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August 31, 2010

Mr. Les Brown
Project Analyst
Division of Health Service Regulation, Certificate of Need Section
NC Department of Health and Human Services
701 Barbour Drive
Raleigh, North Carolina 27626-0530

RE: Public Comments
Regarding Project ID F-8545-10, Cotswold Surgery Center, LLC and
Horizon Investment Company, LLC/ Mecklenburg County

VIA: Electronic Mail (e-copy) and Federal Express Overnight (original)

Dear Mr. Brown:

In accordance with N.C.G.S. Section 131E-185(a1), Cotswold Surgery Center, LLC and Horizon Investment Company, LLC submit the following comments regarding the July 15, CON Application of Cotswold Surgery Center, LLC and Horizon Investment Company, LLC for a single specialty ophthalmology ambulatory surgical center demonstration project with two surgical operating rooms and one procedure room in Mecklenburg County.

Should you have any questions regarding this matter, please do not hesitate to contact me.

We appreciate your time and attention.

Sincerely,

A handwritten signature in black ink that reads "Mark Tribbett". The signature is written in a cursive style with a long horizontal stroke at the end.

Mark Tribbett, FACHE
Chief Executive Officer

Attachment

Cotswold Surgery Center, LLC and Horizon Investment Company, LLC

Written comments regarding:

University Surgery Center, LLC

Randolph Surgery Center

Cabarrus Orthopaedic Surgery Center, LLC

CON Applications

Single Specialty Ambulatory Surgery Center Demonstration Project- Charlotte Area

August 31, 2010

The State Medical Facilities plan ("SMFP") includes a need determination for a single specialty ambulatory surgery demonstration project with two operating rooms in the Charlotte Area. On July 15, four applications were submitted in response to the need determination:

	<u>Project ID No.</u>
Cotswold Surgery Center, LLC (CSC)	F-8545-10
University Surgery Center, LLC (USC)	F-8543-10
Randolph Surgery Center (RSC)	F-8550-10
Cabarrus Orthopaedic Surgery Center, LLC (COSC)	F-8552-10

Cotswold Surgical Center has reviewed all opposing applications and looks to focus its comments on the spirit and integrity of the Charlotte Area Single Specialty Ambulatory Surgery Demonstration Project.

Based on the Criteria established by the NC State Health Coordinating Council there are many key issues that should be considered in this competitive review in order to determine the best applicant for the proposed project. Those issues include:

- I. Current Access to Ambulatory Surgery Facilities
- II. Wholly owned or in part by physicians
- III. Providing open access to physicians

I. Current Access to Ambulatory Surgery Facilities

Cotswold Surgery Center seeks the opportunity to provide cost effective services, increased patient access and improved quality through its ambulatory surgery center in Mecklenburg County. Cotswold Surgery Center is the only applicant

that does not own an ambulatory surgery center in the Charlotte Area Single Specialty Ambulatory Surgery Demonstration Project.

Randolph Surgery Center

According to the State Medical Facility Plan, Randolph Surgery Center's co-applicant, The Charlotte- Mecklenburg Hospital Authority d/b/a Carolinas HealthCare System, owned 23 designated ambulatory operating rooms in 2009². When combined with the six (6) OR's controlled by CEENTA, the owners of Randolph Surgery Center control over 65% of the designated ambulatory operating rooms located in Mecklenburg County.

University Surgery Center

University Surgery Center applicants seek to downplay owner OrthoCarolina's equity in Charlotte Surgery Center. Charlotte Surgery Center is the largest independent (non-health system affiliated) ambulatory surgery center in Mecklenburg county where more than 50% of the case volume is orthopaedics. Orthopaedics focused ambulatory surgical venues are heavily represented in the Mecklenburg County market as it is already home to three (3) dedicated orthopaedic ambulatory surgery centers (Charlotte Surgery Center, Presbyterian Orthopaedic Hospital, Carolinas Medical Center- Mercy) while a fourth (Mathews Surgery Center- an OrthoCarolina and Novant Health, Inc. joint venture) is currently under review by the CON section.

II. Wholly owned or in part by Physicians

Cotswold Surgery Center and Horizon Investment Company are one of two applicants that are wholly owned by community physicians. As community physicians, CSC looks forward to the opportunity to providing eye disease surgical treatment for Charlotteans and the surrounding communities. Our facility will allow for cost savings per a case and will add convenience due to the location.

Cabarrus Orthopaedic Surgery Center and Randolph Surgery Center

In contrast, the Randolph Surgery Center and Cabarrus Orthopaedic Surgery Center applications include ownership and direction by major health systems. The Charlotte- Mecklenburg Hospital Authority d/b/a Carolinas HealthCare System (a co-applicant in the Randolph Surgery Center) and Novant Health, Inc (a co-applicant in the Cabarrus Orthopaedic Surgery) currently control all hospital-related services based in the Charlotte demonstration area.

Health system involvement in this market challenges the "innovative idea" spirit of the single-specialty ambulatory surgery center demonstration project as defined by SHCC in their criteria basic principle and rationale.

III. Provide Open Access to Community Physicians

Horizon Eye Care sees the proposed ambulatory surgery center as an asset to the local community. Thus they are offering Cotswold Surgery Center as a surgical practice setting for local ophthalmology providers. As such, CSC is the only applicant to provide access and possible ownership to physicians outside of the applicant's practice. The CSC application contains letters from seventy-seven (77) providers across our service area which exhibits the strong support specifically from the Charlotte area ophthalmic and eye care community as well as from the broader medical community.

CSC has reviewed the opposing applications in detail and has concluded that its application's merits and innovative project establish the CSC application as the most comprehensive, and cost effective project in the Charlotte area.