

**COMMENTS ABOUT CERTIFICATE OF NEED APPLICATION FOR ATRIUM HEALTH WAKE FOREST
BAPTIST AMBULATORY SURGERY CENTER-GREENSBORO
PROJECT ID# G-12231-22
Submitted by The Moses H. Cone Memorial Hospital
August 1, 2022**

In accordance with N.C. GEN. STAT. § 131E-185(a1)(1) The Moses H. Cone Memorial Hospital, hereafter referred to as Cone Health, submits the following comments related to the application by Premier Surgery Center, LLC, hereafter referred to as PSC or the Applicant, to “develop a licensed multispecialty ambulatory surgical facility (ASF) by relocating three existing licensed operating rooms within Guilford County.”¹

The comments herein relate to the representations made in the application and discussion regarding whether the material in the application complies with the relevant review criteria and standards. Cone Health urges the Healthcare Planning and Certificate of Need Section to consider several key factors to determine whether the application submitted by PSC conforms to the basic principles set forth in the State Medical Facilities Plan for Safety and Quality, Access, and Value in Healthcare for the citizens of North Carolina, and the extent to which the proposed project demonstrates conformity with applicable review criteria and standards, particularly with regard to:

- Enhancing and promoting competition for ambulatory surgical services in the Guilford/Caswell OR Service Area (as defined on p. 55 of the 2022 NC State Medical Facilities Plan);
- Enhancing access to ambulatory surgical services, with emphasis on medically underserved patients; and
- Demonstrating that projected surgical utilization is based upon reasonable and adequately supported assumptions.

After a careful review and analysis of the application, Cone Health contends that it does not conform to the criteria, standards, and principles listed above. The proposed project does not provide any additional benefits to patients that do not already exist, and it carries a significant capital cost. Therefore, the application by PSC to relocate 3 operating rooms from High Point to Greensboro and develop 3 procedure rooms to establish a new ambulatory surgery facility should be denied. The analysis is organized below by relevant statutory criteria.

G.S. 131E-182(b) – An application for a certificate of need shall be made on forms provided by the Department. The application forms, which may vary according to the type of proposal, shall require such information as the Department, by its rules deems necessary to conduct the review. An applicant shall be required to furnish only that information necessary to determine whether the proposed new institutional health service is consistent with the review criteria implemented under G.S.131E-183 and with duly adopted standards, plans and criteria.

¹ Application

G.S. 131E-182(b) states that the application forms shall require such information as the Department deems necessary to conduct the review. The application form requires applicant(s) to be listed in Section A of the application. The proposed project lists the applicant as Premier Surgery Center, LLC. However, only one OR is proposed to be delicensed and relocated from the existing Premier Surgery Center (License #AS0152). Two ORs are proposed to be delicensed and relocated from High Point Surgery Center (License #AS0047), owned by High Point Surgery Center, LLC, which is not listed as an applicant.

Criterion (3) – The applicant shall identify the population to be served by the proposed project, and shall demonstrate the need that this population has for the services proposed, and the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.

The proposed project does not demonstrate conformity with Criterion (3) because it does not adequately identify the population to be served by the proposed project, and it does not demonstrate the need that the proposed population has for the services proposed. In identifying the population to be served, PSC focuses on Guilford County as a whole, which is where the ORs are currently located.

The Applicant states “(t)he need for the proposed project is based on and supported by the following:

- Improve geographic distribution of AHWFB operating rooms within Guilford County;
- Robust and increasing outpatient surgery utilization in Guilford County;
- Projected population growth and aging of Guilford County;
- Guilford County health status;
- Ambulatory Surgery Trends and Cost effectiveness of ASFs;
- Physician support and AHWFB strategic growth, including planned surgical staff increases across many departments;
- Economic development in Guilford County;
- Covid-19 impact.”²

Cone Health agrees with PSC that some of these factors could impact **overall** demand for ASF services in Guilford County. However, none of these factors is specific to a need to relocate existing, operational, underutilized ASF-licensed ORs. The Applicant does not demonstrate that it will be able to meet general growing demand *in a cost-effective manner* because of the proposed project.

In Section C of the application, PSC asserts that “...it is important from a health planning perspective to improve geographic access to outpatient surgical services in Guilford County.” While the intent of the Certificate of Need and Access Basic Principle described in the application is certainly to ensure that there is easy access for citizens to outpatient surgical services in Guilford County, the applicant is unclear how the proposed project will “improve” access, both existing and under development. There is not a need determination for additional ORs, indicating that there is sufficient capacity in the service area. The Applicant is not proposing to convert hospital-based operating rooms to freestanding outpatient operating rooms. Therefore, the argument that the new ASF will provide lower-cost services than the existing ASFs in which the ORs are located is disingenuous.

² Application, p. 37-38

In fact, when comparing healthcare access between two areas, particularly areas of large variation in population, the rate of availability of a service per 100,000 of population is a commonly accepted measure. Upon review of the operating room inventory in the Guilford/Caswell service area, there are currently a total of 30 freestanding licensed ambulatory operating rooms and five under development at North Elam Ambulatory Surgery Center (CON approved Project ID# G-11895-20). Table 1 shows the rate per 100,000 of population for Guilford and Caswell Counties, as well as select municipalities:

Table 1: Select geographies' ambulatory operating rooms per 100,000 of population

County/Municipality	Population*	Current Number of Amb ORs	Proposed Number of Amb ORs	Current Amb ORs/ 100,000	Proposed Amb ORs/ 100,000
Guilford County	550,361	30	30	5.4	5.4
Caswell County	22,497	0	0	0	0
Greensboro	299,556	22	25	7.3	8.3
High Point	107,522	8	5	7.4	4.6

Source: ESRI

Table 1 does not include the five rooms under development at North Elam Ambulatory Surgery Center, which would ultimately put the rate of operating rooms per 100,000 in Greensboro at 10.0 rooms per 100,000 of population in Greensboro, more than twice the 4.6 rooms per 100,000 in High Point, if the Applicant's proposed project is approved.

Based on the calculations in Table 1, the relocation of rooms by PSC would increase access in Greensboro; however, it would materially *reduce* access to ambulatory surgery facility operating rooms in High Point. Currently, there is some parity between the two municipalities regarding access but a relocation to Greensboro would negatively impact the ability of High Point residents to access low-cost care in their own community. Therefore, the proposed project does not demonstrate how a re-distribution of AHWFB ORs in Guilford County would benefit patients.

General growth in demand for outpatient surgery is well documented. However, the Applicant's ORs to be relocated are currently underutilized, as demonstrated in Table 2 below. Therefore, growing demand for outpatient surgical services can be met without incurring the significant capital cost of the proposed project and the operational inefficiencies associated with operating Premier Surgery Center in High Point as a one OR ASF.

Table 2: ASF ORs in High Point

Facility	Number of Licensed Operating Rooms	FFY 2021 Surgical Cases	FFY 2021 Utilization
Premier Surgery Center	2	1,174	34.7%
High Point Surgery Center	6	3,671	37.1%
Total	8	4,845	36.7%

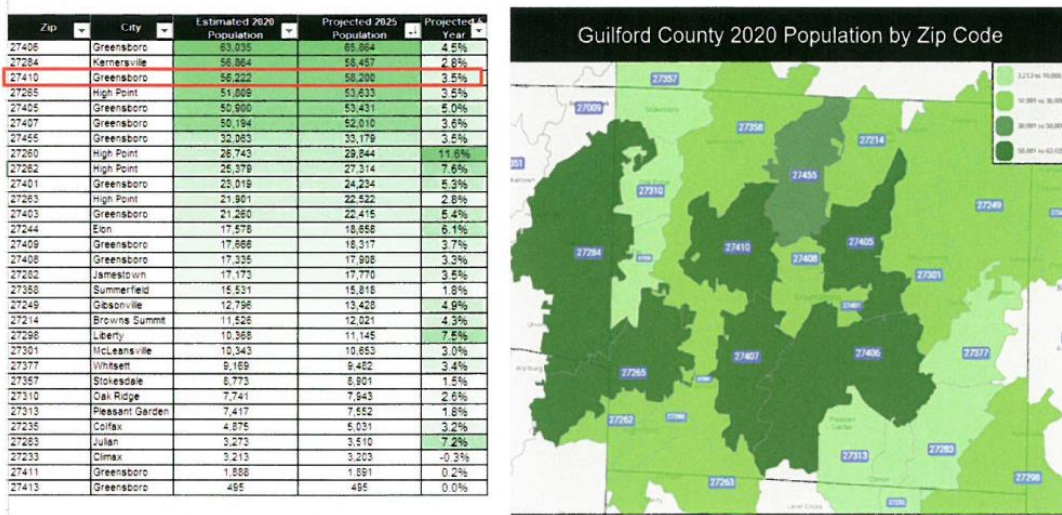
Note: Utilization = (cases completed in FFY 2021 X average case time in minutes for ambulatory cases) / (average hours per day routinely scheduled for use per room X 60 minutes per hour X # of licensed ORs X average number of days per year routinely scheduled for use)

Source: 2022 Annual ASC Licensure Application

Projected population growth and aging of Guilford County, poor health status factors, and economic development in Guilford County are also likely to increase overall demand for outpatient surgical services. However, the Applicant does not demonstrate that these factors are more likely to impact the area of Guilford County where the proposed project is to be located as compared to the area where the ORs are currently located.

In fact, according to data provided in the application, the High Point zip codes where HPSC and PSC are currently located are projected to grow more in population than the Greensboro zip codes surrounding the proposed new location.

Guilford County Population by Zip Code



Source: United States Census Bureau

Source: Application

As demonstrated above, High Point zip codes 27260, 27262 and 27265, adjacent to the current HPSC and PSC locations, are projected to grow by 6,860 residents, or 6.6%, while the Greensboro zip codes in closest proximity to the new AHWF BASF-Greensboro location, 27410, 27310, 27358 and 27455, are projected to grow by just 4,156, or 3.2%. (Although zip code 27409 is adjacent to the proposed project, it is excluded from this growth count because patients in 27409 will essentially be equidistant from both the current and proposed locations.) Organic growth of surgical cases is likely to come from the zip codes where population is projected to grow more. Combined with access data provided above regarding ORs per 100,000 population, the proposed project will actually be decreasing access in zip codes with higher projected growth.

The Applicant also projects in the Assumptions and Methodology in Section Q that 65% of its current patients from zip codes 27214, 27310, 27320, 27357, 27358, 27401, 27403, 27405, 27406, 27407, 27408, 27409, 27410, and 27455 will shift to the new location by the third year of operation based on reduced travel burden, more timely access, and availability of a new ASF. However, the Applicant fails to note that the new location would not actually reduce the drive time required of residents in zip codes

27406 and 27409, and would actually increase drive time for residents of 27407 compared to drive time to the current locations of HPSC and PSC.

Additionally, the Applicant contends that the project is needed due to the nationwide shift toward outpatient surgery based on the cost-effectiveness of ASFs. The Applicant also notes that the Covid-19 pandemic has accelerated that shift away from higher acuity hospitals and emergency departments to more isolated outpatient settings. However, the Applicant again fails to demonstrate why the proposed project will meet these needs in a more cost-effective manner. PSC is proposing to relocate ORs that are already licensed as and located in freestanding ASFs, and therefore, already presumably provide a safe, cost-effective site of care. Therefore, patients would receive no additional benefits related to cost or safety for the \$30 million capital cost.

The Applicant also fails to meet Criterion (3) in adequately identifying the patient population to be served because the projected patient volumes are unsupported and unrealistic. In determining the compound annual growth rate (CAGR) for its projections, the Applicant provides not only current HPSC and PSC volumes, but also volumes from hospital-based ORs located at Atrium Health Wake Forest Baptist High Point Medical Center (HPMC). When those volumes are included, the historical CAGR is calculated to be 4.0%. However, in the assumptions and methodology on p. 146 in Section Q, PSC states that it does not anticipate a shift of ambulatory surgical cases from HPMC to AHWFBASC-Greensboro. Therefore, it is unreasonable to include historical volumes for HPMC in calculating the historical CAGR. The Applicant ultimately uses a 1.3% CAGR to project surgical volumes and states that it is conservative. However, that projected CAGR is significantly higher than the historical growth rate of 0.02% for the Applicant's existing ASFs.

Table 3: AHWFB Guilford County Surgical Volumes

Facility	FFY 2016	FFY 2017	FFY 2018	FFY 2019	FFY 2020	FFY 2021	5-Year CAGR
HPSC	4,211	4,587	4,424	4,151	3,384	3,671	-2.7%
PSC	16	29	9	258	309	561	103.7%
Combined AHWFB ASF Facilities	4,227	4,616	4,433	4,409	3,693	4,232	0.02%
HPMC	2,211	2,897	2,602	3,026	3,015	3,601	10.2%
Total Combined AHWFB Facilities	6,438	7,513	7,035	7,435	6,708	7,833	4.0%

Source: Application

The Applicant also fails to tie its projected volumes to current physician volumes in the area. Form C.3b & Form D.3 Assumptions and Methodology provide existing and projected volumes by surgical case specialty. However, the Applicant fails to tie its methodology to specific surgeons operating or willing to operate in the area. Many of the physician letters of support are not from practicing or referring physicians within Guilford County. Instead, the Applicant relied on department chairs based in Winston-Salem to state that physicians in their specialty would be willing to practice at this new facility. The letters of support do not address the fact that surgeons already have access to cost-effective AHWFB ASFs in Guilford County that are underutilized at HPSC and PSC. They also fail to provide specific volumes that physician groups believe could reasonably be shifted from current operating locations to

the proposed project. Without this information, the Applicant asserts a surgical case mix and total outpatient surgery cases that are not directly tied to current practice within the county.

Criterion (3a) – In the case of a reduction or elimination of a service, including the relocation of a facility or a service, the applicant shall demonstrate that the needs of the population presently served will be adequately met by the proposed relocation or by alternative arrangements, and the effect of the reduction, elimination or relocation of the service on the ability of low income persons, racial and ethnic minorities, women, handicapped persons, and other underserved groups and the elderly to obtain needed health care.

In Section C of the CON application, PSC provides the FFY 2021 patient origin at Premier Surgery Center and High Point Surgery Center by county. Table 4 below was created using the patient origin provided by PSC in Section C.2.b of its application.

Table 4: Patient Origin by County for PSC and HPSC

County	Premier Surgery Center/High Point Surgery Center	
	Last Full FY 10/01/2020 to 09/30/2021	
	Number of Patients	% of Total
Guilford	2,249	53.1%
Randolph	887	21.0%
Davidson	781	18.5%
Forsyth	166	3.9%
Other NC Counties*	124	2.9%
Other States	25	0.6%
Total	4,232	100.0%

**Includes all other NC Counties, each of which represents less than 1% of total patient origin*

Source: Application

However, 39.5% of patient volume originated outside Guilford County from Randolph and Davidson Counties, counties which do not have operational ASF ORs. As High Point city limits span four counties (Guilford, Randolph, Davidson, and Forsyth), this immigration is not surprising. Based on the location of the proposed project, residents of Randolph and Davidson counties would have to drive an additional 17 miles past the current location of High Point Surgery Center and approximately 11 miles past the current location of Premier Surgery Center to reach the proposed project.

PSC indicated that they expect a smaller, yet still significant proportion (29.3% for the entire facility in the third year of operation) of patients from Randolph and Davidson counties to travel the additional distance to the proposed project and bypass the existing sites located in High Point, as provided in their response to Question C.3.c. Considering the travel burden, such as cost of gasoline and the additional time to travel both to and from the proposed project, Cone Health finds it overly optimistic to expect this amount of volume to shift from the current sites of care in High Point to the new site in Greensboro; therefore, the projected volumes for AHWBFASF-Greensboro are unreasonable.

PSC also does not provide any documentation to demonstrate that HPSC and PSC will remain financially feasible and operationally viable facilities following the proposed project. Although the Applicant

projects volumes for all AHWFB surgical facilities in Guilford County following the proposed project, it does not provide any documentation to demonstrate that HPSC and PSC will be financially feasible and able to stay open following the proposed project. Additionally, as stated above, the assumptions used to project volumes are flawed, and therefore, not reasonable.

Criterion (4) – *Where alternative methods of meeting the needs for the proposed project exist, the applicant shall demonstrate that the least costly or most effective alternative has been proposed.*

The Applicant does not demonstrate why spending \$30 million to develop a new ASF is more cost-effective than continuing to operate the operating rooms in the current ASF locations. PSC is not proposing to convert hospital-based ORs to freestanding provider-based ORs. Therefore, it is not creating a new, lower-cost business model than the existing licensed ASF ORs that already exist. The Applicant does not provide any documentation to demonstrate that patients will receive any financial benefits from the proposed ASF structure that are not already provided at HPSC or PSC as existing low-cost ASFs. In fact, the Applicant's proposal to move existing freestanding ASF operating rooms to a new facility will not only incur significant cost without providing any additional cost savings or benefits for patients but could result in increased expense to the patient due to additional driving time.

In addition, the Applicant fails to address why converting Premier Surgery Center from a two OR ASF to a one OR ASF is the most efficient alternative. Based on its State License Renewal Application for FFY2021 PSC's utilization rate is approximately 34.7%. This utilization rate indicates that the facility is underutilized. The Applicant fails to demonstrate how operating PSC with just one OR will be more effective or efficient than operating it with two ORs. Operating an ASF with one OR could limit scheduling, resulting in longer wait times for procedures and reduce efficient turnover of rooms between cases compared to its current operations. The Applicant fails to demonstrate the financial feasibility of the proposed project by failing to demonstrate why spending \$30 million to develop a new ASF and leave its existing ASF with one OR is more cost effective than continuing to operate its operating rooms in its current locations. In fact, by relocating one of two operating rooms from Premier Surgery Center, the Applicant is creating inefficiencies and duplicating services.

PSC does not effectively establish that the alternative proposed in this application is the most effective alternative to meet the identified need because the application does not adequately document its projected utilization, financial feasibility, or financial accessibility, as documented in other sections of these comments.

Criterion (5) – *Financial and operational projections for the project shall demonstrate the availability of funds for capital and operating needs as well as the immediate and long-term financial feasibility of the proposal, based upon reasonable projections of the costs of and charges for providing health services by the person proposing the service.*

As has already been documented in these comments, PSC does not adequately document the projected utilization or need for the proposed service, resulting in unsupported and unrealistic financial projections for the proposed project. Additionally, PSC does not provide reasonable projections to demonstrate that patients will have lower costs and charges for the proposed project as compared to

the existing ASFs. Finally, PSC does not document the long-term financial feasibility of HPSC and PSC, following the relocation of a portion of their operating rooms.

Criterion (6) – The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities, and Criterion (18a) – The applicant shall demonstrate the expected effects of the proposed services on competition in the proposed service area, including how any enhanced competition will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; and in the case of applications for services where competition between providers will not have a favorable impact on cost effectiveness, quality, and access to the services proposed, the applicant shall demonstrate that its application is for a service on which competition will not have a favorable impact.

In its application, PSC states that the proposed project will “...offer to Greensboro residents a new, more accessible location to access high quality and cost-effective AHWFB ambulatory surgical services.” However, the Applicant does not fully explain the current state of access to freestanding ambulatory surgical services in Greensboro or reveal that a relocation of services would negatively impact patients of the existing facilities. There are currently 22 licensed operating rooms located inside the city limits of Greensboro within freestanding ambulatory surgical facilities similar to the proposed project, as shown in Table 5 below.

Table 5: ASF ORs in Greensboro

Facility	Ownership / Affiliation (as noted in SMFP)	Number of Licensed ORs*	Distance from site of proposed project**
Surgical Eye Center	Independent	4	3.8 miles
Greensboro Specialty Surgical Center	Surgical Care Affiliates	3	6.3 miles
Surgical Center of Greensboro	Surgical Care Affiliates	13	6.5 miles
Piedmont Surgical Center	Independent	2	9.7 miles
Total		22	

*Source: 2022 Annual ASC Licensure Application

**Source: Google Maps

Note: Piedmont Surgical Center did not report any volume in its licensed operating rooms in FFY 2021.

As shown in Table 5, existing ASF operating rooms in Greensboro provide adequate capacity for the current and future population, with competitive access to multispecialty, freestanding ambulatory surgical services.

Two single-specialty licensed ORs located at Valleygate Dental Surgery Center of the Triad are excluded from the analysis, as Dental Surgery is not one of the included services in the proposed project and these operating rooms are not included in need determination inventory per the State Medical Facilities Plan.

Also excluded from the current inventory in Table 5 is North Elam Ambulatory Surgery Center, a CON-approved project (Project ID# G-11895-20) that, when complete, will add five additional freestanding ambulatory multi-specialty licensed operating rooms approximately 6 miles from the site of the PSC proposed project. These five operating rooms were not included in the utilization calculation in Table 5 since the project is still under development. Those ORs are listed separately in the 2022 NC SMFP.

Based on the amount of competition and availability of operating rooms in the facilities shown and under development, the proposed project fails to improve the already ample supply in the area and fails to demonstrate that it would not result in unnecessary duplication of services.

PSC asserts that the proposed project would increase competition in Greensboro. As previously demonstrated in Table 5, there are 4 existing operators of ASF ORs in Greensboro. The Applicant states “Guilford County currently has competition in surgical services, with existing hospital and freestanding ASFs. However, most of the ORs located in Greensboro are operated by Cone Health.” But the Applicant includes Cone Health’s hospital-based operating rooms, which as the Applicant clearly states, are not comparable to ASF operating rooms. The Applicant fails to note that in High Point, it is the **only** provider of operating rooms, both hospital-based and ASFs, demonstrating a lack of competition in that part of Guilford County. Table 6 provides the current ASF ORs in High Point.

Table 6: ASF ORs in High Point

Facility	Number of Licensed Operating Rooms	Utilization (FFY 2021)*
Premier Surgery Center	2	34.7%
High Point Surgery Center	6	37.1%
Total	8	36.7%

Note: Utilization = (cases completed in FFY 2021 X average case time in minutes for ambulatory cases) / (average hours per day routinely scheduled for use per room X 60 minutes per hour X # of licensed ORs X average number of days per year routinely scheduled for use)

Source: 2022 Annual ASC Licensure Application

As was noted in these comments under Criterion (3), PSC asserts that “...it is important from a health planning perspective to improve geographic access to outpatient surgical services in Guilford County.” While the intent of the Certificate of Need and Access Basic Principle described in the application is certainly to ensure that there is easy access for citizens to outpatient surgical services in Guilford County, the applicant is unclear how the proposed project will “improve” access, both existing and under development. There is not a need determination for additional ORs, indicating that there is sufficient capacity in the service area. The Applicant is not proposing to convert hospital-based operating rooms to freestanding outpatient operating rooms. Therefore, the argument that the new ASF will provide lower-cost services than the existing ASFs in which the ORs are located is disingenuous.

In fact, when comparing healthcare access between two areas, particularly areas of large variation in population, the rate of availability of a service per 100,000 of population is a commonly accepted measure. Upon review of the operating room inventory in the Guilford/Caswell service area, there are currently a total of 30 freestanding licensed ambulatory operating rooms and five under development at North Elam Ambulatory Surgery Center (CON approved Project ID# G-11895-20). Table 7 shows the rate per 100,000 of population for Guilford and Caswell Counties, as well as select municipalities:

Table 7: Select geographies’ ambulatory operating rooms per 100,000 of population

County/Municipality	Population*	Current Number of Amb ORs	Proposed Number of Amb ORs	Current Amb ORs / 100,000	Proposed Amb ORs / 100,000
Guilford County	550,361	30	30	5.4	5.4
Caswell County	22,497	0	0	0	0
Greensboro	299,556	22	25	7.3	8.3
High Point	107,522	8	5	7.4	4.6

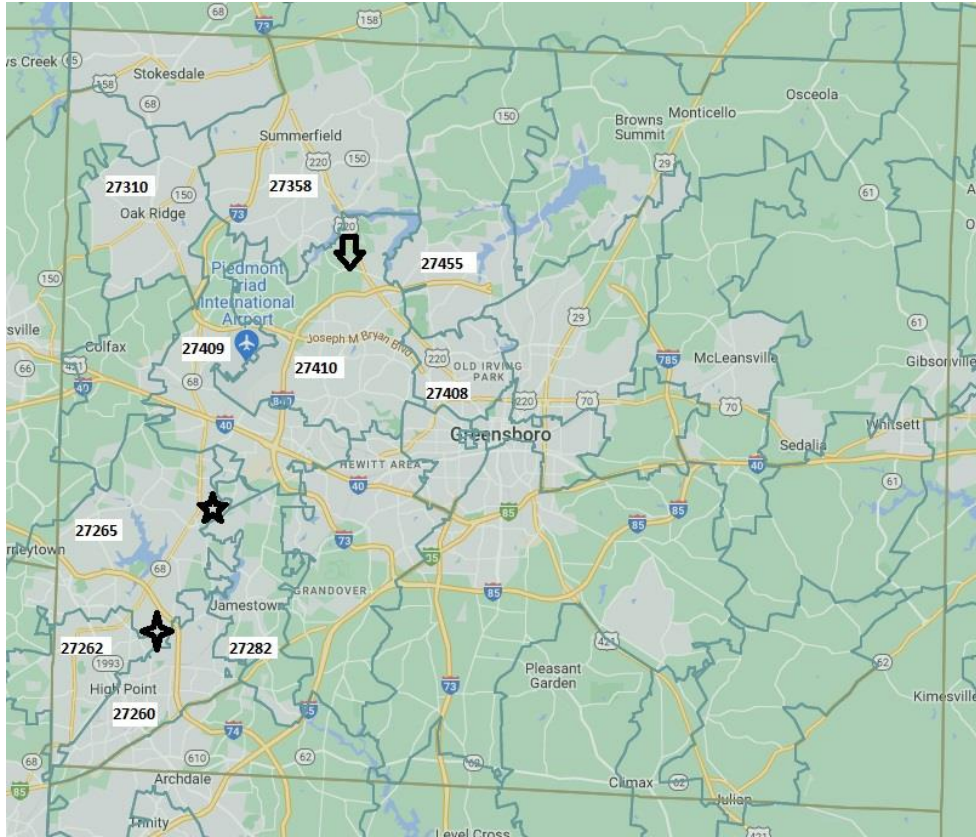
Source: ESRI

Table 7 does not include the five rooms under development at North Elam Ambulatory Surgery Center, which would ultimately put the rate of operating rooms per 100,000 in Greensboro at 10.0 rooms per 100,000 of population in Greensboro, more than twice the 4.6 rooms per 100,000 in High Point, if the Applicant’s proposed project is approved.

Based on the calculations in Table 7, the relocation of rooms by PSC would increase access in Greensboro; however, it would materially **reduce** access to ambulatory surgery facility operating rooms in High Point. Currently, there is parity between the two municipalities regarding access but a relocation to Greensboro would negatively impact the ability of High Point residents to access low-cost care in their own community. Therefore, the proposed project does not demonstrate how a re-distribution of AHWFB ASF ORs would benefit patients or have a positive impact upon the cost effectiveness, quality, and access to the services proposed.

Criterion (13) – *The applicant shall demonstrate the contribution of the proposed service in meeting the health-related needs of the elderly and of members of medically underserved groups, such as medically indigent or low income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and handicapped persons, which have traditionally experienced difficulties in obtaining equal access to the proposed services, particularly those needs identified in the State Health Plan as deserving of priority.*

Not only does the proposed project shift rooms away from High Point to Greensboro, but it also removes access in an area with a lower median income and shifts it to northwest Greensboro, an area with a far higher median income than High Point. The Applicant provides total patient origin by county, not by zip code, in the application. However, zip codes 27260, 27262, 27265, and 27282 are adjacent to the current locations. The proposed project will be located in 27410 and adjacent to zip codes 27408, 27310, 27358 and 27455. Zip code 27409 is adjacent to both locations and, therefore, excluded. Please see the map below showing adjacent zip codes. Median household income by zip code for the identified zip codes immediately adjacent to the current and proposed locations are shown in Table 8 below.



- ↓ denotes the proposed project location
- ☆ denotes Premier Surgery Center’s current location
- ✦ denotes High Point Surgery Center’s current location

Table 8: Median Income, select ZIPS

ZIP	City	Median Income
Current Adjacent Zip Codes		
27260	High Point	\$30,749
27262	High Point	\$47,398
27265	High Point	\$66,793
27282	Jamestown	\$83,072
Proposed Adjacent Zip Codes		
27410	Greensboro	\$76,276
27408	Greensboro	\$79,299
27455	Greensboro	\$87,364
27358	Summerfield	\$105,925
27310	Oak Ridge	\$115,136

Source: ESRI

As demonstrated, median household income in the zip codes adjacent to the proposed location are significantly higher than median incomes adjacent to the current location. Typically, areas with lower median incomes will have more un- and under-insured residents that may be more likely to have

transportation challenges, and who could potentially benefit from lower cost sites of care such as a freestanding ambulatory surgery center. Removing access in the High Point community can impede the ability of these underserved populations to receive this benefit. Therefore, it is Cone Health’s belief that the proposed project would reduce access to populations most in need of care.

In Section C of the CON application, PSC demonstrates that its combined patient origin at Premier Surgery Center and High Point Surgery Center from Guilford County is 53.1%. Table 9 was created using the patient origin provided by PSC in Section C.2.b of its application.

Table 9: Patient Origin by County for PSC and HPSC

Premier Surgery Center/High Point Surgery Center		
Last Full FY 10/01/2020 to 09/30/2021		
County	Number of Patients	% of Total
Guilford	2,249	53.1%
Randolph	887	21.0%
Davidson	781	18.5%
Forsyth	166	3.9%
Other NC Counties*	124	2.9%
Other States	25	0.6%
Total	4,232	100.0%

**Includes all other NC Counties, each of which represents less than 1% of total patient origin*

Source: Application

However, 39.5% of patient volume originated outside Guilford County from Randolph and Davidson Counties, counties which do not have ASF ORs. As High Point city limits span four counties (Guilford, Randolph, Davidson, and Forsyth), this immigration is not surprising. Based on the location of the proposed project, the residents of Randolph and Davidson counties will have to drive an additional 17 miles past the current location of High Point Surgery Center and approximately 11 miles past the current location of Premier Surgery Center to reach the proposed project. PSC has indicated that they expect a smaller, yet still significant proportion (29.3%) of patients from Randolph and Davidson counties to travel the additional distance to the proposed project and bypass the existing sites located in High Point, which could make it more difficult for underserved populations to have equal access to these services.

Summary

In summary, Premier Surgery Center has failed to demonstrate conformity to all statutory and regulatory review criteria. The proposed project carries a significant capital cost but does not provide any additional benefits to patients that do not already exist in the current locations. The Applicant relies on the argument that its proposed project will improve geographic distribution of its ambulatory surgery operating rooms within Guilford County. However, as our comments demonstrate, PSC’s proposed project will WORSEN access for High Point residents and create duplication of services in Greensboro. This project will also negatively impact residents of Randolph and Davidson Counties, who do not currently have access to operational freestanding ASFs in their service areas. The Applicant states that this project will help outpatient surgery patients receive cost effective care in a facility dedicated to ambulatory surgery and conducive to high-quality outcomes. This point is disingenuous, as the ORs to be relocated are already located in facilities dedicated to ambulatory surgery and presumably provide

cost-effective, high-quality care. The Applicant provides no documentation to prove that the new ASF will be more cost effective or conducive to high quality outcomes than the existing PSC and HPSC ASFs, particularly with a capital cost of \$30 million. For these reasons, Cone Health believes the application should be denied.