

Single-Specialty Ambulatory Surgery Facility Demonstration Project
Annual Evaluation Report Summary
Triangle Orthopaedics Surgery Center
Year 4 (3/1/2016 – 2/28/2017)

Triangle Orthopaedics Surgery Center (TOSC) received a license in February 2013 to operate as an ambulatory surgical facility pursuant to the demonstration project in the *2010 State Medical Facilities Plan (Plan)*.

One of the criteria in the Plan was for the facility to submit an annual report to the Agency showing the facility's compliance with the demonstration project criteria in Table 6D in the *2010 Plan*. The Agency received the fourth annual report in July 2017 for the time period of March 1, 2016 to February 28, 2017.

The facility reported that of the 18 physicians practicing at the facility, four are not owners of the practice. All physicians maintained privileges and took ER call at local hospitals. The report lists the hospitals at which each physician maintained privileges and the hospitals at which each one took call. (Attachment A)

In the first annual report, the facility reported that total revenue attributed to self-pay and Medicaid was 9.33%. In the second annual report, the facility reported that the percentage was 7.77%. In the third annual report, the facility reported that the percentage was 5.12%. As a result of not meeting the revenue requirement in year three, the SHCC asked TOSC to provide quarterly reports showing efforts to increase the proportion of Medicaid and self-pay revenue, and to present the information at the April 4, 2017 Acute Care Services Committee meeting. TOSC complied with this request and reported that efforts successfully increased revenue above the 7% requirement. In the fourth year, the percentage was 10.66%. The Agency asked TOSC to provide additional details regarding this year's percentage; this information is attached. (Attachment B)

Since initial licensure, the facility has used a surgical safety checklist adapted from the World Health Organization. This checklist consists of information entered into required fields that are integrated into the electronic health records (EHR). Staff must complete the checklist before they can enter additional documentation on the case into the EHR. The report indicates that daily chart audits verified that 100% of the surgeries had used this checklist. (Attachment C)

In accordance with Condition 8 on the certificate of need, the facility addressed the required measures for tracking quality assurance (wound infection rate, post-operative infections, post-procedure complications, readmissions, and medication errors) and also tracks several additional measures. The report contained information showing overall negative results in less than 0.18% of cases, based on the numbers and percentages reported. Issues were noted in the area of post-operative infections only. (Attachment D)

An EHR interface exists between the facility and physicians' offices. This software is specifically designed to be used in surgical centers. An additional interface has been developed to facilitate coordination of surgery scheduling requests. The report included a detailed explanation of this operation. (Attachment E)

The facility documented that it reported utilization and payment data to the statewide data processor, as required by G.S. 131E-214.2 and the demonstration project criteria in Table 6D of the *2010 Plan*. (Attachment F)

Based on the review of the annual report, the Agency determined that Triangle Orthopaedics Surgery Center materially complies with all requirements of the demonstration project criteria in Table 6D of the *2010 Plan* and Condition 8 on the certificate of need.

Open Access to Physicians

In the CON process TOSC agreed that the facility would provide open access to all orthopedic surgeons in the surrounding area. Phone calls were made to area physicians as well as an invitation to TOSC's open house. In year 4, six non-owner physicians performed cases and have regular block time at TOSC. In 2016, 2 of our affiliated spine surgeons and 2 total joint surgeons applied and gained privileges to bring occasional cases to TOSC. An application has been provided to an orthopedic physician that has expressed interest and multiple non-orthopedic providers have requested to be notified if there is a potential to expand service specialties in the future. A copy of TOSC's qualifications for membership from the Medical Staff Bylaws is attached.

Physician Responsibilities

Name of Each Physician Affiliated with the Facility during the Reporting Period	Does the Physician have any Ownership Interest in the Facility? (Yes or No)	Name of Each Hospital where the Physician has Privileges (list only one hospital per line) (provide supporting documentation)	Provided Emergency Room Coverage during Reporting Period? (Yes or No) (provide supporting documentation)
Aldridge, Julian Mack	Y	North Carolina Specialty Hospital	Y
		Durham Regional Hospital	
		Rex Healthcare	
		Person memorial Hospital	
		Granville Medical Center	
Burt, Mark	Y	Rex Healthcare	Y
		Wake Med	
		Duke Raleigh Hospital	
		Blue Ridge Surgery Center	
Dellaero, David	Y	Betsy Johnson Regional Hospital	Y
		Durham Regional Hospital	
		North Carolina Specialty Hospital	
		Person memorial Hospital	
		Granville Medical Center	
		Davis Ambulatory Surgical Center	
Dimmig, Thomas	Y	North Carolina Specialty Hospital	Y
		Durham Regional Hospital	
		Rex Healthcare	
		Person memorial Hospital	
		Granville Medical Center	
Gilbert, Brett	Y	North Carolina Specialty Hospital	Y
		Rex Healthcare	
		Betsy Johnson Regional Hospital	
		Wilson Medical Center	
Hage, William	Y	Wake Med	Y
		North Carolina Specialty Hospital	
		Rex Healthcare	

Kerner, Paul			Blue Ridge Surgery Center	
	Y		North Carolina Specialty Hospital	Y
Kuremsky, Marshall			Durham Regional Hospital	
			Rex Healthcare	
	Y		Davis Ambulatory Surgical Center	
			North Carolina Specialty Hospital	Y
Liebelt, Ralph			Rex Healthcare	
			Wake Med	
			Betsy Johnson Regional Hospital	
	Y		Blue Ridge Surgery Center	
Merz, Michael			Durham Regional Hospital	
			Person memorial Hospital	Y
			Granville Medical Center	
	N		Durham Regional Hospital	
Musante, David			Davis Ambulatory Surgical Center	
			North Carolina Specialty Hospital	
			Durham Regional Hospital	
	Y		Person memorial Hospital	Y
Romine, Lucas			Granville Medical Center	
			North Carolina Specialty Hospital	
			Durham Regional Hospital	
	N		Rex Healthcare	
Rosenberg, Brett			Wake Med	
			North Carolina Specialty Hospital	Y
			Johnston Health	
	Y		Wilson Memorial Hospital	
			Betsy Johnson Regional Hospital	
			Person memorial Hospital	Y
			North Carolina Specialty Hospital	
			Johnston Health	
		Betsy Johnson Regional Hospital		

Rosenblum, Sheperd	Y	North Carolina Specialty Hospital Rex Healthcare Wake Med	Y
Silver, William	Y	Blue Ridge Surgery Center North Carolina Specialty Hospital Durham Regional Hospital Person memorial Hospital Granville Medical Center Blue Ridge Surgery Center Rex Healthcare	Y
Solic, John	Y	Durham Regional Hospital Davis Ambulatory Surgical Center Rex Healthcare Wake Med	Y
Takenaga, Zachary	N	Blue Ridge Surgery Center Person memorial Hospital North Carolina Specialty Hospital Durham Regional Hospital Granville Medical Center Person memorial Hospital Granville Medical Center	Y
Viens, Nicholas	N	North Carolina Specialty Hospital Durham Regional Hospital Person memorial Hospital Wake Med	Y

07/01/2016-06/30/2017

	7% Worksheet	Self-Pay	Medicaid	Total
A	# of Surgical Cases	63	116	179
B	Average Medicare Allowable Amount per Surgical Case	3,157	2,789	2,919
C	Revenue (A x B)	198,922	323,529	522,451
D	Revenue Collected (net revenue by payor category)	58,832	20,357	79,189
E	Difference (C - D)	140,091	303,172	443,262
F	Total Net Revenue (all payors combined)	4,157,033	4,157,033	4,157,033
G	Percentage (E / F)	3.37%	7.29%	10.66%

Patient Payment Data		From 7/1/16 6/30/17
# of Surgical Cases		2,406
	REVENUE	
Gross Patient Revenue		
Self Pay/ Indigent/ Charity		\$609,986
Medicare / Medicare Managed Care		3,487,950
Medicaid		977,206
Commercial Insurance		15,571,047
Managed Care		312,705
Other (Specify)		3,259,198
Total		\$24,218,093
Deductions from Gross Patient Revenue		
Bad Debt		222,140
Medicare Contractual Adjustment		2,622,829
Medicaid Contractual Adjustment		867,918
Other Contractual Adjustments		12,312,027
Total Deductions from Patient Revenue		\$16,024,914
Net Patient Revenue		\$8,193,179
Other Revenue		8,685
Total Revenue		\$8,201,864

Email from Christine Washick, Administrator/Director of Nursing
Triangle Orthopaedics Surgery Center
August 31, 2017

To expand further on the response submitted below, please see additional comments in addition to the re-calculation of the 7% report as of 6/30/2017. Of course, as demonstrated at the Committee Meeting in April, this formula changes each day any additional collections come in on the reported 12 months charges and in addition to the calculation being reported on a cash basis and the P&L accrual, we are not comparing apples to apples.

1. Average procedures per case (charges) increased over the previous 12 months increasing overall charges which in turn, with historical write off percentages, rose the Net Revenue on the P&L for the reporting period based on accrual accounting(total collection expected).
2. Since TOSC was asked to begin submitting quarterly reports beginning with the period of 7/2016-9/2016, in the interest of quarterly submissions to DHSR over the past 4 quarters aligning with the annual submission, the 4 quarterly reports were compiled which reflects accurately the four quarterly submissions.
3. Our expected Net Revenue reflected on the P&L has increased with commercial payer contract renewals after initial 2-3 year contracts.
4. Although up front patient collections have increased over the past year, high deductible plans have also risen and many encounters fall 100% to the patient responsibility, resulting in non-payment or long term low monthly payment plans, however, these encounters are not currently included in the 7% calculation, further widening the gap of expected revenue to collected.

Here is the original submission with added column reflecting updated collections through reporting period:

	7% Worksheet	Self-Pay	Medicaid	Total	Total
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E	Difference (C - D)	140,091	303,172	443,262	443,262
F	Total Net Revenue (all payors combined)	4,157,033	4,157,033	4,157,033	5,807,995
G	Percentage (E / F)	3.37%	7.29%	10.66%	7.63%

Total Patient encounters for reporting period	2406
indigent encounters	179
Percentage	7.44%

< Commonly Used Template >

Safe Surgery Checklist Preference



Preprocedure Check-In	Sign-In	Time-Out	Sign-Out
<p>In Holding Area</p> <p>Patient/patient representative actively confirms with Registered Nurse(RN):</p> <p><input checked="" type="checkbox"/> Identity <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> Procedure and procedure site <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> Consent(s) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> Site Marked by person performing the procedure <input type="checkbox"/> Yes <input type="checkbox"/> N/A</p> <p><input checked="" type="checkbox"/> RN confirms the presence of:</p> <p><input checked="" type="checkbox"/> History and physical <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> Preanesthesia Assessment <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> Diagnostic and radiologic test results <input type="checkbox"/> Yes <input type="checkbox"/> N/A</p> <p><input checked="" type="checkbox"/> Blood products <input type="checkbox"/> Yes <input type="checkbox"/> N/A</p> <p><input checked="" type="checkbox"/> Any special equipment, devices, implants <input type="checkbox"/> Yes <input type="checkbox"/> N/A</p> <p><input type="checkbox"/> Antibiotic prophylaxis given (SCP) <input type="checkbox"/> Yes <input type="checkbox"/> N/A</p> <p><input type="checkbox"/> Venous thromboembolism prophylaxis ordered (SCP) <input type="checkbox"/> Yes <input type="checkbox"/> N/A</p> <p><input type="checkbox"/> Anemia measures (SCP) <input type="checkbox"/> Yes <input type="checkbox"/> N/A</p> <p><input checked="" type="checkbox"/> Notes</p>	<p>Before Induction of Anesthesia</p> <p>RN and Anesthesia care provider confirm:</p> <p><input checked="" type="checkbox"/> Confirmation of identity, procedure, site and consent(s) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> Site Marked by person performing the procedure <input type="checkbox"/> Yes <input type="checkbox"/> N/A</p> <p><input checked="" type="checkbox"/> Absent allergies <input type="checkbox"/> Yes <input type="checkbox"/> N/A</p> <p><input checked="" type="checkbox"/> Difficult airway or aspiration risk? <input type="checkbox"/> No <input type="checkbox"/> Yes (preparation confirmed)</p> <p><input checked="" type="checkbox"/> Risk of blood loss (>500ml) <input type="checkbox"/> Yes <input type="checkbox"/> N/A</p> <p>Number of units available: _____</p> <p><input checked="" type="checkbox"/> Anesthesia safety check completed <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Briefing:</p> <p><input checked="" type="checkbox"/> All members of the team have discussed care plan and addressed concerns</p>	<p>Before Skin Incision</p> <p>Initiated by designated team member:</p> <p><input checked="" type="checkbox"/> Introduction of team members <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> Confirmation of the following: identity, procedure, incision site, consent(s) <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> Site is marked and visible <input type="checkbox"/> Yes <input type="checkbox"/> N/A</p> <p><input checked="" type="checkbox"/> Relevant images properly labeled and displayed <input type="checkbox"/> Yes <input type="checkbox"/> N/A</p> <p><input checked="" type="checkbox"/> Equipment concerns <input type="checkbox"/> N/A</p> <p><input checked="" type="checkbox"/> Anticipated Critical Events Surgeon: States the following: <input type="checkbox"/> Critical or nonroutine steps <input type="checkbox"/> Case duration <input type="checkbox"/> Anticipated blood loss</p> <p><input checked="" type="checkbox"/> Anesthesia Provider: Antibiotic prophylaxis initiated within one hour before incision <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Additional concerns: _____</p> <p><input checked="" type="checkbox"/> Scrub and circulating nurse: Sterilization indicators have been confirmed <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A Additional concerns: _____</p>	<p>Before the Patient Leaves the Operating Room</p> <p>RN confirms:</p> <p><input checked="" type="checkbox"/> Name of operative procedure, Completion of sponges, sharp, and instrument counts <input type="checkbox"/> Yes <input type="checkbox"/> N/A</p> <p><input checked="" type="checkbox"/> Specimens identified and labeled <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> Any equipment problems to be addressed? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p><input checked="" type="checkbox"/> To all team members: What are the key concerns for recovery and management of this patient? _____</p>

Patient Outcomes

A comprehensive set of measures were prioritized by the Quality Improvement Committee, Infection Control Committee, Safety Committee and Medical Executive Committee. The Medical Executive Committee is comprised of 3 physician owners and 1 non-owner, one of which also serves as the Anesthesia Supervisor. The MEC also serves as the PEER review Committee and reviews all cases in which an adverse event has occurred. TOSC collects data for both improvement priorities and continuing measurement of important aspects of care, including infection rates, within the first 30 days after discharge. Each surgeon is required to self report patient infection rates. TOSC has a 100% infection self-survey return rate and each infection that is reported is investigated using the attached Infection Investigation worksheet. Infections remain <1% through Q1 2017. Quality measures including are also tracked and reported through QualityNet(2018 Payment Year...2016 data submission to include, antibiotic timing, patient falls, patient burn, wrong site surgery, and hospital transfers. TOSCs participation in ASCQR Program is voluntary to date since TOSC has not met the annual minimum threshold of Medicare patients. Since Q1 2016, TOSC has also elected to begin reporting Quality Measures through ASCA Benchmarking which additionally includes medication errors. This allows us to evaluate the stability of our processes and the predictability of our outcomes against other ASCs nationally. TOSC's EMR also requires data input for the CMS Quality Indicators(GCodes) on each case performed.

YEAR 3 reported data:

Ongoing Infection rate:	0.18%
Medication Errors:	0.00%
Patient Burn:	0.00%
Patient Falls:	0.00%
Patient transfer:	0.00%
Patient death:	0.00%

Attachments: CMS Quality Net ASCQR Participation Report
Quality Indicators reported in EMR

Interoperability with Other Providers

TOSC continues to utilize AmkaiOffice and AmkaiCharts to ensure detailed data collection and reporting. An interface has been developed to allow demographic information to be sent from the physician's offices. See attached AmkaiOffice and AmkaiCharts product information. Hardcopy documents received are scanned into the patients chart in the corresponding section. The document can be viewed by clicking a link in either AmkaiOffice or AmkaiCharts. All providers have secure remote access to Amkai allowing for information to be obtained from off-site when needed. A complete medical record or particular sections of the chart can be faxed from within Amkai and tracked to ensure HIPAA compliance.

Report to Statewide Data Processor

Pursuant to the material representations made in your application and the conditions imposed on your certificate, the facility is required to submit utilization and payment data to the statewide data processor as required by G.S. 131E-214.2. Did the facility submit utilization and payment data to the statewide data processor during the reporting period? Yes Provide supporting documentation.

Q1 2016

Your Data Quality Reports are now available at the Truven Health Analytics secure server at <https://transit.truvenhealth.com> with the file name tr_25246_587409_DQR_pdf.zip for JAN-04-16 through MAR-31-16.

Submitting Organization ID: 25246
 Submitting Organization Name: Triangle Ortho Surg Ctr NC
 DQR Online Batch: 587409
 Patient Type : OP

Q2 2016

Your Data Quality Reports are now available at the Truven Health Analytics secure server at <https://transit.truvenhealth.com> with the file name tr_25246_597352_DQR_pdf.zip for APR-01-16 through JUN-30-16.

Submitting Organization ID: 25246
 Submitting Organization Name: Triangle Ortho Surg Ctr NC
 DQR Online Batch: 597352
 Patient Type : OP

Q3 2016

Your Data Quality Reports are now available at the Truven Health Analytics secure server at <https://transit.truvenhealth.com> with the file name tr_25246_609411_DQR_pdf.zip for JUL-01-16 through SEP-30-16.

Submitting Organization ID: 25246
 Submitting Organization Name: Triangle Ortho Surg Ctr NC
 DQR Online Batch: 609411
 Patient Type : OP