



Public Hearing Comments

Catawba County Operating Room Adjusted Need Petition

Good afternoon. My name is Sheree Watson. I am the Chief Executive Officer of Graystone Ophthalmology Associates, and I am here today to speak on behalf of our petition for an adjusted need determination to include one additional operating room in the 2018 State Medical Facilities Plan. This is to address the growing demand for ambulatory surgical procedures in freestanding facilities in Catawba County.

Our Graystone practice has provided community-based eye health care for residents of the Catawba Valley area since 1969. Our board-certified ophthalmologists provide comprehensive ophthalmic services, including a wide range of specialized medical and surgical care. Last year, we again performed over 6,000 outpatient surgical procedures on local residents.

Last year, we submitted a petition for the same adjustment of one additional operating room in Catawba County. The Agency Report recommended approval of our petition, but unfortunately the Acute Care Committee voted to deny petition approval. The result of that denial, and of the Proposed 2018 SMFP indicating no need determination for additional operating rooms in Catawba County, is that patients in our region will be deprived of timely and cost effective ophthalmic surgical care. We believe that unique circumstances continue to exist in Catawba County which substantiate the need for one

additional operating room within the service area. This afternoon we will submit our petition to the SHCC. I'd like to briefly highlight some of the evidence justifying the inclusion of one additional operating room for Catawba County.

Our ambulatory surgery center in Catawba County continues to operate at practical capacity. In fact, our two operating rooms performed more ambulatory surgical cases than any other provider in Catawba County. Last year we performed over 6,200 cases, our second consecutive year exceeding 6,000 cases. This has resulted in significant challenges. For example, at times Graystone's ORs have been booked two to three months out for surgery. It is important that Catawba County providers have the means to accommodate the growing demand for cost effective ambulatory surgery. If an adjusted need determination is not made, our facility will not have an opportunity to seek CON approval for an expansion, and would continue to be limited in our ability to satisfy local demand for surgical services. In fact, we have added three surgeons to our practice since this time last year and are genuinely struggling to provide them adequate surgical time.

Last year the Acute Care Committee encouraged us to reach out to the local hospitals to explore opportunities to better utilize their existing operating rooms. Graystone physicians pride themselves in supporting our hospitals. Graystone's board chairman is on the hospital board and another of our physicians is the immediate past Chief of Surgery at Catawba Valley Medical Center. We use the hospitals for certain types of surgical procedures. We cover 24/7 uncompensated call for the hospitals. We respect the vital role hospitals serve in the North Carolina healthcare continuum. We have met with the CEOs of both hospitals in Hickory. Neither indicated interest in developing alternative solutions to better utilize the OR inventory in ways that will be more cost effective for patients.

However, approval of an additional OR in Catawba County in no way harms any area hospital because ophthalmic surgery is 99% outpatient, and North Carolina patients are price sensitive when considering outpatient surgery options. The significant difference in costs between a surgery performed in a hospital-based OR compared to an ASC has a direct impact on where patients choose to obtain surgical services. North Carolina patients simply will not obtain the majority of their outpatient surgical care at an inpatient facility because it is too expensive. Currently, one of every four Catawba County residents leaves the county to obtain ambulatory surgical services; and this trend, which is not unique to Catawba County, will only increase if outpatient surgery providers are unable to increase capacity. This has nothing to do with physicians needing to collaborate with the hospitals that control OR inventory. This is simply an economic decision that patients are making.

Much of the growth in local ambulatory surgical utilization can be attributed to the large and aging population in Catawba County. Catawba County has a higher percentage of residents age 65 and older than the State as a whole. The large increase in ambulatory cases at Graystone Eye Surgery Center in recent years mirrors Catawba County's rapidly aging population. These are clear indications that ambulatory surgical services are important to and highly utilized by the 65 and older population. As the senior population continues to rapidly expand with the aging of the baby boomers, ASCs are an increasingly appealing option as an inexpensive and efficient conduit to provide care and meet increasing demand.

Our request is consistent with the SMFP's three basic principles of quality, access, and value. First, if our petition is approved, Catawba County residents will have improved and more timely access to locally performed outpatient surgical procedures. Second, approval of the petition will enhance the quality of medical services, while also ensuring cost effectiveness. Ambulatory surgery centers create maximum staff efficiency and productivity. Quality of care continuously improves as facility staff

members enhance their clinical skills and training through higher utilization and repetition. Third, changes in Medicare payments will continue to drive outpatient surgical cases to be performed in lower cost, high-quality ASCs. The rising cost of healthcare services continues to cause concern among many North Carolina residents, and is driving the on-going trend of ambulatory surgical utilization in Catawba County ASCs and declining use of hospital-based ORs.

In closing, Graystone has diligently followed and participated in the State health planning process for seven years. These efforts have benefited Catawba County residents via expansion of cost effective ambulatory surgical services. Once again, we believe there is a clear need for an additional operating room in Catawba County. We hope you will approve our petition for an adjusted need determination. Thank you for providing us with the opportunity to again discuss this important community issue.