



## **Public Hearing Comments**

### **Catawba County Surgical Operating Room Adjusted Need Petition**

#### **Presented by Sheree Watson**

Good afternoon. My name is Sheree Watson. I am the Chief Executive Officer of Graystone Ophthalmology Associates, and I am here today to speak on behalf of our petition for an adjusted need determination to include one additional surgical operating room in the 2011 State Medical Facilities Plan. This is to address the growing demand for ambulatory surgical procedures in freestanding facilities in Catawba County.

Graystone Ophthalmology has provided community-based eye health care for residents of the Catawba Valley area since 1969. Graystone's team of 10 board-certified ophthalmologists provides comprehensive ophthalmic services, including a wide range of specialized medical and surgical care. Last year, our team of professionals performed over 3,900 outpatient surgical procedures on local residents.

The Proposed 2011 SMFP indicates no need determination for additional surgical operating rooms in Catawba County. However, we believe that specific and unique circumstances exist in Catawba County which substantiates the need for one additional surgical operating room within the service area. On August 2<sup>nd</sup> we will submit our petition to the Medical Facilities Planning Section in Raleigh. Today, I'd like to briefly highlight the need for our petition. The evidence justifying the inclusion of one additional surgical operating room for Catawba County includes the following:

- Chronically underutilized operating rooms at one local facility are preventing a need determination for additional operating rooms in Catawba County.
- Several well-utilized surgical facilities, such as Graystone Eye Surgery Center, are operating above capacity.
- Demand for ambulatory surgical services in Catawba County is increasing among local and regional residents, as demonstrated by our county's high ambulatory surgery utilization rate.
- The population of Catawba County is continuing to both increase and age.

### **Chronically Underutilized ORs**

In Catawba County, chronically underutilized ORs are inhibiting need determinations for additional surgical operating rooms. It is clear that there are underutilized ORs at one of our local hospitals. This facility has 21 ORs, an extremely high number for a hospital facility of its size. Over the past four years, the hospital has steadily decreased operating room utilization, with fewer total surgical hours scheduled each year. During the last two fiscal years, the hospital has been operating under 50% of total capacity. With such low utilization, and a decreasing trend, underutilization of operating rooms at the hospital will continue well into the future. Thus, Graystone believes the SHCC should give special consideration to adjust the operating room need methodology for Catawba County.

### **Well-utilized Facilities**

Two existing surgical providers are operating above practical capacity in Catawba County. According to the Proposed 2011 SMFP, Graystone is operating at 318% of

practical capacity. Utilization at Graystone has more than tripled since 2005. Last year we performed nearly 4,000 cases in our single operating room. This has resulted in significant challenges. It is important that Catawba County has the means to accommodate this growing demand. If an adjusted need determination is not made, facilities like Graystone will continue to operate above capacity, and will ultimately be limited in their ability to satisfy local demand for surgical services.

### **Demand**

Demand for ambulatory surgical services in Catawba County is high and growing. In fact, the Catawba County ambulatory surgical use rate exceeds the North Carolina use rate by 68%. Catawba County's ambulatory surgery utilization rate is substantially higher than 23 of the 24 counties in Health Service Area I. This is clear evidence that local residents recognize the valuable benefits of ambulatory surgical facilities in Catawba County. It also demonstrates why additional capacity is needed, and that one additional ambulatory surgical operating room in the service area will be well utilized.

### **Population**

Much of the growth in local ambulatory surgical utilization can be attributed to the large and aging population in Catawba County. Catawba County has a higher percentage of residents age 65 and older than the State as a whole. This cohort of residents is expected to increase 17% by 2015. This is more than double the projected overall population growth rate for Catawba County.

Elderly residents of Catawba County realize the valuable benefits of ambulatory surgical services. In 2006, the population age 65+ accounted for over 30% of all

ambulatory surgical procedures within the United States. ~~In addition, 70% of the growth in Medicare services between 2000 and 2007 was attributed to ambulatory surgery utilization.~~ The large increase in ambulatory cases at Graystone Eye Surgery Center in recent years mirrors Catawba County's rapidly aging population. These are clear indications that ambulatory surgical services are important to and highly utilized by the 65 and older population.

The citizens of Catawba County typically have fewer financial resources to travel long distances for outpatient surgical services. Catawba County's per capita income is much lower than the North Carolina average. Fewer financial resources for a growing and aging population make limited geographical access to outpatient surgical services more problematic. This in turn, does not square with the SMFP Basic Principles of equitable access and cost-effective care.

### **Safety & Quality, Access and Value**

As will be demonstrated in our written petition, our request is consistent with the three basic principles of quality, access, and value as identified by the State Medical Facilities Plan.

If this petition to increase local capacity is approved, locally performed surgical procedures will be more readily accessible for Catawba County residents. In addition, approval of this petition will enhance the quality of medical services, while also ensuring cost effectiveness. Ambulatory surgery centers create maximum staff efficiency and productivity. Quality of care continuously improves as facility staff members enhance their clinical skills and training through higher utilization and repetition. In addition, patients typically pay less coinsurance for procedures performed in an ASC than for comparable procedures in the hospital setting. For example, a

Medicare beneficiary could pay as much as \$496 in coinsurance for a cataract extraction procedure performed in a HOPD, whereas that same beneficiary's co-payment in the ASC would be only \$195. This is important as the rising cost of healthcare services continues to cause concern among many North Carolina residents.

In closing, we believe there is a clear need for an additional ambulatory surgical operating room in Catawba County. We hope you will support us in this effort by approving our petition for an adjusted need determination. Thank you for providing us with the opportunity to discuss this important community issue.