

State Health Coordinating Council, and
North Carolina Division of Health Service Regulation
Medical Facilities Planning Branch
2714 Mail Service Center
Raleigh, NC 27699-2714

RE: Comments Regarding OrthoCarolina Petition Request for Sixteen Nursing Facility Beds to Be Utilized in Conjunction with an Existing or Approved Orthopedic Ambulatory Surgical Facility

State Health Coordinating Council Members and Medical Facilities Planning Staff,


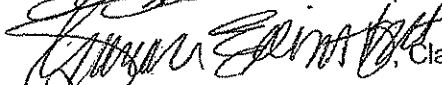
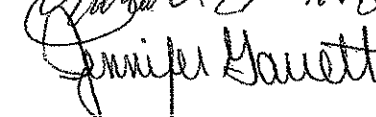
As an Industry-leading Third Party Administrator, CorVel is pleased to support the petition request by OrthoCarolina for an adjusted need determinations for 16 nursing facility beds to serve as a recovery care center for joint replacement patients. I understand that other states have allowed the development of recovery care centers with skilled nursing beds to provide physician directed rehabilitation and nursing care to patients who have had joint replacement in ambulatory surgery centers.

Demand for partial and total joint replacement surgery has increased dramatically in recent years due to changes in technology and demographics. OrthoCarolina surgeons performed approximately 4,195 partial and total joint replacement surgeries in the previous year. This is the largest volume of joint surgery procedures of any orthopaedic group in the State. I trust OrthoCarolina physician to carefully implement patient screening criteria for the surgery center and recovery care facility to ensure the safest care and best outcomes. CorVel views OrthoCarolina as a quality and cost-effective strategic partner in our mutual efforts to improve upon healthcare delivery.

The OrthoCarolina proposal is consistent with health planning policies that encourage facilities to pursue innovative approaches in care practices and facility design that address quality of care for patients. I am certain that patients would prefer to receive rehabilitation services in specially designed recovery care center that is solely focused on serving the needs of orthopaedic patients. This new model of care should be implemented in North Carolina because joint replacement surgery performed in an ambulatory surgery facility, combined with admission to the recovery care facility, is expected to save 30 to 40 percent as compared to a hospital admission for the same procedure. In future years it appears likely that reimbursement for surgical procedures will be bundled together to reward quality of care and efficiency. Therefore this new model of care will be ideally positioned to respond to future changes in health policy and reimbursement.

I strongly urge you to approve the petition submitted by OrthoCarolina to ensure patient access to high quality and affordable joint replacement ambulatory surgery and post surgical recovery.

Sincerely,




Account Executive, CorVel Corporation
Claims Manager, CorVel Corporation
Bill Review Manager, CorVel Corporation

