Strategic Healthcare Consultants

May 30, 2012

Mr. Craig Smith
Certificate of Need Section
Division of Facility Services
2704 Mail Service Center
Raleigh, NC 27699-2704

Re: Comments Regarding CON Project Application ID # J-8815-12 by WakeMed to relocate two existing single-specialty ambulatory surgery operating rooms (Southern Eye Associates) to the WakeMed Raleigh campus (Wake County)

Dear Mr. Smith:

The attached written comments are submitted on behalf of Blue Ridge Surgery Center and Surgical Care Affiliates regarding WakeMed's CON project application # J-8815-12. As seen in the comments, the WakeMed CON application contains numerous flaws which make this proposal nonconforming to the CON review criteria.

Please also accept this letter as a written on behalf of Blue Ridge Surgery Center for the CON Section to conduct a public hearing regarding this project application.

Thank you for your consideration of these comments.

Sincerely,

David J. French

P.O. Box 2154
Reidsville NC 27323

Comments Regarding WakeMed CON Project Application # J-8815-12
Submitted by Blue Ridge Surgery Center and Surgical Care Affiliates

In project application # J-8815-12, WakeMed proposes to relocate two existing single-specialty ambulatory surgery operating rooms from Southern Eye Associates to the WakeMed Raleigh campus and convert these to shared (inpatient and ambulatory) operating rooms for a total of 23 operating rooms at project completion. Although this project involves the relocation of existing operating rooms, WakeMed must demonstrate that its proposal conforms to all applicable statutory review criteria, just like any other proposal. As explained in the following comments, WakeMed is unable to demonstrate that its project conforms to these criteria.

In previous CON decisions, the Agency has denied applicants who sought to relocate existing assets where the proposals failed to comply with the statutory review criteria.[1] Similar to these previous project applications, the proposal by WakeMed fails to comply with the CON review criteria. Consequently the WakeMed application must be denied.

WakeMed CON Project Application # J-8815-12 lacks conformity to CON Review Criteria:

(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.*

The WakeMed application does not conform to CON Review Criterion 3 because the applicant's projections are based on unreasonable assumptions and the methodology is flawed. Consequently the utilization projections are overstated and unreliable.

The WakeMed application does not adequately explain the need for the proposed project at a time when the surgery utilization at WakeMed is declining and the total number of surgery cases in Wake County has decreased. The following table reflects the surgery volumes at WakeMed and WakeMed North and the total cases for all providers in Wake County (excluding C-section cases):

	2008-09		2009-10		2010-11	
	INPT	AMB	INPT	AMB	INPT	AMB
WakeMed and WakeMed North	7,839	13,177	7,898	12,562	7,788	12,389
Wake County	21,589	64,699	20,207	62,829	20,063	62,260

Sources: 2011, 2012 State Medical Facilities Plan and the Draft 6A published by the Medical Facilities Planning Section based on the 2013 License Renewal applications

[1] Wake Forest Ambulatory Ventures LLC project application G-8608-10 to relocate three operating rooms to Clemmons was denied; Mission Hospitals' project application B-8638-11 to relocate one GI endoscopy procedure room to Fletcher, NC was denied; High Point Regional Health System / Premier Surgery Center application G-8156-08 to relocate two operating rooms in Guilford County was denied.

Over the past three years WakeMed and WakeMed North have experienced a 0.7 percent decline in inpatient surgery cases and a 6.0 percent decrease in outpatient cases. For the same three year period, the total surgery volume for Wake County facilities (excluding C-sections) declined by 7.1 percent for inpatient cases and declined 3.8 percent for ambulatory cases.

The application states that the economic downturn resulted in higher unemployment and loss of health insurance, causing more people to forgo medical care, particularly elective services. This explanation initially sounds plausible except that WakeMed surgery volumes began decreasing prior to the economic collapse in September 2008. The next table shows WakeMed surgery volumes for the past six years.

WakeMed and WakeMed North Surgery Cases Excluding C-Sections	Inpatient Cases	% Change from Previous Yr.		Ambulatory Cases	% Change from Previous Yr.
2005-06	7,941	NA		13,629	NA
2006-07	8,198	3.24%		13,407	-1.63%
2007-08	8,046	-1.85%		12,985	-3.15%
2008-09	7,839	-2.57%		13,177	1.48%
2009-10	7,898	0.75%		12,562	-4.67%
2010-11	7,788	-1.39%		12,389	-1.38%

Sources: 2008 to 2012 State Medical Facilities Plan and 2013 License Renewal Applications

WakeMed has not experienced growth in either inpatient or outpatient cases over the six year period. The long term trend for the performance of WakeMed operating rooms can be described by calculating the compound annual growth rate (CAGR) for the surgery cases. The CAGR for WakeMed inpatient surgery is -0.39 percent and the CAGR for ambulatory surgery is -1.89 percent. The long term trend of decreasing surgery utilization at WakeMed extends to the years prior to the economic downturn.

While WakeMed experienced declining surgery volumes, other surgery providers in Wake County experienced growth over this same time period. Duke Raleigh Health's operating rooms experienced a CAGR of +9.65 percent for inpatient surgery and +7.81 percent for ambulatory surgery. Blue Ridge Surgery Center achieved a CAGR of +6.53 for outpatient cases for the same period. Given this wide range of differing utilization trends for Wake County providers, it is unreasonable to believe that the economic downturn is the sole factor causing WakeMed's decline in surgery utilization. A more rational explanation is that more patients are choosing to obtain surgery at other facilities, causing WakeMed's market share to decline.

On page 33 WakeMed states that its surgery volumes are poised for growth in the near term, in part due to population growth and demographic changes in Wake County and the region, as well as new and planned services and facilities in the WakeMed system. WakeMed's expectations of future growth are unreliable as follows:

1) WakeMed's assumption that its surgery volumes will increase at 2.2804 percent annually based on population growth is unreasonable. The overall population growth in Wake County is mostly driven by the younger age segments of the population and not by the Baby Boomer generation. As seen in the following table only 11 percent of the Wake population growth over the past 10 years is attributed to the 65 + population.

	0-18	18-64	64 +	Total
Wake 2000 Population	175,572	405,902	46,372	627,846
Wake 2010 Population	235,501	593,488	77,799	906,788
10-Year Growth	59,929	187,586	31,427	278,942
% of Total Growth by Age Segment	21%	67%	11%	NA

Source: Office of State Budget and Management Population by Age Groups, Access May 13, 2012

The demographics of Wake County are unlike most other NC counties and most of the U.S. In future years, most of the growth in Wake County will continue to be accomplished by the younger age segments. The younger age segments do not utilize healthcare services at nearly the use rates for the senior population. Rapid growth of the younger population means that total surgery volumes for the Wake County population are not likely to increase as fast as the overall population.

2) WakeMed wrongly predicts that other WakeMed healthcare projects, including the construction of additional acute care beds and emergency departments, will generate increased surgery volumes. But in reality, the construction of additional bed and emergency departments do not generate more surgery cases unless WakeMed intends to recapture lost market share and shift utilization from other locations and providers. The majority of hospital admissions are for medical diagnoses and childbirth, with only 26 percent surgical admissions at WakeMed. Hospital emergency department visits contribute few patients admitted for inpatient surgery. The WakeMed application contains no data to demonstrate that additional WakeMed acute care beds and emergency departments in Wake County will contribute a specific number of additional surgery cases related to the proposed project.

3) The surgery use rate for Wake County is actually declining because the total volume of surgery cases is not increasing as fast as the growth in the population. WakeMed does not provide any calculations of future projections to predict inpatient surgery use rates and outpatient surgery use rates to determine the need for shared operating rooms as opposed to ambulatory operating rooms.

The WakeMed application's methodology, assumptions and analysis are fatally flawed:

The application provides inconsistent information regarding the WakeMed 2012 surgery cases. As seen on page 43, WakeMed projects its total 2012 annualized surgery cases in Table II.3 (7,797 inpatient, 8,659 outpatient) which includes all cases from every county. And then in Step 4 at the bottom of the page 43, the applicant shows the same numbers (7,797 inpatient, 8,659 outpatient) for 2012 in Table II.14 but inaccurately portrays these statistics to reflect only the cases from within the Geographic Market Area.

Step 5 of the methodology mistakenly adds more than 700 additional cases in Years 1, 2 and 3 that WakeMed contributes to "Out-of Area" cases that are expected from outside the primary and secondary service areas. This assumption is unreliable because these "Out-of Area" cases are already included in the 2012-based surgical volumes (7,797 inpatient, 8,659 outpatient) that are previously projected in Step 3.

Step 6 of the WakeMed methodology involves the applicant's attempt to reconcile the current methodology and surgery projections with a previously-approved eight operating room project. The previous project was originally submitted in 2005 to develop the Apex Surgery Center (# J-7350-05) near WakeMed Cary. Later, WakeMed unsuccessfully attempted to develop this eight room project at an alternative site in Brier Creek. Then in 2009 WakeMed obtained CON approval for project # J-8364-09 for the eight operating rooms to be constructed as part of Capital City Surgery Center (CCSC) on a site next to WakeMed Raleigh. In approving CON application # J-8364-09, the CON Section accepted WakeMed's representation that a 65 percent reduction in outpatient surgery cases will result at the WakeMed Raleigh campus with the implementation of the operating rooms at CCSC because the outpatient cases will be shifted to the freestanding surgery center. Now in the current application, # J-8815-12, WakeMed wants to change the 65 percent reduction to only 30 percent. However, the application fails to provide a mathematical basis for the change. WakeMed does not provide a list of surgeons who revised their estimates in order to arrive at the 30 percent reduction instead of the 65 percent decrease.

Pages 45 and 65 of the application document the applicant's inability to make reliable projections:

"During the development of this project, it became apparent that the apparent impact of this project has been overestimated."

"Long term gains in capacity at WakeMed Raleigh are expected to be smaller than expected and more short-lived as Wake County and surrounding market continues to grow."

Based on WakeMed's inability to timely develop the previously-approved eight ORs and the huge variations in the expected impact of the previous project, the current application # J-8815-12 to relocate two ORs is simply not justified. WakeMed fails to provide updated / revised utilization projections for the previously-approved project #J-8364-09 which are essential to evaluating the reasonableness of the projections for the current project application.

As seen in the excerpt from the CON findings for project #J-8364-09, the Agency has previously required WakeMed to demonstrate that the additional operating rooms are needed based on the utilization of the proposed additional operating rooms and the hospitals existing operating room capacity.

"The applicants adequately demonstrate that the proposed project will meet the performance standard upon completion of the third full year of operation. All other existing operating rooms in the WakeMed system are projected to be close to or above the minimal performance standard that generates a need for more operating rooms in Wake County."

In contrast to the application #J-8364-09, WakeMed fails to demonstrate that all of its operating rooms will be utilized at or above the performance standards.

Page 67 of the application includes WakeMed's Table III.1 with an analysis of operating room utilization by type of provider for hospital-based and freestanding ambulatory surgery centers. This analysis is invalid due to the numerous errors contained in the table.

- Blue Ridge Surgery Center is incorrectly reported by the applicant with 3,935 outpatient cases and 53% utilization for 2011; the actual figure is 6,935 outpatient cases for 92.6% utilization. The misrepresentation of the surgery volumes makes it appear that Blue Ridge Surgery Center is under-utilized and inefficient.
- Rex Hospital is incorrectly shown by the applicant with 8,421 inpatient cases and 19,810 outpatient cases; however the correct figures are 6,564 inpatient cases and 22,410 outpatient cases
- Rex Surgery Center of Cary is incorrectly listed by the applicant with 3,081 cases; the correct figure is 1,821 outpatient cases

As a result of these multiple incorrect values, WakeMed fails to demonstrate that its analysis and conclusions regarding the need for additional share operating rooms are based on reliable data.

(3a) *In the case of a reduction or elimination of a service, including the relocation of a facility or a service, the applicant shall demonstrate that the needs of the population presently served will be met adequately by the proposed relocation or by alternative arrangements, and the effect of the reduction, elimination or relocation of the service on the ability of low income persons, racial and ethnic minorities, women, handicapped persons, and other underserved groups and the elderly to obtain needed health care.*

The WakeMed application does not conform to Criterion 3a because the project will eliminate access to the only single-specialty ophthalmic surgery operating rooms in Wake County. While ophthalmic surgical procedures rank as one of the highest volume categories of surgery, the WakeMed proposal does not list any ophthalmic procedure codes in its top 20 list of procedures. No ophthalmic surgeons provided letters of support for the proposed project. According to the 2012 Hospital License Renewal application only 14 ophthalmic cases were performed at WakeMed Raleigh in 2011. WakeMed has not demonstrated that it has made specific arrangements to ensure that medically underserved patients needing ophthalmic procedures will have future access.

As discussed in the comments regarding Criterion 3, the WakeMed application fails to provide reasonable utilization projections for the proposed project. Accordingly the applicant has not accurately assessed the needs of the population, including those ophthalmic patients that would utilize the single specialty operating rooms at Southern Eye Associates if these rooms remained available to the community.

(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.*

The project application does not conform to Criterion 4 based on unreasonable projections and the applicant's failure to discuss alternatives that offer greater cost savings and efficiencies.

On page 65 of the application WakeMed discusses its capacity issues at its existing hospital-based operating rooms and admits that "Outpatient cases are frequently delayed or postponed." This admission supports the prior CON approval of the CCSC project ID # J-8364-09 for freestanding ambulatory surgery operating rooms and demonstrates why the current project is not an effective alternative and must be denied. Adding more hospital–based operating rooms not only causes inconvenience to patients but also diminishes the productivity of surgeons.

WakeMed fails to provide updated / revised utilization projections for the previously-approved project # J-8364-09 that are essential to evaluating the reasonableness of the projections for the current project application.

WakeMed fails to disclose the dramatic cost savings that relate to surgery performed in ambulatory surgical facilities as compared to hospital-based operating rooms. Relocating and changing the two operating rooms to become hospital-based ORs will result in higher patient co-payments and costs. A Government Accountability Office (GAO) study comparing ASC with hospital outpatient department (HOPD) costs demonstrated that the cost of an ASC procedure was 84% of the cost of an HOPD procedure.[2]

The CON findings for previously-approved project # J-8364-09 also documented that ambulatory surgery procedures performed in the WakeMed free standing ambulatory surgical facility (currently named CCSC) will produce a reduction in average reimbursement per case that ranges from 23% to 39%. Clearly ambulatory surgery operating rooms are the most cost-effective alternative for patients.

The applicant fails to discuss the option to shift ophthalmology cases from WakeMed North Healthplex and WakeMed Cary to the existing ophthalmic surgery center. These two facilities provided over 1200 annual cases during the previous year. This option would consolidate ophthalmology cases at the existing freestanding single specialty ambulatory facility and would provide substantial cost savings to patients.

(5) *Financial and operational projections for the project shall demonstrate the availability of funds for capital and operating needs as well as the immediate and long-term financial feasibility of the proposal, based upon reasonable projections of the costs of and charges for providing health services by the person proposing the service.*

The project application is nonconforming to Criterion 5 because the utilization projections are unreasonable. In approving CON application # J-8364-09, the CON Section accepted WakeMed's representation that a 65 percent reduction in outpatient surgery cases will result at WakeMed Raleigh with the implementation of the eight ORs at CCSC. It is unreasonable for the CON Section to accept a different set of assumptions for the current proposed project, which

[2] GAO Report to Congressional Committees. "Medicare: Payment for Ambulatory Surgical Centers Should Be Based on the Hospital Outpatient Payment System." GAO-07-86, Nov 2006. Available at: www.gao.gov/cgi-bin/getrpt?GAO-07-86

states a 30 percent reduction in outpatient surgery, instead of the previous 65 percent reduction that was integral to the approval of project # J-8364-09.

The financial assumptions on page 162 reflect the 30 percent expected shift of ambulatory cases from WakeMed Raleigh to Capital City Surgery Center. The assumption is incorrect because the applicant failed to adequately demonstrate the reasonableness of the 30 percent assumption instead of the 65 percent assumption in the previously-approved project. Furthermore, the applicant wrongly predicts future growth in both inpatient and outpatient surgery cases in direct contrast to the long-term trend of declining utilization of the WakeMed operating rooms.

The WakeMed application fails to provide the financial assumptions that relate to the calculations of gross patient revenue on page 162, Note 2. The footnote at the bottom of the Note 2 states, "Decrease in OP volume due to opening of CCSC resulted in per case avg. increase in FY12 and FY13 at higher rates." This assumption is unreasonable because the opening of CCSC is scheduled in FY12 and not in both FY 12 and FY13. WakeMed fails to document to what degree the change in the inpatient and outpatient mix of surgery at WakeMed is driving the increase in the average revenue per case for these two years. The following table shows the gross patient revenue from page 162 of the application and the calculation of the annual increase percentages. WakeMed plans to increase charges by an enormous 43.3 percent over the next four years.

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
GPR Per Case	$26,897.66	$30,542.69	$35,948.01	$38,106.34	$40,394.39
Percentage Increase over previous year		13.6%	17.7%	6.0%	6.0%

The application fails to show the mathematical basis for the 13.6 percent increase in FY 2012 and the 17.7 percent increase in FY 2013. Without knowing the actual gross patient revenue per case for inpatient cases and the gross patient revenue per case for the outpatient cases it is impossible to check the math of these projections. Furthermore, WakeMed neglected to document what types of outpatient cases are no longer expected to shift to Capital City Surgery Center.

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

The application fails to comply with Criterion 6 because the proposed project is duplicative of the previously-approved project # J-8364-09. The following table shows operating room inventory for WakeMed and Capital City Surgery Center, including the proposed project.

	2011-12	2012-13	2013-14	2014-15
WakeMed Raleigh				
Inpatient Open Heart	4	4	4	4
C-Section	3	3	3	3
Shared	18	14	14	14
Proposed Project Relocating 2 Shared ORs		**2**	**2**	**2**
Capital City Surgery Center				
Ambulatory ORs		**8**	**8**	**8**
(4 ORs transferred from WakeMed, 4 converted from Endoscopy Rooms)				
Total Combined OR Capacity	25	31	31	31

Both WakeMed's Capital City Surgery Center and the proposed project are projected to become operational in 2012-13. WakeMed has previously stated that it will materially comply with the representations in its project application # J-8364-09 that projects that 65 percent of the outpatient surgery will shift from WakeMed Raleigh to the Capital City Surgery Center. Now that WakeMed admits that this projection is not accurate, the utilization for the Capital City Surgery Center falls short of its previous utilization targets that were essential for compliance with Criterion 3 and the operating room performance standards. WakeMed's recent claim that physician investors will add new surgery volume is speculative and unproven because the total number of surgery cases in Wake County has been declining for several years.

The WakeMed application fails to demonstrate that the project is needed because the operating rooms at WakeMed Cary and WakeMed Raleigh campus have available capacity. Page 67 of the WakeMed application demonstrates that WakeMed Cary (with 9 adjusted ORs) was utilized at 90 percent of capacity and WakeMed Raleigh (with 21 adjusted ORs) performed at 88 percent capacity. Based on the previous year's data WakeMed Cary had 0.9 unutilized operating rooms (10 percent of 9 ORs) and WakeMed Raleigh has 2.5 unutilized operating rooms (12 percent of 21 ORs).

Therefore, the current application fails to demonstrate that the relocation of two operating rooms is needed in addition to the development of the previously-approved project # J-8364-09.

(18a) The applicant shall demonstrate the expected effects of the proposed services on competition in the proposed service area, including how any enhanced competition will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; and in the case of applications for services where competition between providers will not have a favorable impact on cost-effectiveness, quality, and access to the services proposed, the applicant shall demonstrate that its application is for a service on which competition will not have a favorable impact.

The application fails to meet Criterion 18a because the project reduces competition, reduces access to freestanding ambulatory operating rooms and greatly increases healthcare costs.

WakeMed has established multiple facility locations in Wake County and controls more existing and approved operating rooms than any other healthcare provider in the county. The WakeMed facilities include WakeMed Cary with 11 ORs, WakeMed Raleigh Campus with 25 ORs,

WakeMed North with 5 ORs and WakeMed Capital Surgery Center with 8 approved ambulatory ORs. WakeMed has four facility locations and controls a total of 41 existing and 8 approved operating rooms.

The proposed project will eliminate one of the existing freestanding ambulatory surgical facilities in Wake County, thereby reducing competition and patient choice. There are a total of six existing and approved freestanding ambulatory surgical facilities with a total of 25 operating rooms in Wake County. The Southern Eye Associates Ophthalmic is one of only two single specialty surgery centers. The proposed project by WakeMed will reduce access to ambulatory surgery operating rooms in Wake County by 8 percent of the total capacity of existing and approved ambulatory surgery facilities.

The application fails to demonstrate that the proposed project will be cost effective because the utilization projections are based on unreasonable assumptions. As a dominant healthcare provider in the service area, WakeMed plans to increase surgical charges by an **astounding 43.3 percent over the next four years**. The following table shows the projected increases in the Gross Patient Revenue per Case from 2011 through 2015 as represented in the WakeMed financial pro forma statements.

	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
GPR Per Case	$26,897.66	$30,542.69	$35,948.01	$38,106.34	$40,394.39
Percentage Increase over previous year		13.6%	17.7%	6.0%	6.0%

As discussed in the comments regarding Criterion 3, WakeMed Raleigh has a sustained history of declining surgery utilization that began prior to the economic downturn in 2008. Now that patients have greater awareness of the cost savings and convenience of ambulatory surgery operating rooms, WakeMed seeks to reduce competition from the freestanding facilities and maximize hospital revenues.

WakeMed CON Project Application # J-8815-12 Fails to Comply with Regulatory Criteria

The WakeMed application is nonconforming to specific regulatory criteria because the utilization projections are unreliable and the methodology is based on unreasonable assumptions.

The performance standard 10A NCAC 14C .2103 (b) (2) requires the applicant to demonstrate the need for the existing and proposed operating rooms based on the formula included in the operating room rules and the State Medical Facilities Plan. The WakeMed application is nonconforming to this rule because the projected numbers of inpatient and outpatient cases are overstated and unreasonable. The flaws in the applicant's methodology include:

- Unsubstantiated annual increases in WakeMed Raleigh's future surgery volumes based on population growth that is inconsistent with WakeMed's long-term decline in surgery between 2005-06 and 2010-11.
- Incorrectly adding "Out of Area" surgery cases when these cases are already included in the base year's volume.
- Failing to provide consistent and reasonable projections for the impact of the shift of outpatient cases from WakeMed Raleigh to the Capital City Surgery Center (CCSC). In 2009 WakeMed projected that 65 percent of outpatient cases will shift from WakeMed Raleigh to CCSC. In the current 2012 application, WakeMed claims only 30 percent will shift. This manipulation of surgery case projections between the operating rooms of WakeMed Raleigh and CCSC lacks credibility.

The performance standard 10A NCAC 14C .2103 (g) requires the applicant to document the assumptions and provide data supporting the methodology. Again the WakeMed application is nonconforming to the rule because the application fails to provide adequate explanation and data to support the change in the number of cases that will be shifted from WakeMed to CCSC. Page 45 of the application provides a vague explanation for WakeMed's modification of the 65 percent shift of cases to the 30 percent shift.

During the development of CCSC, it became apparent that the potential impact of this shift had been overestimated. To date, a total of 22 surgeons have invested in CCSC; the majority of these physicians have historically not performed their surgical cases at WakeMed facilities. Surgeons who currently perform their inpatient and outpatient cases at WakeMed Raleigh Campus have indicated that they intend to shift relatively few of their outpatient surgical cases to CCSC. Therefore, the percentage reduction in outpatient surgery cases at WakeMed Raleigh Campus resulting from the opening of CCSC has been reduced to from 65 percent to 30 percent. WakeMed believes the impact of this shift will be felt in FY 2013, the first full year of operation of CCSC. The growth in surgery volume at CCSC will be fueled by the physician investors, as well as by this more moderate shift in cases.

WakeMed is unable to demonstrate if 22 surgeon investors in CCSC (with a total of eight operating rooms and 3 minor procedure rooms) is a sufficient number of participating surgeons per operating room. How many physician investors are needed for the project to be viable? For purposes of comparison, Orthopaedic Surgery Center of Raleigh involved 18 physicians and was approved by the Agency for a facility with 4 ORs, 2 procedure rooms.

WakeMed omits the number of surgeons currently performing inpatient and outpatient cases at WakeMed Raleigh who have recently indicated that they intend to shift relatively few outpatient cases. Is WakeMed talking about 8 surgeons, 80 surgeons or 180 surgeons?

WakeMed forgets to take into consideration that patients will increasingly choose to obtain outpatient surgery in freestanding ambulatory surgery centers instead of hospital-based operating rooms due to substantial cost savings and greater patient convenience.

WakeMed fails to demonstrate that future growth in surgery volume due to physician investors will increase the total facility utilization by thousands of cases and offset the huge reduction in the cases due to the 65 percent shift changing to only 30 percent. What is lacking from the application is a mathematical basis for the radical change from 65 percent to 30 percent. The 35 percent variance represents thousands of surgery cases. WakeMed fails to explain what types of outpatient surgery cases (orthopaedic, general surgery, otolaryngology) that were previously thought to be moving to the CCSC but are now expected to remain at WakeMed Raleigh.