

North Carolina State Health Coordinating Council
c/o Certificate of Need and Health Planning Section
Division of Health Service Regulation

Cape Fear Valley Health System - Proposed 2018 SMFP Public Hearing Comments

Good afternoon, my name is Mike Nagowski and I am the President of Cape Fear Valley Health System. Will Haithcock and Dr. Tolentino have done a great job presenting our Petition for one additional operating room. I am here today to add my commitment to the development and growth of the residency programs and surgical capacity at Cape Fear Valley and to respond to a couple questions raised at other public hearings.

As you heard, Cape Fear Valley began accepting residents this month. We began collaborating with Campbell before the medical school opened so this has been a long time coming and it has been a lengthy process to get to this point. Cape Fear Valley has had to make many changes. One of our major hurdles was achieving our current CMS designation as a Rural Referral Center, even though we are in an urban market. This was possible because a large percentage of our patient do in fact come from rural areas. CMS granted us rural status last August and we qualified as a Rural Referral Center in October of 2016. We also received substantial support from the General Assembly to make this happen. So, we now are on our way. It is very exciting to see young physicians learning in our hospitals and Cape Fear is committed to a long and dynamic collaboration with Campbell.

CFVHS considered asking for an adjusted need determination for two operating rooms. We debated whether one or two would be needed with increased surgical times for teaching residents. However, since the impact of our residency programs on surgical case times is not yet

known, Cape Fear decided to be conservative and ask for just one additional operating room at this time. In addition, we need one additional operating room quickly to meet the needs of surgeons and general surgery residents. We have space available which can quickly be converted to an operating room assuming our Petition, and our subsequent CON Application for the additional OR are approved. In fact, if we had an early CON review cycle in February or March, and we were granted an expedited CON review, we could open one additional operating room by the end of next year. Finally, if surgical times do increase rapidly in the next year or two as expected, the new OR methodology should drive additional need for surgical capacity at Cape Fear in the future.

As Will discussed, we recognize that the new operating room need methodology proposes that a need for two operating rooms be identified before showing a need for new operating rooms in the SMFP. It is my understanding that this provision was included to allow the potential development of a freestanding ASC in a market. However, Cumberland County already has a freestanding ASC. Fayetteville Ambulatory Surgery Center has 11 operating rooms. FASC currently provides a low-cost alternative for outpatient surgery in Cumberland County and has available capacity for future outpatient surgical growth based upon their 2016 surgical volumes. In addition, a second ASC is under development in accordance with the dental demonstration project included in the 2016 SMFP. Therefore, Cape Fear is asking you to waive this requirement. This would allow us to apply for a CON to expand surgical services in 2018 such that surgical capacity will be available in 2020 or sooner, to meet the needs of the new surgical residency. We believe It

is important that any new operating room in Cumberland County be available for the surgical residents at CFVMC and that they are available soon.

Thank you for your time.