



Surgical Care Affiliates®

August 9, 2018

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

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

RE: Comments on Petition filed by Pinehurst Surgical Clinic for Adjusted Need Determination of One Operating Room in Richmond County

Dear Dr. Greene and Dr. Craddock,

Thank you for the opportunity to submit comments in response to the petition from Pinehurst Surgical Clinic for an Adjusted Need Determination of One Operating Room in Richmond County in the *2019 State Medical Facilities Plan* ("SMFP"). We appreciate the time and effort invested by members of staff, the State Health Coordinating Council, and volunteers. We understand that consistency with applicable policies and methodologies is one goal; another is enhanced distribution of and access to operating room ("OR") services throughout the state.

Overview

The petitioner accurately describes the closure of Hamlet Hospital following acquisition by First Health. It describes from its own database the outmigration of Richmond County surgical patients.

However, the petition fails to mention that Hamlet hospital closure followed years of struggle to maintain two hospitals in a county with only 45,000 people. It mentions, but dismisses the proximity of Richmond County to surgical resources in Moore County and does not mention the fact that Pinehurst Surgical, according to its website, has only two specialties in Richmond, orthopedics and ENT.¹ Most Pinehurst Surgical physicians are based in Moore County.

The petition describes outmigration of 822 patients. It does not mention where they went. The DHSR database shows that in FY 2017, 804 Richmond County cases went to ambulatory surgery centers, and 94 percent (761 cases) went to Moore County.² Not all of these would stay in Richmond County if Richmond had an ambulatory surgery center.

Nonetheless, even if 80 percent of the cases that out-migrated to Moore were attracted back to a surgery center in Richmond County, those 609 patients would not support a multi-specialty surgery center. By the standard methodology, those cases would justify 0.53 operating rooms; the methodology requires a deficit of 2 operating rooms to justify a need in a service area.

$$761 * 80\% * 68 \text{ minutes} / 60 \text{ min} / 1,312 \text{ standard hours per room} = 0.53 \text{ operating rooms needed}$$

Potential Adverse Effects if the Adjustment Is Made

Because Richmond is already a fragile market, competition could have an adverse impact on access for the entire population. More than one in four Richmond residents (25.8%) lives below the poverty line. About 14 percent are on disability. The county is losing population. Existing providers have little margin to support existing services. Another surgical provider would strain that limited margin.^{3, 4, 5}

Alternatives

Richmond County residents are within at most, a 45-minute drive of ambulatory surgery capacity in Pinehurst and Southern Pines, and facilities there have excess capacity according to the *Draft 2019 SMFP*.⁶

Recommendation

Because the petitioner's request would add capacity to a county that cannot support it, we ask the SHCC to recommend denial of the petition.

We encourage the SHCC and the Agency to consider our recommendations: Should you have any questions, please do not hesitate to contact us.

Regards,



Daniel Riggs,
Group Vice President Operations
Surgical Care Affiliates

Attachment: 2017 Richmond County Ambulatory Surgery Center Outmigration by County and Facility

¹ Pinehurst Surgical, Richmond County Location information; <http://www.pinehurstsurgical.com/contact-us/rockingham-richmond-county/>

² See Attachment: 2017 Richmond County Ambulatory Surgery Center Outmigration by County and Facility

³ Data USA, Richmond County; <https://datausa.io/profile/geo/richmond-county-nc/>

⁴ US Census QuickFacts, Richmond County; <https://www.census.gov/quickfacts/fact/table/richmondcountynorthcarolina/PST045217>

⁵ NC Office of State Budget Management; Population overview, 2010-2037 https://files.nc.gov/ncosbm/demog/countytotals_populationoverview.html

⁶ Draft 2019 SMFP Table 6B, p79; <https://www2.ncdhhs.gov/dhsr/ncsmfp/2019/proposed2019smfp.pdf>

Attachment:

2017 Richmond County Ambulatory Surgical Center Outmigration by County and Facility

| Outmigration County | Facility Name | Total Number of Cases | |
|---------------------------|---|-----------------------|------------|
| | | By Facility | By County |
| Moore | Surgery Center of Pinehurst | 489 | |
| | The Eye Surgery Center of the Carolinas | 272 | 761 |
| Cumberland | Fayetteville Ambulatory Surgery Center | 8 | 8 |
| Durham | James E. Davis Ambulatory Surgical Center | 2 | 2 |
| Guilford | Surgical Center of Greensboro | 7 | 7 |
| Mecklenburg | Matthews Surgery Center | 6 | |
| | Carolina Center for Specialty Surgery | 4 | |
| | Charlotte Surgery Center | 3 | |
| | SouthPark Surgery Center | 1 | 14 |
| Wake | Blue Ridge Surgery Center | 4 | |
| | Rex Surgery Center of Cary | 3 | |
| | Capital City Surgery Center | 2 | |
| | Raleigh Orthopaedic Surgery Center | 2 | |
| | Triangle Orthopaedics Surgery Center | 1 | 12 |
| Total Outmigration | | 804 | 804 |

Source: NC DHSR 2017 Ambulatory Surgical Facility Database
<https://www2.ncdhhs.gov/dhsr/mfp/data/amsu.html>
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