

Single-Specialty Ambulatory Surgery Facility Demonstration Project
Annual Evaluation Report Summary
Mallard Creek Surgery Center
Year 1 (5/7/2014 – 5/6/2015)

Mallard Creek Surgery Center received a license in May of 2014 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 project criteria. The agency received the first year project report on July 28, 2015 for the time period May 7, 2014 to May 6, 2015. Financial information was reported through May 31, 2015.

The facility reported that of the 35 physicians practicing at the facility, 14 are non-owners of the practice. All physicians maintained privileges and took ER call at local hospitals. The report lists the hospitals at which each physician took ER call and the number of hours of ER call taken. (Attachment O)

Based on the facility's information, its total revenue attributed to self-pay and Medicaid was 4.4% at the end of the first full reporting year (May 6, 2014-May 31, 2015). This calculation is shown in Table 1 of Attachment B. The facility's evaluation report explained that it experienced a delay in receiving authorization from CMS, such that it was only able to begin accepting Medicare patients on December 8, 2014 and Medicaid patients on February 23, 2015. To facilitate Medicaid referrals, Mallard Creek Surgery Center partners with two community clinics that serve Medicaid patients and persons who are medically underserved; efforts increased about 60 days before Medicaid approval. Incorporating this 60-day period, Table 2 of Attachment B shows that the facility's total revenue attributed to Medicaid and self-pay was 5.9% from January 1, 2015 through May 31 2015. Finally, Table 3 of Attachment B shows that Mallard Creek's total revenue attributed to self-pay and Medicaid from March 1, 2015 through May 31, 2015 was 8.4%. This last figure is the total percentage of Medicaid and self-pay revenue after receipt of Medicaid certification. (Attachments A and B)

Mallard Creek Surgery Center uses a hard copy surgical safety checklist adapted from the World Health Organization. The facility reported 100% completion. (Attachment D)

The facility established several policies and procedures related to quality assurance, along with a clinical quality measures dashboard. In accordance with the conditions set forth in the certificate of need, the facility tracks the four required measures. It exceeds these requirements and monitors additional patient outcome measures. The report contained information showing small negative results on these measures (Attachment K)

Mallard Creek Surgery Center does not have electronic health records (EHR). It does, however, use an electronic scheduling system, and scans chart audits to an electronic system daily as a means of backing up health records. The administrator explained that the initial budget was insufficient to secure an EHR system as originally planned, but that the facility plans to obtain one. The lack of an EHR system significantly impedes interoperability with other providers, because communication is currently primarily conducted via phone and fax.

The facility supplied evidence that it reported utilization and payment data to the statewide data processor, as required by G.S. 131E-214.2 and as a criterion of the 2010 SMFP. (Attachment C)

Based on the review of the annual report, the agency determined that Mallard Creek Surgery Center has shown compliance with the demonstration project criteria outlined in the Plan and the certificate of need in all but one area. For the first full year of operation, it did not meet the 7% payor mix minimum set out in the Plan. This situation appears primarily to be due to the delay in receiving eligibility to treat Medicaid patients. Since obtaining eligibility, the facility has reached the 7% payor mix minimum. In addition, the facility does not have an EHR system. Although an EHR is not a requirement of the demonstration project, facilities are encouraged to have such a system.