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 SLEEP CENTER

March 16, 2009

Mr. Michael C. Tarwater
 Chairman
 Acute Care Services Committee
 State Health Coordinating Council

Ms. Victoria McClanahan
 Planner
 Medical Facilities Planning Section
 Division of Health Services Regulation
 2714 Mail Service Center
 Raleigh NC 27699-2714

DFS Health Planning RECEIVED

MAR 17 2009

Medical Facilities PLANNING SECTION

RE: Petition for Ambulatory Surgery Pilot Demonstration Program by Affordable Health Care Facilities, LLC (AHCF)

Dear Mr. Tarwater and Ms. McClanahan:

Thank you for this opportunity to comment on the petition submitted to the State Health Coordinating Council (SHCC) by Affordable Health Care Facilities, LLC for an ambulatory surgery pilot demonstration program:

1. The petition is arbitrary in limiting its proposal to 32 of North Carolina's 100 counties.
2. The proposed \$1.25 million capital cost limit per operating room is arbitrary.
3. Limiting (not providing a range beyond 5%) indigent/charity care is a barrier to access.
4. Defining "excessive cost counties" is arbitrary.
5. Setting price ceilings at 300% of prevailing Medicare reimbursement ignores the facility's average operating cost.
6. Redirecting single specialty cases to single specialty pilot ASCs from existing providers who also are more efficient with common cases will violate the premise of the SMFP and the SHCC's Quality, Access and Value Work Group.



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7. Setting a floor for procedure volume (1,000 procedures) with a dictate to close the facility if the minimum is not achieved within two years ensures: (1) that existing providers will be impacted; and (2), if the minimum volume is not reached, the CON application process, capital resources expended and licensing efforts will be wasted.

8. The petition is proposing to manage physician "call" behavior without voice from the broader physician community.

We believe that the AHCF petition is very broad and arbitrary. The SHCC has an ASC demonstration workgroup planning to make recommendations for the 2010 SMFP. In light of the reasons stated above, the AHCF petition should be denied.

Thank you for your consideration of these comments.

Cordially,

Sandy Godwin
 Executive Director of Corporate Planning
 Cape Fear Valley Health System