

UNC REX Healthcare

Petition for Adjusted Need Determination for Two Units of Fixed Cardiac Catheterization Equipment in Wake County

State Health Coordinating Council Public Hearing

July 28, 2016 at 1:30pm

801 Biggs Drive, Dorothea Dix Campus, Raleigh, NC 27603

Brown Building, Conference Room 104

Dr. Landvater - Talking Points for Public Hearing

- Good Afternoon. I'm Dr. Lance Landvater. I'm a board certified cardiac surgeon at Rex Cardiac Surgical Specialists.
- Rex Healthcare is filing a petition to request an adjusted need determination for two units of fixed cardiac catheterization equipment in Wake County.
- Our petition is the most recent in a series of five petitions over three years. Rex's goal throughout has been to provide exceptional patient care.
- Today, and for the last three years, Rex's cardiac catheterization capacity is insufficient to care for its patients. Rex currently has a deficit of 1.78 cardiac catheterization labs, which indicates a need for two additional labs. This is the largest deficit in the state and the greatest deficit in over a decade.
- Rex could develop these two labs quickly and cost-effectively. The equipment in Rex's vascular labs is essentially identical to a cardiac cath lab. For a total of approximately \$60,000, the software in two vascular labs could be upgraded to provide catheterization services. That's all this would cost. We're simply asking to use our rooms for multi-purposes rather than a single purpose.
- Yet, because Rex has not been approved to date, its patients have undergone countless delays, rescheduled procedures, and overnight stays. And Rex has had to lease a mobile catheterization unit at a cost of \$16,000 per month. Clearly, a lower cost solution would be a one-time upgrade for \$60,000 for two units rather than a monthly expense of \$16,000, or 192,000 per year for a single mobile unit.
- Last year, the Healthcare Planning Section recommended approval of Rex's petition and we want to thank them for that decision. The factors that demonstrated the need to approve our petition last year have gotten worse and the need is even greater now.

- Despite the fact that the Healthcare Planning Section recommended approval last year, the SHCC voted to deny Rex's petition. We believe that the SHCC was guided by misperceptions about Rex and its physicians, and Dr. Zidar and I want to address some of those today.
- In discussing Rex's petition, there has been the suggestion that Rex created this problem and so they should just live with it. This is simply not true and I want to address this thinking.
- I have worked in Wake County nearly 30 years at both Rex and WakeMed.
- I served as the Chairman of the Department of Surgery at WakeMed from 1992-1996 and was President of the Medical Staff at WakeMed when we converted the hospital to a private, not for profit. I presented the statement from the Medical Staff to the Wake County Commissioners supporting this move. My wife was also involved with WakeMed; she co-chaired two of the WakeMed Foundation fundraising galas.
- Ray Champ was the CEO of WakeMed, at this time, and we were like a family. I went to Board retreats and met the Board members and their families. It was a wonderful time; unfortunately, times do change.
- The cost of healthcare was rising and reimbursement began to fall to providers. This was occurring throughout the country and our cardiology colleagues were experiencing the same problem. We knew that we would eventually need to join a hospital or a healthcare system. The days of private practice for us were coming to an end. Around this time, Ray Champ retired from WakeMed and the hospital hired Bill Atkinson. He had been the CEO of New Hanover Hospital in Wilmington. A cardiac surgeon friend from Wilmington called me and informed me that he was not physician friendly and was very difficult to work with; they were having a party to celebrate his departure.
- Wake Heart and Vascular wanted to join WakeMed. And they negotiated with WakeMed for 18 months. Despite all of their efforts, the physicians realized they could not work with that WakeMed administration. Negotiations like this are about much more than financial compensation. They involve how you bring in other groups, how they are vetted and whether or not they are they up to your standards. They involve issues such as who has priority in the cath lab, etc. As best we could determine, Bill Atkinson felt a doctor was just a doctor, just a round peg to put in a round hole. He didn't appreciate the value of the group that his team was negotiating with. He also felt that a group of this size had no option but to deal with him. He could control them and get them at a bargain. Wake Heart began to look at other options.

- So Wake Heart and Vascular reached out to Duke and to Rex and with Rex they found an administration that they could partner with, a partner that would ensure they could continue to provide their patients with the highest quality care. Within 30 days, the physicians and Rex reached an agreement. It wasn't because of money. WakeMed failed to treat these physicians respectfully, and Rex did. Rex shouldn't be penalized for having an organizational culture that was appealing to these doctors. If not for Rex, Wake Heart and Vascular could have broken apart and many of these physicians would have left Wake County, which would have been a terrible loss for this community.
- When my cardiac surgical group learned of this, we met with Bill Atkinson. If you recall, Bill Atkinson was being confrontational at this time with UNC. UNC had a long relationship with WakeMed and had an active residency training program at WakeMed. My group stressed to him the devastating consequences of losing the WakeHeart cardiology group at WakeMed. We encouraged him to work collaboratively with UNC and Rex and stressed the need to rework a contract with the WakeHeart cardiology group. I explained to him that if the cardiology group leaves WakeMed, it will split the cardiac surgical volume in our community and we will be doing 500 hearts at WakeMed and 500 hearts at Rex. Two weeks later he made a hostile bid to buy Rex from UNC. My group called all of the WakeMed Board members that we knew to try to avert this process. It was to no avail. They were misguided by their CEO.
- The loss of the large cardiology group from WakeMed and the hiring of this group at Rex was due to the inability of the WakeMed CEO to look in the mirror, and a poorly informed WakeMed Board.
- Change is good and adversity brings opportunity. The cardiac program at Rex has grown dramatically, as we would have predicted. The level of care is outstanding as measured by all of the healthcare parameters. This is good for our community. We need more resources at Rex. By all criteria we should now qualify for 2 new cardiac catheterization labs. This is the third year that Rex has applied for a new cath lab. It is time for the committee to approve this for the citizens of our community. The past history of the cardiac programs at WakeMed and Rex is just that, past history. We need to move forward and deal with the challenges that we face in our medical community. Let us move forward and deal with what is best for the patients in our community.