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**Competitive Comments on Charlotte Area Single Specialty
Ambulatory Surgery Demonstration Project Applications**

submitted by

Randolph Surgery Center, LLC

The 2010 *State Medical Facilities Plan (SMFP)* identified a special need for two operating rooms to be developed as a Single Specialty Ambulatory Surgery Demonstration Project and located in the Charlotte Area (Mecklenburg, Cabarrus, and Union counties). A total of four applications were submitted in response to the special need identified in the 2010 *SMFP*.

- Cabarrus Orthopaedic Surgery Center, LLC (COSC); Project ID # F-8552-10
- Cotswold Surgery Center, LLC (Cotswold); Project ID # F-8545-10
- University Surgery Center, LLC (USC); Project ID # F-8543-10
- Randolph Surgery Center, LLC (RSC); Project ID # F-8550-10

As outlined in these comparative comments and the application specific comments in the appendix, RSC represents the most effective alternative for the development of the Single Specialty Ambulatory Surgery Demonstration Project identified in the 2010 *SMFP* based on the specific nature of the special need determination, as well as the analyses presented in RSC's application. The following points, summarized below in turn, demonstrate the superiority of RSC's application and why it should be approved.

- Mecklenburg County represents the most effective location for a Single Specialty Ambulatory Surgery Demonstration Project in the Charlotte Area
- Otolaryngology (ENT) represents the most effective specialty for a Single Specialty Ambulatory Surgery Demonstration Project in the Charlotte Area
- The ownership structure proposed in the RSC application—a 50/50 joint venture between CHS and CEENTA Surgery II, LLC—represents the most effective alternative for the development of a Single Specialty Ambulatory Surgery Demonstration Project in the Charlotte Area
- RSC's proposal represents the most effective alternative with regard to documentation of physician support necessary to support a two-room Single Specialty Ambulatory Surgery Demonstration Project in the Charlotte Area
- RSC's proposal—which involves the renovation of existing space to develop the single specialty ASC demonstration project—represents the most cost-effective alternative for the development of a Single Specialty Ambulatory Surgery Demonstration Project in the Charlotte Area

MECKLENBURG COUNTY REPRESENTS THE MOST EFFECTIVE LOCATION FOR A SINGLE SPECIALTY AMBULATORY SURGERY DEMONSTRATION PROJECT IN THE CHARLOTTE AREA

The following table identifies the location of the existing and approved operating rooms in the Charlotte Area.

<i>Provider</i>	<i>Location within the Charlotte Area</i>
Eye Surgery and Laser Clinic	Cabarrus
Gateway Ambulatory Surgery Center	Cabarrus
Carolinas Medical Center-NorthEast	Cabarrus
Carolina Surgery Center-Wendover (Edgehill)/ Carolina Center for Specialty Surgery	Mecklenburg
Carolina Medical Center/Center for Mental Health	Mecklenburg
Carolinas Medical Center-Mercy and Pineville	Mecklenburg
Carolinas Medical Center-University	Mecklenburg
Carolinas Surgery Center-Randolph	Mecklenburg
Charlotte Surgery Center	Mecklenburg
Presbyterian Hospital	Mecklenburg
Presbyterian Hospital Huntersville	Mecklenburg
Presbyterian Hospital Matthews	Mecklenburg
Presbyterian Hospital Mint Hill	Mecklenburg
Presbyterian Orthopaedic Hospital	Mecklenburg
Same Day Surgery Center at Presbyterian	Mecklenburg
Presbyterian Same Day Surgery Center Huntersville	Mecklenburg
Presbyterian Same Day Surgery Center at Ballantyne	Mecklenburg
South Park Surgery Center	Mecklenburg
Matthews Surgery Center	Mecklenburg
Carolinas Medical Center-Union	Union
Presbyterian Same Day Surgery Center Monroe	Union
Union Health Services	Union

Of these facilities in the Charlotte Area, there are a total of eleven existing or approved freestanding ASCs. The following table identifies the freestanding ASCs in the Charlotte Area by county and specialty status.

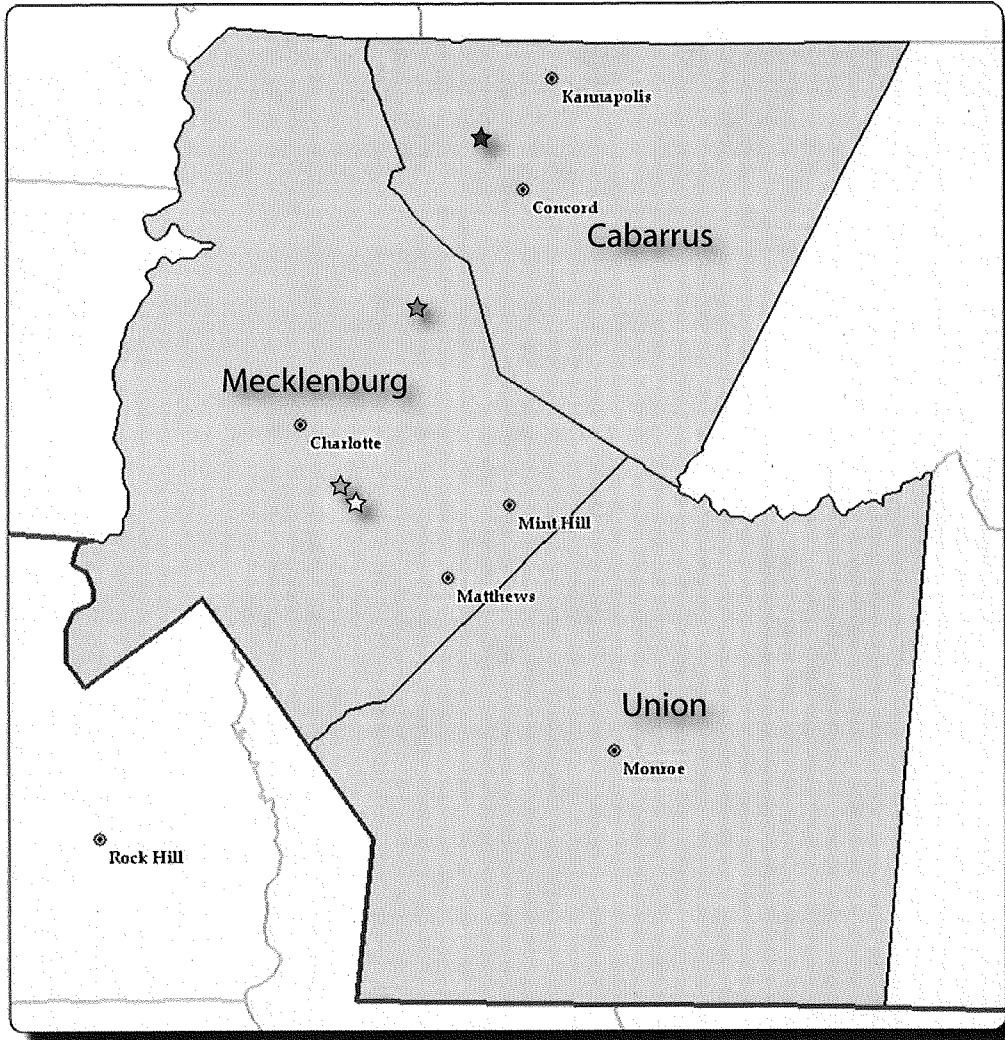
<i>Provider</i>	<i>Location within the Charlotte Area</i>	<i>One Specialty</i>	<i>Greater than One Specialty</i>
Eye Surgery and Laser Clinic	Cabarrus	X	
Gateway Ambulatory Surgery Center	Cabarrus		X
Carolina Surgery Center-Wendover (Edgehill)/ Carolina Center for Specialty Surgery	Mecklenburg		X
Carolinas Surgery Center-Randolph	Mecklenburg		X
Charlotte Surgery Center	Mecklenburg		X
Presbyterian Same Day Surgery Center Huntersville	Mecklenburg		X
Presbyterian Same Day Surgery Center at Ballantyne	Mecklenburg		X
South Park Surgery Center	Mecklenburg		X
Matthews Surgery Center*	Mecklenburg	X	
Presbyterian Same Day Surgery Center Monroe	Union		X
Union Health Services	Union		X

Source: 2007-2010 License Renewal Applications, Exhibit 1.

*Source: Matthews Surgery Center Application page 22. In response to 10A NCAC 14C .2102(a), Matthews Surgery Center states that it "will provide orthopedic surgery services."

In this review, three of the four applications propose to develop the Single Specialty ASC Demonstration Project in Mecklenburg County: Cotswold, USC, and RSC. In the remaining application, COSC proposes to locate the operating rooms in Cabarrus County. The table and map below detail the locations proposed by the four applicants discussed in these comments.

<i>Proposed Location</i>				
	<i>Applicant</i>			
	<i>COSC</i>	<i>Cotswold</i>	<i>USC</i>	<i>RSC</i>
<i>County</i>	Cabarrus	Mecklenburg	Mecklenburg	Mecklenburg
<i>Address</i>	Intersection of Highway 73/Davidson Highway and Kannapolis Parkway	135 South Sharon Amity	North Tryon St/Mallard Creek Church Road	3621 Randolph Road



★ Randolph Surgery Center ☆ Cotswold Surgery Center ★ University Surgery Center ★ Cabarrus Orthopaedic Surgery Center

RSC maintains that neither Cabarrus nor Union County represents the most effective location for the Single Specialty ASC Demonstration Project to be developed in the Charlotte Area, as discussed in its application (see pages 85-87 and 116). Of the Charlotte Area counties, Mecklenburg County is the most populous, is centrally located in the region, and is the most accessible county through numerous interstates and road systems, including the state's first mass transit light rail system.

In addition, Mecklenburg County has the largest population in the state and was one of the fastest growing counties between 2000 and 2009, and this trend is projected to continue. Furthermore, the population in Mecklenburg County is consistently the highest among the Charlotte Area counties. It is important to note that even the demonstration project special criteria acknowledge the importance of locating the facility in a high

population area: “[l]ocating facilities in high population areas with a large number of operating rooms and existing ambulatory surgery providers prevents the facilities from harming hospitals in rural areas, which need revenue from surgical services to offset losses from other necessary services such as emergency department services.” See the 2010 SMFP page 82.

As the table below indicates, although Mecklenburg County has the highest population, it ranks last in number of freestanding ASCs per 100,000 population.¹ The following table shows the distribution of existing and approved freestanding ASCs per 100,000 population for each of the counties included in the Charlotte Area.

<i>Charlotte Area County</i>	<i>Existing/Approved Freestanding ASCs</i>	<i>2010 Population*</i>	<i>ASCs Per 100,000 Population</i>
<i>Mecklenburg</i>	7	909,493	0.77
<i>Union</i>	2	201,248	0.99
<i>Cabarrus</i>	2	179,236	1.12

*Source: NC OSBM-Population Projection Overview, 2000-2030, Exhibit 2.

Of the three counties, the population of Mecklenburg has the lowest number of existing and approved freestanding ASCs per 100,000 population. Clearly, Mecklenburg County, as the most populous county in the Charlotte Area and with the lowest ratio of ASCs to population, is in a position to support a freestanding Single Specialty ASC Demonstration Project.

Therefore, for the reasons discussed above, within the Charlotte Area (Mecklenburg, Cabarrus, and Union counties), Cotswold, USC, and RSC propose the most effective location—Mecklenburg County.

OTOLARYNGOLOGY (ENT) REPRESENTS THE MOST EFFECTIVE SPECIALTY FOR A SINGLE SPECIALTY AMBULATORY SURGERY DEMONSTRATION PROJECT IN THE CHARLOTTE AREA

In this review, two of the four applications propose to develop a Single Specialty ASC Demonstration Project dedicated to orthopaedics: COSC and USC. Cotswold proposes

¹ Given the Single Specialty ASC Demonstration Project’s intent to develop an ambulatory surgery center—not single operating rooms—by which to evaluate the demonstration criteria, this analysis examines freestanding ambulatory surgery centers per 100,000. A similar analysis of operating rooms per 100,000 shows that Cabarrus County has more freestanding operating rooms per 100,000 than either of the other two counties—3.35 rooms per 100,000, compared to 3.30 in Mecklenburg County and 1.49 in Union County. As noted in RSC’s application (see page 81), Union County does not have sufficient volume within any single specialty to support a two-room ASC. Moreover, the Mecklenburg County ratio of 3.30 may include ASC’s that are freestanding but wholly owned by hospitals/health systems, whereas the two existing ASCs in Cabarrus County that make up the 3.35 rooms per 100,000 are at least partially owned by physicians. If a further adjustment were made for ownership structure, the Mecklenburg County ratio would likely be lower.

to develop a Single Specialty ASC Demonstration Project dedicated to ophthalmology, while RSC proposes to develop a Single Specialty ASC Demonstration Project dedicated to ENT.

<i>Proposed Specialty</i>				
<i>Applicant</i>				
	<i>COSC</i>	<i>Cotswold</i>	<i>USC</i>	<i>RSC</i>
<i>Specialty</i>	Orthopaedics	Ophthalmology	Orthopaedics	ENT

As discussed in detail in its application (see pages 75-84), RSC maintains that ENT is the most effective alternative to meet the need identified in the 2010 SMFP for a Single Specialty ASC Demonstration Project to be located in the Charlotte Area. Not only are ENT procedures appropriate for an outpatient setting,² but also given the historical volume of procedures by specialty and distribution of existing and approved operating rooms in the Charlotte Area, ENT is the most effective alternative for a Single Specialty ASC Demonstration Project in the area.

In its application, RSC examined ambulatory surgery volume by specialty as reported in 2010 License Renewal Applications (LRAs) to determine which specialties have sufficient volume to support a Single Specialty ASC in the Charlotte Area. The table below includes those counties and specialties proposed in the applications at issue in these comments.

<i>Charlotte Area County</i>	<i>Ophthalmology</i>	<i>Orthopaedics</i>	<i>ENT</i>
Cabarrus	2,861	3,083	2,436
Mecklenburg	12,556	19,459	9,810

Source: 2010 LRAs; relevant excerpts provided in Exhibit 3.

A two-room ASC is required to perform at least 1,872 procedures per year to meet the performance standards outlined in 10A NCAC 14C .2103.³ While each of these specialties had more than 1,872 procedures performed in each of the two counties—Mecklenburg and Cabarrus—in fiscal year 2009, as discussed below and in RSC’s application, given the current availability of ophthalmology and orthopaedic outpatient surgery settings within the Charlotte Area, RSC maintains that these specialties do not represent the most effective alternative for development of the proposed Single

² Further, ASCs are the preferred setting for pediatric patients (which constitute approximately 50 percent of ENT surgical patients).

³ The single specialty ASC service area includes Cabarrus, Mecklenburg and Union Counties. As such, in order to demonstrate the need for two operating rooms in the service area, the formula outlined in 10A NCAC .2103(a)(1) must result in a number greater than 1.5. The minimal number of procedures needed to obtain a result greater than 1.5 is 1,872 (1,872 procedures x 1.5 hours = 2,808 total hours / 1,872 = 1.5).

Specialty ASC Demonstration Project. In particular, this Demonstration Project should be used as an opportunity to explore a specialty that does not have (or has not been approved to develop) a Single Specialty ASC in the Charlotte Area.

The Charlotte Area currently has a Single Specialty ASC dedicated to ophthalmology, the Eye Surgery and Laser Clinic in Cabarrus County. Further, as noted in its application, RSC, in particular the CEENTA physician members, determined that ophthalmology would not be the most effective alternative based on growth. In particular, as documented by ThomsonReuters, ophthalmology ambulatory surgery volume has decreased by 3.8 percent between 2007 and 2009, Exhibit 4. Moreover, SouthPark Surgery Center's ophthalmology volume decreased from 5,640 procedures reported in its 2009 LRA to 4,662 procedures reported in its 2010 LRA, a 17.3 percent decline in annual volume. Given the declining ophthalmology volume and CEENTA's—the highest volume ophthalmology provider in the Charlotte Area—acknowledgement of volume trends, RSC determined that ophthalmology was not the most effective alternative for development of the Single Specialty ASC Demonstration Project.

An application for a dedicated orthopaedic ASC was recently approved for the Charlotte Area—Matthews Surgery Center, LLC, a 50/50 joint venture between Presbyterian Medical Care Corporation, a subsidiary of Novant Health, Inc. and Gaul Surgical Properties II, LLC, a subsidiary owned by OrthoCarolina, PA, Project ID # F-8491-10. Although not subject to the demonstration project criteria, this approval essentially provides the same orthopaedic physician group—OrthoCarolina—with the opportunity for ownership in a dedicated orthopaedic ASC in the Charlotte Area. In addition, the Charlotte Area currently has a number of existing programs focused on orthopaedics. Mecklenburg County currently has three programs focused on orthopaedics:

- (1) Charlotte Surgery Center (the ASC currently has a total of seven operating rooms; the orthopaedic case volume represents more than half its total volume—4,854 cases out of a total 7,833 cases);
- (2) Presbyterian Orthopaedic Hospital (the facility currently has a total of twelve operating rooms, five of which will relocate to Presbyterian Hospital Mint Hill pursuant to Project ID # F-7648-06), is a facility dedicated to orthopaedics; and
- (3) Carolinas Medical Center-Mercy (in 2006 CHS filed and received approval to enhance existing operating room capacity at CMC-Mercy, in particular to enable it to provide an enhanced focus on specialized orthopaedics).

Given the aforementioned, RSC maintains that another dedicated orthopaedic ASC is not the most effective alternative for the Single Specialty ASC Demonstration Project.

For the reasons discussed above and in its application, RSC maintains that ENT represents the most appropriate specialty without an existing or approved ASC in the Charlotte Area and with adequate volume for the Single Specialty Two-Room ASC Demonstration Project.

THE OWNERSHIP STRUCTURE PROPOSED IN THE RSC APPLICATION REPRESENTS THE MOST EFFECTIVE ALTERNATIVE FOR THE DEVELOPMENT OF A SINGLE SPECIALTY AMBULATORY SURGERY DEMONSTRATION PROJECT IN THE CHARLOTTE AREA

The table below details the ownership structure proposed by the four applicants discussed in these comments.

<i>Proposed Ownership Structure</i>				
	<i>Applicant</i>			
	<i>COSC</i>	<i>Cotswold</i>	<i>USC</i>	<i>RSC</i>
<i>Proposed Ownership Structure</i>	100% of Class A membership – Novant Medical Group Physicians performing at least 20% of orthopaedic surgeries at COSC (their rights would relate to governance and voting – not equity) 100% of Class B membership – Novant Health wholly owned subsidiary	100% physician owned	100% physician owned	50/50 joint venture between physicians and health system

As discussed below, while each of the applicants proposes some form of physician ownership, RSC maintains that the structure proposed in its application—a 50/50 joint venture is the most effective alternative for development of the proposed demonstration project. Moreover, as discussed below, COSC’s structure proposes the most limited physician ownership of all of the applicants.

COSC proposes having two classes of membership interests—Class A and Class B. Foundation Health Systems Corporation (FHSC), a wholly owned subsidiary of Novant Health, Inc. will be the sole Class B member. The Class B member, FHSC, would be responsible for funding the COSC project, would own 100 percent of the equity in COSC, and would be entitled to 100 percent of the income generated by COSC. The Class A members are defined by COSC on page 1 of its application as “those orthopaedic surgeons who are employed by Novant Medical Group (“NMG”) and who perform at least 20% of their outpatient orthopaedic surgical procedures at COSC.” These Class A

members would “have the right to participate in governance by electing three out of the seven members of the COSC board of directors, as well as the right to vote on COSC clinical matters.” See COSC Application page 1. As defined in the North Carolina Limited Liability Company Act, a membership interest is “all of a member’s rights in the limited liability company, including any share of the profits and losses of the limited liability company, any right to receive distributions of the limited liability company assets, any right to vote on matters relating to the limited liability company, and any right to participate in the management of the limited liability company’s affairs.” See N.C. Gen. Stat. § 57C-1-03(15). As defined in COSC’s Application, the Class A members’ rights are limited to governance and voting. Therefore, not only are the membership interests of the physicians significantly limited, but also as of the date of submission, the Class A physician members are not even identifiable. According to COSC’s own definition of its Class A members, there are no Class A (physician) members at the time of submission. That is, given that the ASC is not operational, the NMG physicians who will perform at least 20 percent of their outpatient orthopaedic procedures at COSC are unknown. **Further, none of nine orthopaedic surgeon support letters provided in Exhibit 3 of COSC’s Application contain a commitment to perform at least 20 percent of their outpatient orthopaedic procedures at COSC.** As such, it is possible that no NMG orthopaedic surgeons will satisfy the requirements of a Class A member. Thus, COSC’s documentation of physician ownership is significantly limited and precarious at best.

Both Cotswold and USC propose an ownership structure whereby the ASC would be 100 percent physician owned. In its application Cotswold discusses the advantages of its proposed structure, even noting that its application is “not a joint venture with a hospital[,] [t]he application is not tethered with documents from an institutional provider[,] [t]he application is staying true to the principle of a wholly-owned physician demonstration project[.]” See Cotswold Application page 60. Not only does Cotswold mischaracterize the demonstration project criteria which give priority to “facilities that are owned wholly or in part by physicians,” but also despite Cotswold’s criticism of hospital/physician joint ventures, it is interesting to note that Cotswold did in fact pursue joint ventures with CMC and Novant. See Cotswold Application pages 61, 86, and 102. These alternatives, as noted by Cotswold, were discarded when the systems it approached indicated that they did not want to pursue a joint venture with Cotswold, not because Cotswold decided a 100 percent physician owned structure was the most effective alternative. Moreover, while Cotswold heralds the benefits of physician ownership, it should be noted that its proposed facility appears to be managed by a non-physician, Mark W. Tribbett.⁴ Further, it is unclear why Mark W. Tribbett signed the

⁴ The applicants are identified on page 13 of the application as: Cotswold Surgery Center, LLC and Horizon Investment Company, LLC. On page 20 of the application, Cotswold notes that the applicants are member owned—the managing member of Horizon Investment Company, LLC is identified as Royce R. Syracuse, MD and the members of Cotswold Surgery Center, LLC are identified as follows: Mark W. Tribbett (CEO), Andy Bach (CFO), and David Smith, MD

Letter of Intent (page seven of Cotswold's application) as the Chief Executive Officer/Horizon Eye Care, PA and Cotswold Surgery Center, LLC given that Horizon Eye Care, PA is not identified as an applicant. In fact, it appears that no signature was provided on the Letter of Intent by an officer of one of the applicants, Horizon Investment Company, LLC. As discussed in its application and below, RSC maintains that the optimal structure for the proposed demonstration project is one that fosters collaboration between a health system and physicians, utilizing the strengths and resources of each.

Of the applicants, RSC is the only one to propose a 50/50 joint venture between physicians and a health system. It should be noted that the value basic principle as outlined in the *2010 SMFP* states that "[t]he SHCC encourages the development of value-driven health care by promoting collaborative efforts to create common resources such as shared health databases, purchasing cooperatives, and shared information management, and by promoting coordinated services that reduce duplicative and conflicting care." See *2010 SMFP* page 4. RSC's proposed ownership structure seeks to do just that, promote collaborative efforts. The proposed ownership structure—a 50/50 joint venture between CHS and CEENTA Surgery II, LLC—represents an innovation in the delivery of outpatient surgical services that reflects the paradigm shift launched by health care reform, especially that of integration among various components of the health care delivery system. Health care reform makes it imperative that hospitals and physicians work together to improve quality and lower costs. RSC provides the only application that proposes to do just that; therefore, RSC's proposal is more likely to succeed in the long term than the other proposed Single Specialty ASC Demonstration Projects. RSC's ownership structure facilitates collaboration and fosters a synergistic relationship between two heretofore separate components of the delivery system—the health care system and private practice physicians. As a result, the proposed project will draw from the strengths and resources of both parties. The health system member and manager of the proposed ASC, CHS, brings to the venture its surgical management expertise while the physician members bring their clinical expertise, all to the benefit of Charlotte Area patients. The proposed ASC will benefit from the physician members of CEENTA Surgery II, LLC's experience managing an ASC, SouthPark Surgery Center. These physicians have gained valuable clinical and operational experience through SouthPark Surgery Center which will benefit the proposed project. Moreover, the proposed ASC will benefit from access to the System's many resources not readily available to a private physician practice or standalone two-room ASC, while also relying on the physicians' clinical expertise for the day-to-day operation of the facility. Information technology is an example of the resources available through the proposed ASC's relationship with CHS. The federal government has issued rules that will reward physicians and hospitals for the "meaningful use" of electronic health records. Moreover, starting in 2015, hospitals and physicians will be subject to financial penalties

(Medical Director and Owner). Neither Mark Tribbett nor Andy Bach are identified as physicians.

under Medicare if they are not using electronic health records. CHS is now already two years into the rollout of an integrated electronic medical record. System leaders recognize that electronic medical records will help its facilities to standardize appropriate care, improve documentation and communication, and monitor quality. As a CHS managed facility, RSC will benefit from CHS' continued IT-enabled initiatives, as well as a broad array of other resources, expertise, and support services. Moreover, CHS has experience partnering with physicians to develop and operate a freestanding ASC. In 2006 Waveco, LLC⁵ opened the Carolina Center for Specialty Surgery, a minimally invasive surgery center located at 1822 Brunswick Avenue in Charlotte. CHS has been asked to present at multiple conferences regarding the successful partnership between The Charlotte-Mecklenburg Hospital Authority (Carolinas Medical Center) and NeuroSpine, LLC (Carolina NeuroSurgery & Spine Associates physicians) to develop a joint venture ASC. Through this experience, CHS has valuable experience relative to building hospital/physician relationships. In particular, CHS understands the importance of:

- Establishing a collaborative leadership structure
- Establishing clear lines of communication
- Understanding each partner's goals
- Developing trust
- Setting mutual goals

The Waveco, LLC joint venture looked to the strengths of each member partner and the mutual benefits the joint venture would facilitate. Moreover, the joint venture enabled the member partners to focus on quality patient care and what is best for the patient. In its first year, 2007, the Carolina Center for Specialty Surgery exceeded its target efficiency by more than 10 minutes. In addition, in 2008 the Carolina Center for Specialty Surgery scored in the 99th percentile for patient satisfaction.

For the reasons discussed above and in its application, RSC maintains that its proposed ownership structure is the most effective alternative for the development of a Single Specialty Two-Room ASC Demonstration Project.

RSC'S PROPOSAL REPRESENTS THE MOST EFFECTIVE ALTERNATIVE WITH REGARD TO DOCUMENTATION OF PHYSICIAN SUPPORT NECESSARY TO SUPPORT A TWO-ROOM SINGLE SPECIALTY AMBULATORY SURGERY DEMONSTRATION PROJECT IN THE CHARLOTTE AREA

The table on the following page details the physician support provided by the four applicants discussed in these comments.

⁵ Waveco, LLC is a limited liability company consisting of the following membership: The Charlotte-Mecklenburg Hospital Authority – 50 percent and NeuroSpine, LLC – 50 percent.

<i>Physician Support</i>				
	<i>Applicant</i>			
	<i>COSC</i>	<i>Cotswold</i>	<i>USC</i>	<i>RSC</i>
<i>Physician Support/ Number of Letters from Surgeons</i>	9	8	16	23
<i>Volume Provided</i>	No	No (relative to 12 physician owners)* Yes (8 noted above)	Yes	Yes
<i>Is Volume Provided Based on Historical Volume</i>	NA	Yes	No	Yes
<i>Is Volume Provided Based on Historical Volume Sufficient to Support a Two- Room ASC</i>	NA	No	NA	Yes

* Note: Cotswold's application does not contain support letters from the 12 ophthalmology surgeon owners or volume commitments, even though the projections are based on their "stated intentions," of which there is no documentation.

RSC maintains that documentation of surgeon support for the proposed project should be considered an important factor in this review. As noted in the table above, each of the four applicants provides physician support letters. However, only one applicant, RSC, provided physician support letters that supported its volume projections (based on historical volume) and are sufficient to support a new two-room ASC. Please see the appendix for additional detail regarding the resulting impact on the competing applications ability to demonstrate need.

Three of the applicants—Cotswold,⁶ USC, and RSC provide volume in the physician support letters included in their applications. In contrast, while COSC provides support letters from nine orthopaedic surgeons in Exhibit 3 of its application, none of the nine letters provide volume projections. In addition, three of the nine letters (those from Total Spine Specialists) are merely generic support letters and do not demonstrate a firm commitment from the physicians to practice at the proposed ASC. None of the letters provided by Total Spine Specialists document a commitment to perform surgeries at COSC or to seek privileges at COSC. Further, **it should be noted that none of the nine orthopaedic surgeons that wrote support letters currently has a practice location in Cabarrus County, the proposed location of COSC's ASC.**

⁶ Please note that while Cotswold provides volume in eight physician support letters, it also represents that its 12 ophthalmology surgeon owners have stated their intention to perform a stated volume of procedures at its proposed ASC—2,298 in 2012. However, it failed to include any support letters from the 12 ophthalmology surgeons for which Cotswold claimed to have a stated intention relative to volume.

Of the three applicants that provided volume in their physician support letters—Cotswold, USC, and RSC—only two were based on historical volume—Cotswold and RSC. In contrast, USC⁷ provides no historical physician volume to justify physician projections. In the absence of historical volume, there is nothing to document that the projected volume provided in the physician support letters is reasonable. Moreover, there is nothing to document where this volume would be shifting from and whether or not such shift would duplicate volume projected for the recently approved Matthews ASC or have a negative impact on existing facilities.

Of the two applicants that provided volume in their physician support letters based on historical volume—Cotswold and RSC—only one provides volume sufficient to support a two-room ASC—RSC. In Exhibit 21 of its application, RSC provides letters of support from 23 ENT surgeons. The RSC ENT surgeons estimate in their letters of support that, based on historical utilization patterns, they will perform 2,990 cases at the proposed ENT ASC in project year 1. In contrast, the 850 surgeries documented by Cotswold are insufficient to support a two-room ASC, as described previously.

Therefore, for the reasons discussed above, RSC is the most effective alternative with regard to documentation of support from physicians given that it is the only applicant to provide adequate documentation of physician support necessary to support a two-room ASC based on actual historical physician volumes.

RSC’S PROPOSAL REPRESENTS THE MOST COST-EFFECTIVE ALTERNATIVE FOR THE DEVELOPMENT OF A SINGLE SPECIALTY AMBULATORY SURGERY DEMONSTRATION PROJECT IN THE CHARLOTTE AREA

The table below details the facility space and operational date provided by the four applicants discussed in these comments.

<i>Proposed Facility Space and Operational Date</i>				
	<i>Applicant</i>			
	<i>COSC</i>	<i>Cotswold</i>	<i>USC</i>	<i>RSC</i>
<i>Facility Space</i>	New MOB	Existing MOB	New MOB	Existing/Vacated ASC
<i>Operational Date</i>	1/1/2013	1/1/2012	1/1/2013	10/1/2011

⁷ USC provides letters of support from 16 orthopaedic surgeons in Exhibit 41 of its application. Of the 16 surgeon support letters provided in Exhibit 41, 15 constitute unique letters of support (whereby the surgeon did not also submit a letter of support for another freestanding ASC in the service area). Dr. Robert Aiden Milam also provided support for the recently approved Matthews Surgery Center.

RSC's project is the most cost-effective, resource responsible, and accessible alternative. As discussed in its application, RSC recognized the opportunity to meet the special need identified in the 2010 SMFP by renovating existing space currently leased on Randolph Road, which will be vacated by CSC-Randolph on July 1, 2011. The alternative chosen is cost-effective and makes the best use of existing space to meet community needs. Moreover, as demonstrated in the table above, by utilizing space vacated by an ASC, RSC's proposed project will be operational before any of the other proposed projects.

Further, RSC is the only applicant to discuss the need for the pre/post-operative space proposed in its application. Neither COSC, Cotswold, nor USC discuss the need for the pre/post-operative space proposed in their respective applications. In the 2004 Park Ridge Acute Care Bed Findings, the Analyst found that the applicant failed to demonstrate the need for 21 pre/post-operative bays where it failed to provide any documentation of the need for 21 bays. See Findings page 15. Please see Exhibit 5 for the relevant excerpt from these Findings.

ACCESS TO UNDERSERVED

The General Assembly has recognized the need to ensure access to health care in as equitable a manner as possible. See, e.g., N.C. GEN. STAT. §§ 131E-175(3), (3a) and 131E-183(a)(3), (13). The following table illustrates each applicant's projected percentages of surgical cases to be provided to Medicaid and Medicare recipients in the second year of operation following completion of the project.

	<i>Medicare as Percent of Total Cases</i>	<i>Medicaid as Percent of Total Cases</i>
COSC	24.72%	12.00%
Cotswold	47.30%	3.80%
USC	34.00%	10.00%
RSC	13.00%	6.00%

Sources: Section VI

Please note that the payor mixes of the proposed facilities are not comparable as they are highly dependent on the specialties proposed. For example, orthopaedics and ophthalmology centers are more likely to treat a high percentage of older (Medicare) patients, while RSC's ENT center will treat a higher percentage of younger patients. As such, the payor mixes are not comparable.

The following table shows the charity care and bad debt proposed by each facility in the second year of operating following the completion of each project.

	<i>Total Charity Care</i>	<i>% of Net Revenue</i>	<i>Total Bad Debt</i>	<i>% of Net Revenue</i>
COSC (ORs Only)	\$225,163	9.30%	\$90,614	3.80%
Cotswold	\$36,000	1.24%	\$61,000	2.10%
USC	\$318,638	9.10%	\$123,179	3.50%
RSC	\$299,823	6.00%	\$199,882	4.00%

Source: Section VI. Please note that COSC provided charity care and bad debt for its proposed operating rooms and procedure room separately. The operating room numbers are included in the table above. In addition, USC provided different numbers Section VI and Form B. As such, these numbers may be incorrect.

As shown in the table above, RSC, USC and COSC all propose to provide a considerable amount of charity care and bad debt while Cotswold proposes to provide a limited percentage of both.

REVENUE

The following table compares the applicants' gross revenue per surgical case in project year 3.

<i>Facility</i>	<i>Gross Revenue</i>	<i>Surgical Cases</i>	<i>Gross Revenue/Surgical Case</i>
COSC	\$8,478,259	2,044	\$4,147.88
Cotswold	\$5,248,000	2,592	\$2,024.69
USC	\$8,828,123	3,282	\$2,689.86
RSC	\$10,549,252	3,140	\$3,359.63

Source: Form B for each application.

The following table compares the applicants' net revenue per surgical case in project year 3.

<i>Facility</i>	<i>Net Revenue</i>	<i>Surgical Cases</i>	<i>Net Revenue/Surgical Case</i>
COSC	\$3,691,106	2,044	\$1,805.82
Cotswold	\$2,960,000	2,592	\$1,141.98
USC	\$3,773,777	3,282	\$1,149.84
RSC	\$5,209,628	3,140	\$1,659.12

Source: Form B for each application.

As noted previously, it is difficult to compare the financial metrics of the Single Specialty ASCs because each specialty operates differently. In particular, each specialty has a different charge and reimbursement structure. As such, the revenues provided above cannot be compared.

OPERATING EXPENSES

The following table compares the applicants' operating expenses per surgical case in project year 3.

<i>Facility</i>	<i>Operating Expenses</i>	<i>Surgical Cases</i>	<i>Operating Expenses/Surgical Case</i>
COSC	\$3,247,480	2,044	\$1,588.79
Cotswold	\$2,713,000	2,592	\$1,046.68
USC	\$3,290,919	3,282	\$1,002.72
RSC	\$4,764,211	3,140	\$1,517.26

Source: Form B for each application.

As noted previously, it is difficult to compare the financial metrics of the Single Specialty ASCs because each specialty operates differently. As such, the expenses for each facility are different and operating expenses cannot be compared.

Appendix

APPLICATION-SPECIFIC COMMENTS

As stated in RSC's general comments regarding the Charlotte Area Single Specialty ASC review, RSC believes it provides the best alternative for developing a two room single specialty ASC allocated to the Charlotte Area in the 2010 State Medical Facilities Plan. The following items are among the reasons Cabarrus Orthopaedic Surgery Center Holdings, LLC; Cotswold Surgery Center, LLC; and University Surgery Center, LLC should be found non-conforming.

Cabarrus Orthopaedic Surgery Center Holdings, LLC (COSC)

Unreasonable Market Share Assumptions

In steps four and five of its methodology, COSC states that the facility assumed 10 percent market share of total general outpatient orthopaedic cases performed in Cabarrus and Mecklenburg Counties¹, the COSC service area (not including the volume of Total Spine Specialists²). The market share of cases is projected to be performed by six RoMedical Care orthopaedic surgeons. However, COSC provides no data to support this assumption. In particular, COSC provides no historical volume for its physicians as support for this assumption in Section III.1.(b)—none of whom currently have a practice location in Cabarrus County.³ COSC does provide limited physician volume on page 101 of its application as shown in the table below:

**TSS and Ro-Medical Outpatient Surgical Volume
Novant Surgical Facilities
October 2008 – September 2009**

Surgery Location	FY 2009
Total Spine - Novant Mecklenburg County Surgical Facilities*	205
Ro-Medical - Novant Rowan Regional Medical Center Rowan County	1,458

Source: Trendstar, Exhibit 2, Table 6

*Includes Presbyterian Main, Presbyterian Orthopaedic, Presbyterian Matthews

All of the cases performed by Ro-Medical were performed in Rowan County. Neither Ro-Medical nor Total Spine Specialists currently has a practice location in Cabarrus County. Thus, the only experience either group has within the proposed service area is Total Spine's in Mecklenburg County. Total Spine Specialists

¹ Please note that total market volume is based on surgical cases historically performed at facilities in Cabarrus and Mecklenburg Counties, not based on patients originating in Cabarrus and Mecklenburg Counties.

² The volume for the Total Spine Specialists is calculated in Step 6 of COSC's methodology and is later combined with the general orthopedic volume projected in Steps 1-5.

³ See page 10.

volume at Novant Mecklenburg County Surgical Facilities provided in the application and shown above, compared with the outpatient orthopaedic volume for all Mecklenburg County providers shown in the application Exhibit 2, Table 1, shows that the Total Spine physicians performed one percent share of the total Mecklenburg County outpatient orthopaedic surgical cases at Novant facilities in FFY 2009. No other data has been provided to demonstrate that the Total Spine Specialists have achieved a greater share of this market.

Total Spine - Novant Mecklenburg County Surgical Facilities	205
Total Mecklenburg County Outpatient Orthopaedic Surgical Cases	19,469
Market Share of Total Spine Specialists at Novant Facilities	1.1%

It should be noted that COSC projects volume for the Total Spine Specialists separately from the 10 percent general outpatient orthopaedic market share calculated in steps four and five of its methodology. As such, the 10 percent market share is volume *in addition* to what COSC projects to be provided by Total Spine Specialists.

Based on the historical practice patterns of the COSC physicians, primarily the Ro-Medical physicians the application relies on for its general market share, it is unreasonable to assume that the facility will obtain 10 percent market share of general outpatient orthopaedic cases in Cabarrus and Mecklenburg Counties when the proposed physicians have not demonstrated historically an ability to garner 10 percent share in the proposed service area. As such, COSC's market share assumptions have no documented basis on the application and are unreasonably high based on the limited data that is provided.

Failure to Demonstrate the Need for Pre/Post Operative Space

As shown in the line drawings provided in Exhibit 14, COSC proposes to develop with new construction four pre-operative bays and six recovery bays. However, COSC fails to demonstrate a need for these project components. As such, the application should be found non-conforming with Criterion 3. See Agency Findings for Project ID # B-7132-04, Fletcher Hospital, Inc. d/b/a Park Ridge Hospital, which state the need for applicants to demonstrate the need for all project components. Please see Exhibit 5 for the relevant excerpt from these Findings.

Cotswold Surgery Center, LLC (Cotswold)

Failure to Provide Physician Support for Volume Projections

In step seven of Cotswold's methodology, the facility forecasts its projected number of surgical cases by the Surgeon-Owners of Cotswold. Cotswold states that the projections are based on "an internal analysis of each surgeon's workload and his or her stated intentions." However, Cotswold does not provide volume in its surgeon-owner physician support letters provided in Exhibit 28 or any other evidence of these case volumes. As such, Cotswold fails to support its projected surgical cases volume by physician.

Failure to Demonstrate the Need for Procedure Room

Cotswold does not provide any discussion of the need for a procedure room as proposed in its application. Therefore, this procedure room as proposed by Cotswold Surgery Center is essentially shell space. See Agency Findings for Project ID # O-7767-06, Brunswick Community Hospital, which state that because the applicant failed to demonstrate the need for two procedure rooms, the applicant is conditioned to not develop its proposed procedure rooms. Please see Exhibit 6 for a relevant excerpt from these Findings.

Failure to Demonstrate the Need for Pre/Post Operative Space

As outlined on page 27, Cotswold proposes to renovate existing space to develop pre-operative areas with six holding bays and a consult room, and a post-operative area with six recovery bays. However, Cotswold fails to demonstrate a need for these project components. As such, the application should be found non-conforming with Criterion 3. See Agency Findings for Project ID # B-7132-04, Fletcher Hospital, Inc. d/b/a Park Ridge Hospital, which state the need for applicants to demonstrate the need for all project components. Please see Exhibit 5 for the relevant excerpt from these Findings.

Failure to Provide Required Pro Forma Financial Statements

As stated in Section II.1., Cotswold's project includes two operating suites and a procedure room. However, Cotswold provides no volume projections or financial projections for the procedure room. As defined in Section X, using Form C, the applicant must "provide a Statement of Revenues and Expenses for Each Service Component included in the proposed project..." [emphasis added]. Forms D and E provide similar language regarding the gross revenue worksheet and the net revenue worksheet. As such, Cotswold should have completed Forms C through E

for both the operating suites and the procedure room. As such, Cotswold failed to demonstrate the financial feasibility of the proposed project because it failed to provide the required information related to the project.

University Surgery Center, LLC (USC)

Unreasonable and Unsupported Market Share Assumptions

In step five of USC’s methodology (page 50), the organization calculates its total number of outpatient orthopaedic cases using market share assumptions for each county as shown below.

Step 5

Use Market Share Projections to Calculate OR Cases for the Project

Market Share Projections are based on number of physicians, marketing plan, physician recruitment and location of the proposed project

Market Share Projections %

	2013	2014	2015
Cabarrus	13.5%	14.0%	14.5%
Mecklenburg	18.0%	17.0%	18.0%
Union	1.0%	1.0%	1.0%

Orthopaedic Surgery Cases by County

	2013	2014	2015
Cabarrus	422	452	483
Mecklenburg	2370	2563	2760
Union	37	38	40
TOTALS	2829	3053	3283

As shown, USC states that the market share assumptions are based on “number of physicians, marketing plan, physician recruitment and location of the proposed project.” However, USC provides no historical information to support these assumptions. On page 80 of its application, USC states that 16 physicians are expected to utilize the facility and on page 61 USC provides historical volume for 13 of those proposed physicians. As such, historical data is available to determine the historical market share of these physicians, yet USC chose not to use that data.

It should also be noted that OrthoCarolina⁴ physicians were recently approved to develop an orthopaedic ambulatory surgery center in Matthews, NC (Project ID #F-8491-10), Matthews Surgery Center. In the CON Application to develop that center, the physicians involved in Matthews Surgery Center propose to capture 4.75 percent (see page 61) of outpatient orthopaedic surgical cases in Mecklenburg and Union counties. As such, the development of both Matthews Surgery Center and USC would result in more than twenty percent⁵ of the total outpatient

⁴ Please note that one OrthoCarolina physician has committed to perform surgeries at both USC and Matthews Surgery Center based on documentation in both applications, Robert Aiden Milam.

⁵ 4.75 percent + 18 percent = 22.75 percent

orthopaedic surgery volume in Mecklenburg County shifting to the two new ASCs from the twelve existing outpatient orthopaedic surgery programs⁶ currently in operation.

Failure to Demonstrate the Need for Pre/Post Operative Space

As shown in the line drawings provided in Exhibit 29, USC proposes to develop four prep/recovery spaces. However, USC fails to demonstrate a need for these project components. As such, the application should be found non-conforming with Criterion 3. See Agency Findings for Project ID # B-7132-04, Fletcher Hospital, Inc. d/b/a Park Ridge Hospital, which state the need for applicants to demonstrate the need for all project components. Please see Exhibit 5 for the relevant excerpt from these Findings.

Failure to Provide Required Pro Forma Financial Statements

As demonstrated in Section IV, which requires an applicant provide volume for each service component in the proposed project, USC has defined its service components as:

- ♦ Outpatient surgical cases
- ♦ Outpatient surgical procedures
- ♦ Portable X-ray procedures

As defined in Section X, using Form C, the applicant must *“provide a Statement of Revenues and Expenses for Each Service Component included in the proposed project...”* [emphasis added]. Forms D and E provide similar language regarding the gross revenue worksheet and the net revenue worksheet. On page 54 USC states that all revenue and expenses related to the portable X-ray are included in the surgical case or procedure room case. As such, there is no need to provide separate Forms C, D and E for the portable X-ray. However, USC fails to provide a Form C for outpatient surgical cases AND outpatient surgical procedures, stating on page 91 “the proposed project is for surgical services and no other components. Therefore Form C is the same as Form B.” However, based on USC’s provision of separate Forms D and E for outpatient surgical cases and outpatient surgical procedures, there are clearly two service components, which result in the need to provide a Form C for each service component and forms B and C are not the same. Moreover, since USC clearly had the ability to separate revenue for the services on Forms D and E, then it should have been able to provide this information, along with appropriate expenses for each service component, on Form C as required. As such, USC failed to demonstrate the financial feasibility of the

⁶ Based on 2010 Hospital License Renewal Applications.

proposed project because it failed to provide the required information related to the project.

Understated Supply Expenses

USC has understated the “medical supplies and drugs” and “other supplies” expenses on its Statement of Revenues and Expenses for the Proposed Project (Form B). As shown in the table below, USC states in its assumptions (located on Form B) that each expense should be inflated at a higher rate than is provided in Form B.

<i>Expense</i>	<i>PY 1</i>	<i>PY 3</i>	<i>Stated CAGR</i>	<i>Actual CAGR</i>
Medical Supplies and Drugs	\$729,882.00	\$872,159.00		
<i>per case expense</i>	\$258.00	\$265.74	3.0%	1.5%
Other Supplies	\$14,145.00	\$17,066.00		
<i>per case expense</i>	\$5.00	\$5.20	4.0%	2.0%

As such, USC has clearly understated supply expenses and fails to accurately demonstrate the financial feasibility of the proposed project based on reasonable projections of cost.

Exhibits

Exhibit 1

Excerpts from 2007-2010 License Renewal Applications

Charlotte Area

2010 LRA Excerpts

Charlotte Area

All responses should pertain to October 1, 2008 thru September 30, 2009.

Surgical and Non-Surgical Cases

NOTE: Read the following instructions carefully

Surgical Cases by Specialty Area Table - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area - the total number of surgical cases is an unduplicated count of surgical cases. Count all surgical cases, including surgical cases operated on in procedure rooms or in any other location.

Surgical Specialty Area	Cases
Cardiothoracic	
General Surgery	
Neurosurgery	
Obstetrics and GYN	
Ophthalmology	2159
Oral Surgery	
Orthopedics	
Otolaryngology	
Plastic Surgery	
Urology	
Vascular	
Other Surgeries (specify)	
Other Surgeries (specify)	
Total Surgical Cases	2159

Non-Surgical Cases by Category Table - Enter the number of non-surgical cases by category in the table below. Count each patient undergoing a procedure or procedures as one case regardless of the number of non-surgical procedures performed. Categorize each case into one non-surgical category - the total number of non-surgical cases is an unduplicated count of non-surgical cases. Count all non-surgical cases, including cases receiving services in operating rooms or in any other location, *except* do not count cases having endoscopies in GI Endoscopy rooms. Report cases having endoscopies in GI Endoscopy Rooms on page 5.

Non-Surgical Category	Cases
Pain Management	
Cystoscopy	
Non-GI Endoscopies (not reported on page 5)	
GI Endoscopies (not reported on page 5)	
YAG Laser	626
Other (specify)	
Other (specify)	
Other (specify)	
Total Non-Surgical Cases	626

Specialty Name(s) Surgical Cases

(NOTE: Please refer to below instructions carefully.)

Summarize cases by specialty area table. Enter the number of surgical cases by specialty provided in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area. The total number of surgical cases is the sum of all patients from all surgical cases. Count all surgical cases including surgical cases that are not in progress at the time of the data collection.

Specialty Specialty Area	Cases
Cardiothoracic	
Colonial Surgery	1172
Orthopedic	
Obstetrics and Gynecology	237
Ophthalmology	177
Otolaryngology	51
Orthopedic	1376
Urology	2205
Plastic Surgery	215
Neurology	802
Neurology	
Other Surgical Specialty	101
Other Surgical Specialty	
Total Surgical Cases	5169

Summarize cases by Category Table. Enter the number of non-surgical cases by category that are being performed. Enter the number of procedures on the table below. The total number of non-surgical procedures performed is the sum of all cases in the non-surgical category. The total number of non-surgical cases is the sum of all cases in the non-surgical category. Count all non-surgical cases including cases that are not in progress at the time of the data collection. Report all non-surgical cases including endoscopic and diagnostic procedures. Report cases that are endoscopic or endoscopic robotic procedures.

Category Non-Surgical Category	Cases
Pain Management	165
Cardiology	
Endoscopic (not endoscopic)	
Endoscopic (not endoscopic)	
Other (not endoscopic)	
Other (not endoscopic)	
Other (not endoscopic)	
Total Non-Surgical Cases	165

All responses should pertain to October 1, 2008 thru September 30, 2009.

Surgical and Non-Surgical Cases

NOTE: Read the following instructions carefully.

Surgical Cases by Specialty Area Table - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area - the total number of surgical cases is an unduplicated count of surgical cases. Count all surgical cases, including surgical cases operated on in procedure rooms or in any other location.

Surgical Specialty Area	Cases
Cardiothoracic	
General Surgery	
Neurosurgery	
Obstetrics and GYN	123
Ophthalmology	
Oral Surgery	
Orthopedics	
Otolaryngology	
Plastic Surgery	39
Urology	14
Vascular	
Other Surgeries (specify)	
Other Surgeries (specify)	
Total Surgical Cases	1159

983

Non-Surgical Cases by Category Table - Enter the number of non-surgical cases by category in the table below. Count each patient undergoing a procedure or procedures as one case regardless of the number of non-surgical procedures performed. Categorize each case into one non-surgical category - the total number of non-surgical cases is an unduplicated count of non-surgical cases. Count all non-surgical cases, including cases receiving services in operating rooms or in any other location, *except* do not count cases having endoscopies in GI Endoscopy rooms. Report cases having endoscopies in GI Endoscopy Rooms on page 5.

Non-Surgical Category	Cases
Pain Management	
Cystoscopy	
Non-GI Endoscopies (not reported on page 5)	
GI Endoscopies (not reported on page 5)	
YAG Laser	
Other (specify)	
Other (specify)	
Other (specify)	
Total Non-Surgical Cases	2341

2341

2341

All responses should pertain to October 1, 2008 thru September 30, 2009.

Surgical and Non-Surgical Cases

NOTE: Read the following instructions carefully!

Surgical Cases by Specialty Area Table - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area – the total number of surgical cases is an unduplicated count of surgical cases. Count all surgical cases, including surgical cases operated on in procedure rooms or in any other location.

Surgical Specialty Area	Cases
Cardiothoracic	
General Surgery	
Neurosurgery	
Obstetrics and GYN	
Ophthalmology	1112
Oral Surgery	
Orthopedics	
Otolaryngology	
Plastic Surgery	
Urology	
Vascular	
Other Surgeries (specify)	
Other Surgeries (specify)	
Total Surgical Cases	1112

Non-Surgical Cases by Category Table - Enter the number of non-surgical cases by category in the table below. Count each patient undergoing a procedure or procedures as one case regardless of the number of non-surgical procedures performed. Categorize each case into one non-surgical category – the total number of non-surgical cases is an unduplicated count of non-surgical cases. Count all non-surgical cases, including cases receiving services in operating rooms or in any other location, *except* do not count cases having endoscopies in GI Endoscopy rooms. Report cases having endoscopies in GI Endoscopy Rooms on page 5.

Non-Surgical Category	Cases
Pain Management	
Cystoscopy	
Non-GI Endoscopies (not reported on page 5)	
GI Endoscopies (not reported on page 5)	X 2153
YAG Laser	
Other (specify) <i>Dental</i>	→ 115
Other (specify)	
Other (specify)	
Total Non-Surgical Cases	2167

All responses should pertain to October 1, 2008 thru September 30, 2009.

Surgical and Non-Surgical Cases

NOTE: Read the following instructions carefully.

Surgical Cases by Specialty Area Table - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area - the total number of surgical cases is an unduplicated count of surgical cases. Count all surgical cases, including surgical cases operated on in procedure rooms or in any other location.

Surgical Specialty Area	Cases
Cardiothoracic	
General Surgery	172
Neurosurgery	
Obstetrics and GYN	368
Ophthalmology	1624
Oral Surgery	
Orthopedics	4854
Otolaryngology	29
Plastic Surgery	6
Otology	
Vascular	
Other Surgeries (specify) <i>Pain Management</i>	4597
Other Surgeries (specify) <i>Podiatry</i>	85
Total Surgical Cases	7833

Non-Surgical Cases by Category Table - Enter the number of non-surgical cases by category in the table below. Count each patient undergoing a procedure or procedures as one case regardless of the number of non-surgical procedures performed. Categorize each case into one non-surgical category - the total number of non-surgical cases is an unduplicated count of non-surgical cases. Count all non-surgical cases, including cases receiving services in operating rooms or in any other location, *except do not count cases having endoscopies in GI Endoscopy rooms. Report cases having endoscopies in GI Endoscopy Rooms on page 5.*

Non-Surgical Category	Cases
Pain Management	4597
Cystoscopy	
Non-GI Endoscopies <i>(not reported on page 5)</i>	
GI Endoscopies <i>(not reported on page 5)</i>	
VAG Laser	134
Other (specify)	
Other (specify)	
Other (specify)	
Total Non-Surgical Cases	4731

All responses should pertain to October 1, 2008 thru September 30, 2009.

Surgical and Non-Surgical Cases

NOTE: Read the following instructions carefully.

Surgical Cases by Specialty Area Table - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area - the total number of surgical cases is an unduplicated count of surgical cases. Count all surgical cases, including surgical cases operated on in procedure rooms or in any other location.

Surgical Specialty Area	Cases
Cardiothoracic	
General Surgery	145
Neurosurgery	
Gynecology and GYN	252
Ophthalmology	4
Oral Surgery	
Orthopedics	1100
Otolaryngology	78
Plastic Surgery	244
Urology	108
Vascular	
Other Surgeries (specify)	31
Other Surgeries (specify)	
Total Surgical Cases	1,022

Non-Surgical Cases by Category Table - Enter the number of non-surgical cases by category in the table below. Count each patient undergoing a procedure or procedures as one case regardless of the number of non-surgical procedures performed. Categorize each case into one non-surgical category - the total number of non-surgical cases is an unduplicated count of non-surgical cases. Count all non-surgical cases, including cases receiving services in operating rooms or in any other location, *except* do not count cases having endoscopies in GI Endoscopy rooms. Report cases having endoscopies in GI Endoscopy Rooms on page 5.

Non-Surgical Category	Cases
Pain Management	375
Cystoscopy	
Non-GI Endoscopies (not reported on page 5)	
GI Endoscopies (not reported on page 5)	
YAG Laser	
Other (specify)	
Other (specify)	
Other (specify)	
Total Non-Surgical Cases	375

All responses should pertain to October 1, 2008 *thru* September 30, 2009.

Surgical and Non-Surgical Cases

NOTE: Read the following instructions carefully.

Surgical Cases by Specialty Area Table - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area – the total number of surgical cases is an unduplicated count of surgical cases. Count all surgical cases, including surgical cases operated on in procedure rooms or in any other location.

Surgical Specialty Area	Cases
Cardiothoracic	
General Surgery	
Neurosurgery	
Obstetrics and GYN	
Ophthalmology	4662
Oral Surgery	
Orthopedics	
Otolaryngology	4668
Plastic Surgery	
Urology	
Vascular	
Other Surgeries (specify)	
Other Surgeries (specify)	
Total Surgical Cases	8730

Non-Surgical Cases by Category Table - Enter the number of non-surgical cases by category in the table below. Count each patient undergoing a procedure or procedures as one case regardless of the number of non-surgical procedures performed. Categorize each case into one non-surgical category – the total number of non-surgical cases is an unduplicated count of non-surgical cases. Count all non-surgical cases, including cases receiving services in operating rooms or in any other location, *except* do not count cases having endoscopies in GI Endoscopy rooms. Report cases having endoscopies in GI Endoscopy Rooms on page 5.

Non-Surgical Category	Cases
Pain Management	
Cystoscopy	
Non-GI Endoscopies (not reported on page 5)	
GI Endoscopies (not reported on page 5)	
YAG Laser	947
Other (specify) RETINA INJECTION	965
Other (specify) RETINA LASER	187
Other (specify)	
Total Non-Surgical Cases	2099

All responses should pertain to October 1, 2008 thru September 30, 2009.

Surgical and Non-Surgical Cases

NOTE: Read the following instructions carefully.

Surgical Cases by Specialty Area Table - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area - the total number of surgical cases is an unduplicated count of surgical cases. Count all surgical cases, including surgical cases operated on in procedure rooms or in any other location.

Surgical Specialty Area	Cases
Cardiothoracic	
General Surgery	5
Neurosurgery	
Obstetrics and GYN	
Ophthalmology	99
Oral Surgery	
Orthopedics	25
Otolaryngology	33
Plastic Surgery	
Urology	
Vascular	
Other Surgeries (specify)	
Other Surgeries (specify)	
Total Surgical Cases	102

Non-Surgical Cases by Category Table - Enter the number of non-surgical cases by category in the table below. Count each patient undergoing a procedure or procedures as one case regardless of the number of non-surgical procedures performed. Categorize each case into one non-surgical category - the total number of non-surgical cases is an unduplicated count of non-surgical cases. Count all non-surgical cases, including cases receiving services in operating rooms or in any other location, *except* do not count cases having endoscopies in GI Endoscopy rooms. Report cases having endoscopies in GI Endoscopy Rooms on page 5.

Non-Surgical Category	Cases
Pain Management	
Cystoscopy	
Non-GI Endoscopies (not reported on page 5)	1
GI Endoscopies (not reported on page 5)	5
YAG Laser	
Other (specify)	
Other (specify)	
Other (specify)	
Total Non-Surgical Cases	6 *

* performed in OR.

2009 LRA Excerpts

Charlotte Area

All responses should pertain to October 1, 2007 *thru* September 30, 2008.

Surgical Operating Rooms, Gastrointestinal Endoscopy Rooms and Non-GI Procedure Rooms:

A. Surgical Operating Rooms and Cases - count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was in the operating room. Surgical Operating Rooms are defined as being built to meet specifications and standards for operating rooms specified by the Construction Section of the Division of Health Service Regulation and which are fully equipped to perform surgical procedures. Do not include those rooms listed in Part C. or D., which follow.

NOTE: Read the following instructions carefully.

Surgical Cases by Specialty Area - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area – Total Surgical Cases is an unduplicated count of surgical cases. **Count all surgical cases, including cases performed in procedure rooms or in any other location within the facility.**

Surgical Specialty Area	Cases
Cardiothoracic	
General Surgery	
Neurosurgery	
Obstetrics and GYN	
Ophthalmology	2393
Oral Surgery	
Orthopedics	
Otolaryngology	
Plastic Surgery	
Urology	
Vascular	
Other Surgeries (which do not fit into the above categories)	
Total Surgical Cases	2393

- Total Surgical Operating Rooms: 2
- Does this facility have approval for **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to a Certificate of Need?

 Yes X No #Rooms

- Total recovery room beds: 0

All responses should pertain to October 1, 2007 *thru* September 30, 2008.

Surgical Operating Rooms, Gastrointestinal Endoscopy Rooms and Non-GI Procedure Rooms:

A. **Surgical Operating Rooms and Cases** - count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was in the operating room. **Surgical Operating Rooms** are defined as being built to meet specifications and standards for operating rooms specified by the Construction Section of the Division of Health Service Regulation and which are fully equipped to perform surgical procedures. **Do not include those rooms listed in Part C, or D., which follow.**

NOTE: Read the following instructions carefully.

Surgical Cases by Specialty Area - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area – Total Surgical Cases is an unduplicated count of surgical cases. Count all surgical cases, including cases performed in procedure rooms or in any other location within the facility.

Surgical Specialty Area	Cases
Cardiothoracic	0
General Surgery	1019
Neurosurgery	0
Obstetrics and GYN	485
Ophthalmology	127
Oral Surgery	59
Orthopedics	1411
Otolaryngology	2008
Plastic Surgery	51
Urology	475
Vascular	0
Other Surgeries (which do not fit into the above categories) <i>Pediatrics</i>	100
Total Surgical Cases	5735

- Total Surgical Operating Rooms: 4
- Does this facility have approval for **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to a Certificate of Need?

_____ Yes No _____ #Rooms

- Total recovery room beds: 8

All responses should pertain to October 1, 2007 *thru* September 30, 2008.

Surgical Operating Rooms, Gastrointestinal Endoscopy Rooms and Non-GI Procedure Rooms:

A. Surgical Operating Rooms and Cases - count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was in the operating room. Surgical Operating Rooms are defined as being built to meet specifications and standards for operating rooms specified by the Construction Section of the Division of Health Service Regulation and which are fully equipped to perform surgical procedures. Do not include those rooms listed in Part C. or D., which follow.

NOTE: Read the following instructions carefully.

Surgical Cases by Specialty Area - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area – Total Surgical Cases is an unduplicated count of surgical cases. Count all surgical cases, including cases performed in procedure rooms or in any other location within the facility.

Surgical Specialty Area	Cases
Cardiothoracic	—
General Surgery	—
Neurosurgery	934
Obstetrics and GYN	171
Ophthalmology	—
Oral Surgery	—
Orthopedics	—
Otolaryngology	—
Plastic Surgery	69
Urology	8
Vascular	—
Other Surgeries (which do not fit into the above categories)	
Total Surgical Cases	1182

- Total Surgical Operating Rooms: 2
- Does this facility have approval for **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to a Certificate of Need?

_____ Yes No _____ #Rooms

- Total recovery room beds: 13

All responses should pertain to October 1, 2007 *thru* September 30, 2008.

Surgical Operating Rooms, Gastrointestinal Endoscopy Rooms and Non-GI Procedure Rooms:

A. **Surgical Operating Rooms and Cases** - count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was in the operating room. **Surgical Operating Rooms** are defined as being built to meet specifications and standards for operating rooms specified by the Construction Section of the Division of Health Service Regulation and which are fully equipped to perform surgical procedures. **Do not include those rooms listed in Part C. or D., which follow.**

NOTE: Read the following instructions carefully.

Surgical Cases by Specialty Area - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area - Total Surgical Cases is an unduplicated count of surgical cases. Count all surgical cases, including cases performed in procedure rooms or in any other location within the facility.

Surgical Specialty Area	Cases
Cardiothoracic	
General Surgery	
Neurosurgery	
Obstetrics and GYN	
Ophthalmology	728 997
Oral Surgery	
Orthopedics	
Otolaryngology	
Plastic Surgery	
Urology	
Vascular	
Other Surgeries (which do not fit into the above categories)	2559 4025
Total Surgical Cases	3387 3556

5026

- Total Surgical Operating Rooms: 8
- Does this facility have approval for **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to a Certificate of Need?

 Yes ✓ No #Rooms

- Total recovery room beds: 16

All responses should pertain to October 1, 2007 thru September 30, 2008.

Surgical Operating Rooms, Gastrointestinal Endoscopy Rooms and Non-GI Procedure Rooms:

A. **Surgical Operating Rooms and Cases** - count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was in the operating room. **Surgical Operating Rooms** are defined as being built to meet specifications and standards for operating rooms specified by the Construction Section of the Division of Health Service Regulation and which are fully equipped to perform surgical procedures. Do not include those rooms listed in Part C. or D., which follow.

NOTE: Read the following instructions carefully.

Surgical Cases by Specialty Area - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area - Total Surgical Cases is an unduplicated count of surgical cases. **Count all surgical cases, including cases performed in procedure rooms or in any other location within the facility.**

Surgical Specialty Area	Cases
Cardiothoracic	0
General Surgery	22
Neurosurgery	0
Obstetrics and GYN	403
Ophthalmology	1,581
Oral Surgery	0
Orthopedics	4,027
Otolaryngology	30
Plastic Surgery	22
Urology	0
Vascular	0
Other Surgeries (which do not fit into the above categories)	996
Total Surgical Cases	7,081

- Total Surgical Operating Rooms: 7
- Does this facility have approval for **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to a Certificate of Need?

 Yes X No #Rooms

- Total recovery room beds: 7

All responses should pertain to October 1, 2007 thru September 30, 2008.

Surgical Operating Rooms, Gastrointestinal Endoscopy Rooms and Non-GI Procedure Rooms:

A. Surgical Operating Rooms and Cases - count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was in the operating room. Surgical Operating Rooms are defined as being built to meet specifications and standards for operating rooms specified by the Construction Section of the Division of Health Service Regulation and which are fully equipped to perform surgical procedures. Do not include those rooms listed in Part C. or D., which follow.

NOTE: Read the following instructions carefully.

Surgical Cases by Specialty Area - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area – Total Surgical Cases is an unduplicated count of surgical cases. Count all surgical cases, including cases performed in procedure rooms or in any other location within the facility.

Surgical Specialty Area	Cases
Cardiothoracic	
General Surgery	29
Neurosurgery	
Obstetrics and GYN	189
Ophthalmology	
Oral Surgery	
Orthopedics	105
Otolaryngology	88
Plastic Surgery	131
Urology	38
Vascular	
Other Surgeries (which do not fit into the above categories)	52
Total Surgical Cases	632

- Total Surgical Operating Rooms: 3
- Does this facility have approval for **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to a Certificate of Need?
 _____ Yes No _____ #Rooms
- Total recovery room beds: 12

All responses should pertain to October 1, 2007 *thru* September 30, 2008.

Surgical Operating Rooms, Gastrointestinal Endoscopy Rooms and Non-GI Procedure Rooms:

A. **Surgical Operating Rooms and Cases** - count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was in the operating room. **Surgical Operating Rooms** are defined as being built to meet specifications and standards for operating rooms specified by the Construction Section of the Division of Health Service Regulation and which are fully equipped to perform surgical procedures. **Do not include those rooms listed in Part C. or D., which follow.**

NOTE: Read the following instructions carefully.

Surgical Cases by Specialty Area - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area – Total Surgical Cases is an unduplicated count of surgical cases. Count all surgical cases, including cases performed in procedure rooms or in any other location within the facility.

Surgical Specialty Area	Cases
Cardiothoracic	
General Surgery	
Neurosurgery	
Obstetrics and GYN	
Ophthalmology	5640
Oral Surgery	
Orthopedics	
Otolaryngology	4024
Plastic Surgery	
Urology	
Vascular	
Other Surgeries (which do not fit into the above categories)	
Total Surgical Cases	9664

- Total Surgical Operating Rooms: 6
- Does this facility have approval for **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to a Certificate of Need?

 Yes No #Rooms

- Total recovery room beds: 21

2008 LRA Excerpts

Charlotte Area

All responses should pertain to October 1, 2006 thru September 30, 2007.

Surgical Operating Rooms, Gastrointestinal Endoscopy Rooms and Non-GI Procedure Rooms:

A. Surgical Operating Rooms and Cases - count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was in the operating room. Surgical Operating Rooms are defined as being built to meet specifications and standards for operating rooms specified by the Construction Section of the Division of Health Service Regulation and which are fully equipped to perform surgical procedures. Do not include those rooms listed in Part C. or D., which follow.

Surgical Cases by Specialty Area - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area- Total Surgical Cases is an unduplicated count of surgical cases. Count all surgical cases, including cases performed in procedure rooms or in any other location within the facility

Surgical Specialty Area	Cases
Cardiothoracic	
General Surgery	
Neurosurgery	
Obstetrics and GYN	
Ophthalmology	2454
Oral Surgery	
Orthopedics	
Otolaryngology	
Plastic Surgery	
Urology	
Vascular	
Other Surgeries (which do not fit into the above categories)	
Total Surgical Cases	2454

- Total Surgical Operating Rooms: 2
- Does this facility have approval for **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to a Certificate of Need?
 _____ Yes No _____ #Rooms
- Does this facility have approval for **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to the exemption in SB 714?
 _____ Yes No _____ #Rooms
- Total recovery room beds: 0

All responses should pertain to October 1, 2006 *thru* September 30, 2007.

Surgical Operating Rooms, Gastrointestinal Endoscopy Rooms and Non-GI Procedure Rooms:

A. **Surgical Operating Rooms and Cases** - count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was in the operating room. **Surgical Operating Rooms** are defined as being built to meet specifications and standards for operating rooms specified by the Construction Section of the Division of Health Service Regulation and which are fully equipped to perform surgical procedures. Do not include those rooms listed in Part C. or D., which follow.

Surgical Cases by Specialty Area - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area— Total Surgical Cases is an unduplicated count of surgical cases. Count all surgical cases, including cases performed in procedure rooms or in any other location within the facility

Surgical Specialty Area	Cases
Cardiothoracic	0
General Surgery	895
Neurosurgery	0
Obstetrics and GYN	424
Ophthalmology	60
Oral Surgery	55
Orthopedics	942
Otolaryngology	1930
Plastic Surgery	70
Urology	326
Vascular	0
Other Surgeries (which do not fit into the above categories)	0
Total Surgical Cases	4708

- Total Surgical Operating Rooms: 4
- Does this facility have approval for **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to a Certificate of Need?
 Yes No _____ #Rooms

- Does this facility have approval for **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to the exemption in SB 714?
 Yes No _____ #Rooms

- Total recovery room beds: 8

All responses should pertain to October 1, 2006 *thru* September 30, 2007.

Surgical Operating Rooms, Gastrointestinal Endoscopy Rooms and Non-GI Procedure Rooms:

A. **Surgical Operating Rooms and Cases** - count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was in the operating room. Surgical Operating Rooms are defined as being built to meet specifications and standards for operating rooms specified by the Construction Section of the Division of Health Service Regulation and which are fully equipped to perform surgical procedures. Do not include those rooms listed in Part C. or D., which follow.

Surgical Cases by Specialty Area - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area- Total Surgical Cases is an unduplicated count of surgical cases. Count all surgical cases, including cases performed in procedure rooms or in any other location within the facility.

Surgical Specialty Area	Cases
Cardiothoracic	
General Surgery	
Neurosurgery	599
Obstetrics and GYN	81
Ophthalmology	
Oral Surgery	
Orthopedics	
Otolaryngology	
Plastic Surgery	40
Urology	
Vascular	
Other Surgeries (which do not fit into the above categories)	
Total Surgical Cases	<u>720</u>

717

- Total Surgical Operating Rooms: 2
- Does this facility have approval for **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to a Certificate of Need?
 _____ Yes No _____ #Rooms
- Does this facility have approval for **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to the exemption in SB 714?
 _____ Yes No _____ #Rooms
- Total recovery room beds: 13

All responses should pertain to October 1, 2006 *thru* September 30, 2007.

Surgical Operating Rooms, Gastrointestinal Endoscopy Rooms and Non-GI Procedure Rooms:

A. Surgical Operating Rooms and Cases - count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was in the operating room. Surgical Operating Rooms are defined as being built to meet specifications and standards for operating rooms specified by the Construction Section of the Division of Health Service Regulation and which are fully equipped to perform surgical procedures. Do not include those rooms listed in Part C. or D., which follow.

Surgical Cases by Specialty Area - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area- Total Surgical Cases is an unduplicated count of surgical cases. Count all surgical cases, including cases performed in procedure rooms or in any other location within the facility

Surgical Specialty Area	Cases
Cardiothoracic	
General Surgery	
Neurosurgery	
Obstetrics and GYN	
Ophthalmology	762
Oral Surgery	
Orthopedics	
Otolaryngology	
Plastic Surgery	23
Urology	
Vascular	
Other Surgeries (which do not fit into the above categories)	4501
Total Surgical Cases	5286

- Total Surgical Operating Rooms: 8
- Does this facility have approval for **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to a Certificate of Need?
 _____ Yes No _____ #Rooms
- Does this facility have approval for **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to the exemption in SB 714?
 _____ Yes No _____ #Rooms
- Total recovery room beds: 16

All responses should pertain to October 1, 2006 *thru* September 30, 2007.

Surgical Operating Rooms, Gastrointestinal Endoscopy Rooms and Non-GI Procedure Rooms:

A. **Surgical Operating Rooms and Cases** - count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was in the operating room. Surgical Operating Rooms are defined as being built to meet specifications and standards for operating rooms specified by the Construction Section of the Division of Health Service Regulation and which are fully equipped to perform surgical procedures. Do not include those rooms listed in Part C. or D., which follow.

Surgical Cases by Specialty Area - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area- Total Surgical Cases is an unduplicated count of surgical cases. Count all surgical cases, including cases performed in procedure rooms or in any other location within the facility

Surgical Specialty Area	Cases
Cardiothoracic	0
General Surgery	4
Neurosurgery	0
Obstetrics and GYN	488
Ophthalmology	2080
Oral Surgery	0
Orthopedics	2252
Otolaryngology	125
Plastic Surgery	17
Urology	5
Vascular	1017
Other Surgeries (which do not fit into the above categories)	3870
Total Surgical Cases	9858

- Total Surgical Operating Rooms: 7
- Does this facility have approval for **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to a Certificate of Need?
 Yes x No #Rooms

- Does this facility have approval for **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to the exemption in SB 714?
 Yes X No #Rooms

- Total recovery room beds: 9

December 19, 2006

All responses should pertain to October 1, 2006 thru September 30, 2007.

Surgical Operating Rooms, Gastrointestinal Endoscopy Rooms and Non-GI Procedure Rooms:

- A. **Surgical Operating Rooms and Cases** - count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was in the operating room. **Surgical Operating Rooms** are defined as being built to meet specifications and standards for operating rooms specified by the Construction Section of the Division of Health Service Regulation and which are fully equipped to perform surgical procedures. Do not include those rooms listed in Part C. or D., which follow.

Surgical Cases by Specialty Area - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area- Total Surgical Cases is an unduplicated count of surgical cases. Count all surgical cases, including cases performed in procedure rooms or in any other location within the facility

Surgical Specialty Area	Cases
Cardiothoracic	
General Surgery	104
Neurosurgery	
Obstetrics and GYN	113
Ophthalmology	26
Oral Surgery	27
Orthopedics	
Otolaryngology	67
Plastic Surgery	15
Urology	160
Vascular	
Other Surgeries (which do not fit into the above categories)	176
Total Surgical Cases	688

- Total Surgical Operating Rooms: 6 * *3 ORs were moved to Presbyterian SameDay Surgery Center Ballantyne (License # AS0098) during the reporting period. At 9/30/2007, there are 3 license ORs at this facility.*
- Does this facility have approval for **additional surgical operating rooms** (i.e., not listed above) **that are being developed** pursuant to a Certificate of Need?
 Yes No #Rooms
- Does this facility have approval for **additional surgical operating rooms** (i.e., not listed above) **that are being developed** pursuant to the exemption in SB 714?
 Yes No #Rooms
- Total recovery room beds: 24

All responses should pertain to ~~October 1, 2006~~ August 9, 2007 thru September 30, 2007.

Surgical Operating Rooms, Gastrointestinal Endoscopy Rooms and Non-GI Procedure Rooms:

A. Surgical Operating Rooms and Cases - count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was in the operating room. Surgical Operating Rooms are defined as being built to meet specifications and standards for operating rooms specified by the Construction Section of the Division of Health Service Regulation and which are fully equipped to perform surgical procedures. Do not include those rooms listed in Part C. or D., which follow.

Surgical Cases by Specialty Area - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area- Total Surgical Cases is an unduplicated count of surgical cases. Count all surgical cases, including cases performed in procedure rooms or in any other location within the facility

Surgical Specialty Area	Cases
Cardiothoracic	
General Surgery	10
Neurosurgery	
Obstetrics and GYN	5
Ophthalmology	
Oral Surgery	
Orthopedics	5
Otolaryngology	17
Plastic Surgery	2
Urology	
Vascular	
Other Surgeries (which do not fit into the above categories)	34
Total Surgical Cases	73

- Total Surgical Operating Rooms: 3
- Does this facility have approval for **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to a Certificate of Need?
 _____ Yes X No _____ #Rooms
- Does this facility have approval for **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to the exemption in SB 714?
 _____ Yes X No _____ #Rooms
- Total recovery room beds: 12

All responses should pertain to October 1, 2006 *thru* September 30, 2007.

Surgical Operating Rooms, Gastrointestinal Endoscopy Rooms and Non-GI Procedure Rooms:

A. **Surgical Operating Rooms and Cases** - count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was in the operating room. **Surgical Operating Rooms** are defined as being built to meet specifications and standards for operating rooms specified by the Construction Section of the Division of Health Service Regulation and which are fully equipped to perform surgical procedures. Do not include those rooms listed in Part C. or D., which follow.

Surgical Cases by Specialty Area - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area— Total Surgical Cases is an unduplicated count of surgical cases. Count all surgical cases, including cases performed in procedure rooms or in any other location within the facility

Surgical Specialty Area	Cases
Cardiothoracic	
General Surgery	
Neurosurgery	
Obstetrics and GYN	
Ophthalmology	5093
Oral Surgery	
Orthopedics	
Otolaryngology	3330
Plastic Surgery	
Urology	
Vascular	
Other Surgeries (which do not fit into the above categories)	
Total Surgical Cases	8429

- Total Surgical Operating Rooms: 4
- Does this facility have approval for **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to a Certificate of Need?
 _____ Yes No _____ #Rooms
- Does this facility have approval for **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to the exemption in SB 714?
 _____ Yes No _____ #Rooms
- Total recovery room beds: 21

2007 LRA Excerpts

Charlotte Area

All responses should pertain to October 1, 2005 thru September 30, 2006, OR to the actual reporting period used on Page 3 of this document.

Surgical Operating Rooms, Gastrointestinal Endoscopy Rooms and Non-GI Procedure Rooms:

A. **Surgical Operating Rooms and Cases** - count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was in the operating room. Surgical Operating Rooms are defined as being built to meet specifications and standards for operating rooms specified by the Construction Section of the Division of Facility Services and which are fully equipped to perform surgical procedures. Do not include those rooms listed in Part B or D which follow.

Specialty Area	Cases
Cystoscopy (performed in Surgical Operating Rooms)	
Endoscopy (performed in Surgical Operating Rooms)	
General	
Gynecology	
Neurosurgery	
Ophthalmology	2,568
Oral Surgery	
Orthopedics	
Otolaryngology	
Plastic Surgery	
Podiatry	
Thoracic	
Urology	
Vascular Surgery	
Other (Specify)	
Total Cases:	2,568

- Total Surgical Operating Rooms: 2
- Of that total, the number of Surgical Operating Rooms not in use: 0
- Does this facility have **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to a Certificate of Need or pursuant to the exemption provided in SB 714? Yes No
- If "Yes," please indicate the number of additional surgical operating rooms being developed.
- Total recovery room beds: 0

All responses should pertain to October 1, 2005 *thru* September 30, 2006, *OR* to the actual reporting period used on Page 3 of this document.

Surgical Operating Rooms, Gastrointestinal Endoscopy Rooms and Non-GI Procedure Rooms:

A. **Surgical Operating Rooms and Cases** - count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was in the operating room. Surgical Operating Rooms are defined as being built to meet specifications and standards for operating rooms specified by the Construction Section of the Division of Facility Services and which are fully equipped to perform surgical procedures. Do not include those rooms listed in Part B or D which follow.

Specialty Area	Cases
Cystoscopy (performed in Surgical Operating Rooms)	0
Endoscopy (performed in Surgical Operating Rooms)	0
General	284
Gynecology	117
Neurosurgery	0
Ophthalmology	60
Oral Surgery	38
Orthopedics	320
Otolaryngology	744
Plastic Surgery	39
Podiatry	33
Thoracic	0
Urology	46
Vascular Surgery	0
Other (Specify)	
Total Cases:	1681

- Total Surgical Operating Rooms: 4
- Of that total, the number of Surgical Operating Rooms not in use: 0
- Does this facility have **additional surgical operating rooms** (i.e., not listed above) **that are being developed** pursuant to a Certificate of Need or pursuant to the exemption provided in SB 714? Yes X No
 If "Yes," please indicate the number of additional surgical operating rooms being developed. 0
- Total recovery room beds: 8

All responses should pertain to October 1, 2005 *thru* September 30, 2006, *OR* to the actual reporting period used on Page 3 of this document.

Surgical Operating Rooms, Gastrointestinal Endoscopy Rooms and Non-GI Procedure Rooms:

A. **Surgical Operating Rooms and Cases** - count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was in the operating room. Surgical Operating Rooms are defined as being built to meet specifications and standards for operating rooms specified by the Construction Section of the Division of Facility Services and which are fully equipped to perform surgical procedures. Do not include those rooms listed in Part B or D which follow.

Specialty Area	Cases
Cystoscopy (performed in Surgical Operating Rooms)	
Endoscopy (performed in Surgical Operating Rooms)	
General	
Gynecology	
Neurosurgery	21
Ophthalmology	
Oral Surgery	
Orthopedics	
Otolaryngology	
Plastic Surgery	
Podiatry	
Thoracic	
Urology	
Vascular Surgery	
Other (Specify)	
Total Cases:	

- Total Surgical Operating Rooms: 2
- Of that total, the number of Surgical Operating Rooms not in use: 0
- Does this facility have **additional surgical operating rooms** (i.e., not listed above) **that are being developed** pursuant to a Certificate of Need or pursuant to the exemption provided in SB 714? Yes No
If "Yes," please indicate the number of additional surgical operating rooms being developed. _____
- Total recovery room beds: 13

All responses should pertain to October 1, 2005 *thru* September 30, 2006, *OR* to the actual reporting period used on Page 3 of this document.

Surgical Operating Rooms, Gastrointestinal Endoscopy Rooms and Non-GI Procedure Rooms:

A. **Surgical Operating Rooms and Cases** - count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was in the operating room. Surgical Operating Rooms are defined as being built to meet specifications and standards for operating rooms specified by the Construction Section of the Division of Facility Services and which are fully equipped to perform surgical procedures. Do not include those rooms listed in Part B or D which follow.

Specialty Area	Cases
Cystoscopy (performed in Surgical Operating Rooms)	
Endoscopy (performed in Surgical Operating Rooms)	4,975
General	
Gynecology	
Neurosurgery	
Ophthalmology	604
Oral Surgery	
Orthopedics	
Otolaryngology	
Plastic Surgery	19
Podiatry	
Thoracic	
Urology	
Vascular Surgery	
Other (Specify)	
Total Cases:	5,598

- Total Surgical Operating Rooms: 8
- Of that total, the number of Surgical Operating Rooms not in use: 0
- Does this facility have **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to a Certificate of Need or pursuant to the exemption provided in SB 714? Yes No
- If "Yes," please indicate the **number of additional surgical operating rooms** being developed. _____
- Total recovery room beds: 18

All responses should pertain to October 1, 2005 thru September 30, 2006, OR to the actual reporting period used on Page 3 of this document.

Surgical Operating Rooms, Gastrointestinal Endoscopy Rooms and Non-GI Procedure Rooms:

A. **Surgical Operating Rooms and Cases** - count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was in the operating room. **Surgical Operating Rooms** are defined as being built to meet specifications and standards for operating rooms specified by the Construction Section of the Division of Facility Services and which are fully equipped to perform surgical procedures. Do not include those rooms listed in Part B or D which follow.

Specialty Area	Cases
Cystoscopy (performed in Surgical Operating Rooms)	0
Endoscopy (performed in Surgical Operating Rooms)	0
General	8
Gynecology	520
Neurosurgery	0
Ophthalmology	1850
Oral Surgery	0
Orthopedics	2101
Otolaryngology	155
Plastic Surgery	10
Podiatry	1011
Thoracic	0
Urology	106
Vascular Surgery	0
Other (Specify) <i>Pain Management</i>	3930
Total Cases:	9814

- Total Surgical Operating Rooms: 7
- Of that total, the number of Surgical Operating Rooms not in use: 0
- Does this facility have **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to a Certificate of Need or pursuant to the exemption provided in SB 714? Yes X No
- If "Yes," please indicate the number of additional surgical operating rooms being developed.
- Total recovery room beds: 9

All responses should pertain to October 1, 2005 *thru* September 30, 2006, *or* to the actual reporting period used on Page 3 of this document.

Surgical Operating Rooms, Gastrointestinal Endoscopy Rooms and Non-GI Procedure Rooms:

A. Surgical Operating Rooms and Cases - count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was in the operating room. Surgical Operating Rooms are defined as being built to meet specifications and standards for operating rooms specified by the Construction Section of the Division of Facility Services **and** which are fully equipped to perform surgical procedures. Do not include those rooms listed in Part B or D which follow.

Specialty Area	Cases
Cystoscopy (performed in Surgical Operating Rooms)	
Endoscopy (performed in Surgical Operating Rooms)	
General	996
Gynecology	559
Neurosurgery	
Ophthalmology	136
Oral Surgery	45
Orthopedics	
Otolaryngology	253
Plastic Surgery	104
Podiatry	
Thoracic	
Urology	777
Vascular Surgery	
Other (Specify)	
Total Cases:	2,870

- Total Surgical Operating Rooms: 6
- Of that total, the number of Surgical Operating Rooms not in use: 0
- Does this facility have **additional surgical operating rooms** (i.e., **not** listed above) **that are being developed** pursuant to a Certificate of Need or pursuant to the exemption provided in SB 714? Yes X No
 If "Yes," please indicate the number of additional surgical operating rooms being developed.
- Total recovery room beds: 24

All responses should pertain to October 1, 2005 *thru* September 30, 2006, *or* to the actual reporting period used on Page 3 of this document.

Surgical Operating Rooms, Gastrointestinal Endoscopy Rooms and Non-GI Procedure Rooms:

A. Surgical Operating Rooms and Cases - count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was in the operating room. Surgical Operating Rooms are defined as being built to meet specifications and standards for operating rooms specified by the Construction Section of the Division of Facility Services **and** which are fully equipped to perform surgical procedures. Do not include those rooms listed in Part B or D which follow.

Specialty Area	Cases
Cystoscopy (performed in Surgical Operating Rooms)	
Endoscopy (performed in Surgical Operating Rooms)	
General	
Gynecology	
Neurosurgery	
Ophthalmology	3,673
Oral Surgery	
Orthopedics	2
Otolaryngology	2,245
Plastic Surgery	
Podiatry	
Thoracic	
Urology	
Vascular Surgery	
Other (Specify)	
Total Cases:	5,920

- Total Surgical Operating Rooms: 4
- Of that total, the number of Surgical Operating Rooms not in use: 0
- Does this facility have **additional surgical operating rooms** X Yes No
 (i.e., not listed above) **that are being developed** pursuant to a Certificate of Need or pursuant to the exemption provided in SB 714?
 If "Yes," please indicate the **number of additional surgical operating rooms** being developed. 2*
- Total recovery room beds: 21

* Additional operating rooms to be relocated from East Seventh Street location. Refer to License number AS 0032. Facility ID: 953345.

Exhibit 2

NC OSBM Population Overview, 2000-2030

NC OSBM Population Overview, 2000-2030

County	Jul-00	Jul-05	Jul-10	Jul-15	Jul-20	Jul-25	Jul-30
Alamance	131,521	137,879	150,377	160,459	170,539	180,621	190,704
Alexander	33,674	35,700	37,618	39,111	40,605	42,099	43,592
Alleghany	10,688	10,796	11,307	11,698	12,080	12,460	12,832
Anson	25,311	25,552	25,127	24,920	24,831	24,791	24,776
Ashe	24,449	25,315	26,648	27,761	28,872	29,985	31,099
Avery	17,328	17,973	18,287	18,292	18,300	18,303	18,306
Beaufort	44,997	45,670	47,498	48,674	49,845	51,007	52,166
Bertie	19,715	19,349	20,037	19,919	19,890	19,883	19,882
Bladen	32,239	32,372	31,872	31,433	31,305	31,270	31,259
Brunswick	73,756	89,018	110,292	126,089	141,882	157,677	173,471
Buncombe	206,991	216,490	233,154	246,102	258,170	269,412	279,890
Burke	89,324	87,783	90,028	91,825	93,621	95,417	97,212
Cabarrus	132,236	149,725	179,236	203,942	228,648	253,352	278,060
Caldwell	77,929	78,342	80,553	82,603	84,652	86,705	88,755
Camden	6,922	8,978	9,624	9,537	9,510	9,500	9,496
Carteret	59,383	62,545	65,388	68,714	72,037	75,362	78,686
Caswell	23,550	23,578	23,304	23,086	22,919	22,788	22,685
Catawba	142,515	148,446	159,013	168,643	178,277	187,907	197,538
Chatham	49,721	55,984	63,589	69,446	75,275	81,074	86,842
Cherokee	24,373	25,985	27,334	29,154	30,968	32,771	34,565
Chowan	14,119	14,341	14,879	15,123	15,370	15,614	15,860
Clay	8,817	9,831	10,732	11,667	12,602	13,537	14,472
Cleveland	96,461	96,486	99,150	101,232	102,704	103,745	104,475
Columbus	54,713	53,913	56,569	57,809	59,048	60,284	61,522
Craven	91,653	94,848	101,060	105,006	108,953	112,898	116,846
Cumberland	303,033	307,336	324,289	342,118	353,404	360,555	365,082
Currituck	18,286	22,837	23,218	21,790	20,363	18,934	17,507
Dare	30,177	34,544	34,136	33,363	32,606	31,845	31,085
Davidson	147,663	153,400	161,870	170,461	178,338	185,562	192,186
Davie	35,060	38,654	42,427	45,766	49,103	52,442	55,779
Duplin	49,189	51,476	54,126	56,260	58,390	60,522	62,655
Durham	224,635	242,312	271,696	299,225	326,754	354,283	381,814
Edgecombe	55,338	52,622	51,289	51,160	51,099	51,072	51,058
Forsyth	307,005	329,005	361,444	390,369	419,149	447,785	476,279
Franklin	47,609	53,797	60,300	65,788	71,249	76,683	82,087
Gaston	190,796	193,014	209,432	220,250	231,064	241,880	252,694
Gates	10,496	11,135	11,750	12,384	13,021	13,656	14,291
Graham	7,992	8,012	8,379	8,634	8,888	9,142	9,395
Granville	48,844	53,096	57,662	60,769	63,861	66,939	70,000
Greene	19,026	20,024	21,574	22,508	23,443	24,375	25,312
Guilford	422,513	441,761	483,487	520,719	557,952	595,183	632,412
Halifax	57,237	55,868	55,019	54,214	53,407	52,600	51,793
Harnett	91,416	100,917	116,144	132,807	149,449	166,094	182,739
Haywood	54,107	56,103	58,368	60,364	62,361	64,357	66,354
Henderson	89,696	97,326	107,264	116,177	125,049	133,874	142,656
Hertford	22,947	23,661	23,953	23,930	23,923	23,924	23,922
Hoke	33,860	39,964	47,337	53,331	59,323	65,316	71,307
Hyde	5,828	5,533	5,421	5,222	5,025	4,824	4,625
Iredell	123,617	139,241	159,615	172,492	185,369	198,242	211,117
Jackson	33,273	35,884	38,535	40,854	43,075	45,206	47,251
Johnston	123,310	145,600	173,669	200,507	227,347	254,185	281,023
Jones	10,380	10,108	10,154	10,159	10,162	10,166	10,168
Lee	49,434	54,029	59,375	63,587	67,800	72,009	76,224

NC OSBM Population Overview, 2000-2030

County	Jul-00	Jul-05	Jul-10	Jul-15	Jul-20	Jul-25	Jul-30
Lenoir	59,497	57,951	56,958	55,949	55,397	55,095	54,928
Lincoln	64,107	69,024	77,001	83,126	88,792	94,033	98,884
Macon	29,964	32,247	35,192	37,938	40,670	43,389	46,095
Madison	19,698	20,129	20,984	21,606	22,161	22,656	23,096
Martin	25,495	24,240	23,772	23,552	23,464	23,429	23,413
McDowell	42,248	43,066	45,096	46,407	47,749	49,088	50,429
Mecklenburg	700,784	797,429	909,493	984,711	1,059,928	1,135,149	1,210,370
Mitchell	15,723	15,865	16,056	16,373	16,702	17,028	17,353
Montgomery	26,926	27,190	28,128	28,838	29,545	30,256	30,960
Moore	75,195	80,315	88,376	95,303	101,984	108,424	114,631
Nash	87,707	90,955	97,045	103,462	109,876	116,292	122,710
New Hanover	160,842	181,574	196,191	206,657	217,122	227,587	238,051
Northampton	22,055	21,288	20,933	20,804	20,792	20,795	20,792
Onslow	149,774	161,935	181,743	198,069	214,312	230,476	246,560
Orange	116,050	122,586	133,539	141,635	148,979	155,642	161,683
Pamlico	12,935	12,965	12,852	12,890	12,931	12,972	13,010
Pasquotank	34,906	38,749	41,765	41,852	41,865	41,868	41,868
Pender	41,229	46,260	54,601	62,077	69,551	77,025	84,500
Perquimans	11,393	12,012	13,082	13,732	14,380	15,023	15,664
Person	35,745	36,995	38,579	40,023	41,335	42,528	43,612
Pitt	134,130	144,051	161,893	178,478	195,068	211,655	228,243
Polk	18,400	18,864	19,516	20,380	21,244	22,107	22,970
Randolph	131,018	136,298	144,241	152,114	159,060	165,196	170,613
Richmond	46,544	46,214	46,960	47,063	47,086	47,091	47,093
Robeson	123,356	126,670	132,122	137,223	142,321	147,420	152,523
Rockingham	91,998	91,301	92,113	92,626	92,740	92,765	92,772
Rowan	130,687	132,566	141,788	148,143	154,499	160,853	167,210
Rutherford	62,962	62,728	64,128	65,590	67,051	68,513	69,972
Sampson	60,302	63,021	65,945	68,582	71,217	73,850	76,490
Scotland	36,009	36,414	36,992	36,928	36,916	36,913	36,911
Stanly	58,256	58,538	60,530	62,093	63,168	63,904	64,413
Stokes	44,833	45,979	46,958	47,700	48,264	48,692	49,015
Surry	71,294	72,557	74,368	76,781	79,193	81,605	84,015
Swain	13,031	13,653	14,300	15,114	15,927	16,735	17,540
Transylvania	29,342	29,730	31,371	32,688	34,001	35,306	36,605
Tyrrell	4,120	4,178	4,249	4,248	4,249	4,250	4,249
Union	125,577	159,800	201,248	225,669	250,093	274,516	298,937
Vance	43,122	43,129	43,616	43,593	43,571	43,548	43,527
Wake	633,516	757,346	920,307	1,058,779	1,197,247	1,335,718	1,474,189
Warren	19,992	20,092	19,880	19,571	19,356	19,213	19,111
Washington	13,686	13,365	13,024	12,704	12,387	12,069	11,751
Watauga	42,807	43,364	45,750	47,581	49,410	51,243	53,076
Wayne	113,298	115,005	116,974	118,991	121,003	123,020	125,035
Wilkes	65,778	66,292	67,655	68,263	68,871	69,478	70,087
Wilson	73,933	76,344	80,589	84,242	87,895	91,547	95,200
Yadkin	36,512	37,172	38,139	38,697	39,115	39,424	39,656
Yancey	17,784	18,053	18,649	19,123	19,596	20,068	20,543
STATE	8,079,712	8,669,657	9,519,300	10,205,421	10,879,960	11,545,571	12,204,161

Last updated
04MAY2010

Exhibit 3

Excerpts from 2010 License Renewal Applications

All responses should pertain to October 1, 2008 thru September 30, 2009.

Surgical and Non-Surgical Cases

NOTE: Read the following instructions carefully.

Surgical Cases by Specialty Area Table - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area - the total number of surgical cases is an unduplicated count of surgical cases. Count all surgical cases, including surgical cases operated on in procedure rooms or in any other location.

Surgical Specialty Area	Cases
Cardiothoracic	
General Surgery	
Neurosurgery	
Obstetrics and GYN	
Ophthalmology	2459
Oral Surgery	
Orthopedics	
Otolaryngology	
Plastic Surgery	
Urology	
Vascular	
Other Surgeries (specify)	
Other Surgeries (specify)	
Total Surgical Cases	2459

Non-Surgical Cases by Category Table - Enter the number of non-surgical cases by category in the table below. Count each patient undergoing a procedure or procedures as one case regardless of the number of non-surgical procedures performed. Categorize each case into one non-surgical category - the total number of non-surgical cases is an unduplicated count of non-surgical cases. Count all non-surgical cases, including cases receiving services in operating rooms or in any other location, *except* do not count cases having endoscopies in GI Endoscopy rooms. Report cases having endoscopies in GI Endoscopy Rooms on page 5.

Non-Surgical Category	Cases
Pain Management	
Cystoscopy	
Non-GI Endoscopies (not reported on page 5)	
GI Endoscopies (not reported on page 5)	
YAG Laser	626
Other (specify)	
Other (specify)	
Other (specify)	
Total Non-Surgical Cases	626

All responses should pertain to October 1, 2008 through September 30, 2009.

8. Surgical Operating Rooms, Procedure Rooms, Gastrointestinal Endoscopy Rooms, Surgical and Non-Surgical Cases and Procedures (continued)

(Campus - If multiple sites: _____)

d) Surgical Cases by Specialty Area Table

Enter the number of surgical cases by surgical specialty area in the table below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area. The total number of surgical cases is an unduplicated count of surgical cases. Count all surgical cases, including surgical cases operated on in procedure rooms or in any other location.

Surgical Specialty Area	Inpatient Cases	Ambulatory Cases
Cardiothoracic (excluding Open Heart Surgery)		
Open Heart Surgery (from 7.b.4)	261	
General Surgery	522	365
Neurosurgery	366	233
Obstetrics and GYN (excluding C-sections)	389	114
Ophthalmology	4	196
Oral Surgery	10	1
Orthopedics	1,303	1,737
Otolaryngology	56	231
Plastic Surgery	29	95
Urology	344	706
Vascular	418	245
Other Surgeries (specify) SEC ATTACHED LIST	440	603
Other Surgeries (specify)		
Number of C-Sections Performed in Dedicated C-Section ORs	699	
Number of C-Sections Performed in Other ORs		
Total Surgical Cases	6,071	6,586

e) Non-Surgical Cases by Category Table

Enter the number of non-surgical cases by category in the table below. Count each patient undergoing a procedure or procedures as one case regardless of the number of non-surgical procedures performed. Categorize each case into one non-surgical category. The total number of non-surgical cases is an unduplicated count of non-surgical cases. Count all non-surgical cases, including cases receiving services in operating rooms or in any other location, except do not count cases having endoscopies in GI Endoscopy rooms. Report cases having endoscopies in GI Endoscopy Rooms on page 8.

Non-Surgical Category	Inpatient Cases	Ambulatory Cases
Pain Management	11	4,658
Cystoscopy		
Non-GI Endoscopies (not reported in 8.c)		
GI Endoscopies (not reported in 8.c)	2	
YAG Laser		
Other (specify)		
Other (specify)		
Other (specify)		
Total Non-Surgical Cases	13	4,658

<u>Other Surgeries</u>	<u>Inpatient</u>	<u>Outpatient</u>
Podiatry	5	93
Thoracic	171	43
Radiation Oncology	0	1
Pain	29	61
Organ	1	3
Peds	<u>234</u>	<u>402</u>
	440	603

All responses should pertain to October 1, 2008 thru September 30, 2009.

Surgical and Non-Surgical Cases

NOTE: Read the following instructions carefully.

Surgical Cases by Specialty Area Table - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area - the total number of surgical cases is an unduplicated count of surgical cases. Count all surgical cases, including surgical cases operated on in procedure rooms or in any other location.

Surgical Specialty Area	Cases
Cardiothoracic	
General Surgery	
Neurosurgery	
Obstetrics and GYN	123
Ophthalmology	
Oral Surgery	
Orthopedics	
Otolaryngology	
Plastic Surgery	39
Urology	14
Vascular	
Other Surgeries (specify)	
Other Surgeries (specify)	
Total Surgical Cases	1159

983

Non-Surgical Cases by Category Table - Enter the number of non-surgical cases by category in the table below. Count each patient undergoing a procedure or procedures as one case regardless of the number of non-surgical procedures performed. Categorize each case into one non-surgical category - the total number of non-surgical cases is an unduplicated count of non-surgical cases. Count all non-surgical cases, including cases receiving services in operating rooms or in any other location, *except* do not count cases having endoscopies in GI Endoscopy rooms. Report cases having endoscopies in GI Endoscopy Rooms on page 5.

Non-Surgical Category	Cases
Pain Management	
Cystoscopy	
Non-GI Endoscopies (not reported on page 5)	
GI Endoscopies (not reported on page 5)	
YAG Laser	
Other (specify)	
Other (specify)	
Other (specify)	
Total Non-Surgical Cases	2341

2341

2341

All responses should pertain to October 1, 2008 through September 30, 2009.

8. Surgical Operating Rooms, Procedure Rooms, Gastrointestinal Endoscopy Rooms, Surgical and Non-Surgical Cases and Procedures (continued)

(Campus – If multiple sites: _____)

d) Surgical Cases by Specialty Area Table

Enter the number of surgical cases by surgical specialty area in the table below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area – the total number of surgical cases is an unduplicated count of surgical cases. Count all surgical cases, including surgical cases operated on in procedure rooms or in any other location.

Surgical Specialty Area	Inpatient Cases	Ambulatory Cases
Cardiothoracic (excluding Open Heart Surgery)	581	35
Open Heart Surgery (from 7.(b) 4.)	779	
General Surgery	4,550	3,498
Neurosurgery	2,539	696
Obstetrics and GYN (excluding C-Sections)	1,331	2,536
Ophthalmology	22	529
Oral Surgery	172	686
Orthopedics	3,320	3,260
Otolaryngology	388	1,386
Plastic Surgery	269	408
Urology	847	1,869
Vascular	577	97
Other Surgeries (specify) <i>Podiatry, Endoscopy, Transplant</i>	379	221
Other Surgeries (specify)		
Number of C-Section's Performed in Dedicated C-Section ORs	2,035	
Number of C-Section's Performed in Other ORs	2	
Total Surgical Cases	17,797	15,221

e) Non-Surgical Cases by Category Table

Enter the number of non-surgical cases by category in the table below. Count each patient undergoing a procedure or procedures as one case regardless of the number of non-surgical procedures performed. Categorize each case into one non-surgical category – the total number of non-surgical cases is an unduplicated count of non-surgical cases. Count all non-surgical cases, including cases receiving services in operating rooms or in any other location, *except do not count cases having endoscopies in GI Endoscopy rooms. Report cases having endoscopies in GI Endoscopy Rooms on page 8.*

Non-Surgical Category	Inpatient Cases	Ambulatory Cases
Pain Management		
Cystoscopy		
Non-GI Endoscopies (not reported in 8. c)		
GI Endoscopies (not reported in 8. c)		
YAG Laser		
Other (specify) <i>Cast (6 rooms)</i>	1,670	1,338
Other (specify) <i>Peripheral (Cardiac Cath (1 room))</i>	423	658
Other (specify) <i>Lithotripsy (mobile vendor)</i>		215
Total Non-Surgical Cases	2,093	4,204

All responses should pertain to October 1, 2008 through September 30, 2009.

8. Surgical Operating Rooms, Procedure Rooms, Gastrointestinal Endoscopy Rooms, Surgical and Non-Surgical Cases and Procedures (continued)

(Campus – If multiple sites: Consolidated)

d) Surgical Cases by Specialty Area Table

Enter the number of surgical cases by surgical specialty area in the table below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area – the total number of surgical cases is an unduplicated count of surgical cases. Count all surgical cases, including surgical cases operated on in procedure rooms or in any other location.

Surgical Specialty Area	Inpatient Cases	Ambulatory Cases
Cardiothoracic (excluding Open Heart Surgery)	160	18
Open Heart Surgery (from 7.(b) 4.)	59	
General Surgery	1272	2837
Neurosurgery	69	66
Obstetrics and GYN (excluding C-Sections)	168	1120
Ophthalmology	0	115
Oral Surgery	19	235
Orthopedics	2136	3988
Otolaryngology	26	820
Plastic Surgery	42	358
Urology	64	330
Vascular	0	0
Other Surgeries (specify) <i>Pulmonary (Lung Center)</i>	2	5
Other Surgeries (specify) <i>Pain Mat (Pain Pump Inserts)</i>	1	54
Number of C-Section's Performed in Dedicated C-Section ORs	721	
Number of C-Section's Performed in Other ORs	0	
Total Surgical Cases	4739	9946

e) Non-Surgical Cases by Category Table

Enter the number of non-surgical cases by category in the table below. Count each patient undergoing a procedure or procedures as one case regardless of the number of non-surgical procedures performed. Categorize each case into one non-surgical category – the total number of non-surgical cases is an unduplicated count of non-surgical cases. Count all non-surgical cases, including cases receiving services in operating rooms or in any other location, except do not count cases having endoscopies in GI Endoscopy rooms. Report cases having endoscopies in GI Endoscopy Rooms on page 8.

Non-Surgical Category	Inpatient Cases	Ambulatory Cases
Pain Management	2	2834
Cystoscopy	107	569
Non-GI Endoscopies (not reported in 8. c)	0	0
GI Endoscopies (not reported in 8. c)	0	0
YAG Laser	0	0
Other (specify) <i>Bronchs</i>	209	216
Other (specify) <i>TEE</i>	39	57
Other (specify) <i>Minor + Orthotripsy</i>	0	56
Total Non-Surgical Cases	357	3732

All responses should pertain to October 1, 2008 through September 30, 2009.

8. Surgical Operating Rooms, Procedure Rooms, Gastrointestinal Endoscopy Rooms, Surgical and Non-Surgical Cases and Procedures (continued)

(Campus – If multiple sites: Consolidated)

d) Surgical Cases by Specialty Area Table

Enter the number of surgical cases by surgical specialty area in the table below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area – the total number of surgical cases is an unduplicated count of surgical cases. Count all surgical cases, including surgical cases operated on in procedure rooms or in any other location.

Surgical Specialty Area	Inpatient Cases	Ambulatory Cases
Cardiothoracic (excluding Open Heart Surgery)	1	0
Open Heart Surgery (from 7.(b) 4.)	0	
General Surgery	524	983
Neurosurgery	0	0
Obstetrics and GYN (excluding C-Sections)	209	1445
Ophthalmology	0	283
Oral Surgery	33	196
Orthopedics	205	1507
Otolaryngology	3	1295
Plastic Surgery	5	276
Urology	125	290
Vascular	0	0
Other Surgeries (specify) <u>Anesthesia</u>	0	30
Other Surgeries (specify) <u>Medical</u>	1	4
Number of C-Section's Performed in Dedicated C-Section ORs	556	
Number of C-Section's Performed in Other ORs	0	
Total Surgical Cases	1662	6309

e) Non-Surgical Cases by Category Table

Enter the number of non-surgical cases by category in the table below. Count each patient undergoing a procedure or procedures as one case regardless of the number of non-surgical procedures performed. Categorize each case into one non-surgical category – the total number of non-surgical cases is an unduplicated count of non-surgical cases. Count all non-surgical cases, including cases receiving services in operating rooms or in any other location, *except* do not count cases having endoscopies in GI Endoscopy rooms. Report cases having endoscopies in GI Endoscopy Rooms on page 8.

Non-Surgical Category	Inpatient Cases	Ambulatory Cases
Pain Management	0	1596
Cystoscopy	57	511
Non-GI Endoscopies (not reported in 8. c)	0	0
GI Endoscopies (not reported in 8. c)	0	0
YAG Laser	0	0
Other (specify) <u>TEE/Cardioversion</u>	29	70
Other (specify) <u>EBUS/Branchoscopies</u>	40	108
Other (specify) <u>Bone Marrow Biopsy</u>	0	5
Total Non-Surgical Cases	126	2290

All responses should pertain to October 1, 2008 thru September 30, 2009.

Surgical and Non-Surgical Cases

NOTE: Read the following instructions carefully!

Surgical Cases by Specialty Area Table - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area – the total number of surgical cases is an unduplicated count of surgical cases. Count all surgical cases, including surgical cases operated on in procedure rooms or in any other location.

Surgical Specialty Area	Cases
Cardiothoracic	
General Surgery	
Neurosurgery	
Obstetrics and GYN	
Ophthalmology	1112
Oral Surgery	
Orthopedics	
Otolaryngology	
Plastic Surgery	
Urology	
Vascular	
Other Surgeries (specify)	
Other Surgeries (specify)	
Total Surgical Cases	1112

Non-Surgical Cases by Category Table - Enter the number of non-surgical cases by category in the table below. Count each patient undergoing a procedure or procedures as one case regardless of the number of non-surgical procedures performed. Categorize each case into one non-surgical category – the total number of non-surgical cases is an unduplicated count of non-surgical cases. Count all non-surgical cases, including cases receiving services in operating rooms or in any other location, *except* do not count cases having endoscopies in GI Endoscopy rooms. Report cases having endoscopies in GI Endoscopy Rooms on page 5.

Non-Surgical Category	Cases
Pain Management	
Cystoscopy	
Non-GI Endoscopies (not reported on page 5)	
GI Endoscopies (not reported on page 5)	X 2052
YAG Laser	
Other (specify) <i>Dental</i>	→ 115
Other (specify)	
Other (specify)	
Total Non-Surgical Cases	2167

All responses should pertain to October 1, 2008 thru September 30, 2009.

Surgical and Non-Surgical Cases

NOTE: Read the following instructions carefully.

Surgical Cases by Specialty Area Table - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area - the total number of surgical cases is an unduplicated count of surgical cases. **Count all surgical cases, including surgical cases operated on in procedure rooms or in any other location.**

Surgical Specialty Area	Cases
Cardiothoracic	
General Surgery	102
Neurosurgery	
Obstetrics and GYN	368
Ophthalmology	1624
Oral Surgery	
Orthopedics	4834
Otolaryngology	29
Plastic Surgery	36
Urology	
Vascular	
Other Surgeries (specify) Pain Management	4597
Other Surgeries (specify) Podiatry	835
Total Surgical Cases	7,833

Non-Surgical Cases by Category Table - Enter the number of non-surgical cases by category in the table below. Count each patient undergoing a procedure or procedures as one case regardless of the number of non-surgical procedures performed. Categorize each case into one non-surgical category - the total number of non-surgical cases is an unduplicated count of non-surgical cases. **Count all non-surgical cases, including cases receiving services in operating rooms or in any other location, except do not count cases having endoscopies in GI Endoscopy Rooms. Report cases having endoscopies in GI Endoscopy Rooms on page 5.**

Non-Surgical Category	Cases
Pain Management	4597
Cystoscopy	
Non-GI Endoscopies (not reported on page 5)	
GI Endoscopies (not reported on page 5)	
VAG Laser	134
Other (specify)	
Other (specify)	
Other (specify)	
Total Non-Surgical Cases	4726

All responses should pertain to October 1, 2008 through September 30, 2009.

8. Surgical Operating Rooms, Procedure Rooms, Gastrointestinal Endoscopy Rooms, Surgical and Non-Surgical Cases and Procedures (continued)

(Campus - If multiple sites: CUMULATIVE - includes 3 campuses)

d) Surgical Cases by Specialty Area Table

Enter the number of surgical cases by surgical specialty area in the table below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area - the total number of surgical cases is an unduplicated count of surgical cases. Count all surgical cases, including surgical cases operated on in procedure rooms or in any other location.

Surgical Specialty Area	Inpatient Cases	Ambulatory Cases
Cardiothoracic (excluding Open Heart Surgery)	353	80
Open Heart Surgery (from 7.(b) 4.)	384	
General Surgery	2202	6321
Neurosurgery	484	374
Obstetrics and GYN (excluding C-Sections)	918	2515
Ophthalmology	22	3573
Oral Surgery	16	579
Orthopedics	378	231
Otolaryngology	121	940
Plastic Surgery	47	324 392
Urology	638	1716
Vascular	369	173
Other Surgeries (specify)	69	900
Other Surgeries (specify)		
Number of C-Section's Performed in Dedicated C-Section ORs	1941	
Number of C-Section's Performed in Other ORs		
Total Surgical Cases	7942	17,884

e) Non-Surgical Cases by Category Table

Enter the number of non-surgical cases by category in the table below. Count each patient undergoing a procedure or procedures as one case regardless of the number of non-surgical procedures performed. Categorize each case into one non-surgical category - the total number of non-surgical cases is an unduplicated count of non-surgical cases. Count all non-surgical cases, including cases receiving services in operating rooms or in any other location, *except* do not count cases having endoscopies in GI Endoscopy rooms. Report cases having endoscopies in GI Endoscopy Rooms on page 8.

Non-Surgical Category	Inpatient Cases	Ambulatory Cases
Pain Management	0	579
Cystoscopy		
Non-GI Endoscopies (not reported in 8. c)		
GI Endoscopies (not reported in 8. c)		
YAG Laser		
Other (specify) <u>Bronchoscopy</u>	245	313
Other (specify)		
Other (specify)		
Total Non-Surgical Cases	245	892

All responses should pertain to October 1, 2008 through September 30, 2009.

8. Surgical Operating Rooms, Procedure Rooms, Gastrointestinal Endoscopy Rooms, Surgical and Non-Surgical Cases and Procedures (continued)

(Campus – If multiple sites: _____)

d) Surgical Cases by Specialty Area Table

Enter the number of surgical cases by surgical specialty area in the table below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area – the total number of surgical cases is an unduplicated count of surgical cases. Count all surgical cases, including surgical cases operated on in procedure rooms or in any other location.

Surgical Specialty Area	Inpatient Cases	Ambulatory Cases
Cardiothoracic (excluding Open Heart Surgery)	7	17
Open Heart Surgery (from 7.(b) 4.)		
General Surgery	382	1,459
Neurosurgery		
Obstetrics and GYN (excluding C-Sections)	55	329
Ophthalmology	1	518
Oral Surgery	27	107
Orthopedics	532	909
Otolaryngology	15	518
Plastic Surgery	10	114
Urology	41	503
Vascular	0	2
Other Surgeries (specify) *	0	1
Other Surgeries (specify)		
Number of C-Section's Performed in Dedicated C-Section ORs	352	
Number of C-Section's Performed in Other ORs		
Total Surgical Cases	1,422	4,477

e) Non-Surgical Cases by Category Table * Pain Management

Enter the number of non-surgical cases by category in the table below. Count each patient undergoing a procedure or procedures as one case regardless of the number of non-surgical procedures performed. Categorize each case into one non-surgical category – the total number of non-surgical cases is an unduplicated count of non-surgical cases. Count all non-surgical cases, including cases receiving services in operating rooms or in any other location, *except* do not count cases having endoscopies in GI Endoscopy rooms. Report cases having endoscopies in GI Endoscopy Rooms on page 8.

Non-Surgical Category	Inpatient Cases	Ambulatory Cases
Pain Management	4	441
Cystoscopy		
Non-GI Endoscopies (not reported in 8. c)		
GI Endoscopies (not reported in 8. c)		
YAG Laser		
Other (specify) <i>Bronchoscopy</i>	46	52
Other (specify)		
Other (specify)		
Total Non-Surgical Cases	50	493

All responses should pertain to October 1, 2008 through September 30, 2009.

8. Surgical Operating Rooms, Procedure Rooms, Gastrointestinal Endoscopy Rooms, Surgical and Non-Surgical Cases and Procedures (continued)

(Campus – If multiple sites: _____)

d) Surgical Cases by Specialty Area Table

Enter the number of **surgical cases** by surgical specialty area in the table below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area – the total number of surgical cases is an unduplicated count of surgical cases. Count all surgical cases, including surgical cases operated on in procedure rooms or in any other location.

Surgical Specialty Area	Inpatient Cases	Ambulatory Cases
Cardiothoracic (excluding Open Heart Surgery)	5	20
Open Heart Surgery (from 7.(b) 4.)	0	
General Surgery	787	1,438
Neurosurgery	0	20
Obstetrics and GYN (excluding C-Sections)	128	783
Ophthalmology	1	130
Oral Surgery		
Orthopedics	3010	1,201
Otolaryngology	15	1081
Plastic Surgery	35	3010
Urology	75	510
Vascular		
Other Surgeries (specify)		
Other Surgeries (specify)		
Number of C-Section's Performed in Dedicated C-Section ORs	450	
Number of C-Section's Performed in Other ORs		
Total Surgical Cases	1,808	5,155

e) Non-Surgical Cases by Category Table

Enter the number of **non-surgical cases** by category in the table below. Count each patient undergoing a procedure or procedures as one case regardless of the number of non-surgical procedures performed. Categorize each case into one non-surgical category – the total number of non-surgical cases is an unduplicated count of non-surgical cases. Count all non-surgical cases, including cases receiving services in operating rooms or in any other location, *except* do not count cases having endoscopies in GI Endoscopy rooms. Report cases having endoscopies in GI Endoscopy Rooms on page 8.

Non-Surgical Category	Inpatient Cases	Ambulatory Cases
Pain Management		
Cystoscopy		
Non-GI Endoscopies (not reported in 8. c)		
GI Endoscopies (not reported in 8. c)		
YAG Laser		
Other (specify)		
Other (specify)		
Other (specify)		
Total Non-Surgical Cases	0	0

All responses should pertain to October 1, 2008 through September 30, 2009.

8. Surgical Operating Rooms, Procedure Rooms, Gastrointestinal Endoscopy Rooms, Surgical and Non-Surgical Cases and Procedures (continued)

(Campus – If multiple sites: _____)

d) Surgical Cases by Specialty Area Table

Enter the number of surgical cases by surgical specialty area in the table below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area – the total number of surgical cases is an unduplicated count of surgical cases. Count all surgical cases, including surgical cases operated on in procedure rooms or in any other location.

Surgical Specialty Area	Inpatient Cases	Ambulatory Cases
Cardiothoracic (excluding Open Heart Surgery)		
Open Heart Surgery (from 7.(b) 4.)		
General Surgery	10	332
Neurosurgery		
Obstetrics and GYN (excluding C-Sections)		
Ophthalmology		
Oral Surgery		
Orthopedics	2,738	3,349
Otolaryngology		
Plastic Surgery		
Urology		
Vascular		
Other Surgeries (specify)	10	186
Other Surgeries (specify)		
Number of C-Section's Performed in Dedicated C-Section ORs		
Number of C-Section's Performed in Other ORs		
Total Surgical Cases	2,758	3,867

e) Non-Surgical Cases by Category Table

Enter the number of non-surgical cases by category in the table below. Count each patient undergoing a procedure or procedures as one case regardless of the number of non-surgical procedures performed. Categorize each case into one non-surgical category – the total number of non-surgical cases is an unduplicated count of non-surgical cases. Count all non-surgical cases, including cases receiving services in operating rooms or in any other location, *except* do not count cases having endoscopies in GI Endoscopy rooms. Report cases having endoscopies in GI Endoscopy Rooms on page 8.

Non-Surgical Category	Inpatient Cases	Ambulatory Cases
Pain Management	0	1,841
Cystoscopy		
Non-GI Endoscopies (not reported in 8. c)		
GI Endoscopies (not reported in 8. c)		
YAG Laser		
Other (specify)		
Other (specify)		
Other (specify)		
Total Non-Surgical Cases	0	1,841

All responses should pertain to October 1, 2008 thru September 30, 2009.

Surgical and Non-Surgical Cases

NOTE: Read the following instructions carefully.

Surgical Cases by Specialty Area Table - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area – the total number of surgical cases is an unduplicated count of surgical cases. Count all surgical cases, including surgical cases operated on in procedure rooms or in any other location.

Surgical Specialty Area	Cases
Cardiothoracic	
General Surgery	145
Neurosurgery	
Obstetrics and GYN	252
Ophthalmology	4
Oral Surgery	
Orthopedics	160
Otolaryngology	78
Plastic Surgery	244
Urology	108
Vascular	
Other Surgeries (specify)	31
Other Surgeries (specify)	
Total Surgical Cases	1,022

Non-Surgical Cases by Category Table - Enter the number of non-surgical cases by category in the table below. Count each patient undergoing a procedure or procedures as one case regardless of the number of non-surgical procedures performed. Categorize each case into one non-surgical category – the total number of non-surgical cases is an unduplicated count of non-surgical cases. Count all non-surgical cases, including cases receiving services in operating rooms or in any other location, *except* do not count cases having endoscopies in GI Endoscopy rooms. Report cases having endoscopies in GI Endoscopy Rooms on page 5.

Non-Surgical Category	Cases
Pain Management	375
Cystoscopy	
Non-GI Endoscopies (not reported on page 5)	
GI Endoscopies (not reported on page 5)	
YAG Laser	
Other (specify)	
Other (specify)	
Other (specify)	
Total Non-Surgical Cases	375

All responses should pertain to October 1, 2008 thru September 30, 2009.

Surgical and Non-Surgical Cases

NOTE: Read the following instructions carefully.

Surgical Cases by Specialty Area Table - Enter the number of surgical cases by surgical specialty area in the chart below. Count each patient undergoing surgery as one case regardless of the number of surgical procedures performed while the patient was having surgery. Categorize each case into one specialty area – the total number of surgical cases is an unduplicated count of surgical cases. Count all surgical cases, including surgical cases operated on in procedure rooms or in any other location.

Surgical Specialty Area	Cases
Cardiothoracic	
General Surgery	
Neurosurgery	
Obstetrics and GYN	
Ophthalmology	4662
Oral Surgery	
Orthopedics	
Otolaryngology	4068
Plastic Surgery	
Urology	
Vascular	
Other Surgeries (specify)	
Other Surgeries (specify)	
Total Surgical Cases	8730

Non-Surgical Cases by Category Table - Enter the number of non-surgical cases by category in the table below. Count each patient undergoing a procedure or procedures as one case regardless of the number of non-surgical procedures performed. Categorize each case into one non-surgical category – the total number of non-surgical cases is an unduplicated count of non-surgical cases. Count all non-surgical cases, including cases receiving services in operating rooms or in any other location, *except* do not count cases having endoscopies in GI Endoscopy rooms. Report cases having endoscopies in GI Endoscopy Rooms on page 5.

Non-Surgical Category	Cases
Pain Management	
Cystoscopy	
Non-GI Endoscopies (not reported on page 5)	
GI Endoscopies (not reported on page 5)	
YAG Laser	947
Other (specify) RETINA INJECTION	965
Other (specify) RETINA LASER	187
Other (specify)	
Total Non-Surgical Cases	2099

Exhibit 4

ThomsonReuters Article

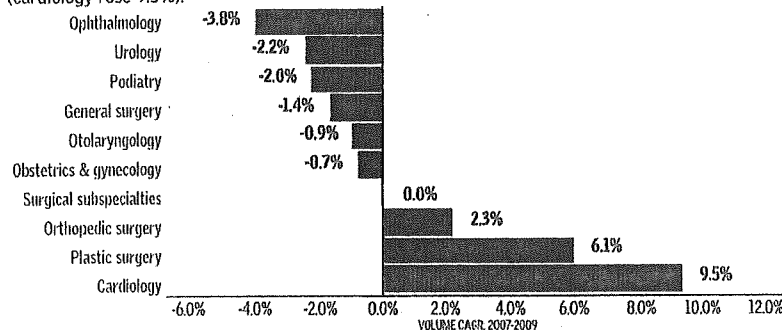
FACTFILE

Ambulatory Surgery Trends

Ambulatory surgery continues to be a significant part of the healthcare industry, whether the procedures are performed at a hospital or a nonhospital setting. Still, there is considerable variation based on specialty.

TRENDS VARY BY SPECIALTY

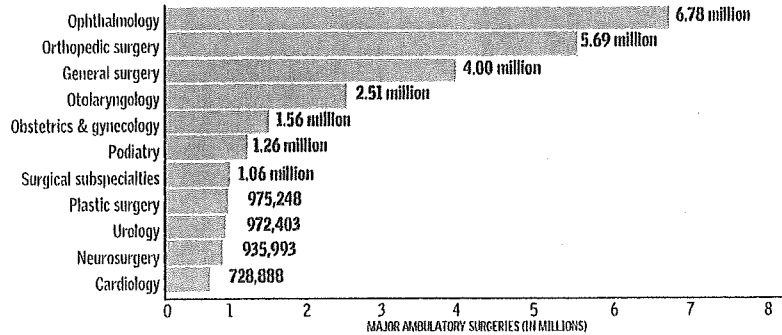
Overall, major ambulatory surgery volumes have been flat between 2007 and 2009. However, some specialties have seen declining volumes (ophthalmology is down 3.8%) while others have seen gains (cardiology rose 9.5%).



SOURCE: Thomson Reuters Physician Productivity Database, 2007-2009.

VOLUMES VARY BY SPECIALTY

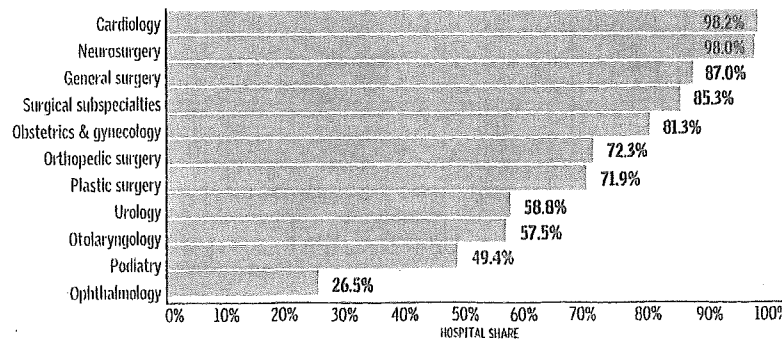
Regardless of setting, major ambulatory surgeries account for millions of procedures every year. These annual statistics show that ophthalmology surgeries exceed 6.7 million, while cardiology surgeries number more than 728,000.



SOURCE: Thomson Reuters Physician Productivity Database, 2007-2009.

HOSPITALS MAINTAIN MAJORITY

While hospitals have a minor share of some major ambulatory surgeries (e.g., ophthalmology, at just 26.5%), they dominate in most of the key specialties (e.g., neurology and cardiology, which reach 98%).



SOURCE: Thomson Reuters Physician Productivity Database, 2007-2009.

The Time It Takes

The average surgical duration varies when comparing hospital-based and freestanding sites. These 2006 figures show the average total time and the average surgical time for selected diagnoses based on ambulatory surgery facility type (hospital-based and freestanding).

Selected diagnoses	Average total time (in minutes) ¹	Average surgical time (in minutes) ²
HOSPITAL-BASED SITES		
Cataract	88.4	22.7
Benign neoplasm of the colon	111.5	24.6
Diverticula of the intestine	102.7	19.0
Intervertebral disc disorders	107.4	29.9
Hemorrhoids	112.0	20.7
Gastritis and duodenitis	131.4	17.9
Chronic diseases of tonsils and adenoids	161.6	23.4
Otitis media and Eustachian tube disorders	75.0	13.5
Carpal tunnel syndrome	111.2	19.1
Inguinal hernia	177.2	52.0

FREESTANDING SITES		
Cataract	57.3	14.9
Benign neoplasm of the colon	77.9	20.0
Diverticula of the intestine	68.3	15.9
Intervertebral disc disorders	61.4	12.8
Hemorrhoids	75.1	16.9
Gastritis and duodenitis	68.9	10.0
Chronic diseases of tonsils and adenoids	148.9	20.6
Otitis media and Eustachian tube disorders	56.8	10.2
Carpal tunnel syndrome	83.8	17.1
Inguinal hernia	145.8	40.1

TOTAL SITES		
Cataract	70.2	18.1
Benign neoplasm of the colon	90.3	21.8
Diverticula of the intestine	79.5	16.9
Intervertebral disc disorders	82.9	21.1
Hemorrhoids	86.7	18.2
Gastritis and duodenitis	91.0	14.2
Chronic diseases of tonsils and adenoids	159.2	22.5
Otitis media and Eustachian tube disorders	65.7	12.3
Carpal tunnel syndrome	96.0	18.2
Inguinal hernia	169.0	49.4

¹ Total time was calculated by subtracting the time when the patient entered the operating room from the time the patient left postoperative care.

² Surgical time was calculated by subtracting the time the surgery began from the time the surgery ended. Surgical time typically extends from when the first incision is made until the wound is closed.

SOURCE: CDC/NCHS, National Survey of Ambulatory Surgery; www.cdc.gov/nchs/data/ahs/ahsr01.pdf

Upcoming Topic:
> Hospital Costs

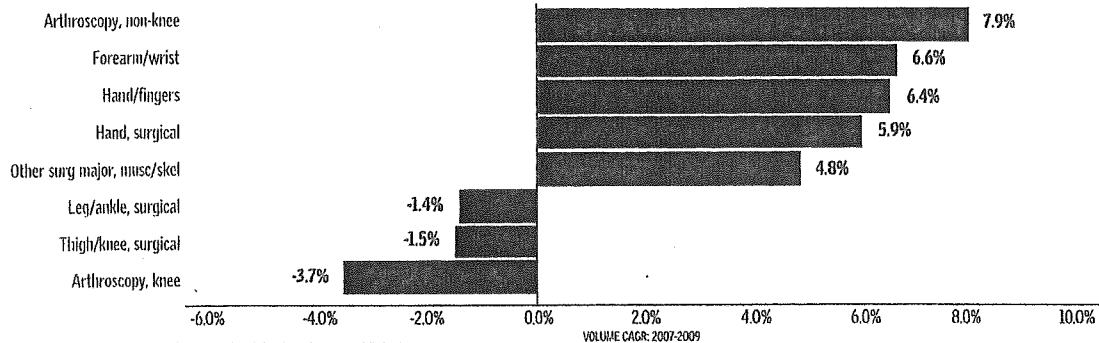
FACT FILE PARTNER:



THOMSON REUTERS

UPS AND DOWNS OF ORTHOPEDIC SURGERY

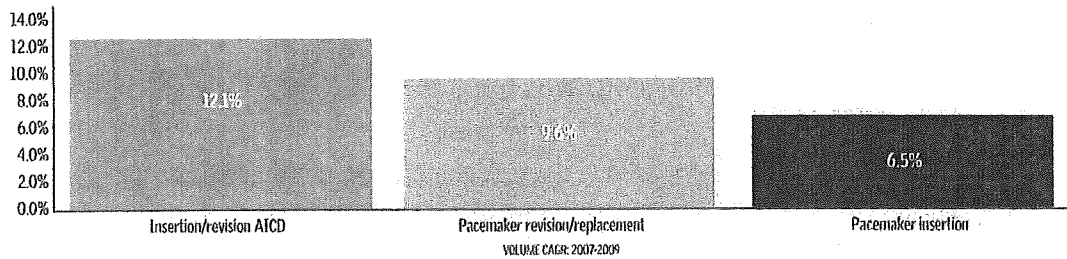
While overall orthopedic surgery volumes increased more than 2% from 2007 to 2009, within the specialty, there is variation among the different types of procedures. For example, knee arthroscopies declined 3.7% over that period, but arthroscopies for other than the knee jumped 7.9%.



SOURCE: Thomson Reuters Physician Productivity Database, 2007-2009.

ROBUST GROWTH FOR AICD, PACEMAKER PROCEDURES

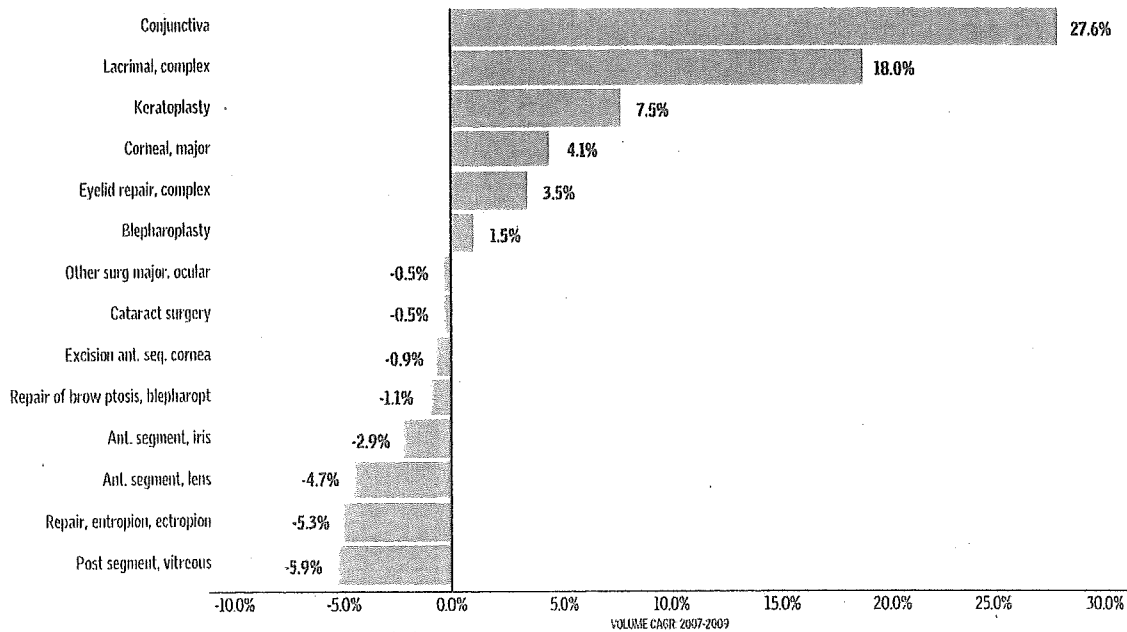
Cardiology surgery volume grew 9.5% from 2007 to 2009. Among the procedures that have shown strong growth are those related to pacemakers and automatic internal cardiac defibrillators



SOURCE: Thomson Reuters Physician Productivity Database, 2007-2009.

OPHTHALMOLOGY RATES VARY BY PROCEDURE

Cataract surgery, the highest-volume ophthalmology procedure, was essentially flat from 2007 to 2009, dropping 0.5% as the specialty itself saw an overall volume decline of 3.8%. The strongest growth was for conjunctiva procedures, which rose 27.6% over that period.



SOURCE: Thomson Reuters Physician Productivity Database, 2007-2009.

ABOUT THIS DATA: The physician services volumes and productivity estimates are derived from the Thomson Reuters Physician Productivity Database, 2007-2009. Estimates reported here have been weighted to be representative of the United States universe of allopathic and osteopathic physicians, as well as nonphysician professionals.

Exhibit 5

Excerpt from 2004 Park Ridge Acute Care Bed Findings

ATTACHMENT - REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conditional

NC = Nonconforming

NA = Not Applicable

DECISION DATE: February 25, 2005

FINDINGS DATE: March 3, 2005

PROJECT ANALYST: Ronald Loftin

CHIEF: Lee Hoffman

PROJECT I.D. NUMBER: B-7132-04/ Fletcher Hospital, Inc. d/b/a Park Ridge Hospital/ Construct new hospital space and renovate existing space to add 11 new licensed acute care beds, replace eight acute care beds and expand women's services, ambulatory surgery, telemetry, and intensive care departments/Henderson County

REVIEW CRITERIA FOR NEW INSTITUTIONAL HEALTH SERVICES

G.S. 131E-183(a) The Department shall review all applications utilizing the criteria outlined in this subsection and shall determine that an application is either consistent with or not in conflict with these criteria before a certificate of need for the proposed project shall be issued.

- (1) The proposed project shall be consistent with applicable policies and need determinations in the State Medical Facilities Plan, the need determination of which constitutes a determinative limitation on the provision of any health service, health service facility, health service facility beds, dialysis stations, ambulatory surgical operating rooms, or home health offices that may be approved.

C

Fletcher Hospital, Inc. d/b/a Park Ridge Hospital ("**Park Ridge**") located in Fletcher in northern Henderson County, currently has 62 licensed acute care beds and 41 psychiatric beds. Park Ridge proposes to construct 45,500 square feet of new space and renovate 28,550 square feet of existing hospital space to add 11 new licensed acute care beds, replace eight existing licensed acute care beds and expand women's services, ambulatory surgery, telemetry, and intensive care departments. The 2004 State Medical Facilities Plan identifies a need for 11 additional acute care beds in Henderson County by 2008. The 2004 SMFP also states:

The applicant also projects its market share of ICU patients in its primary service area to increase from 20.5% in 2004 to 35.4% in 2009. Park Ridge also proposes to increase its market share in its secondary service area in the same time period from 6.2% to 10.4%. However, the applicant does not adequately demonstrate that projected market share increases of ICU patients are reasonable in light of the fact that ICU utilization has been somewhat flat in the past two years and Park Ridge has not documented that it has been successful in recruiting new physicians since 2002. Also, the applicant did not demonstrate that it is reasonable to project significant increases in admissions from the secondary service area, given that residents of this area live in closer proximity to Mission Hospitals than to Park Ridge.

Other Project Components

The applicant also proposes to relocate Pre/Post-Operative spaces (for outpatient and inpatient) from the northeast side of the first floor to new construction on the northwest corner of the hospital to put patients in close proximity to the operating rooms. On page 14, the applicant proposes to construct 21 pre/post operative bays. The applicant states on page 54:

“PRH proposes to expand its pre- and post- operatives. The existing spaces are crowded and partitioned only by 3-sided curtains. This is not ideal as patients can experience anxiety prior to an operative procedure and are often in pain as they recover. Private bays will allow patients improved privacy and comfort. Additionally, some of the existing pre- and post- operative spaces are not located in close proximity to the OR suites. For example, Level II recovery is located down a long hall away from the operating rooms.”

However, the applicant does not provide documentation of the need for 21 bays.

Upon the proposed relocation of the current Outpatient Pre/Post-Op, the applicant proposes to expand the Laboratory into the vacated space. The applicant states on page 54:

“Currently, the existing lab space is significantly undersized and lacks safety and privacy measures as well. In fact, PRH’s most recent JCAHO review specifically notes the lack of lab space. ... (T)he emergency shower is crowded by waste receptacles and storage items that should be safely located in a controlled area. ... PRH’s laboratory also lacks a private blood drawing room.”

On page 12, the applicant states that the proposed first floor new construction would include outpatient Women’s Services reception and waiting and relocated radiology equipment for mammography, ultrasound, stereotactic breast biopsy, and

Exhibit 6

Excerpt from 2006 Brunswick Community Hospital
Findings

ATTACHMENT - REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conditional

NC = Nonconforming

NA = Not Applicable

DECISION DATE: April 27, 2007
FINDINGS DATE: May 4, 2007
PROJECT ANALYST: Les Brown
CHIEF CON: Lee Hoffman

PROJECT I.D. NUMBER: O-7767-06/Brunswick Community Hospital, LLC and Novant Health, Inc./Relocate 60 existing acute care beds to a replacement facility, and add 32 acute care beds (Project ID # O-6638-02) and 1 operating room (Project ID # O-6519-01) per previous approvals/Brunswick County.

REVIEW CRITERIA FOR NEW INSTITUTIONAL HEALTH SERVICES

G.S. 131E-183(a) The Department shall review all applications utilizing the criteria outlined in this subsection and shall determine that an application is either consistent with or not in conflict with these criteria before a certificate of need for the proposed project shall be issued.

- (1) The proposed project shall be consistent with applicable policies and need determinations in the State Medical Facilities Plan, the need determination of which constitutes a determinative limitation on the provision of any health service, health service facility, health service facility beds, dialysis stations, operating rooms, or home health offices that may be approved.

CA

Brunswick Community Hospital, located in Supply, NC proposes to replace its existing hospital with a new facility to be located in the same county. BCH is currently licensed for 60 general acute care beds. The proposed replacement facility also includes 32 additional acute care beds (Project ID # O-6638-02) and 1 additional operating room (Project ID # O-6519-01), previously approved on January 10, 2003, for a total complement of 92 acute care beds

There are no need determinations in the 2006 SMFP applicable to this review. However, there is one policy in the 2006 SMFP applicable to review of the proposed project.

Policy AC-5: Replacement of Acute Care Bed Capacity

FFY 2005 Inpatient Use Rate	37.8	37.8	37.8
Projected IP Cases - Brunswick County	3,909	3,996	4,085
BCH IP Surgery Market Share	25.1%	26.1%	27.1%
BCH IP Cases -Brunswick County	982	1,044	1,108
C Sections	103	113	124
BCH Total IP Cases Incl Immigration (8%)	1,068	1,135	1,205
BCH Total Cases Minus C-Sections	965	1,022	1,081
FFY 2005 Outpatient Use Rate	71.9	71.9	71.9
Projected OP Cases - Brunswick County	7,428	7,594	7,763
BCH OP Surgery Market Share	30.6%	31.6%	32.6%
BCH OP Cases -Brunswick County	2,273	2,400	2,531
BCH Total OP Cases Incl Immigration (9%)	2,498	2,637	2,782
Annual Weighted Time Total Surgery	6,641	7,022	7,416
OR Need @ 1,872 hours per OR per year	3.5	3.8	4.0

Inpatient surgical cases are projected to increase from 732 in FFY 2006 to 1,081 in FFY 2012 (Year 3), an increase of 349 (47.7%). Outpatient cases are projected to increase from 1,947 in FFY 2006 to 2,782 in FFY 2012, an increase of 835 (42.9%). The applicants assume that BCH's market share of surgical services will increase at an incremental rate of 1% per year from FFY 2006 through FFY 2012. This assumption is based on a recruitment program which has already resulted in five additional surgeons from March to November, 2006: one general surgeon, one orthopaedic surgeon, one ENT and two OB/GYNs. Given the documented demand for specialist services in Brunswick County and the applicants' recruitment objectives for additional surgeons, the projected increases in surgical utilization are reasonable. Therefore, the applicants adequately demonstrate the need for four shared ORs.

Need for New Procedure Rooms

The existing facility does not report in its license renewal application that it has any procedure rooms and instead reports that it performs minor procedures in its operating rooms. However, the proposed facility includes two new procedure rooms. The applicants do not provide adequate information regarding the proposed utilization or need for these rooms. Specifically, Exhibit 10, Table 38 includes outpatient utilization projections, but does not indicate that minor procedures are included in these projections. Also, there are no minor procedure charges included in Section X, although there are average charges for outpatient surgery (p. 216) and GI endoscopy procedures (p. 217). Further, the applicants do not demonstrate the need for two procedure rooms in addition to the four operating rooms in which these procedures were previously performed. Therefore, the applicant is conditioned to not develop the two proposed procedure rooms.

Need for Expansion of Surgical Support Services

In Section II (p. 15-16) the application states:

Surgical Services and GI Endoscopy services at the existing BCH facility are ineffectively sized and often inadequately laid out when compared to present day community hospitals.

- *Pre- and Post Operative patient bays for surgery patients are cubicles with minimal privacy.*
- *On most days, there are not enough pre- and post operative patient bays for surgery patients to accommodate demand.*
- *Access for inpatient surgery patients is through a corridor that is shared with public traffic (employees & visitors).*
- *Storage space for surgical equipment and supplies is minimal, although the available space is used creatively and effectively.*
- *The pre-surgical testing area lacks patient dressing rooms.*
- *In the PACU/Post-Anesthesia Care Area there are four open bays and only one private room.*
- *The PACU is not separated from the Pre-Post-Operative area in a well-defined manner. Access for the C-Section OR is outside the Mother-Baby Unit.*
- *Central Sterile Supply for surgical services is quite small and processing circulation is problematic.*
- *The two GI Endoscopy Rooms are directly across from two open-bay pre-post-operative cubicles.*

Proposed BCH Surgical Services (including C-Section OR) and GI Endoscopy Program

The surgical suite in the BCH replacement hospital facility will be