

**Petition for Adjustment to Need Determination for Operating Room in
Columbus County**

This petition is submitted on behalf of Columbus Regional Healthcare System (“CRHS”), 500 Jefferson Street, Whiteville, NC 28472. Henry Hawthorne, President and Chief Executive Officer of CRHS, (910) 642-1776, hhawthorne@crhealthcare.org, is the contact person for questions regarding this petition.

CRHS hereby petitions the State Health Coordinating Council for an adjustment to Tables 6A, Operating Room Inventory, and 6B, Operating Room Need Determination, for the Proposed 2011 State Medical Facilities Plan (“SMFP”) to correct a data reporting error and eliminate the need determination for one operating room in Columbus County.

Requested Adjustment

CRHS has recently submitted the attached correction to its 2010 License Renewal Application. When the corrected utilization is used in Tables 6A and 6B, the need methodology no longer generates a need for an operating room in Columbus County in 2011. Therefore, CRHS requests that its number of inpatient and ambulatory cases in the operating room need inventory be corrected and that the need determination for an operating room in Columbus County be eliminated.

Reasons for Proposed Adjustment

Table 6A of the proposed 2011 SMFP shows 1,907 inpatient cases and 2,579 ambulatory cases for fiscal year 2009 for Columbus County. These numbers are based on CRHS’s revised 2010 License Renewal Application. The 2010 Licensure Renewal Application was revised earlier this year after a request from the Acute and Home Care Licensure Section to ensure that the totals on the Patient Origin tables on pages 20 and 21 matched the totals on page 9 in Section 8(d). It has recently become apparent that the submitted revisions were incorrect.

DFS Health Planning
RECEIVED

AUG 02 2010

**Medical Facilities
Planning Section**

As is the case with many hospitals, CRHS has different data systems for various functions in the hospital. The result is that surgical specialty data comes from one system, and financial class and patient origin data comes from another system. Further complicating the matter is the calculation of cases versus procedures, which can be handled differently on different systems. Since its first revision to its 2010 License Renewal Application, CRHS has implemented a data mining tool that has given it the ability to pull from multiple source tables at once and to analyze this data in a more consistent manner. The current revisions to the 2010 application on pages 5, 9, 20, and 21 (attached) were retrieved via this new tool and most accurately represent the data requested in the Licensure Renewal Application. CRHS submitted the attached corrections to its 2010 License Renewal Application to the Acute and Home Care Licensure Section on July 23, 2010.

The corrected number for inpatient cases is 1,497 and the corrected number for ambulatory cases is 3,206. When these corrected numbers are incorporated into Tables 6A and 6B of the proposed 2011 SMFP, there is a need for 5.06 operating rooms in Columbus County in 2013. The inventory reflects a total of five existing and approved operating rooms (excluding the dedicated C-Section room) in Columbus County, including four currently in use and one approved but not yet operational. As a result, the projected operating room deficit for 2013 is only 0.06, and no need is generated for another operating room in Columbus County.

The operating room that is not yet operational is a result of CONs issued in 2007. In September and October 2006, Columbus Regional Properties, LLC and Columbus Regional Same Day Surgery, LLC were approved to establish a freestanding ambulatory surgery center with one operating room and one endoscopy room in Whiteville to fill a defined need for additional capacity in Columbus County. The groundbreaking took place in February 2008. Work was halted in July 2008 due to environmental concerns related to underground storage

tanks. Based on intervening changes in various reimbursement methodologies, Columbus Regional Properties, LLC and Columbus Regional Same Day Surgery, LLC members agreed in 2009 to request a declaratory ruling to allow CRHS to acquire all membership interests to ensure that this vital project to add operating room and endoscopy capacity could continue. A declaratory ruling was issued in September 2009, allowing CRHS to acquire a 100% membership interest and to convert freestanding ambulatory surgery to a hospital outpatient department. These transactions have recently been finalized, and CRHS is working on a plan to develop the project as soon as the site issues are resolved.

Adverse Effects on Population if Adjustment is Not Made

If the requested adjustment to the 2011 SMFP is not made, the SMFP will continue to be inaccurate and will not take into account accurate operating room utilization at CRHS. If the adjustment is not made, the 2011 SMFP will contain an incorrect need determination, which will result in duplicating existing and approved services. Although the approved operating room has not yet been completed, there will be additional operating room capacity once it is completed. Permitting another operating room to be developed before the approved operating room becomes operational will duplicate the approved services, which is contrary to the main principles of the CON Act and the State Medical Facilities Plan.

Alternatives Considered

CRHS considered keeping the status quo and not making a correction to its data, but doing so would cause the SMFP to be incorrect and cause the methodology to generate a need determination for an operating room that duplicates existing and approved operating rooms in Columbus County.

Adjustment Will Not Duplicate Existing Services

Approving this petition and allowing the requested adjustment will not duplicate existing services and will in fact prevent the unnecessary duplication of health resources. Failure to approve this petition will perpetuate an error in the data, permit applications to be filed in 2011 for an operating room that is not needed under the methodology, and cause unnecessary duplication of existing services if there are applicants for the unnecessary operating room. An approved applicant would have to construct space and utilize significant resources to develop the operating room when adequate space and services are already in existence or approved.

Requested Adjustment Consistent With Safety and Quality, Access, and Value

The requested adjustment is consistent with the three Basic Principles governing the development of the SMFP. It will promote safety and quality because it will enable the existing and approved resources to be fully utilized before another operating room is approved and developed. The existing and approved services already have quality and safety standards and programs in place. The requested petition is consistent with the principles of access and value because the existing and approved operating rooms are sufficient to meet the needs of the population of Columbus County without a permitting a costly additional operating room to be developed. Using existing and approved resources will maximize value and help control costs.

Conclusion

For the foregoing reasons, CRHS asks that Tables 6A, Operating Room Inventory, and 6B, Operating Room Need Determination, in the Proposed 2011 State Medical Facilities Plan (“SMFP”) be amended to correct a data error and eliminate the need determination for one operating room in Columbus County.

Columbus Regional HEALTHCARE SYSTEM

Friday, July 23, 2010

Acute and Home Care Licensure & Certification Section
NC DHHS – Division of Health Service Regulation
1205 Umstead Drive
Raleigh, NC 27603

RE: Corrected 2010 Hospital License Renewal Application

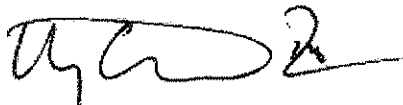
To Whom It May Concern:

In reviewing the data on Columbus County in the recently published "Proposed 2011 State Medical Facilities Plan", it became apparent that the surgical volumes CRHS reported on its 2010 Licensure Renewal Application were incorrect. The 2010 Licensure Renewal Application was revised earlier this year after a request from your office to ensure that the totals on the Patient Origin tables on pages 20 and 21 matched the totals on page 9 in Section 8(d). The submitted revisions were incorrect.

As is the case with many hospitals, CRHS has disparate data systems for various functions in the hospital. The result is that surgical specialty data has come from one system, and financial class and patient origin data from another system. Further complicating the matter is the calculation of cases versus procedures, which can be handled differently on different systems. Since our initial revisions, CRHS has implemented a data mining tool that has given us the ability to pull from multiple source tables at once and to analyze this data in a more consistent manner. The current revisions to the 2010 application, specifically on pages 5, 9, 20, and 21, have been retrieved via this new tool, and we believe most accurately represent the data requested in the Licensure Renewal Application.

Attached find copies of the pages of our 2010 application that required revision. Should you have any questions, feel free to contact me directly.

Sincerely,



Henry Hawthorne, CEO

North Carolina Department of Health and Human Services
Division of Health Service Regulation
Acute and Home Care Licensure and Certification Section
1205 Umstead Drive, 2712 Mail Service Center
Raleigh, North Carolina 27699-2712
Telephone: (919) 855-4620 Fax: (919) 715-3073

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License # H0045 Medicare # 340068
Computer: 923111
PC _____ Date _____

License Fee: \$3,145.00

**2010
HOSPITAL LICENSE
RENEWAL APPLICATION**

Legal Identity of Applicant: Columbus Regional Healthcare System
(Full legal name of corporation, partnership, individual, or other legal entity owning the enterprise or service.)

Doing Business As
(d/b/a) name(s) under which the facility or services are advertised or presented to the public:

PRIMARY: Columbus Regional Healthcare System

Other: _____

Other: _____

Facility Mailing Address: 500 Jefferson St
Whiteville, NC 28472

Facility Site Address: 500 Jefferson St
Whiteville, NC 28472

County: Columbus
Telephone: (910)642-8011
Fax: (910)642-9305

Administrator/Director: Henry Hawthorne III

Title: President, CEO

(Designated agent (individual) responsible to the governing body (owner) for the management of the licensed facility)

Chief Executive Officer: Henry Hawthorne, III Title: President / CEO
(Designated agent (individual) responsible to the governing body (owner) for the management of the licensed facility)

Name of the person to contact for any questions regarding this form:

Name: Ann Johnston, VP of Operations / CEO Telephone: 910-642-1705

E-Mail: ajohnston@cihealthcare.org

All responses should pertain to October 1, 2008 through September 30, 2009.

D. Beds by Service (Inpatient) continued

Number of Swing Beds *	0
Number of Skilled Nursing days in Swing Beds	0
Number of unlicensed observation beds	0

* means a hospital designated as a swing-bed hospital by CMS (Centers for Medicare and Medicaid Services)

E. Reimbursement Source (For "Inpatient Days," show Acute Inpatient Days only, excluding normal newborns.)

Primary Payer Source	Inpatient Days of Care (from p. 4, item D. 1.)	Emergency Visits (from p. 6)	Outpatient Visits (excluding Emergency Visits and Surgical Cases)	Inpatient Surgical Cases (from p.8, Table 8. b)	Ambulatory Surgical Cases (from p. 8, Table 8. b)
Self Pay/Indigent/Charity	2366	7061	9777	177 122	177 88
Medicare & Medicare Managed Care	14067	6175	14768	807 730	1032 1167
Medicaid	3575	9577	6216	294 339	665 727
Commercial Insurance	1373	2553	4450	167 203	565 858
Managed Care	741	1258	2479	95 82	296 306
Other (Specify)	861	1721	34656	4 21	500 60
TOTAL	22,983	28345	72346	1524 1497	2776 3206

F. Services and Facilities

1. Obstetrics

	Enter Number of Infants
a. Live births (Vaginal Deliveries)	362
b. Live births (Cesarean Section)	177 128
c. Stillbirths	7

d. Delivery Rooms - Delivery Only (not Cesarean Section)	0
e. Delivery Rooms - Labor and Delivery, Recovery	4
f. Delivery Rooms - LDRP (include Item "m" on Page 4)	0
g. Normal newborn bassinets (Level I Neonatal Services) Do not include with totals under the section entitled Beds by Service (Inpatient)	16

2. **Abortion Services** **NO** Number of procedures per Year 0

CORRECTED
7/23/10

All responses should pertain to October 1, 2008 through September 30, 2009.

8. Surgical Operating Rooms, Procedure Rooms, Gastrointestinal Endoscopy Rooms, Surgical and Non-Surgical Cases and Procedures (continued)

(Campus -- If multiple sites: N/A)

d) Surgical Cases by Specialty Area Table

Enter the number of **surgical cases** by surgical specialty area in the table below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area -- the total number of surgical cases is an unduplicated count of surgical cases. Count all surgical cases, including surgical cases operated on in procedure rooms or in any other location.

Surgical Specialty Area	Inpatient Cases	Ambulatory Cases
Cardiothoracic (excluding Open Heart Surgery)		
Open Heart Surgery (from 7.(b) 4.)		
General Surgery	873 889 1401	1452 1529 269
Neurosurgery		
Obstetrics and GYN (excluding C-Sections)	68 96 64	254 239 284
Ophthalmology		75 65
Oral Surgery		
Orthopedics	210 215 244	547 519 495
Otolaryngology	34 38 17	616 575 508
Plastic Surgery		14 13
Urology	18 13 56	14 10 124
Vascular	166 166 128	174 174 179
Other Surgeries (specify) <i>Pediatrics</i>		60 ✓
Other Surgeries (specify)		
Number of C-Section's Performed in Dedicated C-Section ORs	128 127	
Number of C-Section's Performed in Other ORs		
Total Surgical Cases	1497 1524 2034	3206 3176 2879

e) Non-Surgical Cases by Category Table

Enter the number of **non-surgical cases** by category in the table below. Count each patient undergoing a procedure or procedures as one case regardless of the number of non-surgical procedures performed. Categorize each case into one non-surgical category -- the total number of non-surgical cases is an unduplicated count of non-surgical cases. Count all non-surgical cases, including cases receiving services in operating rooms or in any other location, *except* do not count cases having endoscopies in GI Endoscopy rooms. Report cases having endoscopies in GI Endoscopy Rooms on page 8.

Non-Surgical Category	Inpatient Cases	Ambulatory Cases
Pain Management		3
Cystoscopy	121	252
Non-GI Endoscopies (not reported in 8. c)		
GI Endoscopies (not reported in 8. c)	66	366
YAG Laser		
Other (specify)		
Other (specify) <i>Minor Surgery</i>	39	191
Other (specify) <i>Picc lines</i>		136
Total Non-Surgical Cases	226	948

All responses should pertain to October 1, 2008 through September 30, 2009.

Patient Origin – Inpatient Surgical Cases

Facility County: Columbus

In an effort to document patterns of Inpatient utilization of Surgical Services in North Carolina hospitals, please provide the county of residence for each inpatient surgical patient served in your facility. Count each inpatient surgical patient once regardless of the number of surgical procedures performed while the patient was having surgery. However, each admission as an inpatient surgical case should be reported separately.

The Total from this chart should match the Total Inpatient Cases reported on the "Surgical Cases by Specialty Area" Table on page 9.

County	No. of Patients	County	No. of Patients	County	No. of Patients
1. Alamance		37. Gates		73. Person	
2. Alexander		38. Graham		74. Pitt	
3. Alleghany		39. Granville		75. Polk	
4. Anson		40. Greene		76. Randolph	
5. Ashe		41. Guilford		77. Richmond	
6. Avery		42. Halifax		78. Robeson	16 78-9
7. Beaufort		43. Harnett		79. Rockingham	
8. Bertie		44. Haywood		80. Rowan	
9. Bladen	164	45. Henderson		81. Rutherford	
10. Brunswick	52	46. Hertford		82. Sampson	2
11. Buncombe		47. Hoke		83. Scotland	
12. Burke		48. Hyde		84. Stanly	
13. Cabarrus		49. Iredell		85. Stokes	
14. Caldwell		50. Jackson		86. Surry	
15. Camden		51. Johnston		87. Swain	
16. Carteret		52. Jones		88. Transylvania	
17. Caswell		53. Lee		89. Tyrrell	
18. Catawba		54. Lenoir		90. Union	
19. Chatham		55. Lincoln		91. Vance	
20. Cherokee		56. Macon		92. Wake	1
21. Chowan		57. Madison		93. Warren	
22. Clay		58. Martin		94. Washington	
23. Cleveland		59. McDowell		95. Watauga	
24. Columbus	1709-03-17-1228	60. Mecklenburg		96. Wayne	
25. Craven		61. Mitchell		97. Wilkes	
26. Cumberland		62. Montgomery		98. Wilson	
27. Currituck		63. Moore		99. Yadkin	
28. Dare		64. Nash		100. Yancey	
29. Davidson	1	65. New Hanover	4		
30. Davie		66. Northampton		101. Georgia	
31. Duplin	1	67. Onslow		102. South Carolina	14 6-4
32. Durham		68. Orange		103. Tennessee	
33. Edgecombe	1	69. Pamlico		104. Virginia	
34. Forsyth	5	70. Pasquotank		105. Other States	
35. Franklin		71. Pender		106. Other	8 75-67
36. Gaston		72. Perquimans		Total No. of Patients	2504

1497 2034

CORRECTED 7/23/10

All responses should pertain to October 1, 2008 through September 30, 2009.

Patient Origin – Ambulatory Surgical Cases

Facility County: **Columbus**

In an effort to document patterns of Ambulatory utilization of Surgical Services in North Carolina hospitals, please provide the county of residence for each ambulatory surgery patient served in your facility. Count each ambulatory patient once regardless of the number of procedures performed while the patient was having surgery. However, each admission as an ambulatory surgery case should be reported separately.

The Total from this chart should match the Total Ambulatory Surgical Cases reported on the “Surgical Cases by Specialty Area” Table on page 9.


County	No. of Patients	County	No. of Patients	County	No. of Patients
1. Alamance		37. Gates		73. Person	
2. Alexander		38. Graham		74. Pitt	
3. Alleghany		39. Granville		75. Polk	
4. Anson	1	40. Greene		76. Randolph	
5. Ashe		41. Guilford		77. Richmond	
6. Avery		42. Halifax		78. Robeson	28 50 51
7. Beaufort		43. Harnett		79. Rockingham	
8. Bertie		44. Haywood		80. Rowan	
9. Bladen	209 423 487	45. Henderson		81. Rutherford	
10. Brunswick	71 119 162	46. Hertford		82. Sampson	9
11. Buncombe		47. Hoke		83. Scotland	
12. Burke		48. Hyde		84. Stanly	
13. Cabarrus		49. Iredell	1	85. Stokes	
14. Caldwell		50. Jackson		86. Surry	
15. Camden		51. Johnston		87. Swain	
16. Carteret		52. Jones	1	88. Transylvania	
17. Caswell		53. Lee		89. Tyrrell	
18. Catawba		54. Lenoir		90. Union	
19. Chatham		55. Lincoln		91. Vance	
20. Cherokee		56. Macon		92. Wake	1
21. Chowan		57. Madison		93. Warren	
22. Clay		58. Martin		94. Washington	
23. Cleveland	→ 2436	59. McDowell		95. Watauga	
24. Columbus	2260 4665 2	60. Mecklenburg	1	96. Wayne	
25. Craven		61. Mitchell		97. Wilkes	
26. Cumberland	≠ 3	62. Montgomery		98. Wilson	
27. Currituck		63. Moore		99. Yadkin	
28. Dare		64. Nash		100. Yancey	
29. Davidson		65. New Hanover	4		
30. Davie		66. Northampton		101. Georgia	
31. Duplin	2	67. Onslow	1	102. South Carolina	30 23 11
32. Durham		68. Orange		103. Tennessee	
33. Edgecombe		69. Pamlico		104. Virginia	
34. Forsyth	3	70. Pasquotank		105. Other States	
35. Franklin		71. Pender	3	106. Other	9
36. Gaston	1	72. Perquimans		Total No. of Patients	5275 3206

CORRECTED 7/23/10

All responses should pertain to October 1, 2008 through September 30, 2009.

This application must be completed and submitted with ONE COPY to the Acute and Home Care Licensure and Certification Section, Division of Health Service Regulation prior to the issuance of a 2010 hospital license.

AUTHENTICATING SIGNATURE: The undersigned submits application for the year 2010 in accordance with Article 5, Chapter 131E of the General Statutes of North Carolina, and subject to the rules and codes adopted thereunder by the North Carolina Medical Care Commission (10A NCAC 13B), and certifies the accuracy of this information.

Signature:  Date: 11/25/09 7/23/10

PRINT NAME
OF APPROVING OFFICIAL Henry Hawthorne Henry Hawthorne

Please be advised, the license fee must accompany the completed application and be submitted to the Acute and Home Care Licensure and Certification Section, Division of Health Service Regulation, prior to the issuance of a hospital license.

RE-SIGNED FOR CORRECTIONS SUBMITTED 7/23/10