

**Acute Care Services Committee  
Agency Report  
for Petition to Consider Condition on the  
Dental Single Specialty Ambulatory Surgical Facility Demonstration Project  
Proposed 2021 State Medical Facilities Plan**

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***Petitioner:***

Valleygate Dental Surgery Center Holdings, LLC  
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***Contact:***

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***Request:***

The Petitioner requests that the State Health Coordinating Committee (SHCC) review the Dental Single Specialty Ambulatory Surgical Facility Demonstration Project Criterion 3 as described in the *2016 State Medical Facilities Plan (SMFP)*. The Petitioner asks that the SHCC's interpretation of the criterion allow the inclusion of "dental/oral procedures that involve participation of other surgical specialists."

***Background Information:***

Chapter Two of the *North Carolina 2020 State Medical Facilities Plan (SMFP)* provides that "[a]nyone who finds that the North Carolina State Medical Facilities Plan policies or methodologies, or the results of their application, are inappropriate may petition for

changes or revisions.” Further, “Changes with the potential for a statewide effect are the addition, deletion, and revision of policies or projection methodologies.”

The Dental Single Specialty Ambulatory Surgical Facility Demonstration Project (“dental demonstration project”) was approved for the *2016 SMFP*. The project’s aim is to provide evidence that separately licensed, dental single-specialty ambulatory surgery facilities can meet the three Basic Principles of Safety/Quality, Access and Value, as described in the *SMFP*. The Petitioner Valleygate Dental Surgery Center Holdings, LLC (“Valleygate”) owns three of the project’s four facilities - in Mecklenburg, Cumberland, and Guilford Counties. The fourth facility is in Wake County. Each facility operates two operating rooms.

***Analysis/Implications:***

Chapter 6 of the *2016 SMFP* lists the criteria for the project. According to the third criterion, “The facility shall provide only dental and oral surgical procedures requiring sedation.” The Petitioner has requested that the SHCC interpret this criterion such that services at demonstration sites include the participation of non-dental and non-oral surgical specialties. While Valleygate’s original request suggests a general need to allow additional surgical specialties, during the comment period, they submitted a letter to the Agency in which the Petitioner specified a desire to include only otolaryngologists (ENTs), as needed for dental cases. Their letter further clarified that the Petitioner’s vision is to allow only temporary privileges for ENT physicians rather than block time. Also, the dental or oral surgery practice would be the source of referrals involving ENTs; an ENT could not make direct referrals to the demonstration project facilities.

Pursuant to G.S. 131E-178(a), “No person shall offer or develop a new institutional health service without first obtaining a certificate of need ....” G.S. 131E-176(16)r defines a new institutional health service as “...the addition of a specialty to a specialty ambulatory surgical program.” Also, any dental demonstration project facility would need to first obtain a CON to add ENT surgical services because it would constitute a new institutional health service. Certificate of Need requests approval from the SHCC to consider applications to add ENTs, because the terms of the demonstration project specify that the facilities are single specialty.

The Petitioner reasons that allowing participation of other surgical specialties will provide several advantages to the patients: increase patient access by reducing travel to another site, thereby eliminating additional appointments and reducing time off from work and school; reduce out-of-pocket costs to patients; reduce Medicaid costs, as there would be one facility fee for both surgeries; and increase patient safety. Moreover, having to schedule a second surgery can result in significant delays in access to care for patients and an increased risk that patients will not complete care. According to the Petitioners, about 10% of their dental patients need surgeries to be performed by other specialists, primarily ENTs, to complete dental cases. Thus, patient safety is a particularly important reason because risk would be lowered by having patients undergo anesthesia only once. Most of these cases addressed by Valleygate are pediatric.

There is little existing data providing insight regarding issues raised in this Petition, aside from the fact that it is best to limit children's exposure to anesthesia where possible.

Each facility is required to submit data to the Agency in an annual evaluation report. This is in accordance with Criterion 9 of the dental demonstration project which states "The proposed facility shall meet all reporting, monitoring and evaluation requirements of the demonstration project, set forth by the Agency." To date, an annual report has been received from Valleygate Dental Surgery Center of the Triad in Guilford County and Valleygate Dental Surgery Center of Fayetteville in Cumberland County. These facilities report that during the first year of operation, 58% - 80% of their patients were covered by Medicaid and 5% - 15% were charity care. This exceeds the demonstration project's requirement of at least 30% Medicaid and 3% charity care, suggesting that these facilities are on track to meet a part of the project's goals – to increase access to dental/oral surgery. If the petition were approved, in order to ensure that this aim is being met for both ENT- and non-ENT involved cases, a clarification would need to be offered in future *SMFPs* regarding Criterion 9: the Agency's annual evaluation reporting requirement would be adjusted so that it can monitor payor mix separately for dental-only and ENT-involved cases at relevant facilities.

***Agency Recommendation:***

The Petitioner has requested that the SHCC interpret the third dental demonstration project criterion from the *2016 SMFP* to mean that ENT specialty surgeons may participate in dental cases as required. The ENT would have limited-time operating privileges during dental cases. Given the available information and comments submitted by the March 18, 2020 deadline for comments on petitions, and in consideration of the factors discussed above, the Agency recommends that project facilities be allowed to submit a certificate of need application proposing to allow ENT specialists to provide surgical services as needed to complete dental cases. The Agency further recommends the following stipulations: 1) the project facility will not allow ENT specialists to have block time at the facility; and 2) the project facility will not permit ENT specialists to perform ENT-only surgical cases.