

August 9, 2018

Sandra Greene, D.Ph., Chair Acute Care Committee
North Carolina State Health Coordinating Council
c/o NC Division of Health Service Regulation
Healthcare Planning and Certificate of Need Section
2704 Mail Service Center
Raleigh, NC 27699-2704
DHSR.SMFP.Petitions-Comments@dhhs.nc.gov

Re: **Petition for Adjusted Need Determination for one Operating Room in Richmond County**

Dear Dr. Greene and members of the Committee:

Pinehurst Surgical Clinic (PSC) has petitioned the State Health Coordinating Council for one operating room in the Richmond County service area. The North Carolina Healthcare Association represents 130 hospitals and health systems in North Carolina and recommends disapproval of the petition for the following reasons.

The (PSC) petition proposes to establish need for one operating room to establish a multi-specialty ambulatory surgery center in a small county in rural North Carolina.

- According to the Proposed 2019 State Medical Facilities Plan, Richmond County has a surplus of 1.64 operating rooms.
- Richmond County, with a population of 44,912, is one of the smallest counties in North Carolina with a hospital and could be the second smallest county in the state with a freestanding ambulatory surgery center if this petition were to be approved.
- Richmond County is under a high level of “economic distress,” with the 6th lowest household income level in the state, 13th highest unemployment level in the state, and one of the highest poverty levels in North Carolina at 25.7%.
- Richmond County has lost 3.7% of its population from 2010 to 2016, mostly due to outmigration.
- FirstHealth Richmond Memorial Hospital is the primary provider of surgery as well as other acute care services for the county and would face financial challenges if its surgeons and/or surgical cases were to move to another local setting.
- The (PSC) petition does not include documentation of its reported efforts to collaborate with FirstHealth Richmond Memorial, nor does it include support from any other healthcare providers.

The Pinehurst Surgical Clinic petition argues that because of the closure of FirstHealth Hamlet, large numbers of patients are leaving Richmond County for their surgical needs, stating that enough surgery business has left the county since FY 2015 to establish need for 1.9 additional operating rooms. However, PSC’s claim is inaccurate as it does not recognize the following important considerations:



- The (PSC) petition's table on page four "outpatient cases" line item actually shows a decrease in out-migrating surgery in the most recent year, FY 2017 to FY 2018, not an increase.
- Most of the patients and the surgical hours identified in the PSC need projection are due to inpatient surgical cases, which should not have been included in the calculation. Inpatient surgery patients would be unlikely candidates for the surgical services provided in a freestanding ambulatory surgery center.
- Outmigration of surgical or other patients is not uncommon in any county or service area in the state. Patients seek their healthcare based on physician or care provider preferences, geographic location, special health care needs, or other reasons.

We believe that adding an ambulatory surgery center to a small, economically stressed county when there is no need shown by the methodology and where a surplus of operating rooms exists would be harmful to the hospital and ultimately the community it serves. NCHA recommends the Commission disapprove the PSC petition.

We thank you for your consideration of our comments and ask that you please contact Mike Vicario (mvicario@ncha.org) if you have questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Lawler". The signature is fluid and cursive, with a long horizontal stroke at the end.

Stephen J. Lawler
President
North Carolina Healthcare Association

Cc: Christopher Ullrich M.D., SHCC Chair