

**Acute Care Committee
Agency Report
Petition for Operating Room Service Area Adjustment:
Merge Watauga and Avery County Operating Room Service Areas
Proposed 2020 State Medical Facilities Plan**

Petitioner:

Appalachian Regional Healthcare System, Inc.
336 Deerfield Road
Boone, NC 28607

Contact:

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Request:

The petitioners request that the *North Carolina 2020 State Medical Facilities Plan (SMFP)* and subsequent *SMFPs* reflect an adjustment to service areas “such that the Watauga County Operating Room (OR) Service Area be merged with the Avery County OR Service Area” for the purposes of determining need.

Background Information:

Chapter Two of the *North Carolina 2019 State Medical Facilities Plan (SMFP)* provides that “[a]nyone who finds that the North Carolina State Medical Facilities Plan policies or methodologies, or the results of their application, are inappropriate may petition for changes or revisions. Such petitions are of two general types: those requesting changes in basic policies and methodologies, and those requesting adjustments to the need projections.” The annual planning process and timeline allow for submission of petitions for changes to policies and methodologies in the spring and petitions requesting adjustments to need projections in the summer.

The standard methodology in the *SMFP* defines a single county operating room service area as a county that has at least one licensed facility with one or more operating rooms. A multicounty operating room service area is a group of counties that has 1) one or two counties with at least one licensed facility with at least one operating room and 2) one or more counties with no licensed facility with at least one operating room. Multi-county groupings are determined based on surgical patient origin data from the Hospitals License Renewal Applications and the Ambulatory Surgical Facility License Renewal Applications.

In 2006, as summer petitions were being considered, the SHCC supported a petition from Harris Regional Hospital in Jackson County and Swain County Hospital requesting the addition of Swain County to the Jackson-Graham multicounty operating room service area. At the time of the petition, both hospitals were owned by the WestCare Health System. Although Swain County had a hospital, no surgeons practiced in the county. The petition was approved because the Acute Care Committee decided there was a need to concentrate services.

Analysis/Implications:

The Petitioners request to merge the Watauga and Avery County Service Areas. Watauga Medical Center, located in Watauga County, and Charles A. Cannon, Jr. Memorial Hospital, located in Avery County, together form Appalachian Regional Healthcare System (ARHS). According to the petitioners, a merger would allow for a better response to OR utilization patterns and staffing demands across those areas. The Agency finds that the Petitioners do not seek to introduce a policy or to change the OR methodology in order to achieve their goal, but rather highlight the specific characteristics of the existing service areas and propose altering those particular service area boundaries.

Agency Recommendation:

Given available information submitted by the March 21, 2019 deadline, and in consideration of factors discussed above, the agency recommends denial of the Petitioner's request to merge the Watauga County and Avery County OR Service Areas. The request made by the Appalachian Regional Healthcare System does not meet the spring petition guidelines as outlined in Chapter 2 of the SMFP. Spring petitions are dedicated to changes in basic policies and methodologies. Petitions requesting adjustments that are founded by a belief that "unique or special attributes of a particular geographic area or institution give rise to resource requirements that differ from those provided by application of the standard planning procedures and policies" (SMFP) are considered in the summer.