orthopaedic procedures (3.5%) dramatically trail tonsillectomy (9.4%) and myringotomy (9.2%)*

*<https://www.hhs.gov/>

Percent of Revenue vs. Case Mix

- Calculation is based on cash accounting
- Re-running the report with same parameters changes over time as revenue is collected and applied
- Tricare reimbursement similar to Medicaid-not included in formula
- Example:

		Medicaid 2017	Tricare
25440	Repair/graft wrist bone	\$1,106.69	\$798.00
25607	Treat fx rad extra-articul	\$983.74	\$882.00
29807	Shoulder arthroscopy/surgery	\$731.42	\$667.00

Proposed Method of Reporting Indigent Care as Case Mix %

- TOSC Indigent Care ran using case mix:
 - Medicaid, Self Pay, Charity/ total patients=
 $121/1694 = 7.14\%$
- Add Tricare:
 - **Tricare** $108/1694 = 6.38\%$ (not included in calculation per current methodology)
- Total- $229/1694 = 13.52\%$
- Calculating by case mix is absolute



Achieving the 7% Requirement

- Committed Practice with long-standing relationships
 - TOSC accepts all Medicaid patients meeting medical patient selection criteria.
 - Participation ER call rotations at surrounding hospitals. Some of these patients are then treated at TOSC, when appropriate.
 - All self pay patients are equitably qualified for free and reduced care outlined in the facility Charity Care policy.



Achieving the 7% Requirement

- Lincoln Community Health Center, Durham
 - 20 Year relationship and primary orthopaedic care provider
 - No limits on specialty care provided (written commitment)
 - Weekly clinic including free MRI for more than 10 years since Lincoln transitioned specialties off campus
- Project Access Wake and Durham Counties
 - No limits on specialty care provided (written commitment)



TOSC Quality Care

- Medical Director on site multiple days per week
- MD Anesthesiologist on site for every surgery
- MD Medical Executive Committee functions at high level ensuring Quality Assurance Program Standards
- Hospital Transfers 2016 - 0.1%
- Ongoing SSI rate - 0.2% compared to national average of ranging from 0.67-2.4%*

*Association for Professionals in Infection Control and Epidemiology (APIC) 2010



EmmergeOrtho

Conclusion

- TOSC Physicians are committed to their patients, the communities they serve, and engaged in ensuring that the Single Specialty ASC Demonstration Project is a success.
- Uninsured patients are qualified in a consistent manner and not turned away either at the practice or surgery center level for inability to pay.
- Long standing relationships are maintained with Community Health Care Centers.
- Changes in healthcare related to ACA of 2010, after indigent care criteria established for demonstration project have created a challenge in meeting 7% requirement although patient mix reflects demonstrated efforts in meeting this goal.

