

August 7, 2018

VIA EMAIL TO: DHSR.SMFP.Petitions-Comments@dhhs.nc.gov

Sandra Greene, PhD
Chair, Acute Care Services Committee
State Health Coordinating Council

Amy Craddock, PhD
Assistant Chief of Health Planning
Healthcare Planning and Certificate of Need Section
NC Division of Health Service Regulation
2704 Mail Service Center
Raleigh, NC 27699

SUBJECT: Comments on Chapter 6: Operating Room Methodology for 2019 State Medical Facilities Plan

Dear Dr. Greene and Dr. Craddock:

On behalf of Park Ridge Health, I am writing to respond to comments filed by PDA, Inc. and Mission Health System, Inc. concerning the OR need methodology. Park Ridge Health respectfully requests that the SHCC not make the changes proposed by either PDA or Mission. Rather, we ask that the OR need methodology remain as it currently appears in the draft 2019 State Medical Facilities Plan. We offer the following reasons for your consideration:

- Petitions proposing substantive changes to need methodologies that may have a statewide impact (which is how we regard the comments filed by PDA and Mission) can only be filed in the spring petitioning cycle. PDA and Mission's comments were not filed in accordance with the schedule contained in the SMFP. Adhering to the schedule in the SMFP is important because the SHCC, the DHSR Planning Staff, and the relevant committees need sufficient time to review data and perform the necessary analysis before proposing major changes.
- The revised OR need methodology is brand new. The revised OR methodology has not even finished its first year of implementation. Park Ridge Health respectfully submits that no changes should be made to the revised OR methodology until at least one year under the revised methodology has been completed, and then only after the relevant data is collected and analyzed. Neither PDA nor Mission's comments contain any data; rather, they express concerns without offering quantitative or qualitative support.

Sandra Greene, PhD, Chair, Acute Care Services Committee, State Health Coordinating Council
Amy Craddock, PhD, Assistant Chief of Health Planning, NC DHSR
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- The recommendation in the comments that service area OR deficits and surpluses should be “netted out” is particularly concerning. The SHCC, the DHSR Planning Staff and the OR workgroup participants spent considerable time and effort revising the OR methodology in 2016 and 2017 so that in the 2018 SMFP deficits and surpluses are calculated separately for each health system, rather than service-area wide. Without even one full year of experience under the revised methodology, the comments seek to undo the revised methodology and return to the old methodology. We view this as premature and unwise, especially given the lack of data to support making such a change. In addition, “netting out” surpluses and deficits by service area could adversely impact the SMFP basic principles of quality, access and value by inhibiting consumer choice, limiting competition among providers and restricting the development of freestanding ambulatory surgery centers, which are known to reduce cost.

Park Ridge is grateful for the hard work of the SHCC and DHSR Planning Staff each year in developing the annual SMFP. Thank you for considering our comments. If we can answer any questions, please let me know.

Sincerely,

A handwritten signature in black ink that reads "Wendi Barber". The signature is written in a cursive, flowing style.

Wendi Barber
Vice President of Finance and CFO