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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

July 31, 2009

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MEDICAL FACILITIES
PLANNING SECTION

Presentation by Kenneth S. Maxwell, MD

Introduction

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

I am a Board Certified Otolaryngology surgeon who has practiced in Winston-Salem for 14 years. Over the past 14 years, I have helped to build one the area's largest ENT practices. Piedmont Ear Nose & Throat Associates or PENTA is a physician-owned ENT practice with 10 physicians and 1 PA. We currently provide 31,500 annual visits and 3,250 surgeries of which 95% are done in an out-patient setting. We have offices in Winston-Salem, Kernersville, and Mount Airy. We perform surgery in 4 different hospital based sites in our region. I have had the opportunity to serve as ENT Section Chief at Forsyth Medical Center and have co-lead the Process Improvement committee at Medical Park Hospital for the last ten years, 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 the Piedmont Triad. 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. The largest orthopedic group in Winston-Salem, using two operating rooms from Novant, has already demonstrated their ability to develop a viable orthopedic surgery center. 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

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

sinusitis each year, making it one of the most common health complaints in America. When medical management fails to effectively treat this illness, surgical intervention is necessary. The same is true for ear infections in children. Every year more than one half million tube surgeries are performed on children making it the most common childhood surgery performed with anesthesia. More than 55,000 Americans will develop cancer of the head and neck all of which will require outpatient biopsies and many may require curative surgery.

ENT is a specialty that serves a heterogeneous mix of symptoms and conditions in patients of all ages. We provide medical and surgical care from birth to death and everywhere in between. 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. Every day patients and parents ask if we can perform the surgery in our office rather than going to the hospital. They ask not only for convenience, but also for cost issues. Winston-Salem has twenty-three ENT surgeons that could potentially utilize a single specialty ASC. Finally, PENTA has the unique ability to help improve an earlier return to work or school.

PENTA is already practicing the access, quality 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. An additional 2.7% of our visits are self-pay patients who were not able to obtain any financial assistance to help with medical bills. ***Some of our specific procedures have even higher proportions of underserved patients. For example, 42% of the children in whom ear tubes were placed year-to-date in 2009 are Medicaid recipients.*** In addition our physicians volunteer at Forsyth County Medical Society's Community Care Clinic, accept Healthcare Access and perform surgery at no charge on patients referred from the clinic. PENTA can offer more payment flexibility for the increasing number of patients with high deductible health insurance plans and those that cannot afford or choose not to be insured. As an existing single specialty provider with sites across the region, PENTA will be able to meet and exceed the access needs of the demonstration 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 believe in evidence-based medical and surgical practices and follow the guidelines published by our specialty society, the American Academy of Otolaryngology, Head and Neck Surgery. 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 practices" using 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 of the work we do, they 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. We can be more efficient and provide the best care at the best cost while maintaining a patient-centered focus. Our patients are asking for this opportunity just as clearly as insurers.

Conclusion

In conclusion, we are uniquely capable of designing, measuring, 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 and one academic hospital to study the competitiveness, quality and access that a freestanding single specialty ASC can provide in our 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.***