

North Carolina State Health Coordinating Council

MS Health Planning
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Public Hearing

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MEDICAL FACILITIES
PLANNING SECTION

Presented on behalf of: Franklin Regional Medical Center

Good afternoon. I am Bonnie Little, Director of Business Development at Franklin Regional Medical Center and I am here today on behalf of our petition requesting a change to the operating room methodology for the *Proposed 2009 State Medical Facilities Plan*. Specifically, we are requesting a change in the methodology to minimize what we believe is a negative impact of the current methodology on counties with 10 or fewer OR's. The written petition details the need for the proposed change; however, I wanted to speak today in this

public setting about why we believe the proposed change is needed.

As you may recall, we came to the SHCC last summer to request a special need adjustment for Franklin County, which would have allocated one additional OR for our county, which currently has only three OR's. Despite the Agency's analysis, which concluded that Franklin County OR's are operating at the highest utilization of any county in the state, our petition was denied. According to the Agency Report, "the Agency supported the standard methodology and recommended that the Petition be denied." On that basis, we are here to petition that the standard methodology be changed to more equitably reflect the need in counties with fewer OR's.

As you may also recall from last year, our proposed change is not without precedent. In fact, the change

we propose is based on changes suggested last year by Dr. Dana Copeland. We again urge you to consider these changes, as they will strengthen what is already a good OR methodology.

Specifically, the current methodology dictates that until there is a deficit of at least 0.5 operating rooms in a given county, no need will be generated. According to the *2008 SMFP*, there will be a deficit of 0.25 operating rooms in Franklin County in 2010. Using the statewide methodology, there will be no additional operating room allocated to Franklin County in the 2009 Plan because the deficit has not yet reached 0.5. As OR volume in the county continues to grow and operating room capacity remains the same, a deficit of OR's has a greater impact than it might in another community with greater current capacity. It is important to

understand what a “deficit” of OR’s really is. It means that providers in the county are projected to operate above the volume thresholds established in the *SMFP*. For counties like Franklin, which have fewer operating rooms to begin with, the challenge of operating above capacity is greater than in other counties. Let me try to use an example to explain the impact of the current methodology.

In order for Franklin County to reach the 0.5 need to trigger an allocation, that extra volume must be spread among the three existing OR’s in Franklin County; thus, each of them must operate at 100% of the threshold of 1872 hours per year, plus one-third of the additional hours needed to meet the 0.5 need threshold. This equates to each room providing an additional 312 hours per year of service. *That’s an average of 1.2 hours per day per operating room above the*

nine hour average calculated in the methodology, for a total of 10.2 hours per day, five days per week, 52 weeks per year, just to trigger a need. Then, we must continue to operate at or above those levels in the intervening time it takes to have the need in the *SMFP*, apply for it, be approved, and develop the additional operating room. I suggest that it would be a rare community hospital whose OR's were each operating over 10 hours per day, every day, for several years—it just is not feasible and I believe that's easy to recognize.

In comparison, Cleveland County, which shows nearly twice the OR deficit of Franklin County, has nine existing OR's, or three times Franklin County's OR's to absorb the volume represented by the 0.5 OR threshold. That equates to only 96 additional hours per OR per year, or only 22 extra minutes per OR per

day—compared to the extra 1.2 hours per day required in Franklin County.

There are several other factors and statistical reasons that we'll be providing in our petition, but I didn't want to take your time today reading off a list of numbers and percentages. What we are requesting is that, much like the existing acute care bed and MRI methodologies, a tiering approach be included in the OR methodology, to lower the 0.5 threshold to 0.2 for counties with five or fewer OR's; to 0.3 for counties with six to 10 OR's, and no change in the 0.5 threshold for counties with more than 10 OR's.

We believe there is a clear and present need as I've discussed today and as further outlined in our petition. We appreciate your careful consideration of this petition and hope it will prevent similar counties

from requesting special need adjustments as we did last year. Please let us know if we can assist the SHCC or the Acute Care Services Committee in your review.

Thank you.