

February 15, 2016



VIA EMAIL AND FIRST CLASS MAIL

Shelley Carraway, Chief
Healthcare Planning and Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Dr.
Raleigh, NC 27603

2085 Frontis Plaza Boulevard
Winston-Salem, NC 27103

RE: Correction to Surgical Volumes Reported in Novant Health Rowan Medical Center's 2015 Hospital Licensure Renewal Application

Dear Shelley:

This is to follow-up on our February 12, 2016 phone conversation and to notify the DHSR Healthcare Planning and Certificate of Need Section of unintended and recently-identified data errors for FFY 2014 surgical cases reported in the Novant Health Rowan Medical Center ("NHRMC") 2015 Hospital Licensure Application ("LRA"). This is the data that generated the need determination in the 2016 SMFP for 1 OR in Rowan County. As initially reported in NHRMC's 2015 LRA, the surgical case volumes were overstated due to undetected data errors. These inadvertent mistakes involved the inclusion of NHRMC cardiac catheterizations and endovascular/peripheral vascular procedures in the NHRMC FFY 2014 surgical case counts and the inclusion of outpatient GI endoscopies and pain management cases in the outpatient surgeries performed at Novant Health Julian Road Outpatient Surgery ("Julian Road"). Julian Road is licensed under NHRMC.

When the FFY 2014 surgery data errors for NHRMC and Julian Road are corrected, NHRMC and Julian Road FFY 2014 surgical volumes decrease collectively by approximately 1,200 outpatient surgeries and 1,500 inpatient surgeries¹. This is explained in more detail in the table below. Thus, with the revised FFY 2014 surgical case data, the OR Need Method formula in Chapter 6 of the 2016 SMFP no longer generates a need for one new OR in Rowan County. NHRMC and Julian Road are the only CON-regulated surgical providers in Rowan County.

Surgical Case Corrections to FFY 2014 NHRMC and Julian Road

	Inpatient Surgeries at NHRMC Only	Outpatient Surgeries At NHRMC & Julian Road	Correction
Initial RMC 2015 Hosp Oupt & Inpatient Surgeries Reported w/o C- Sections	3,233	8,041	FFY 2014 Surgery Data with Unintentional Errors
Subtract Cardiac Caths & Endovasc Procedures Counted as OR cases	-1,509	-1,081	Remove Cardiac Caths and Endovascular Procedures
Revised Subtotals	1,724	6,960	
Subtract Outpt GI Endos & Outpatient Pain Px- Julian Rd ASC	-1	-145	Remove Outpt GI Endo Px & Pain Mgt Px from ASC OP OR Cases
Corrected FFY 2014 NHRMC & Julian Road Surgical Cases	1,723	6,815	FFY 2014 Corrected Surgical Case Totals

¹Decrease in outpatient surgeries reported (8,041-6,815=1,226). Decrease in inpatient surgeries reported (3,233-1,723=1,510)

NHRMC will submit corrected 2015 NHRMC Hospital Licensure Application pages with corrected FFY 2014 NHRMC surgical data to the DHSR Licensure Section and to the DHSR Healthcare Planning and Certificate of Need Section.

Also attached to this letter is a worksheet showing the Rowan County Need Determination for one new OR in Rowan County, before the FFY 2014 surgical data was corrected and after the surgical data was corrected.

Given that the corrected data does not generate a need determination for one additional OR in Rowan County, we respectfully request that DHSR delete the need determination in the 2016 SMFP for one additional OR in Rowan County.

Please rest assured that the NHRMC FFY 2015 surgical case data was correctly reported in the NHRMC 2016 Hospital Licensure Renewal Application. Please feel free to contact me if you require any additional information or have questions.

Sincerely,



Barbara L. Freedy, Director
Certificate of Need
Novant Health, Inc.

File: NHRMC2015LRASurgeryCorrections.docx



2085 Frontis Plaza Boulevard
Winston Salem, NC 27103

novanthealth.org

February 17, 2016

Azzie Conley, Chief
North Carolina Department of Health and Human Services
Division of Health Service Regulation
Acute and Home Care Licensure and Certification Section
2712 Mail Service Center
Raleigh, NC 27699-2712

Re: Corrections to Novant Health Rowan Medical Center 2015 annual Hospital Licensure Renewal Application (License # H0040)

Dear Ms. Conley:

In reviewing the 2015 Novant Health Rowan Medical Center licensure renewal applications, we discovered corrections that need to be made on pages 7, 11, 13, 26-28. The adjustments involve Surgical Cases.

Inpatient and Ambulatory Surgical cases are being reduced for cases that are reflected in other areas of the license renewal, i.e. Cardiac Catheterizations and Special Procedures/Angiography Equipment, and corrections are being made to move non-surgical cases performed in the OR to the correct section. All corrections/comments have been made in red ink for your review.

Please accept these amendments to the Novant Health Rowan Medical Center 2015 annual hospital licensure renewal applications. Feel free to contact me at (336)277-1472 or msaxon-parr@novanthealth.org if you have any questions or concerns.

Thanks in advance.

Sincerely,

A handwritten signature in cursive script that reads "Mary Beth Saxon-Parr".

Mary Beth Saxon-Parr
Manager, Operational Finance

cc: Shelley Carraway, Chief, Healthcare Planning and Certificate of Need Section