



North Carolina Department of Health and Human Services  
Division of Health Service Regulation

Pat McCrory  
Governor

Richard O. Brajer  
Secretary DHHS

Mark Payne, Director  
Health Service Regulation

October 12, 2016

Chris Washick, RN, CASC  
Administrator  
Triangle Orthopaedics Surgery Center  
7921 ACC Blvd  
Raleigh, NC 27617

**REQUEST FOR QUARTERLY REPORTS**

Project ID #: J-8616-10  
Facility: Triangle Orthopaedics Surgery Center  
Project Description: Develop a new orthopaedic ambulatory surgery center with two ORs pursuant to the need determination for a single specialty ASC demonstration project in the 2010 SMFP  
County: Wake  
FID #: 101146

Dear Ms. Washick:

The Healthcare Planning and Certificate of Need Section, Division of Health Service Regulation (Agency) has reviewed the third annual report required by Condition 8 on the certificate of need issued for the above referenced project. Condition 4 on that certificate requires that the facility "ensure that the percentage of the facility's total collected revenue that is attributed to self-pay and Medicaid revenue shall be at least seven percent." According to the third annual report, the percentage was only 5.12% during the period August 1, 2015 to July 31, 2016. In the first annual report, that percentage was 9.33% and in the second annual report, that percentage was 7.77%.

Therefore, the Agency requests that Triangle Orthopaedics submit more frequent reports, starting with the following periods:

- July 1, 2016 to September 30, 2016
- October 1, 2016 to December 31, 2016
- January 1, 2017 to March 31, 2017

In addition, the Acute Care Services Committee of the State Health Coordinating Council has requested that someone from Triangle Orthopaedics Surgery Center attend the next committee meeting and make a presentation to the committee. The next meeting is scheduled to begin at 10 am on Tuesday, April 4, 2017 in Conference Room 104 in the Brown Building, 801 Biggs Drive, Raleigh, NC 27603.

If you have any questions, please do not hesitate to contact me at (919) 855-3879.

Sincerely,

Martha J. Frisone  
Assistant Chief Certificate of Need

cc: Paige Bennett, Assistant Chief Healthcare Planning, DHSR



**Healthcare Planning and Certificate of Need Section**

[www.ncdhhs.gov](http://www.ncdhhs.gov)

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Location: Edgerton Building • 809 Ruggles Drive • Raleigh, NC 27603

Mailing Address: 2704 Mail Service Center • Raleigh, NC 27699-2704

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<b>7% Worksheet</b>	<b>Self-Pay</b>	<b>Medicaid</b>	<b>Total</b>
# of Surgical Cases	20	27	47
Average Medicare Allowable Amount per Surgical Case	3113	2884	2999
Revenue (A x B)	62,264	77,869	140,133
Revenue Collected (net revenue by payor category)	19,654	2,175	21,829
Difference (C - D)	42,610	75,694	118,304
Total Net Revenue (all payors combined)	1,241,126	1,241,126	1,241,126
Percentage (E / F)	3.43%	6.10%	9.53%

<b>Patient Payment Data</b>	<b>From 07/01/16 To 09/30/16</b>
# of Surgical Cases	547
<b>REVENUE</b>	
<b>Gross Patient Revenue</b>	
Self Pay/ Indigent/ Charity	127,894
Medicare / Medicare Managed Care	717,944
Medicaid	233,607
Commercial Insurance	3,284,490
Managed Care	64,629
Other (Specify)	599,008
Total	\$ 5,027,572
<b>Deductions from Gross Patient Revenue</b>	
Charity Care	
Bad Debt	160,600
Medicare Contractual Adjustment	550,348
Medicaid Contractual Adjustment	204,244
Other Contractual Adjustments	2,334,196
Total Deductions from Patient Revenue	\$ 3,249,387
<b>Net Patient Revenue</b>	\$ 1,778,185
Other Revenue	\$ 3,750
<b>Total Revenue</b>	\$ 1,781,935

Triangle Orthopaedics Quarterly Report - Oct-Dec 2016

	7% Worksheet	Self-Pay	Medicaid	Total
<b>A</b>	# of Surgical Cases	7	23	30
<b>B</b>	Average Medicare Allowable Amount per Surgical Case	3,408	2,243	2,514
<b>C</b>	Revenue (A x B)	23,855	51,580	75,435
<b>D</b>	Revenue Collected (net revenue by payor category)	4,101	4,708	8,810
<b>E</b>	Difference (C - D)	19,754	46,871	66,625
<b>F</b>	Total Net Revenue (all payors combined)	838,473	838,473	838,473
<b>G</b>	Percentage (E / F)	2.36%	5.59%	7.95%

Patient Payment Data	From 10/1/16 To 12/31/16
# of Surgical Cases	635
<b>REVENUE</b>	
<b>Gross Patient Revenue</b>	
Self Pay/ Indigent/ Charity	107,946
Medicare / Medicare Managed Care	627,497
Medicaid	165,150
Commercial Insurance	4,412,398
Managed Care	76,522
Other (Specify)	633,069
Total	\$ 6,022,582
<b>Deductions from Gross Patient Revenue</b>	
Charity Care	
Bad Debt	(184,342)
Medicare Contractual Adjustment	503,114
Medicaid Contractual Adjustment	164,196
Other Contractual Adjustments	3,270,937
Total Deductions from Patient Revenue	\$ 3,753,906
<b>Net Patient Revenue</b>	\$ 2,268,676
Other Revenue	\$ -
<b>Total Revenue</b>	\$ 2,268,676