

**RESPONSE OF FIRSTHEALTH OF THE CAROLINAS, INC.
TO PETITION BY CAPE FEAR VALLEY HEALTH SYSTEM
TO ADJUST THE MRI SERVICE AREA FOR HOKE COUNTY
IN THE 2010 SMFP**

**DFS Health Planning
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**Medical Facilities
PLANNING SECTION**

FirstHealth of the Carolinas, Inc. ("FirstHealth") files this response in opposition to the petition filed on July 6, 2009 by Cape Fear Valley Health System ("CFVHS") to adjust the MRI Service Area for Hoke County in the 2010 State Medical Facilities Plan ("SMFP"). CFVHS's petition also addressed the acute care bed and operating room service areas for Hoke County. Since responses to acute care petitions are due on August 26, 2009, FirstHealth will respond separately to the acute care bed and operating room portions of the CFVHS petition by August 26, 2009.

Background

At the present time, Hoke County has no hospital, operating rooms or MRI scanner. Hoke County and Moore County have been combined as a multi-county service area for purposes of MRI because, for many years, FirstHealth Moore Regional Hospital provided the largest number of inpatient days of care to residents of Hoke County. See Proposed 2010 SMFP, Chapter 9. CFVHS is seeking to change the Moore-Hoke service area to a Cumberland-Hoke service area on the basis of a one-year change. CFVHS is further asking that Moore County be designated a single county for purposes of beds, operating rooms and MRI. According to the information CFVHS provides in its petition, for the first time in several years, CFVHS provided more inpatient days of care in FY 2008 to Hoke County residents than did FirstHealth Moore Regional. This is based on data that Thomson-Reuters released in April 2009. CFVHS's petition discusses only the Moore-Hoke service area and does not propose to make changes to any other multi-county service area. There are, of course, several other multi-county service areas in North Carolina, as described on page 46 of the 2009 SMFP and on page 51 of the draft 2010 SMFP.

Reasons why FirstHealth opposes the petition

FirstHealth opposes CFVHS's petition for the following reasons:

1. First, CFVHS's petition is based on only one year's worth of data.¹ The Moore-Hoke service area has been in place since the 2004 SMFP. Regardless of what the FY 2008 Thomson-Reuters data show, FirstHealth Moore Regional still provides a very significant amount of care to Hoke County residents. According to the data supplied on page 3 of CFVHS's petition, FirstHealth Moore Regional provided more (approximately 42%) of the acute inpatient days of care to Hoke County residents than did any other provider. Before the SHCC makes a significant change to the SMFP, it should have the benefit of more data over a longer period of time, not just a one year snapshot's worth of data that may not be indicative of

¹ CFVHS notes that its acute inpatient days of care provided to Hoke County residents has been increasing. See Petition, page 3. This is not relevant. The test applied in the SMFP is "the largest number of inpatient days of care to the residents of the county that has no hospital." See Proposed 2010 SMFP, Chapter 9. The test is not whether the provider's inpatient days of care have been increasing.

a long-term change in usage patterns. The SHCC would also want to be certain that the data used to support any changes have been checked thoroughly for accuracy before any changes are made to service areas. If the SHCC decides that the issue of multi-county service areas needs attention, a work group, composed of a cross-section of representatives, should be formed to study the issue of multi-county service areas thoroughly. Upon review, the work group might recommend that the metrics used to create multi-county service areas should be changed. For example, acute care bed and MRI multi-county service areas are now based on inpatient days of care. The work group might recommend that these multi-county service areas should be based on number of patients number of discharges, acuity levels or some other measure. The work group might also determine that any changes made to multi-county service areas should be based on which hospital has provided the most acute inpatient days of care over a prolonged period of time, e.g., three years. This would help ensure that any changes are based on long-term patterns and not just on aberrations. It might also be relevant to consider the views of the residents of the county without the hospital, so they have some say in the county (and thus the hospital) with which they are combined. Consistent with Policy Gen-3 and the Basic Principles that are the underpinning of the SMFP, the work group might also want to consider how changing service area groupings could potentially impact charges to patients or charity care to the medically underserved. The work group might also recommend that multi-county service areas are no longer necessary and should be abolished entirely.

All of these variations tend to show that the issue of multi-county service areas is complex and therefore deserves careful study before any changes are made.

2. Second, CFVHS's petition and the proposal contained in the petition are incomplete and designed solely to benefit CFVHS. There are many other multi-county service areas besides Moore-Hoke. See page 46 of the 2009 SMFP and page 51 of the draft 2010 SMFP. If the SHCC determines that any changes need to be made to the Moore-Hoke service area, it must also review all other multi-county service areas to ensure consistency in the development of the 2010 SMFP. The SHCC has responsibility for developing a health plan for the entire State, and should not make selective changes that will benefit one provider. Again, a work group that would study *all* of the multi-county service areas is preferable to a one-time change that benefits only one provider.

Further, it is not clear that there is a problem at the present time that needs to be fixed. CFVHS is the only provider that has asked for a change in multi-county groupings. CFVHS states that one reason the SHCC should change the service areas is because it would "allow the development of expanded services for residents of Hoke County in Hoke County...by allowing those residents to continue to use resources at Cape Fear Valley." See Petition, page 6. Residents of Hoke County already have access to the services of CFVHS both inside and outside of Hoke County. For example, CFVHS operates Hoke Family Medicine in Hoke County. CFVHS has recently filed a CON application to develop a diagnostic center in Hoke County. CFVHS could also contract with a mobile MRI provider to provide mobile MRI service in Hoke County. Thus, the Moore-Hoke service area currently in place does not preclude CFVHS from offering MRI services in Hoke County. CFVHS has also recently filed a CON application proposing a 41-bed hospital at the Hoke-Cumberland border. CFVHS maintains in that application that its proposed hospital will offer excellent access for Hoke County residents.

In conclusion, FirstHealth respectfully submits that the CFVHS petition should be denied. If the SHCC determines that the issue of multi-county service areas needs attention, a work group should be formed before any changes are made.