

December 31, 2020

Celia Inman
Project Analyst
Certificate of Need Section
Division of Health Service Regulation
2704 Mail Service Center
Raleigh, NC 27699-2704

VIA EMAIL

Dear Ms. Inman:

Iredell Surgical Associates, LLP¹, owner of Iredell Surgical Center, files these comments on the application submitted by Piedmont Surgical Center of Excellence, LLC (“PSCE”) to develop a new ambulatory surgical facility (“ASF”) in Statesville, North Carolina. Iredell Surgical Center is an existing, multi-specialty ASF with four operating rooms in Statesville, North Carolina.

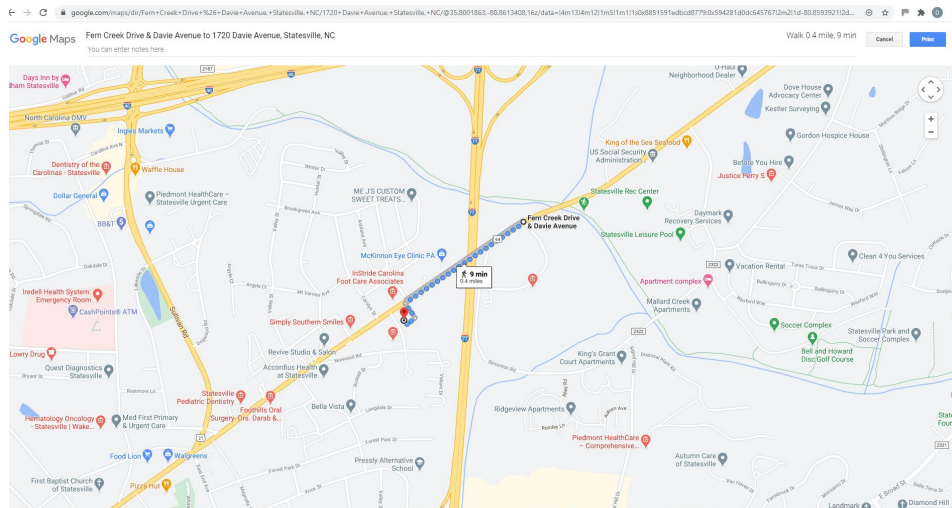
There are numerous reasons why the PSCE application should not be approved.

1. **Existing ASFs have available capacity.** There are two existing ASFs in Iredell County, located in Statesville, and one ASF approved to develop a second campus in Mooresville. Those three ASFs have a total of six operating rooms and, as documented on page 64 of the PSCE application, have the equivalent capacity of 5.15 operating rooms available. Iredell Surgical Center would welcome the opportunity to credential at its facility the surgeons who submitted letters in the PSCE application indicating their desire to shift patients out of a hospital-based setting. Their use of the capacity that already exists in the county would be the fastest, least costly and most effective method for shifting patients to the ASF setting.
2. **The capacity of existing ASFs is sufficient to meet identified need.** Page 102 of the PSCE application suggests that Iredell County residents in FFY 2025 will require 11.6 operating rooms to meet their outpatient surgery needs. The case use rate PSCE used to calculate that need include cases performed in both ASFs and hospitals. The Group 6 capacity standard used in the table applies only to ASFs, however. Because hospital-based operating rooms have higher capacity standards than ASFs, the number of ORs needed would be fewer than 11.6. Even using the Group 6 standard for all cases, PSCE’s analysis does not result in the need for an additional ASF or ASF operating rooms. PSCE states on page 106 and elsewhere that 50% of outpatient surgeries are appropriate for ASFs. Based on that standard, Iredell County needs 5.8 operating

¹ Iredell Surgical Associates, LLP is owned by Carolinas Physician Network, Inc., Iredell Memorial Hospital, and two retired physicians—Drs. Jeffrey Kuhlman and Paul Swaney.

rooms in ASFs (11.6 outpatient operating room need x 50% = 5.8). Iredell County already has six operating rooms in existing or approved ASFs.

- 3. Outmigration is not because of the lack of ASF capacity.** Page 33 of the PSCE application cites statistics regarding the percentage of Iredell County patients who seek ASF services in other counties. While this may be true, the availability of a lower-cost, convenient ASF alternative is not the cause of this outmigration. As stated, there are two existing ASFs, with three existing or approved locations, in Iredell County—all of which have available capacity to accommodate additional cases.
- 4. Existing ASFs are located conveniently.** Two of the three campuses associated with the existing ASFs are located in Statesville. In fact, as shown on the Google map below, the proposed location for PSCE is less than a half mile from our Iredell Surgical Center facility. The convenience and available capacity of our facility is sufficient to meet the needs of the surgeons seeking an ASF alternative for their patients.



- 5. PCSE does not demonstrate a need for two procedure rooms.** On page 104 of the application, PSCE projects that it will perform only 181 procedures in each of the first three project years, despite proposing to develop two procedure rooms. At those projected volumes, PSCE will not be performing even one single procedure per day, obviating the need for more than one procedure room. The line drawings included with the application indicate that the procedure rooms will be built to similar size as the operating room. At a total cost of \$504.33 per square foot, PCSE is proposing to spend \$290,000 for a procedure room that it does not need.

As an existing provider of ambulatory surgery services in Iredell County with more capacity available than needed to accommodate the cases identified by the surgeons' letters in the PSCE application, we appreciate your consideration of our comments and your review of this application in light of this unnecessary duplication of resources that already exist in a location that is convenient for both the surgeons and their patients.

Please let me know if you have any questions of us, or if we can assist with additional information for your review.

Sincerely,

A handwritten signature in black ink, appearing to be 'S.C. Rissmiller', written in a cursive style.

Scott C. Rissmiller, M.D.

President

Iredell Surgical Associates, LLP