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**Public Comment**  
**To the State Health Coordinating Council**  
*In support of*  
**The 2010 State Medical Facilities Plan's**  
**Need Determination for**  
**Single Specialty Ambulatory Surgical Center Demonstration Project**  
**In Guilford, Forsyth Counties**

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Medical Facilities  
PLANNING SECTION

Presentation by Ronald B. Shealy, MD, FACS

Introduction

*Good afternoon, members of the State Health Coordinating Council and members of the public. My name is Dr. Shealy and I am here today to speak in support of the single-specialty operating room demonstration project with two operating rooms in either Greensboro or Forsyth County in the proposed 2010 plan.*

I am a Board Certified ENT surgeon who has practiced in Winston-Salem for nearly 30 years. Over the past 30 years, I have helped to build one the area's largest ENT practices. PENTA is a physician-owned ENT practice with 10 physicians and 1 PA. The other 9 physicians of PENTA and I currently provide 31,500 annual visits and 3,250 surgeries of which 95% are done in an out-patient setting, across 3 sites in the Piedmont Triad. We have offices in Winston-Salem, Kernersville, and Mount Airy. In my practice, I have had the opportunity to serve as Section Chief at Forsyth Medical Center and on several committees, which gives me a unique perspective on both the hospital and office-based ENT practice.

Why ENT? Why PENTA?

*There has yet to emerge a freestanding ASC for ENT in this part of the state. Given our areas climate and environmental concerns, there is a constant and growing need for ear, nose and throat procedures.* In the past few years, we have seen successful local projects where GI/Endoscopy groups joint ventured with hospitals or developed their own freestanding GI centers. Similarly orthopedic groups have already demonstrated their ability to develop viable orthopedic surgery centers. The prevalence of sinusitis has soared in the last decade possibly due to increased pollution, urban sprawl, and increased resistance to antibiotics. About 37 million people develop chronic sinusitis each year, making it one of the most common health complaints in America. When antibiotics fail to effectively treat the infection, surgical intervention is

**Comprehensive Evaluation & Treatment of Disorders of the Head and Neck:**

Allergy; Sinus surgery; Hearing; Dizziness; Tinnitus; Cancer surgery; Hearing Aid Sales & Service; Voice & Swallowing; Facial Plastic Surgery

necessary. The same is true for ear infections especially in children. Every year more than one half million tube surgeries are performed on children making it the most common childhood surgeries performed with anesthesia. More than 55,000 Americans will develop cancer of the head and neck most requiring surgery.

In addition, ENT though one specialty tract is really a specialty that serves a heterogeneous mix of symptoms and conditions. By choosing at least one ENT specialty group practice, the SHCC would have the opportunity to understand how outpatient ASC access would benefit a large portion of the population.

PENTA is already practicing the safety and quality, access and value principles that are so important to health care in North Carolina.

#### Access Issues

***PENTA is already providing access to any clinically appropriate referral regardless of the patient's ability to pay.*** In the most recent fiscal year, PENTA provided 11.3% of its visits to Medicaid patients. We have also provided 2.7% of visits to self-pay patients who were not able to pay their bill. In addition our physicians volunteer at Forsyth Medical Society's Community Care Clinic and perform surgery at no charge on patients referred from the clinic. PENTA could offer more payment flexibility for the increasing number of patients with high deductible health insurance plans. As an existing single specialty provider with sites across the region, PENTA will be able to meet and exceed the access demonstration of the project.

#### Quality Commitment

***With our existing and planned electronic systems and operational procedures, we are uniquely able to measure quality outcomes.*** PENTA has a very effective quality of care policy and our physicians meet regularly to review quality of care opportunities. We track E&M, imaging, and surgery ratios on a monthly, quarterly and annual basis. PENTA also employs a Patient Advocate who addresses patients' concerns. We have the management team in place and the sophistication to measure quality indicators in real time and we routinely use measures to inform our practice. PENTA is measured against "better practice" and both national and state CMS benchmarks. We also have adopted safety policies that are inspired by national organizations such as the American College of Surgeons.

At PENTA, we are also in the process of implementing a next generation electronic medical record that will interface with all of the area medical centers. In fact, we are working to partner with the same firm that Novant Health, Carolinas Medical Center and High Point Regional have selected. This means our patients will have a 100% seamless medical record with other providers in the area.

#### Value

***PENTA is especially motivated to participate in this project because of our experience in developing cost-effective rates for payers including government, commercial and ERISA payers.*** As a result of Medicare's push to have more surgical work done in ASCs, many of the private payers are developing their own reimbursement incentives to promote surgeries done in ASCs. Despite our multiple meetings with payers who understand the quality work we do, most

of them require that certain procedures be done in a licensed ASC. PENTA has an opportunity to offer the same high quality procedures for hundreds or even thousands of dollars less than a hospital-based procedure and the payers are asking for this.

#### Conclusion

*In conclusion, we are uniquely capable of designing, measuring and meeting and exceeding the goals of the demonstration project due to our abilities to track outcomes and the research experience of our physicians and staff.* I am especially pleased that the SHCC has included the Triad in its three demonstration sites. There are unique access challenges and solutions that can be better studied in a regional city that would be difficult to isolate in larger metropolitan areas like Charlotte or Raleigh. Winston-Salem is uniquely situated with one regional hospital and one academic facility to study the competitiveness, quality and access that a freestanding single specialty ASC can provide in the community. *We support the need determination in the 2010 draft SMFP and look forward to the opportunity to compete to provide this service through the Certificate of Need process next year. Thank you again for your time and consideration of this important issue.*