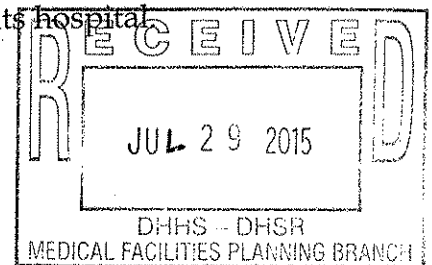


## Rex Healthcare

### Petition for Adjusted Need Determination for Fixed Cardiac Catheterization Equipment in Wake County

#### *Talking Points for Public Hearing*

- Rex Healthcare is filing a petition to request that the State Health Coordinating Council (SHCC) create an adjusted need determination for one unit of fixed cardiac catheterization equipment in Wake County.
- Rex is a leader in cardiology in Raleigh, Wake County, and through its physician partners, Eastern North Carolina. From expert surgeons and cardiologists to highly-trained nurses, Rex's heart and vascular team provides exceptional care in the most critical situations for patients.
- Since 2011, Rex's cardiac catheterization lab utilization has increased 22 percent each year and now its labs are operating at 114 percent of fixed capacity, which would make it the busiest facility in the state.
- Rex's utilization levels make it more difficult to deliver optimal care, particularly given the emergent nature of conditions requiring cardiac intervention, consistent with the Basic Principles of the SMFP. High utilization leads to delays for all patients, unnecessary overnight stays at the hospital, unnecessary staff overtime, and delays for physicians which can affect their clinic patients as well.
- In order to accommodate the demand for these services, Rex contracted with a mobile cardiac catheterization service beginning the last week of May. While this has provided some relief to our capacity issues, it is far from ideal. In order to reach the mobile unit, patients must exit the hospital, travel along a covered walkway, and enter a mobile trailer. The mobile unit's equipment is inferior to Rex's fixed equipment. As such, both patients and physicians would prefer to utilize the fixed labs, unfortunately the mobile must be used due to the sheer volume of patients that Rex sees.
- The most frustrating aspect of Rex's current capacity issues is that equipment in one of its existing peripheral vascular labs could be modified with a software upgrade with minimal expense so that it could be used as a cardiac catheterization laboratory. However, because of the regulatory limits on cardiac catheterization equipment, Rex's best option to serve its patients, without the adjusted need determination requested in this petition, is to utilize inferior equipment parked in a mobile trailer next to its hospital.



- Rex filed a similar petition last year but was denied. In recommending denial, the Planning Section had several points of opposition, which we've responded to in detail in this year's petition. I would like to address one issues that the Planning Section identified right now. Last year, the Planning Section opposed our petition because only one SMFP showed Rex's cath labs were overcapacity. Well, now two SMFPs show Rex's labs are overcapacity and the capacity issues have gotten much worse. The SMFP and CON processes take a long time. If the SHCC were to approve the petition we've filed this year, Rex will have been operating overcapacity for four years, at a minimum, by the time it is permitted to add another cath lab. Four years of unnecessary overnight stays, of using inferior mobile equipment, and delays and disruptions for a life-saving service.
- Rex needs more than the four fixed cath labs it currently operates. However, the cath labs at other hospitals in Wake County are underutilized. **Absent the requested adjusted need determination, Rex will never be able to acquire additional cardiac catheterization capacity, no matter how needed because other providers in its community are so underutilized.**
- Rex urges the Medical Facilities Planning Section to consider that Rex's unique circumstances indicate that a duplication of cardiac catheterization equipment in Wake County is necessary. Faced with similar unique circumstances, the SHCC approved a petition by Duke Raleigh for an adjusted need determination for one additional linear accelerator in Service Area 20 (Wake and Franklin counties) in the 2014 SMFP. The SHCC acted specifically to alleviate Duke Raleigh's lack of linear accelerator capacity. The SHCC did so even though there wasn't an overall need in the service area because multiple providers were underutilized and a previously approved linear accelerator had not yet been developed.
- Preventing duplication may be reasonable for equipment where the service or procedure is not central to the overall care. For example, a patient needing an MRI scan to support a diagnosis could choose an MRI provider separate from his physician or hospital, without any negative impacts on his care.
- Cardiac catheterization is much more central to the overall process of diagnosis and treatment. The team of cardiology providers, including medical, invasive, interventional and surgical cardiologists, has been chosen by the patient. Since those physicians have been chosen by the patient to provide his or her care, the notion of the physician referring the patient to a physician at another facility, just because there may be more capacity available there, is extraordinarily unlikely, as well as being disruptive to the continuity of care.

- The utilization of a particular facility is thus driven primarily by physician and patient preference, not the available capacity at a facility. Moreover, Rex's patients benefit from its information technology so that the physician can make the best care decisions. These information systems simply cannot be integrated as well into the clinical care at a different facility.
- For these reasons, Rex does not believe that its need for additional cardiac catheterization capacity can be served by underutilized capacity at other facilities. There is no remedy for Rex's patients and physicians for cardiac catheterization services outside of an adjusted need determination.
- The *State Medical Facilities Plan* and prior SHCC actions recognize that needs at particular facilities should be accommodated irrespective of underutilized capacity elsewhere. The acute care bed and PET methodologies allow for need determinations in counties with underutilized facilities.
- Our petition contains an analysis of data from other competitive cardiac catheterization markets which shows:
  - that underutilized cardiac catheterization capacity does not alleviate the needs of overutilized cardiac catheterization overutilization facilities; and,
  - that the addition of cardiac catheterization capacity to a provider does not harm the cardiac catheterization services at other facilities in the market.
- Again, from Rex's perspective, absent this adjusted need determination, it will never be able to acquire additional cardiac catheterization capacity no matter how needed as other providers in its community are sufficiently underutilized.
- Thank for you for your consideration.