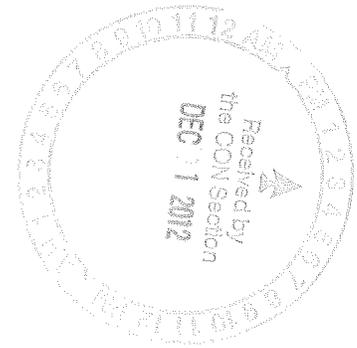


PARK ENDOSCOPY CENTER, LLC  
2602 N. Heritage Street  
Kinston, NC 28501  
(252) 527-6565



December 28, 2012

VIA OVERNIGHT DELIVERY

Mr. Craig Smith, Section Chief  
Ms. Julie Halatek, Project Analyst  
Certificate of Need Section  
NC Division of Health Service Regulation  
809 Ruggles Drive  
Raleigh, NC 27603

RE: Comments of Park Endoscopy Center, LLC in Opposition to Certificate of Need Application of Atlantic Medical Group, PC to Develop an Ambulatory Surgical Center with Two Gastrointestinal Procedure Rooms / Lenoir County / Project I.D. # P-010071-12

Dear Mr. Smith and Ms. Rhoe-Jones:

On behalf of Park Endoscopy Center, LLC ("Park Endoscopy"), thank you for the opportunity to comment on the above-referenced application by Atlantic Medical Group, PC ("AMG") for a Certification of Need for a new licensed ambulatory surgical center with two gastrointestinal procedure rooms to be located in Kinston. Park Endoscopy's comments are attached to this letter.

Park Endoscopy is an existing provider with two gastrointestinal procedure rooms in Kinston and, therefore, is an affected person pursuant to N.C. Gen. Stat. § 131E-88(c). As an affected person, Park Endoscopy requests a public hearing pursuant to N.C. Gen. Stat. § 131E-185(a1)(2), which ensures that a public hearing will take place if "a written request for a public hearing is received before the end of the written comment period from an affected party."

We urge the CON Section to deny AMG's application. Thank you for your time and consideration of our comments.

Yours very truly,

A handwritten signature in cursive script that reads "Joseph A. Saracino M.D.".

Joseph A. Saracino, M.D.  
Manager

**Comments on Atlantic Medical Group, PC's Application  
for Two Endoscopy Rooms in Kinston, NC  
CON Project I.D. # P-010071-12  
Submitted by Park Endoscopy Center, LLC**

This document addresses Atlantic Medical Group, PC's ("AMG") Certificate of Need ("CON") application within the framework of the State's CON Review Criteria (N.C. Gen. Stat. § 131E-183). Park Endoscopy Center, LLC ("Park Endoscopy") has addressed only those Criteria for which we at this time believe the information provided is nonconforming.

- 3. The applicant shall identify the population to be served by the proposed project, and shall demonstrate the need that this population has for the services proposed, and the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.**

AMG is nonconforming to Criterion 3, because:

- Based on the data contained in Table III.20 on page 92 of the application, Park Endoscopy and Kinston Medical Associates, the only two licensed freestanding gastrointestinal endoscopy centers in Lenoir County, have excess capacity for gastrointestinal endoscopy procedures. Park Endoscopy expects to have such excess capacity through 2016. Also, East Carolina Gastroenterology Endoscopy Center, the only freestanding gastrointestinal endoscopy center in Onslow County, has excess capacity for gastrointestinal endoscopy procedures. Furthermore, the gastrointestinal endoscopy centers at Lenoir Memorial Hospital and Onslow Memorial Hospital have excess capacity for gastrointestinal endoscopy procedures.
- Dr. Ibegbu has never requested privileges at Park Endoscopy.

- 4. Where alternative methods of meeting the needs for the proposed project exist, the applicant shall demonstrate that the least costly or most effective alternative has been proposed.**

AMG is nonconforming to Criterion 4, because:

- With respect to possibly entering into a joint venture with another provider, AMG states on page 89 of the application as follows: "After leaving KMS in 2010, Dr. Ibegbu approached Park Endoscopy Center in Kinston about doing procedures at the location or becoming a shareholder in the endoscopy center. However, privileges were not extended." This statement is incorrect. Dr. Ibegbu has never approached Park Endoscopy about doing procedures at our location or about becoming an owner in Park Endoscopy.
- Also with respect to possibly entering into a joint venture with another provider, AMG states on page 90 of the application as follows: "Additionally, unlike AMG, some area GI endoscopy providers do not accept all insurance providers. Many do not accept Medicaid or Tricare Prime." AMG also states on page 68 of the application as follows: "Additionally, AMG Endoscopy Center is the only GI endoscopy practice in Kinston that accepts Tricare Prime, the healthcare

insurance for military." These statements are incorrect. Park Endoscopy accepts Tricare Prime. Upon information and belief, so does Kinston Medical Specialists, the other licensed gastrointestinal endoscopy center in Kinston.

- With respect to possibly developing only a one-room endoscopy center, AMG states on page 91 of the application as follows: "AMG considered developing a one-room endoscopy center. A one-room facility would not meet the growing need for procedure room availability. The projected volume for AMG in year one of the project is 4,702 procedures. Though possible to serve with fewer than two rooms, the number is more flexibly accommodated in two. Efficiency increases with two rooms, because delay between patients is removed." Similarly, AMG states in Exhibit 19, page 403, of the application as follows: "Performing procedures with only one endoscopy procedure room is operationally inefficient and causes a significant time delay between procedures. It would also be difficult for AMG to serve its project year 2 procedure volumes of 4,702 procedures in one room because of the inefficiencies." On page 97 of the application, AMG states that only one of its two unlicensed endoscopy rooms was equipped in 2012 and that the annualized endoscopy center procedures performed in that one unlicensed endoscopy room in 2012 are 4,702. Also on page 97 of the application, AMG projects that the endoscopy center procedures will be 4,702 in each of year one of the project (2013), year two of the project (2014), year three of the project (2015), and year four of the project (2016). In other words, AMG projects to perform the same number of endoscopy center procedures during the first four years of the project utilizing two licensed endoscopy center rooms as AMG performed on an annualized basis in 2012 using one unlicensed endoscopy room. AMG states on page 129 of the application as follows: "Only one physician performs procedures at a time in the endoscopy center." AMG further states on page 131 of the application as follows: "At the current time, AMG expects only Eric Ibegbu, M.D. to utilize the facility and has no formal recruitment plan." Therefore, based upon AMG's own projections and plans, a second room is not needed.
- Also with respect to possibly developing only a one-room endoscopy center, it appears that, based upon AMG's own figures, AMG is operating and will continue to operate efficiently under the one-room scenario. Specifically, on page 23 of the application, AMG states as follows: "The endoscopy center will operate 8:30 a.m. until 2:00 p.m. Monday through Friday, except on holidays and days that the endoscopy center's physician attends continuing education courses. Holidays and continuing education days total approximately 15 days." AMG does not indicate the 2012 operating hours for the unlicensed endoscopy center. However, assuming that the 2012 operating hours for the unlicensed endoscopy center are the same as the proposed operating hours for the licensed endoscopy center, it appears that AMG is conducting an endoscopy procedure at the rate of 3.29 procedures per hour (2,622 procedures / 29 weeks / 5 days per week / 5.5 hours per day), or one procedure every 18.25 minutes (60 minutes / 3.29 procedures), utilizing only one endoscopy room.

**6. The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.**

AMG is nonconforming to Criterion 6, because:

- The proposed gastrointestinal procedure rooms will duplicate already licensed and underutilized facilities in Lenoir and Onslow Counties. Based on the data contained in Table III.20 on page 92

of the application, Park Endoscopy and Kinston Medical Associates, the only two licensed freestanding gastrointestinal endoscopy centers in Lenoir County, have excess capacity for gastrointestinal endoscopy procedures. Park Endoscopy expects to have such excess capacity through 2016. Also, East Carolina Gastroenterology Endoscopy Center, the only freestanding gastrointestinal endoscopy center in Onslow County, has excess capacity for gastrointestinal endoscopy procedures. Furthermore, the gastrointestinal endoscopy centers at Lenoir Memorial Hospital and Onslow Memorial Hospital have excess capacity for gastrointestinal endoscopy procedures.

- Dr. Ibegbu has never requested privileges at Park Endoscopy.