



North Carolina Department of Health and Human Services
Division of Health Service Regulation

Pat McCrory
Governor


Richard O. Brajer
Secretary

Mark Payne
Assistant Secretary for Audit and
Health Service Regulation

MEMORANDUM

Date: May 2, 2016

To: Recipients of the 2016 State Medical Facilities Plan and Interested Parties

From: Shelley R. Carraway 
Chief, Healthcare Planning and Certificate of Need Section

Re: Revised 2016 Need Determination for Operating Rooms

The 2016 North Carolina State Medical Facilities Plan (SMFP), as published, indicated a need for one additional operation room in the Rowan County service area. In February 2016, Novant Health notified the Division of Health Service Regulation that Novant Health Rowan Medical Center's 2015 License Renewal Application (LRA) included inaccurate data. Specifically, a number of non-surgical procedures were inadvertently included as surgical procedures. This data error resulted in incorrect information in Tables 6A and 6B of the 2016 SMFP. Novant Health submitted a corrected LRA and adjusted the number of surgical procedures accordingly. Correction of the data error removed the need determination for one operating room in Rowan County, as presented in Table 6C of the 2016 SMFP.

The Division appropriately informed the Council and, in accordance with the process described in the SMFP, the Council held a public hearing on March, 22, 2016 at which this error was discussed and comments received. In discussions on the proposed amendment, Council members stressed the importance of correcting a known error in the SMFP and expressed concerns about establishing health services based on erroneous information. The Council was mindful that the amendment to the SMFP should be made well before the July 15, 2016 due date for Certificate of Need applications so that potential applicants do not expend resources on the application process.

After full and open deliberation on April 8, 2016, the Council voted to recommend that the Governor amend the 2016 SMFP to remove the need determination for one operating room in Rowan County. The Governor approved this recommendation on April 29, 2016.

Attached are excerpts from corrected Tables 6A and 6B and amended Table 6C from the 2016 SMFP, as well as an amended narrative for Chapter 6. The Governor's letter and the complete amended Chapter 6 are posted on the DHSR website at <https://www2.ncdhhs.gov/dhsr/ncsmfp/index.html>. The complete amended 2016 SMFP also will be posted.

Please feel free to contact Healthcare Planning at 919-855-3865 should you have questions or need additional information.



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Excerpt from Corrected Table 6A, 2016 State Medical Facilities Plan

County	License	Facility Name	Inpatient Cases (Dedicated C-Section Cases Excluded)	Ambulatory Cases	Inpatient ORs	Ambulatory ORs	Shared ORs	Excluded C-Section ORs	Excluded Trauma/ Burn ORs	CON Adjustments	CON Adjustments for Dedicated C-Section
Rowan	H0040	Novant Health Rowan Medical Center	1,723	6,815	2	3	8	-2	0	0	0
Rowan Total			1,723	6,815	2	3	8	-2	0	0	0

Excerpt from Corrected Table 6B, 2016 State Medical Facilities Plan

A	B	C	D	E	F	G	H
Operating Room Service Area (Single-county service areas are in bold. Counties in multicounty service areas are in italics with a shaded "total" row below.)	2014 Inpatient Cases (without exclusions)	Inpatient Case Time Standard (3 Hours)	Estimated Inpatient Hours	2014 Ambulatory Cases	Ambulatory Case Time Standard (1.5 Hours)	Estimated Ambulatory Hours	2014 Total Estimated Hours (D+G)
Rowan	1,723	3.0	5,169	6,815	1.5	10,223	15,392

A	I	J	K	L	M	N	O
Operating Room Service Area (Single-county service areas are in bold. Counties in multicounty service areas are in italics with a shaded "total" row below.)	Growth Factor 2014-2018 (Population Change Rate)	2018 Projected Surgical Hours	Standard Hours per OR per Year (9 hours x 260 days x .8)	Projected ORs Needed in 2018	Number of Inpatient Operating Rooms	Number of Ambulatory Operating Rooms	Number of Shared Operating Rooms
Rowan	0.00%	15,391.50	1,872	8.22	2	3	8

A	P	Q	R	S	T	U
Operating Room Service Area (Single-county service areas are in bold. Counties in multicounty service areas are in italics with a shaded "total" row below.)	Excluded Dedicated C-Section Rooms	Exclusion of One OR for each Level I and II Trauma Center and Burn Unit	Adjustments: CONs Issued, Settlement Agreements, Previous Need	Adjusted Planning Inventory	Projected Operating Room Deficit or Surplus (Surplus shows as a "-")	Projected Need for New Operating Rooms
Rowan	2	0	0	11	-2.78	0

Need Determination

Application of the standard methodology for the North Carolina 2016 State Medical Facilities Plan determined the need for 5 4 additional operating rooms distributed across three service areas. In addition, the North Carolina State Health Coordinating Council has determined that there is a need for a Dental Single Specialty Ambulatory Surgical Facility Demonstration Project, consisting of four facilities with up to two operating rooms each. Therefore, there is a need determination for one facility to be located in each of the following areas: Region 1 (HSA IV); Region 2 (HSA III); Region 3: (HSA V and HSA VI); and Region 4 (HSA I and HSA II). The demonstration project facilities must meet the criteria described in Table 6D. There is no need anywhere else in the state for additional operating rooms and no other reviews are scheduled.

Amended Table 6C: Operating Room Need Determination

(Scheduled for Certificate of Need Review Commencing in 2016)

It is determined that the Operating Room Service Areas listed in the table below need additional operating rooms as specified.

Operating Room Service Area	Operating Room Need Determination*	Certificate of Need Application Due Date**	Certificate of Need Beginning Review Date
Brunswick	1	November 15, 2016	December 1, 2016
New Hanover	3	November 15, 2016	December 1, 2016
Region 1: HSA IV	2***	April 15, 2016	May 1, 2016
Region 2: HSA III	2***	June 15, 2016	July 1, 2016
Region 3: HSA V and HSA VI	2***	April 15, 2016	May 1, 2016
Region 4: HSA I and HSA II	2***	June 15, 2016	July 1, 2016
It is determined that there is no need for additional operating rooms anywhere else in the state and no other reviews are scheduled.			

* Need determination shown in this document may be increased or decreased during the year pursuant to Policy GEN-2 (see Chapter 4).

** Application due dates are absolute deadlines. The filing deadline is 5:30 p.m. on the application due date. The filing deadline is absolute (see Chapter 3).

*** Need determination is pursuant to the Dental Single Specialty Ambulatory Surgical Facility Demonstration Project.

CHAPTER 6

OPERATING ROOMS

Amendment to Chapter 6, Effective April 29, 2016

The State Health Coordinating Council at its March 2, 2016 meeting voted to recommend to the Governor that he amend the North Carolina 2016 State Medical Facilities Plan to reflect corrected data submitted by Novant Health. The Governor accepted the recommendation to amend the North Carolina 2016 State Medical Facilities Plan to remove the need determination for one operating room in the Rowan County service area. Corrected Tables 6A and 6B are included along with the amended Table 6C.

Summary of Operating Room Inventory and Utilization

“Operating room” is defined in G.S. 131E-76(6a) as “...a room used for the performance of surgical procedures requiring one or more incisions and that is required to comply with all applicable licensure codes and standards for an operating room.” In the fall of 2015, the combined inventory of operating rooms in hospitals and ambulatory surgical facilities in North Carolina consisted of 150 dedicated inpatient surgery rooms, including 93 dedicated C-Section rooms, 293 dedicated ambulatory surgery rooms and 911 shared operating rooms. Data from the 2015 Hospital and Ambulatory Surgical Facility License Renewal Applications indicated that of the total reported surgical cases, excluding C-Section cases, 72 percent of the cases were ambulatory cases and 28 percent of the cases were inpatient cases.

Changes from the Previous Plan

No substantive changes to the Operating Room methodology have been incorporated into the North Carolina 2016 State Medical Facilities Plan. The inventory and case data have been updated and references to dates have been advanced by one year, as appropriate.

Sources of Data

Data on the number of cases and procedures for the North Carolina 2016 State Medical Facilities Plan were taken from the “2015 Hospital License Renewal Application” and the “2015 Ambulatory Surgical Facility License Renewal Application” as submitted to the Acute and Home Care Licensure and Certification Section of the Division of Health Service Regulation. *(Note: While utilization data are reported on the annual license renewal applications for dedicated C-Section rooms, utilization data must be collected separately for the excluded Trauma Center and Burn Intensive Care Unit operating rooms described in Step 4.j. of the “Methodology for Projecting Operating Room Need.” For the North Carolina 2016 State Medical Facilities Plan, one operating room for each Level I and Level II trauma center and one operating room for each designated burn intensive care unit are excluded in Table 6B. However, additional data on cases referred to excluded operating rooms by Level I or Level II trauma centers and burn intensive care units have not been collected because application of the methodology indicated that the Operating Room Service Areas with a Level I or Level II trauma center or burn intensive care unit all had surpluses of operating rooms. Excluding cases for service areas with projected surpluses would only increase the size of the projected surplus.)*

Inventory data for the North Carolina 2016 State Medical Facilities Plan were compiled by staff based on License Renewal Applications, supplemented with data from the most recent licenses issued by the Acute and Home Care Licensure and Certification Section and with project approval letters from Certificate of Need.