



**Oral Remarks in support of Adjusted Need Petition for One Additional Operating Room in Catawba County in the 2024 State Medical Facilities Plan**

Presented by:

*Sheree Watson – Chief Executive Officer, Graystone Eye*

Good afternoon. My name is Sheree Watson, and I am the Chief Executive Officer of Graystone Eye. I appreciate this opportunity to briefly speak about a petition by Graystone Eye for an adjusted need determination for one additional operating room in the Catawba County Operating Room Service Area in the 2024 State Medical Facilities Plan (SMFP).

Our Graystone ophthalmology practice has provided community-based eye health care for residents of the Catawba Valley area since 1969. Our 13 board-certified ophthalmologists provide comprehensive ophthalmic services, including a wide range of specialized medical and surgical care. Last year at Graystone Eye Surgery Center, we performed nearly 9,000 outpatient surgical procedures on local residents. Based on our experience providing healthcare services in Catawba County, we consider that there is a need for additional operating room capacity in

order to ensure timely and cost effective local access to ambulatory surgical services for residents of Catawba County.

Although the Proposed 2024 SMFP indicates no need determination for additional operating rooms in Catawba County, unique circumstances exist in Catawba County which substantiate the need for one additional operating room within the service area. Tomorrow we will submit our petition to the SHCC. I would like to briefly highlight some of the evidence justifying the inclusion of one additional operating room for Catawba County in the 2024 SMFP.

The growth in local ambulatory surgical utilization correlates with the large and aging population in Catawba County. Catawba County has a higher percentage of residents age 65 and older than North Carolina as a whole. The increase in ambulatory cases at Graystone Eye Surgery Center reflects Catawba County's rapidly aging population. Ambulatory surgical services are important to and highly utilized by our local elderly population. As our Catawba County senior population continues to rapidly expand with aging baby boomers, outpatient surgery centers are an essential option for insuring local access to cost effective and efficient ambulatory surgical care.

Our Hickory ambulatory surgical facility is operating above practical capacity. In fact, our surgeons performed more ambulatory surgical cases in our three operating rooms than any other provider in Catawba County. Based on our year-to-date volume, we anticipate exceeding 9,200 surgical cases in 2023. This has resulted in significant operational challenges. For example, Graystone's operating

rooms are booked ahead two to three months for surgery, which is not ideal for our patients. During the past six years, we added five surgeons to our practice, and are currently in discussions to add another surgeon later this year. We have also added an optometrist and anticipate hiring two more optometrists by 2024. These optometrists will manage many of the routine vision exams that are currently being done by our surgeons, and which will subsequently free the surgeons to focus more on the medical and surgical aspects of ophthalmology. Thus, we are and anticipate continuing to strain to provide our surgeons with adequate surgical time at our surgery center. It is important that our providers have the means to accommodate the growing demand for cost effective ambulatory surgery. If an adjusted need determination is not approved, our facility will not have the opportunity to seek CON approval for an OR inventory expansion, and will continue to be limited in our capacity to satisfy local demand for surgical services in a timely manner.

I have met with the leaders of both Hickory hospitals to explore opportunities to better utilize their existing operating rooms. Graystone physicians proudly support our hospitals. We perform certain types of more complex surgical procedures at the hospitals. We cover 24/7 uncompensated call for the hospitals. We respect the vital role hospitals serve in the North Carolina healthcare continuum. In my meetings with these hospital CEOs, neither indicated any opportunity to develop alternative solutions which better utilizes their hospital OR inventory in ways that will be more cost effective for patients.

North Carolina patients are price sensitive when considering outpatient surgery options; approval of an additional OR in Catawba County in no way harms our hospitals because ophthalmic surgery is 99% outpatient. The significant difference in costs between outpatient surgery performed in a hospital compared to an ambulatory surgical facility has a direct correlation with where patients choose to obtain surgical services. Due to cost and insurance pressure, North Carolina patients simply do not obtain the majority of their outpatient surgical care at an inpatient facility. The Division of Health Service Regulation Patient Origin Report indicates that over 30% of Catawba County residents leave the county to obtain ambulatory surgical services. This trend, which is not unique to Catawba County, will increase if ambulatory surgical facilities are unable to increase OR capacity. This is simply an economic decision that patients are making.

In summary, Graystone is confident that approval of our petition is in the best interest of Catawba County residents. Due to our already overburdened ORs, we felt it was timelier to seek an adjusted need determination, rather than wait on the changes in the CON law coupled with the Medicaid Expansion bill. An additional operating room in Catawba County will not result in unnecessary duplication, and is supportive of the quality, access, and value Basic Principles of the State Medical Facilities Plan.

Graystone appreciates the thoughtful consideration of our adjusted need petition by the Agency staff and the State Health Coordinating Council, and we urge you to approve it.