

Cape Fear Valley Health System
Request for an Adjusted Need Determination for an Additional OR
in the Cumberland County Service Area
Proposed 2024 SMFP Public Hearing Presentation

July 20, 2023

Good afternoon. My name is Taylor Spell. I am here today representing Cape Fear Valley Health System to speak on behalf of our petition for an adjusted need determination for an additional operating room in the Cumberland County Service Area for the purpose of training surgical residents in inpatient and outpatient procedures.

Some of you may recall that in 2017, Cape Fear Valley Health System successfully petitioned the State Health Coordinating Council for one additional OR in Cumberland County to support our emerging residency program with Campbell University. At that time our residency program consisted of only 32 residents in five programs. Today, the Campbell residency program has grown to 274 positions across 13 programs. In addition, Cape Fear Valley Health System and Methodist University recently announced their intent to develop a new medical school which will be located on the main campus of Cape Fear Valley Medical Center. As a result of the growth of our surgical residency programs and the developing medical school, Cape Fear Valley Health System again needs additional OR capacity to train surgical residents.

Since 2017, Cape Fear Valley Health System has partnered with The Campbell University Jerry M. Wallace School of Osteopathic Medicine to train surgical residents in inpatient and outpatient procedures. The program began with 32 residents, of which 20 were general surgery. This year, we have 274 residents including residents in numerous surgical programs such as general surgery, internal medicine, obstetrics & gynecology, podiatry, and orthopedics; and fellowships in cardiology and pulmonology.

In the five years since Cape Fear's residency program with Campbell was initiated, inpatient surgical case times have increased over 20 percent and ambulatory surgical case times have increased over five percent. Cape Fear Valley Medical Center's fiscal year 2022 inpatient case times represent a

29-minute increase over inpatient case times from five years ago. Multiple studies have consistently demonstrated that resident involvement in a surgical case commonly lead to a prolonged surgery time length.

Cape Fear Valley continues to grow and expand the scope of its residency offerings. By 2028, we project to host 377 residency and fellowship positions, with development of four new surgical residencies which include ophthalmology, dermatology, neurology, and gastroenterology.

In addition, in February 2023, Cape Fear Valley Health System and Methodist University proudly announced their intent to establish a state-of-the-art School of Medicine located on the campus of Cape Fear Valley Medical Center. The new medical school will combine the expertise and resources of both institutions to provide students with unparalleled educational and clinical experiences. The partnership will have a mission that focuses on providing better medical care for rural and underserved populations and diversifying the physician workforce.

The new medical school will provide students with the opportunity to work alongside experienced faculty and healthcare professionals, gaining valuable real-world experience that will prepare them for their future careers. Construction on the medical school building is expected to begin January 2024, with completion in late 2025. The first class will matriculate in July 2026. The medical school will start with 80 students per year and grow to 120 students per year.

In collaboration with Methodist University, the development of a new medical school will create additional surgical residency positions for CFVHS, which is expected to further increase surgical case times at CFVMC. As the number of surgical residents increases, the need for ORs for the training of those residents will increase accordingly. Therefore, CFVHS is seeking to expand surgical capacity in Cumberland County to ensure sufficient hospital-based OR capacity for teaching future surgeons and that teaching our future surgeons does not result in delays and cancellations for other surgical patients.

The number of surgical cases performed at Cape Fear Valley Medical Center has increased in recent years. Overall, Cape Fear Valley's surgical utilization increased by 3.9 percent from 2019 to 2022

and fiscal year 2023 annualized OR utilization is expected to increase by 9.1 percent over fiscal year 2022. Annualized 2023 surgical utilization demonstrates that Cape Fear Valley Medical Center's operating rooms are operating at capacity based on the 75% planning threshold.

CFVHS is developing additional surgical residency programs including ophthalmology, dermatology, neurology, and gastroenterology, which will further expand the scope of residencies performing cases in CFVMC's ORs. It is expected that CFVMC's surgical case times will continue to increase as the size and scope of CFVHS's surgical residency program with Campbell expands.

The development of a new medical school in collaboration with Methodist University will initially create 12 additional general surgery residency positions for CFVHS. The first class is expected to matriculate in July 2026, which is consistent with the planning year for the 2024 SMFP OR methodology. The medical school will start with 80 students per year and grow to 120 students per year. As the number of general surgery residents increases, the need for ORs for the training of those residents will increase accordingly.

Furthermore, Cape Fear Valley Medical Center is approved to develop 92 additional acute care beds in Cumberland County. The beds are being developed across existing and new spaces on the Cape Fear Valley Medical Center main campus. Eighteen of the 92 additional acute care beds will be developed as intensive care unit ICU beds. Upon completion of the approved projects, which is estimated in late 2024, Cape Fear Valley's acute care bed capacity will increase by 17 percent. As its overall acute care bed capacity increases, we anticipate that surgical utilization will similarly increase.

The shortage of primary health care providers in North Carolina is significant, particularly in the state's rural areas. There is also a severe shortage of primary health care providers and behavioral health providers who serve Medicaid, uninsured and low-income patients. CFVHS's residency program is addressing the physician shortage in rural areas. Last year, 51 percent of eligible residents signed to work at Cape Fear Valley Health, including positions in rural areas, such as Bladen County, Hoke County, and Harnett County.

The added residency capacities created by the medical school will help CFVMC respond to the needs of a growing economy and demand for physicians. The added capacity will create additional physicians who otherwise would not have been served by Cape Fear Valley Health System. Many of these physicians are expected to remain in the region upon completing the program. The additional physicians trained will go a long way in addressing the current shortage of physicians and allowing more patients to be served. This will add significant healthcare capacity, and, furthermore, the added earnings and increased productivity of these physicians will create long-run impacts across the regional economy.

For all these reasons, we are requesting an adjustment of one additional operating room in the Cumberland County OR service area for the purpose of training surgical residents in inpatient and outpatient procedures in the 2024 SMFP, which will allow Cape Fear Valley Health System to apply for an additional operating room to accommodate the needs of its surgical residency program and the new medical school which will be located on the CFVMC campus.

Thank you for the opportunity to present this information. Cape Fear Valley Health System will be submitting a formal petition for an adjusted need determination in Cumberland county on July 26th. We appreciate your time and consideration. Thank you and I would be happy to answer any questions.