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7-12-13 Asheville PH

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To the Members of the Acute Care Committee:

I would like to thank the committee for the opportunity to speak today in regard to the Blue Ridge Bone & Joint petition for a single specialty, two-room ambulatory surgery care center in Western North Carolina in Buncombe County. We appreciate the opportunity to present information to you today about the concerns we have regarding the lack of opportunity for our citizens of Western North Carolina to access ambulatory surgery center care. This goes to the heart of the goals of the State Planning Committee, in terms of enhancing quality, decreasing costs, and increasing patient access to high-quality health care.

We believe that the citizens of Western North Carolina have not been given the same opportunity that other citizens in larger metropolitan areas, despite evidence that patients in this region do not have the same access to ambulatory surgery care facilities as exist in larger metropolitan areas. We appreciate the opportunity to bring you this information today and hope that it provides you with the knowledge to reconsider previous decisions and allow an opportunity for a single-specialty ambulatory surgery center in this region.

A little background on Blue Ridge Bone & Joint. We are a regional, 20-member orthopedic group that serves the Western North Carolina area. We have been in existence for approximately 30 years, and have always provided the region with the highest-quality orthopedic care. We routinely take care of indigent patients as part of emergency room call. This includes seeing patients without requirement for prepayment from the Mission Hospital Emergency Room, as well as the Pardee Hospital Emergency Room, where our members take call. In addition, we have participated in Project Access for a number of years, providing local indigent care patients with access to high-quality orthopedic care. In general, we have been stewards in the community in terms

of providing care to all patients and all payers. Currently, our doctors provide care for Medicare and Medicaid patients. Routinely, the percentage of government payers rises into the 50 to 60 percent range every year. I just wanted to make sure the committee is aware of our commitment to high-quality care across the board, regardless of payor or patient financial status.

Now, returning to the three items discussed, increased patient access, decreased patient and system cost, and enhanced quality - I will discuss these in reverse order.

Enhanced Quality: Certainly, I think we are very fortunate in North Carolina to be blessed with high-quality health care. No one can doubt that Mission Hospital and the other hospitals in the region provide a very high quality of health care, that is the basis for trying to keep a community healthy. However, we believe that access to an ambulatory surgery care facility would provide patients with an enhanced quality experience. I know from my own patients, they would prefer to be in an outpatient-type scenario, than an inpatient-type scenario. Certainly, there are outpatient-type facilities available, but the vast majority of the operating rooms in this area are located in inpatient facilities.

In general, hospitals are filled with "sick" people. Patients who are undergoing outpatient and ambulatory-type surgeries typically are healthier. They often times feel uncomfortable when they have to travel through a large hospital, which not only can be confusing but also exposes them to the inpatient hospital setting, in which there are much sicker, unhealthier patients.

An ambulatory surgery facility would provide them with the opportunity to experience their health care in a different manner. The patient experience would improve. In most instances, ambulatory surgery centers provide a higher quality of patient experience due to multiple factors. Given that circumstance, we would hope that the planning board

would agree that an ambulatory surgery facility in this region would provide an enhanced quality and patient experience.

Decreased Costs: We know from the reimbursement structure of an ambulatory surgery center, versus an outpatient or inpatient-type facility, reimbursement rates are lower. This provides an opportunity for the patient, as well as the payers, to experience an overall lower cost of health care than we can currently provide. We have evidence in our petition, detailing the amount of money that the state could save if more ambulatory surgery centers were approved. (See Tables on pages 8 and 9 of our petition.)

Significant cost savings could be obtained, not only for the individual patient but also for the state employees, which would provide more resources for other important agenda items for the state legislature. In addition, this would also allow patients to have overall decreased health-care costs, allowing them to use their financial resources in other manners. Given that situation, we feel the citizens of Western North Carolina have been deprived of the opportunity to lower their health-care costs, by the lack of access to these type of facilities.

Finally, Improved Access: Unfortunately, our citizens are left with little choice as to the type of health care facility in which they must obtain surgical procedures. In fact, looking at the data, the OR availability in this region is somewhat opposite of the need.

As detailed in our petition, the percentage of surgical procedures done in this region which are considered outpatient or ambulatory-type procedures is more than 70%. However, the operating room assignments in our region are exactly the opposite of that percentage. The percentage of outpatient operating rooms available are only approximately 32%, while the number of inpatient rooms or inpatient/shared rooms are in the 68% range. (See Tables on page 5.) This is exactly the opposite of what the citizens

of Western North Carolina need from an access to high-quality outpatient/ambulatory care facility operating rooms.

In addition, when looking at the data, which we have included in our petition, the number of oversupply of operating rooms in our region is significantly less than the three regions in which a demonstration project was approved. We provide additional information on page 12 and in Table 1 – pages 19 and 20 - of our petition detailing the facts that the oversupply of operating rooms in the Charlotte, Triangle and Triad area, are significantly greater than what is considered to be the oversupply of operating rooms in Western North Carolina. However, in the process of approving the demonstration projects, the demonstration projects were approved for areas where there is considered to be a significantly greater number of operating rooms than needed, compared to our region.

Given that information, combined with the fact that the number of outpatient surgical operating rooms in this area is the exact opposite of what is needed based on review of outpatient versus inpatient surgical procedures, we would urge the committee to reconsider and evaluate the need for ambulatory care facilities in our region.

Thank you very much for the opportunity to speak with you today. Once again we, Blue Ridge Bone & Joint, feel that our petition for a two operating room ambulatory surgery care facility demonstration project fits precisely your desire for enhanced quality, decreased cost, and improved patient access and we hope that you will look favorably upon our application as you review it this year.

I'll be happy to address any comments or questions.