



Watauga Medical Center • Charles A. Cannon, Jr. Memorial Hospital • Blowing Rock Hospital • Appalachian Regional Medical Associates

Representative William Wainwright
Chairman, North Carolina State Health Coordinating Council
C/O Medical Facilities Planning Section
Division of Health Service Regulation
809 Ruggles Drive
Raleigh, NC 27603

August 17, 2011

DFS Health Planning
RECEIVED

AUG 19 2011

Medical Facilities
Planning Section

Re: Comment on Petition for Adjusted Need Determination of Three Additional Operating Rooms in Watauga, Ashe, Avery, Wilkes and Caldwell Counties

Commenters:

Appalachian Regional Healthcare System, including:

Watauga Medical Center
336 Deerfield Road
Boone, NC 28607

Charles A. Cannon, Jr. Memorial Hospital
434 Hospital Drive
Linville, NC 28646

Blowing Rock Hospital
418 Chestnut Drive
Blowing Rock, NC 28605

Contact Person:
Tim Ford
CEO
Blowing Rock Hospital
tford@apprhs.org

Dear SHCC Members and Medical Facilities Planning Section:

As a local healthcare provider, and as operator of surgical facilities, we oppose the petition submitted by Boone SurgCare, PLLC for an adjusted need determination of three operating rooms in Watauga, Ashe, Avery, Caldwell and Wilkes counties in the 2012 State Medical Facilities Plan (SMFP).

Please consider the following comments with regard to the petition submitted by Boone SurgCare:

1. Boone SurgCare did not timely file its petition. As stated clearly in Chapter 1 of the Proposed 2012 SMFP, each written petition must be received by the Medical Facilities Planning Section by 5:00 pm on August 3, 2011. The date stamp on the petition indicates DHSR receipt of the petition on August 11, 2011. The petition was not posted to the DHSR website until August 15, 2011.
2. The Boone SurgCare petition is very unusual, in that parts of it appear to be submitted in the form of a CON application. If it is intended as such, it obviously is not submitted to the correct DHSR Agency, as the CON Section has responsibility for review of CON application. Further, if it is a CON application, it is non-conforming with Review Criterion 1, in that the 2011 SMFP does not include any need determination for additional operating rooms in Watauga, Ashe, Avery, Caldwell or Wilkes counties.
3. In the Proposed 2012 SMFP, the standard methodology for projecting operating room need includes various steps in the methodology. Step 1 involves delineation of service areas. The Proposed 2012 SMFP shows that Watauga, Ashe, Avery, Caldwell and Wilkes County are each designated as a Single County Operating Room Service Area. The OR standard methodology includes no provision for combining Single County Operating Room Service Areas into a larger service area. Rather, the standard methodology evaluates the inventory and the need specific to each county. Therefore, if Boone SurgCare is proposing an adjusted need determination for a multi-county service area, its petition is not for an Adjustment to Need Determination, but is rather a Petition for Changes in Basic Policies and Methodologies. In that case, the petition is not timely filed, as such petitions were due on March 2, 2011.
4. The Boone SurgCare petition does not attempt even to comment upon the standard need methodology for operating rooms included in the Proposed 2012 SMFP. The standard methodology indicated no need for additional operating rooms anywhere in the State and no certificate of

need reviews are proposed for 2012. Specifically, as shown in Table 6B of the Proposed 2012 SMFP, the standard methodology shows a combined surplus of 8.79 operating rooms in the five counties:

- Watauga County - surplus of 1.89 operating rooms
- Ashe County - surplus of 1.14 operating rooms
- Avery County - surplus of 1.44 operating rooms
- Wilkes County - surplus of 2.08 operating rooms
- Caldwell County - surplus of 2.24 operating rooms

5. Boone SurgCare provides no evidence to support its claims that patients who need "immediate or soon to be immediate procedures have to wait". Nor does Boone SurgCare provide any evidence to support its claim of high risk of infections at hospitals.
6. Boone SurgCare projects to perform 3,180 surgical procedures in 2013, yet provides no statistical analysis to document this projection. This figure is astonishing considering that in 2010, Watauga Medical Center, a long established and recognized provider of surgical services in Watauga County, with a medical staff of over 100 physicians, performed over 5,000 surgical procedures. Additionally, Watauga Medical Center provides access to surgical services 24 hours per day, seven days per week. Further, Boone SurgCare states that "130 physicians request an Ambulatory Surgery Center in this region", yet the document in fact does not document any physician support.
7. To the extent that Boone SurgCare provided any population data to justify its claim of need, it provides no evidence whatsoever that the "235,000" visitors to the High Country will have need for or receive surgical services during their stay in the High Country.
8. Over 140 pages of the 195 page document apparently consist of sensitivity analysis" to determine the financial viability and profitability of a proposed new ambulatory surgery center. This has nothing to do with the type of health planning engaged in by the SHCC, and everything to do with the personal financial objectives of the creators of Boone SurgCare.

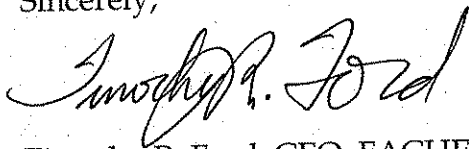
As a local healthcare provider, with a track record of performance in safety, quality and cost management, ARHS hospitals are already embracing the changes that will enable us to continue to deliver surgical services. Surgical procedures are readily accessible to local residents in each county.

We agree with the three Basic Principles governing development of the SMFP: Safety and Quality, Access and Value. Therefore, we support the SHCC

planning process. The Acute Care Committee of the State Health Coordinating Council and the Medical Facilities Planning Section staff have produced an operating room methodology that is equitable and responsive to the needs of the citizens of North Carolina. The submission by Boone SurgCare is not a serious petition, and certainly does not justify the claim for an adjusted need determination for additional operating rooms. The standard methodology and the resulting need determinations should be accepted, without adjustment, to avoid unnecessary and costly duplication of operating room capacity in Watauga, Ashe, Avery, Caldwell or Wilkes counties.

If you have any questions, please contact Tim Ford at Appalachian Regional Healthcare System, 828.295.5280.

Sincerely,



Timothy R. Ford, CEO, FACHE
Blowing Rock Hospital
Appalachian Regional Healthcare System

TRF/mck

Cc: Elizabeth Brown, Section Chief
Carol Potter, Planner