

Single-Specialty Ambulatory Surgery Facility Demonstration Project
Annual Evaluation Report Summary
Mallard Creek Surgery Center
Year 2 (5/7/2015 – 5/6/2016)

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)*.

The facility is required to submit an annual report to the agency showing its compliance with the demonstration project criteria in Table 6D in the *2010 Plan*. The agency received the second annual report on July 22, 2016 for the time period May 7, 2015 to May 6, 2016.

The facility reported that of the 63 physicians practicing at the facility, 29 are non-owners of the practice. All physicians maintained privileges at area hospitals and 51 took ER call at local hospitals. The report lists the hospitals at which each physician has privileges and/or took ER call and the number of hours of ER call taken. (Attachment A)

Based on the facility's information regarding the number of and payor source of the patients served, the agency was able to verify that the facility's total revenue attributed to self-pay and Medicaid was at least seven percent in its second year of operation. In the facility's first full year of operation, its total revenue attributed to self-pay and Medicaid was 4.4%. The facility 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 reflect revenue after receiving authorization to accept Medicare patients, its total revenue attributed to Medicaid and self-pay was 5.9% from January 1, 2015 through May 31 2015. To reflect revenue after receiving authorization to accept Medicaid patients, Mallard Creek submitted total revenue attributed to self-pay and Medicaid 8.4% from March 1, 2015 through May 31, 2015. From June 1, 2015 through May 31, 2016 total revenue attributed to self-pay and Medicaid was 7.3%. From May 8, 2015 through May 7, 2016, (the second full year of licensure), the percentage was 7.0%. (Attachment B)

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

The facility established several policies and procedures related to quality assurance, along with a clinical quality measures dashboard. In accordance with Condition 8 on the certificate of need, the facility tracks the four required measures (wound infection rate, post-operative infections, post-procedure complications, readmissions, and medication errors) and also tracks 12 additional quality indicators. The report contained information showing negative results on the required measures in approximately 0.3% of cases. Issues were noted in the areas of medication errors and surgical site infections (Attachment D)

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 to back up health records. The facility is in the process of developing an EHR system, but no target date is available.

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 E)

Based on the review of the annual report, the agency determined that Mallard Creek Surgery Center materially complies with the demonstration project criteria in Table 6D in the *2010 Plan* and the conditions on the certificate of need.