

August 10, 2017

Dr. Christopher Ullrich
Health Planning and Certificate of Need Section
North Carolina Division of Health Service Regulation
809 Ruggles Drive
Raleigh, NC 27603



2085 Frontis Plaza Boulevard
Winston Salem, NC 27103

novanthealth.org

Re: Cape Fear Valley Health System Petition for a Change in the OR Need
Methodology Growth Factor

Dear Dr. Ullrich:

Novant Health supports the changes in the New Operating Room Need Methodology included in Chapter 6 of the Proposed 2018 State Medical Facilities Plan (SMFP) proposed by Cape Fear Valley Health System (CFVHS). Novant Health acknowledges that Petitions submitted during the Summer Public Hearing Process are routinely for Adjusted Need Determinations and not for changes in statewide methodologies. However, since substantive changes to the Operating Room methodology were incorporated into the North Carolina Proposed 2018 State Medical Facilities Plan Novant Health agrees with CFVHS and hopes the SHCC will consider this Petition, which addresses an unintended consequence of the new methodology.

The OR Need Methodology utilizes negative population growth to project future volume. Novant Health agrees with CFVHS and believes this step in the methodology should be changed to hold volume constant instead of projecting decreased surgical cases. Using a negative population growth to project future utilization results in decreased surgical projections which is unreasonable in a market where surgical growth is positive. Further the use of negative population growth is not consistent with the Acute Care Bed Need Methodology which holds volumes constant when a service area has negative inpatient growth.

Novant Health supports CFVHS's request that the projected growth rate for surgical cases be held constant when the population growth is negative. This change would make the OR Need Methodology's treatment of a negative growth rate consistent with the Acute Care Bed Need Methodology's treatment of a negative growth rate.

Please convey to the Certificate of Need Section at the North Carolina Division of Health Services Regulation, my support and that of my colleagues for the CFVHS Petition.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Geoffrey Gardner'.

Geoffrey Gardner
Senior Vice President, Operational Finance
Novant Health, Inc.