

**Rules for: Ambulatory Surgical Facilities**  
**Type of Rule: Permanent Adoption**  
**MCC: Propose Text Initiate Rule-making**

**Exhibit F/2**

12/18/14

1 10A NCAC 13C .0103 is proposed for amendment as follows:

2

3 **10A NCAC 13C .0103 DEFINITIONS**

4 In addition to the terms defined in G.S. 131E-214.13, the following terms shall apply throughout ~~As used in this~~  
5 ~~Subchapter, unless the context clearly requires otherwise, the following terms have the meanings specified; otherwise:~~

6 (1) "Adequate" means, when applied to various areas of services, that the services are ~~at least~~  
7 satisfactory in meeting a referred to need when measured against ~~contemporary~~ professional  
8 standards of practice.

9 (2) "AAAASF" means American Association for Accreditation of Ambulatory Surgery Facilities.

10 (3) "AAAHC" means Accreditation Association for Ambulatory Health Care.

11 (4) "Ancillary nursing personnel" means persons employed to assist registered nurses or licensed  
12 practical nurses in the care of patients.

13 (5) "Anesthesiologist" means a physician whose specialized training and experience qualify him or her  
14 to administer anesthetic agents and to monitor the patient under the influence of these agents. For  
15 the purpose of ~~these Rules~~ this Subchapter, the term "anesthesiologist" shall not include podiatrists.

16 (6) "Anesthetist" means a physician or dentist qualified, as defined in ~~Item~~ Items (10) and (22) (24) of  
17 this Rule, to administer anesthetic agents or a registered nurse qualified, as defined in ~~Item~~ Items  
18 (22) (25) and (27) of this Rule, to administer anesthesia.

19 (7) ~~"Authority Having Jurisdiction"~~ having jurisdiction means the Division of Health Service  
20 Regulation.

21 (8) "Chief executive officer" or "administrator" means a qualified person appointed by the governing  
22 authority to act in its behalf in the overall management of the facility and whose office is located in  
23 the facility.

24 (9) "Current Procedural Terminology (CPT)" means a medical code set developed by the American  
25 Medical Association.

26 (9) (10) "Dentist" means a person who holds a valid license issued by the North Carolina Board of Dental  
27 Examiners to practice dentistry.

28 (40) (11) "Department" means the North Carolina Department of Health and Human Services.

29 (44) (12) "Director of nursing" means a registered nurse who is responsible to the chief executive officer or  
30 administrator and has the authority and direct responsibility for all nursing services and nursing care  
31 for the entire facility at all times.

32 (13) "Financial assistance" means a policy, including charity care, describing how the organization will  
33 provide assistance at its facility. Financial assistance includes free or discounted health services  
34 provided to persons who meet the organization's criteria for financial assistance and are unable to  
35 pay for all or a portion of the services. Financial assistance does not include:

36 (a) bad debt;

- 1                    (b) uncollectable charges that the organization recorded as revenue but wrote off due  
 2                    to a patient's failure to pay;  
 3                    (c) the cost of providing such care to the patients in Sub-Item (13)(b); or  
 4                    (d) the difference between the cost of care provided under Medicare or other  
 5                    government programs, and the revenue derived therefrom.
- 6                    ~~(12)~~ (14) "Governing authority" means the individual, ~~agency or group~~ agency, group, or corporation  
 7                    appointed, elected or otherwise designated, in which the ultimate responsibility and authority for  
 8                    the conduct of the ambulatory surgical facility is vested.
- 9                    (15) "Healthcare Common Procedure Coding System (HCPCS)" means a three tiered medical code set  
 10                    consisting of Level I, II and III services and contains the CPT code set in Level I.
- 11                    ~~(13)~~ (16) "JCAHO" or "Joint Commission" means Joint Commission on Accreditation of Healthcare  
 12                    Organizations.
- 13                    ~~(14)~~ (17) "Licensing agency" means the Department of Health and Human Services, Division of Health  
 14                    Service Regulation.
- 15                    ~~(15)~~ (18) "Licensed practical ~~nurse~~ (L.P.N.) nurse (L.P.N.)" means any person licensed as such under the  
 16                    provisions of ~~G.S. 90-171~~, G.S. 90-171.20(8).
- 17                    ~~(16)~~ (19) "Nursing personnel" means registered nurses, licensed practical ~~nurses~~ nurses, and ancillary nursing  
 18                    personnel.
- 19                    ~~(17)~~ (20) "Operating room" means a room in which surgical procedures are performed.
- 20                    ~~(18)~~ (21) "Patient" means a person admitted to and receiving care in a facility.
- 21                    ~~(19)~~ (22) "Person" means an individual, a trust or estate, a partnership or corporation, including associations,  
 22                    joint stock companies and insurance companies; the ~~state~~, State, or a political subdivision or  
 23                    instrumentality of the state.
- 24                    ~~(20)~~ (23) "Pharmacist" means a person who holds a valid license issued by the North Carolina Board of  
 25                    Pharmacy to practice pharmacy in accordance with ~~G.S. 90-85~~, G.S. 90-85.3A.
- 26                    ~~(21)~~ (24) "Physician" means a person who holds a valid license issued by the North Carolina Medical Board  
 27                    to practice medicine. For the purpose of carrying out these Rules, a "physician" may also mean a  
 28                    person holding a valid license issued by the North Carolina Board of Podiatry Examiners to practice  
 29                    podiatry.
- 30                    ~~(22)~~ (25) "Qualified ~~person~~ person," when used in connection with an occupation or ~~position~~ position, means  
 31                    a person:  
 32                    (a) who has demonstrated through ~~relevant~~ experience the ability to perform the required  
 33                    functions; or  
 34                    (b) who has certification, ~~registration~~ registration, or other professional recognition.
- 35                    ~~(23)~~ (26) "Recovery area" means a room used for the ~~post-anesthesia~~ post-anesthesia recovery of surgical  
 36                    patients.



**Rules for: Ambulatory Surgical Facilities**

**Type of Rule: Permanent Adoption**

1/27/15

**MCC: Propose Text Initiate Rule-making**

1 10A NCAC 13C .0206 is proposed for adoption as follows:

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3 **10A NCAC 13C .0206 REPORTING REQUIREMENTS**

4 (a) The Department shall establish the lists of the statewide 20 most common outpatient imaging procedures and 20  
5 most common outpatient surgical procedures performed in the ambulatory surgical facility setting to be used for  
6 reporting the data required in Paragraphs (c) and (d) of this Rule. The lists shall be determined annually based upon  
7 data provided by the certified statewide data processor. The lists shall be based upon data provided by the certified  
8 statewide data processor. The Department shall make the lists available on its website. The methodology to be used  
9 by the certified statewide data processor for determining the lists shall be based on the data collected from all licensed  
10 facilities in the state in accordance with G.S. 131E-214.2 as follows:

11 (1) the 20 most common imaging procedures shall be based upon all outpatient data for ambulatory  
12 surgical facilities and represent all occurrences of the diagnostic radiology imaging codes section of  
13 the CPT codes, then selecting the top 20 to be provided to the Department; and

14 (2) the 20 most common outpatient surgical procedures shall be based upon the primary procedure code  
15 from the ambulatory surgical facilities and represent all occurrences of the surgical codes section of  
16 the CPT codes, then selecting the top 20 to be provided to the Department.

17 (b) All information required by this Rule shall be posted on the Department’s website at:  
18 <http://www.ncdhhs.gov/dhsr/ahc> and may be accessed at no cost.

19 (c) In accordance with G.S. 131E-214.13 and quarterly per year, all licensed ambulatory surgical facilities shall report  
20 the data required in Paragraph (d) of this Rule related to the statewide 20 most common outpatient imaging procedures  
21 and the statewide 20 most common outpatient surgical procedures to the certified statewide data processor in a format  
22 provided by the certified statewide processor. This report shall include the related primary CPT and HCPCS codes.  
23 Beginning with the September 30, 2015 quarter ending report, the data reported shall be from the year ending three  
24 months prior to the date of reporting.

25 (d) The report as described in Paragraph (c) of this Rule shall be specific to each reporting ambulatory surgical facility  
26 and shall include:

27 (1) the average gross charge for each CPT code or procedure for all payer sources;

28 (2) the average negotiated settlement on the amount that will be charged for each CPT code or procedure  
29 as required for patients defined in Subparagraph (d)(1) of this Rule. The average negotiated  
30 settlement shall be calculated using the average amount charged all patients eligible for the facility’s  
31 financial assistance policy, including self-pay patients;

32 (3) the amount of Medicaid reimbursement for each CPT code or procedure, including all supplemental  
33 payments to and from the ambulatory surgical facility;

34 (4) the amount of Medicare reimbursement for each CPT code or procedure; and

35 (5) on behalf of patients who are covered by a Department of Insurance licensed third-party and teachers  
36 and State employees, the lowest, average, and highest amount of payments made for each CPT code  
37 or procedure by each of the facility’s top five largest health insurers.

- 1           (A) each ambulatory surgical facility shall determine its five largest health insurers based on  
2           the dollar volume of payments received from those insurers;  
3           (B) the lowest amount of payment shall be reported as the lowest payment from each of the  
4           five insurers on the CPT code or procedure;  
5           (C) the average amount of payment shall be reported as the arithmetic average of each of the  
6           five health insurers payment amounts;  
7           (D) the highest amount of payment shall be reported as the highest payment from each of the  
8           five insurers on the CPT code or procedure; and  
9           (E) the identity of the top five largest health insurers shall be redacted prior to submission.

10       (e) The data reported, as defined in Paragraphs (c) and (d) of this Rule, shall reflect the payments received from  
11       patients and health insurers for all closed accounts. For the purpose of this Rule, "closed accounts" are patient accounts  
12       with a zero balance at the end of the data reporting period.

13       (f) A minimum of three data elements shall be required for reporting under Paragraph (c) of this Rule.

14       (g) The information submitted in the report shall be in compliance with the federal Health Insurance Portability and  
15       Accountability Act of 45 CFR Part 164.

16       (h) The Department shall provide all specific ambulatory surgical facility data reported pursuant to this Rule on its  
17       website.

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19       *History Note: Authority G.S. 131E-147.1; 131E-214.4; 131E-214.13; S.L. 2013-382, s.10.1; S.L. 2014-100, s.*  
20       12G.2;  
21       Temporary Adoption Eff. December 31, 2014; 2014;  
22       Eff. September 1, 2015.