

June 2, 2014

Martha Frisone, Interim Chief
CON Section
North Carolina Division of Health Service Regulation
809 Ruggles Dr.
Raleigh, NC 27603



NOVANT
HEALTH

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Winston Salem, NC 27103

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RE: Novant Health Comments Regarding 4/15/2014 CON Application Submitted by Rex Hospital, Inc., Rex Surgery Center of Wakefield, LLC ("RSCW"), and Rex Wakefield MOB, LLC for the Conversion of RSCW from a Hospital-Based Surgery Center to a Freestanding, Separately Licensed Ambulatory Surgical Facility-CON Project I.D. # J-10280-14 (Wake County)

Dear Ms. Frisone:

Included with this letter are Novant Health's comments and related attachments regarding Rex's CON Project I.D. #J-10280-14, a CON Application filed on April 15, 2014 to seek the CON Section's approval to convert their existing hospital-based surgery center in northern Wake County (Wakefield) to a freestanding, separately licensed ambulatory surgery center.

In addition, due to the issues articulated in Novant Health comments, the overlap of the RSCW and Youngsville surgery center service areas, and proximity of the RSCW surgical center to the recently CON-approved freestanding Same Day Surgery Center Franklin in Youngsville, NC (CON Project I.D. # K-10229-13), Novant Health requests that a CON public hearing be scheduled for CON Project I.D. #J-1280-14. RSCW and SDSC Franklin are located 4 miles apart and will certainly be competing for the privilege of serving patients from both Wake and Franklin counties.

Thank you for your consideration of these comments and Novant Health's request for a CON public hearing on Rex's CON Project I.D. #J-10280-14.

Sincerely,

Barbara L. Freedy, Director
Certificate of Need
Novant Health, Inc.

**Comments in Opposition from
Novant Health, Inc.
Regarding a Certificate of Need Application
Submitted by Rex Hospital, Inc.,
Rex Surgery Center of Wakefield, LLC, and
Rex Wakefield MOB, LLC
for a Conversion of the
Rex Surgery Center of Wakefield ASC
Submitted April 15, 2014 for May 1, 2014 Review Cycle**

I. Introduction

In accordance with N.C.G.S. Section 131E-185(a1)(1), Novant Health, Inc. submits the following comments regarding a Certificate of Need Application submitted by Rex Hospital, Inc., Rex Surgery Center of Wakefield, LLC, and Rex Wakefield MOB, LLC (collectively referred to as "Rex") seeking to convert the Rex Surgery Center of Wakefield Ambulatory Surgery Center from a hospital-based surgery center to a freestanding, separately licensed ambulatory surgery center for the May 1, 2014 review cycle (CON Application #J-1280-14).

II. CON Application

Rex Surgery Center of Wakefield (RSCW) is an existing hospital-based ambulatory surgical facility owned by Rex Hospital, Inc. (Rex Hospital) with three operating rooms and one procedure room, providing multispecialty ambulatory surgery services, anesthesia, pre-operative services, and postoperative recovery. RSCW is located at 11200 Governor Manly Way in Raleigh (zip code 27614) in northern Wake County, near the border with Franklin County.

Rex Hospital proposes to reorganize the facility into a separately licensed, freestanding ambulatory surgery center through a lease of the existing operating rooms and procedure room from Rex Hospital to Rex Surgery Center of Wakefield, LLC (RSCW, LLC).

The proposed facility will be managed by Rex Hospital, the current and proposed owner of the operating rooms and the procedure room. Services will be billed by RSCW, LLC, which will lease, not own, the operating rooms and the procedure room.

Rex Hospital leases the building from RSCW, LLC. Upon completion of the project, RSCW, LLC will enter into a management agreement with Rex Hospital.

III. CON Review Criteria

The following comments are submitted based upon the CON Review Criteria found at G.S.131E-183. While some issues impact multiple Criteria, they are discussed under the most relevant review Criteria and referenced in others to which they apply.

G.S. 131E-183 (3)

The applicant shall identify the population to be served by the proposed project, and shall demonstrate the need that this population has for the services proposed, and the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.

A. RSCW is an Underutilized Surgical Facility in Northern Wake County

Historical volume at RSCW is shown in the following table. The three ORs at RSCW have been, and continue to be underutilized. Rex Healthcare is owned and operated by UNC Healthcare and operates on a July to June fiscal year which also is the State Fiscal Year (SFY). For purposes of these Comments in Opposition, SFY will represent a July to June timeframe and FFY will represent the Federal Fiscal Year, an October to September timeframe.

**Rex Surgery Center of Wakefield
Historical Surgical Volume: July 2010 - June 2013**

| SFY = July-June | SFY 2010 | SFY 2011 | SFY 2012 | SFY 2013 |
|-------------------------------------|-------------|-------------|-------------|-------------|
| Surgical Cases | 1,107 | 1,205 | 1,617 | 1,712 |
| Annual Change | | 8.9% | 34.2% | 5.9% |
| Weighted Cases | 1,661 | 1,808 | 2,426 | 2,568 |
| Total Operating Rooms Needed | 0.89 | 0.97 | 1.30 | 1.37 |
| Total Operating Rooms Licensed | 3.0 | 3.0 | 3.0 | 3.0 |
| Operating Room Surplus | 2.1 | 2.0 | 1.7 | 1.6 |

Source: CON Application J-10280-14, page 70

As documented in the previous table, current utilization at RSCW justifies a need for only one of its three licensed operating rooms - a fact that Rex fails to acknowledge in its CON Application. Please note that historical volume in the CON Application is internal July-June (SFY) data, rather than October-September (FFY), which are the more current outpatient surgical volumes reported publicly by Rex on its 2014 Annual Hospital License Renewal Application. Rex fails to explain in its CON Application, why it did not use the most current data available as the basis for its future volume projections to demonstrate the need for the 3 ORs at RSCW.

The following table shows historical surgical volume reported publicly by Rex Hospital on its 2011- 2014 Annual Hospital License Renewal Applications.

**Rex Surgery Center of Wakefield
Historical Surgical Volume: October 2010 - September 2013**

| FFY = Oct-Sept | FFY 2010 | FFY 2011 | FFY 2012 | FFY 2013 |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
| Surgical Cases | 1,146 | 1,340 | 1,595 | 1,642 |
| Annual Change | | 16.9% | 19.0% | 2.9% |
| Weighted Cases | 1,719 | 2,010 | 2,393 | 2,463 |
| Total Operating Rooms Needed | 0.92 | 1.07 | 1.28 | 1.32 |
| Total Operating Rooms Licensed | 3 | 3 | 3 | 3 |
| Operating Room Surplus | 2.1 | 1.9 | 1.7 | 1.7 |

Source: 2011 - 2014 LRAs

The previous table confirms that Rex does not justify a need for all three licensed operating rooms at RSCW during the 4-year period including FFY 2010 through FFY 2013.

Equally important, there is a significant difference in the magnitude of surgical volume growth in the October-September data and the July-June internal data, as shown in the following table.

**Rex Surgery Center of Wakefield
Comparison of Historical Surgical Volume Growth: LRA and CON Application**

| FFY = Oct-Sept | FFY 2010 | FFY 2011 | FFY 2012 | FFY 2013 |
|------------------------|-----------------|-----------------|-----------------|-----------------|
| Surgical Cases | 1,146 | 1,340 | 1,595 | 1,642 |
| Annual Change | | 16.9% | 19.0% | 2.9% |
| SFY = July-June | SFY 2010 | SFY 2011 | SFY 2012 | SFY 2013 |
| Surgical Cases | 1,107 | 1,205 | 1,617 | 1,712 |
| Annual Change | | 8.9% | 34.2% | 5.9% |

Rex does not provide its October-September data in its CON Application. Furthermore, Rex does not provide any updated data for SFY 2014, for which nine months of data (July 1, 2013 through March 31, 2014) were available at the time the CON Application was filed in mid-April 2014, or FFY 2014, for which six months of data (October 1, 2013 through March 31, 2014) were available at the time the CON Application was filed. Consequently, Rex does not address or attempt to rectify the differences documented in the previous table.

Further, RSCW opened in April 2009 during Federal Fiscal Year (FFY) 2009. FFYs 2010 through 2012 represent the first three project years, a time where the annual start-up period growth rate is often greater than sustained annual growth in future years. Actual utilization for RSCW in the first three years fell far short of projected utilization included in the original CON Application for RSCW, Project I.D. # J-7657-06 filed in 2006.

**Rex Surgery Center of Wakefield
 Projected Surgical Operating Room Volume
 CON Application Project ID J-7657-06: October 2008 – September 2011**

| FFY = Oct-Sept | FFY 2009 | FFY 2010 | FFY 2011 |
|------------------|----------|----------|----------|
| Outpatient Cases | 3,190 | 3,567 | 3,977 |

Source: Findings dated January 26, 2007 at page 9 for Project ID J-7657-06

The following table compares the projected and actual projections for Wakefield's three operating rooms.

**Rex Surgery Center of Wakefield
 Comparison Actual Utilization: Projected Utilization**

| FFY = Oct - Sept | PY 1 | PY 2 | PY 3 |
|-----------------------|-------|-------|-------|
| Actual Utilization | 1,146 | 1,340 | 1,595 |
| Projected Utilization | 3,190 | 3,567 | 3,977 |
| Percent of Projected | 35.9% | 37.6% | 40.1% |

As shown in the previous table, actual utilization at RSCW in Project Years 1, 2, and 3 is well under half of the volume projected by Rex in the original CON Application submitted in 2006. Rex provides no explanation regarding why the actual number of annual outpatient surgical cases performed at WCSR was only 36% to 40% of annual outpatient surgical cases projected for the first three years of operation at RSCW. Rex overstated its projections in 2006 and again is overstating its projections in this CON Application as discussed in the following sections.

B. RSCW Service Area is Overstated

On page 61 of its CON Application, Rex defines the RSCW, LLC as consisting of Wake and Franklin counties, based on RSCW's "historical experience serving residents of th[o]se counties."

Rex "note[s]" that while all of Franklin County is included in the service area, it is residents from the southernmost portion who are more Wake County oriented, [who] are most likely currently seeking care from the physicians who practice at [RSCW]. This is not expected to change under the proposed project." Therefore, it would have been reasonable for Rex to include only the "southernmost portion" of Franklin County instead of the entirety of Franklin County. Inclusion of the entirety of Franklin County is unreasonable, particularly because residents of Franklin County are served by four existing and approved operating rooms.

Novant Health Franklin Regional Medical Center operates three operating rooms in Louisburg, and the Novant Health Same Day Surgery Center Franklin was initially approved for a one OR, one procedure room ASC Youngsville (Project I.D. # K-8357-09), based on a need determination in the 2009 SMFP for one new OR in Franklin County for which Novant Health was the only applicant. In November 2013, Novant Health filed a CON Scope Change CON Application to relocate an existing, unused OR from the hospital in Louisburg to the previously CON-approved

1-OR Youngsville surgery center. On April 29 2014, the Agency approved the relocation of a one of the three operating rooms from the hospital to Same Day Surgery Center Franklin in Youngsville (Project ID# K-10229-13)¹. As a result, Same Day Surgery Center Franklin in Youngsville, a freestanding multi-specialty ambulatory surgery center, is approved to be developed with two operating rooms and one procedure room.

The surgery center in Youngsville will be the first freestanding surgery center in Franklin County, as well as the first freestanding surgery center in the SDSC Franklin service area which includes 10 Zip Codes in four counties (all of Franklin County, 3 zips located partially or fully in northern Wake County, 1 zip located in Nash & Franklin Counties, and 1 zip located in Granville & Franklin Counties). See the SDSC Franklin 11/15/2013 CON application for CON Project I.D. K-10229-13 at pages 41-42. Key in the approval of SDSC Franklin and the approval of SDSC Franklin's second operating room was recapturing outpatient surgery market share of outpatient surgery patients leaving Youngsville and southern Franklin County to seek care in Wake County and other surrounding counties. As noted in Novant Health's SDSC Franklin surgery center CON Application (CON Project I.D. #10229-13) at pages 50 and 62 and **Exhibit 3, Table 15**, over 85% of Franklin County residents in need of outpatient surgery leave the county to seek that care in Wake, Durham, Nash, Granville, and other surrounding Counties. In FFY 2012 this represented 3,100 Franklin County residents leaving their home county for outpatient surgery. The Town of Youngsville enthusiastically supported the project. See the community letters of support included in CON Application **Exhibit 16**, pages 992A-10440 for CON Project I.D. K-10229-13. See **Attachment B** to these comments for selected CON Application pages and exhibits for CON Project I.D. K-10229-13.

The proposed development of the Youngsville ambulatory surgery facility with two operating rooms near the northern Wake County border will allow much improved access for residents of Franklin County and northern Wake County to the first freestanding, multispecialty surgery center to be located in Franklin County. Rex fails to acknowledge the impact Same Day Surgery Center Franklin will have on decreasing Franklin County out-migration for outpatient surgical services and provides no discussion or documentation of why RSCW, LLC would be more convenient for residents of Franklin County. The SDSC Franklin CON Application was publicly available to Rex at the time it was preparing its RSCW CON Application. In addition, since Rex filed in December 2013 comments critiquing the SDSC Franklin CON Application, Rex was clearly familiar with the contents of the Youngsville Surgery Center CON Application, including the overlapping outpatient surgery service areas for RSCW and SDSC Franklin. Yet Rex failed to acknowledge and discuss the potential impact on the conversion of RSCW to a freestanding ASC located only 4 miles away from the approved Youngsville ASC.

Further Rex projects a significant increase in patient volume at RSCW from Franklin County. According to patient origin data for RSCW on page 82 of the CON Application 19.1% of the 1,642 ambulatory surgical patients or 313 patients ($1,642 \times 19.2\% = 313$) in FFY 2013 were

¹In spite of opposition from Rex Healthcare, WakeMed, Granville Medical Center, Maria Parham Hospital, and The Town of Louisburg, the Agency approved this project.

residents of Franklin County. As reflected on page 80 of the CON Application Rex projects volume from Franklin County to increase to 535 patients in FFY 2016 and 638 patients in FFY 2017. This represents over a 100% increase in utilization at RSCW from Franklin County residents in four years. This seems overly optimistic given the actual annual outpatient surgery volumes at RSCW compared to the volumes projected for RSCW in its initial 2006 CON Application.

Rex also fails to acknowledge that Novant Health Franklin Medical Center's market share for outpatient surgical services provided to Franklin County residents has increased from FFY 2010 through FFY 2012, while Rex has experienced a decrease, as shown in the following table.

**Market Share - Outpatient Surgical Services
Franklin County Residents: October 2010 - September 2012**

| FFY = Oct-Sept | FFY 2010 | FFY 2011 | FFY 2012 |
|--|-------------|-------------|--------------|
| Novant Health Franklin Medical Center | 9.6% | 9.0% | 13.6% |
| Rex Hospital | 24.3% | 25.7% | 22.6% |
| WakeMed | 19.1% | 18.5% | 20.6% |
| Duke Health Raleigh Hospital | 17.3% | 16.2% | 14.5% |
| Blue Ridge Surgery Center (Freestanding) | 7.3% | 7.8% | 7.0% |
| Duke University Hospital | 5.8% | 4.9% | 6.4% |
| UNC Hospitals | 2.9% | 3.0% | 3.5% |
| All Other Freestanding | 3.4% | 3.8% | 4.0% |
| All Other Hospital | 10.3% | 10.9% | 7.7% |

Source: May 6, 2013 Findings for Project ID# K-10229-13 / Same Day Surgery Center, Franklin, LLC /Relocate one operating room from Novant Health Franklin Regional Medical Center which is a change in scope and cost overrun for Project ID# K-8357-09(develop a new, separately licensed ambulatory surgical facility with one operating room)/ Franklin County, page 10. The findings are included in Attachment A to these comments.

Same Day Surgery Center Franklin reasonably expects to capture out-migrating Franklin County residents seeking outpatient surgical care, which will further shift market share from Wake County providers. Same Day Surgery Center Franklin will be more accessible to Franklin County residents and is scheduled to open during 2017, which is PY 1 of RSCW, LLC.

Rex is undoubtedly aware that there is no public transportation available from Franklin County to RSCW, LLC. See Rex's response to Question XI.3 in the RSCW CON Application at page 142, where the response includes no mention of public transportation in Franklin County which RSCW claims as part of its service area.

Furthermore, it is unreasonable for Rex to assume that annually 100s of Franklin County residents, particularly residents of the southernmost portion of that county, will travel past a new Youngsville ambulatory surgery facility in Franklin County to RSCW, LLC.

C. Projections are Overstated and based on Unreasonable Assumptions

Rex relies upon an OR need methodology based on unreasonable and unsupported assumptions to achieve overstated projections for RSCW, LLC. Each such assumption will be discussed in detail.

1. No Stated Commitment by Physicians to Share Ownership in RSCW, LLC

The sole member and 100 percent owner of RSCW, LLC is Rex Hospital.

Rex represents that "[t]hrough the reorganization, RSCW, LLC will obtain the ability to joint venture with physicians through the sharing of ownership."² Rex further represents that:

Rex has identified several physicians in three different groups that are interested in investing in the proposed LLC and shifting a number of their surgical case volume to the ASC. Please see the table below and Exhibit 29 for letters of support stating the current number of cases that these expected investors commit to shift to Rex Surgery Center of Wakefield.³

While containing expressions of "interest," none of the physicians who submitted letters of support included in Exhibit 29 identify him/herself as "committed to investing in the LLC." If there were a commitment, this surely would have been explicitly stated in the surgeon support letters and Rex's proposed development schedule would likely project for the LLC to begin offering services well before July 1, 2017, since there is little to no construction associated with the project.

2. Cases Currently Performed in Other Hospital-based Operating Rooms

Letters in Exhibit 29 state the annual number of cases currently performed by three physician practices in other hospital-based operating rooms which could be appropriately cared for at RSCW, LLC and the physician practice's commitment to perform those cases at RSCW, LLC.

- Carolina ENT (799 cases)
- Orthopaedic Specialists of North Carolina (600 cases)
- Rex Surgical Specialists (348 cases)

Of the 1,747 currently performed cases, Rex states that 348 cases will be shifted by Rex Surgical Specialists from Rex hospital-based operating rooms to RSCW, LLC.

Missing are details about the identity of the hospital-based operating rooms from which 1,399 (=799+600) cases performed by two of the three physician practices (OSNC and Carolina ENT)

² CON Application J-10280-14, page 20

³ CON Application J-10280-14, page 72

expected to be shifted. Where are those two physician practices performing their surgeries currently and until PY 1 (July 2016-June 2017)? Is it at Rex? Or Novant Health Franklin Medical Center, where surgeons from Orthopaedic Specialists of North Carolina are on the NHFRMC Medical staff? Or outpatient surgery cases shifted to RSCW from WakeMed which has its own 4 hospital-based dedicated outpatient ORs at WakeMed North⁴, which is located 6 miles⁵ from RSCW and in the same Zip Code (27614)?

Rex also fails to provide any detail regarding the zip code patient origin of the volumes of patients in Wake County and Franklin County to be shifted. As stated above the RSCW Service Area is significantly overstated. In addition to including all of Franklin County, Rex includes all of Wake County, which also is unreasonable given the size of Wake County and the location of other freestanding ambulatory surgical centers in Wake County. Rex provides no details about where the 1,747 proposed shifted patients reside in Wake County. It is not reasonable to assume they all will shift to RSCW. It is not reasonable to assume that patients living in Downtown Raleigh, Cary, Apex, Holly Springs, and other southern Wake County locations will drive 30 to 60 minutes to go to Wake Forest for outpatient surgical services in northern Wake County. Rex simply fails to identify where the patients treated by these physician groups originate.

According to its 2014 Hospital Annual License Renewal Application, Rex has underutilized licensed hospital-based operating room inventory as documented in the following table.

**Rex Hospital
Total Surgical Volume: October 2012 - September 2013**

| FFY = Oct-Sept | FFY 2013 |
|---|------------|
| Total Inpatient Surgical Cases | 9,013 |
| Total Outpatient Surgical Cases | 15,993 |
| Total Surgical Cases | 25,006 |
| Weighted Total Surgical Cases | 51,029 |
| Operating Rooms Needed at 1,872/weighted cases/year | 27.3 |
| Licensed Operating Rooms | 30 |
| Surplus Operating Rooms | 2.7 |

Source: 2014 LRA, pages 8, 9; CON Application

Rex fails to disclose its surplus in its licensed hospital-based operating room inventory documented in the previous table.

If all 1,747 ambulatory surgical cases were to shift from Rex's hospital-based operating rooms, that shift is the equivalent of 1.4 operating rooms ($1,747 \times 1.5/1,872$), and Rex's surplus increases to 4.1, as shown in the following table.

⁴ See the WakeMed 2014 Hospital LRA.

⁵ Source: MapQuest using RSCW address of 11200 Governor Manly Way, Raleigh NC 27614 and WakeMed North 10000 Falls of the Neuse Rd., Raleigh, NC 27614.

Rex Hospital
Total Surgical Volume: October 2012 - September 2013

| FFY = Oct-Sept | FFY 2013 |
|--|------------|
| Total Inpatient Surgical Cases | 9,013 |
| Total Outpatient Surgical Cases - 1,747 Shifted to RSCW, LLC | 14,246 |
| Total Surgical Cases | 23,259 |
| Weighted Total Surgical Cases | 48,408 |
| Operating Rooms Needed at 1,872/weighted cases/year | 25.9 |
| Licensed Operating Rooms | 30 |
| Surplus Operating Rooms | 4.1 |

Source: 2014 LRA, pages 8, 9; CON Application. See Attachment C for a copy of the Rex 2014 Hospital LRA.

Further, the three physician practices state only the annual number of cases currently performed, but do not project future cases and commitment to a shift those future cases. Rex assumes that those practices will increase their surgical volume by 2% per year and shift that increased volume to RSCW, LLC. This 2% growth is based upon the unreasonable use of a population growth assumption applied to outpatient surgical cases. As discussed in the next section, and as reflected in Rex's own CON Application on page 63, **outpatient surgical volume in Wake County increased at a CAGR of only 1% a year from 2006 to 2012 and has decreased annually since 2009.** The only way surgical volume at RSCW will increase is by shifting volume from other existing operating rooms in Wake or Franklin County. The following table shows Rex's projections of surgical cases to shift beginning in FY 2017 (July 2016-June 2017) through the end of PY 3 (June 2019).

Rex Surgery Center of Wakefield, LLC
Projected Surgical Volume Shift from Three Physician Practices: July 2016 - June 2019

| FY = July-June | PY 1: FY 2017 | PY 2: FY 2018 | PY 3: FY 2019 |
|--|------------------|------------------|------------------|
| Projected Surgical Cases from Three Physician Practices | 1,890 | 1,927 | 1,965 |
| Percent to Shift | 50% | 75% | 100% |
| Projected Surgical Cases to Shift from Three Physician Practices | 945 | 1,445 | 1,965 |

Source: CON Application

An actual shift of cases from the three physician practices is essential to Rex meeting its projected ambulatory surgery volume at RSCW, LLC to justify the ongoing operation of 3 ORs. If that volume is not realized, RSCW, LLC's three freestanding operating rooms will continue to be as underutilized as are RSCW's three hospital-based operating rooms today.

3. Unreasonably High Ambulatory Surgical Volume Growth Projected

Rex's methodology is based on two primary assumptions.

First, Rex assumes an unreasonable 2% annual growth, based upon population, of existing surgical volume performed in RSCW's three hospital-based operating rooms. That growth rate is based primarily on projected population growth in Wake County rather than any sustained historical outpatient surgery growth at RSCW. That 2% growth rate is unreasonable when compared to actual outpatient surgery growth at Rex. Even with the conversion of Rex Surgery Center of Cary to a freestanding ambulatory surgery center in 2011 and the subsequent growth in outpatient surgical volume at Rex Surgery Center of Cary, LLC, total outpatient surgical volume at Rex has declined as shown in the following table.

**Rex Healthcare Surgical Facilities Wake County
Surgical Volumes and Operating Room Surplus: October 2008 - September 2013**

| FFY = Oct-Sept | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|--------|--------|--------|--------|--------|
| Rex Main | | | | | |
| Inpatient | 8,799 | 6,879 | 6,564 | 6,862 | 7,269 |
| Outpatient | 21,276 | 20,245 | 19,810 | 15,464 | 14,351 |
| Rex Surgery Center of Cary – Hospital Based | | | | | |
| Outpatient | 2,945 | 2,765 | 1,260 | 0 | 0 |
| Rex Surgery Center of Cary, LLC – Freestanding ASC | | | | | |
| Outpatient | 0 | 0 | 1,821 | 4,350 | 5,108 |
| Rex Surgery Center of Wakefield | | | | | |
| Outpatient | 346 | 1,164 | 1,340 | 1,595 | 1,642 |
| Total Rex | | | | | |
| Total Rex Outpatient | 24,567 | 24,174 | 24,231 | 21,409 | 21,101 |
| Annual Growth | | -1.6% | 0.2% | -11.6% | -1.4% |

Source: Annual LRAs

As shown in the previous table, Rex has not had positive annual growth in outpatient surgery greater than 0.2% in the last five years. The growth associated with Rex Surgery Center of Cary, LLC reflects volume shifted from Rex's other surgical locations. Therefore, Rex's assumption of a 2% growth rate for outpatient surgical cases at RSCW is unreasonable, as the 2% growth rate is ten times higher than the historical actual growth rate of 0.2%.

Further as discussed above and as reflected in Rex's own CON Application on page 63, **outpatient surgical volume in Wake County increased at a CAGR of only 1% a year from 2006 to 2012 and decreased annually since 2009** despite a CAGR population growth exceeding 3% as shown in the following table.

**Wake County Annual Population Growth
2006 - 2012**

| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---------------|---------|---------|---------|---------|---------|---------|---------|
| Wake | 786,754 | 823,616 | 856,927 | 882,344 | 906,909 | 923,895 | 945,254 |
| Annual Growth | | 4.7% | 4.0% | 3.0% | 2.8% | 1.9% | 2.3% |
| CAGR | | | | | | | 3.3% |

Source: NC OSBM, 5.26.14

Population growth in Wake County has not resulted in comparable growth in outpatient surgical volume in Wake County. Therefore, the RSCW growth rate of 2% is unreasonable. The only way surgical volume at RSCW will increase is by shifting volume from other existing operating rooms in Wake or Franklin County.

Second, Rex assumes that surgical volume will shift from three physician practices. The projected shift of 1,747 current cases from "physician investors" to RSCW also is projected at 2% annual population growth rate which is unreasonable as previously discussed. Rex then estimates a 50 and 75 percent ramp up in PY1 and PY2.

The following table shows Rex's volume projections for RSCW, LLC through PY 3.

**Rex Surgery Center of Wakefield, LLC
Surgical Volume: July 2012 - June 2019**

| SFY = July-June | FY 2013 | FY 2014 | FY 2015 | FY 2016 | PY 1: SFY 2017 | PY 2: SFY 2018 | PY 3: SFY 2019 | Aggregate Projected Growth |
|--|---------|---------|---------|---------|----------------------|----------------------|----------------------|----------------------------------|
| RSCW Surgical Cases Grown at 2%/year | 1,712 | 1,746 | 1,780 | 1,816 | 1,852 | 1,888 | 1,926 | |
| Projected Surgical Cases to Shift from Three Physician Practices | | | | 1,853 | 1,890 | 1,927 | 1,965 | |
| Percent to Shift | | | | | 50% | 75% | 100% | |
| Projected Total Surgical Cases | 1,712 | 1,746 | 1,780 | 1,816 | 2,797 | 3,333 | 3,891 | 2,179 |
| Projected Growth Rate | | | | | 54.0% | 19.2% | 16.7% | 127.2% |

Source: CON Application, CON Project I.D. #J-10280-14

Rex projects RSCW's surgical volume will grow an aggregate of 127% from FY 2013 (July 2012-June 2013) through PY 3 (July 2018-June 2019). If Rex is to eliminate the "chronic" underutilization of the three licensed operating rooms at Rex Surgical Center Wakefield, it must project to more than double its current surgical volume -- which is unsupported and unreasonable as are the assumptions on which it is based.

Furthermore, in 2013, two freestanding orthopedic specialty surgical centers opened in Wake County. The Raleigh Orthopedic Surgery Center⁶, which is partially owned by Rex with the orthopedic surgeons of Raleigh Orthopedic Clinic, and the Triangle Orthopaedic Surgery Center, opened in FFY 2013. Both freestanding surgery centers will impact hospital-based outpatient surgical utilization in Wake County and at Rex surgical facilities. Rex did not discuss the impact of those centers on its surgical projections. In addition, the Holly Springs Surgery Center is

⁶ This orthopedic specialty surgery center is based on two CON applications filed by the Joint Venture, CON Project I.D.# J-8170-08 (new Wake County OR CON Application) and # J-8490-10 (Scope and Capital Cost Change CON Application). The total CON-approved capital cost for this 4-OR orthopedic specialty surgery center is \$11,124,500.

under development in southern Wake County and will Rex's outpatient surgical market share in Wake County as reflected in its CON Application in 2010.

4. Rex Surgery Center Cary, LLC "Case Study" Does Not Support the RSCW Growth Assumptions

Rex points to the success of Rex Surgery Center Cary, LLC as a "case study" in support of its projected utilization of RSCW, LLC. However, the growth associated with Rex Surgery Center of Cary, LLC reflects volume shifted from Rex's other surgical locations and not real growth.

On November 9, 2007, Rex received approval of CON Application Project I.D.# J-7878-07 to convert the Rex Surgery Center of Cary to a freestanding ambulatory surgery center (Rex Cary Surgery Center, LLC) to expand options and to help address the poor utilization of the facility. The Agency's conditional approval came less than five months after Rex submitted its CON Application on June 14, 2007 for a review beginning on July 1, 2007.

The following table compares actual and projected utilization of Rex Surgery Center of Cary, LLC during its first three years after Agency approval.

**Rex Surgery Center of Cary, LLC
Comparison of Actual and Projected Utilization: October 2006 - September 2010**

| FFY = Oct-Sept | FFY 2007 | FFY 2008 | FFY 2009 | FFY 2010 |
|----------------------------|----------|----------|----------|----------|
| Outpatient Cases | 3,100 | 3,193 | 2,945 | 2,765 |
| Projected Outpatient Cases | 3,140 | 3,530 | 3,968 | 4,460 |
| Difference | -(40) | -(337) | -(1,023) | -(1,695) |
| % Difference | 101.3% | 110.6% | 134.7% | 161.3% |

Source: CON Applications J-8669-11, J-8670-11, and J-8673-11

As shown in the previous table, Rex did not come close to achieving projected outpatient surgical volume at Rex Surgery Center of Cary during its first three years of operation. Further, despite having received Agency approval in November 2007, Rex did not convert to its ambulatory surgical center to an LLC until 2011.

Furthermore, as discussed previously the 2% growth rate utilized in the CON Application is unsupported and unreasonable, Rex has not had positive growth in outpatient surgery greater than 0.2% in the last five years. Rex's proposed outpatient surgery growth rate of 2% is ten times greater than the historical actual outpatient surgery growth rate of 0.2%. The growth associated with Rex Surgery Center of Cary, LLC reflects volume shifted from Rex's other surgical locations rather than real growth in outpatient surgical cases.

Rex's development schedule for RSCW, LLC projects Agency approval on October 28, 2014. Despite a minimal capital expenditure (less than \$500,000) and minimal construction, Rex projects that the project (RSCW, LLC) will be operational in July 2016, a year and nine months

later, and the three licensed operating rooms will remain underutilized through 2017, as shown in the following table.

**Rex Surgery Center of Wakefield, LLC
Surgical Volume: July 2012 - June 2019**

| FY = July-June | FY 2013 | FY 2014 | FY 2015 | FY 2016 | PY 1: FY 2017 | PY 2: FY 2018 | PY 3: FY 2019 |
|---|------------|------------|------------|------------|---------------|---------------|---------------|
| Projected Total Surgical Cases | 1,712 | 1,746 | 1,780 | 1,816 | 2,797 | 3,333 | 3,891 |
| Projected Weighted Total Surgical Cases | 2,568 | 2,619 | 2,670 | 2,724 | 4,196 | 5,000 | 5,837 |
| Operating Rooms Needed at 1,872 Weighted Cases/Year | 1.4 | 1.4 | 1.4 | 1.5 | 2.2 | 2.7 | 3.1 |
| Licensed Operating Rooms | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Surplus Operating Rooms | 1.6 | 1.6 | 1.6 | 1.5 | .8 | .3 | 0 |

Source: CON Application

Why are "interested" physicians willing to wait almost three years to become owners of and shift their cases to RSCW, LLC? What if they do not want to wait and shift their cases to another ambulatory surgery center in Wake or other Counties?

5. Surplus Operating Rooms in Wake County

According to 2015 SMFP Table 6B DRAFT 5/28/14, Wake County has a surplus of 10.80 operating rooms.

Wake County Operating Room Need

| County | Growth | OR Hrs | OR Need | Adjusted Planning Inventory | Surplus OR |
|--------|--------|------------|---------|-----------------------------|------------|
| Wake | 8.37% | 163,236.86 | 87.20 | 98 | -10.80 |

Source: Proposed 2015 SMFP, Table 6B DRAFT 5/28/14

One of the ways the State of North Carolina can impact the surplus of operating rooms is through the CON process by requiring an applicant to de-license underused operating rooms through conditional approvals.

As discussed in detail above, the existing three operating rooms at RWSC are significantly underutilized, as are total operating rooms at Rex. The projected utilization is overstated.

Therefore, the proposed project is not conforming to CON Review Criterion (3) and should not be approved.

G.S. 131E-183 (4)

Where alternative methods of meeting the needs for the proposed project exist, the applicant shall demonstrate that the least costly or most effective alternative has been proposed.

As discussed in the context of CON Review Criterion (3), Rex fails to demonstrate a need by the identified population for the conversion proposed. Consequently, Rex fails to demonstrate that it is the least costly or most effective alternative proposed, which demonstrates non-conformity with CON Review Criteria (4).

G.S. 131E-183 (6)

The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.

As discussed in the context of CON Review Criterion (3), Rex fails to demonstrate a need by the identified population for the conversion proposed. Consequently, Rex did not demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.

G.S. 131E-183 (18a)

The applicant shall demonstrate the expected effects of the proposed services on competition in the proposed service area, including how any enhanced competition will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; and in the case of applications for services where competition between providers will not have a favorable impact on cost effectiveness, quality, and access to the services proposed, the applicant shall demonstrate that its application is for a service on which competition will not have a favorable impact.

As discussed above, Rex fails to demonstrate conformity with CON Review Criteria (3), (4), and (6). Consequently, Rex fails to demonstrate that its CON Application is conforming to CON Review Criterion (18a).

IV. North Carolina Criteria and Standards for CON Criteria and Standards for Surgical Services – 10A NCAC 14C .2100

As discussed in the context of CON Criterion (3), Rex uses an unreasonable need methodology, which results in overstated projected utilization for RSCW's three operating rooms. For that reason, Rex does not demonstrate need for all three operating rooms as required by the

performance standard in 10A NCAC 14C. 2103(b)(2)(A), the CON Surgical Services and Operating Rooms regulations.

V. Comparative Analysis-Two Competing Surgery Centers Seeking to Serve the Same Population

While RSCW-Wakefield and SDSC Franklin-Youngsville are not competing CON Applications filed in the same CON review cycle, they are clearly two providers seeking to offer outpatient surgical services to the residents of Wake and Franklin Counties. Thus, it would be useful to compare some key features of RSCW and SDSC Franklin to determine which provider of outpatient surgeries in a freestanding, multi-specialty surgery center would provide superior access and accessibility to outpatient surgical patients in the service area.

Financial Accessibility

Using the information provided in the RSCW and SDSC Franklin CON Application ProForma Financial Projections reveals the following:

| | Avg Gross Charge Per Outpatient Surgery | Comparison of Avg Gross Charges/Case | Avg Reimbursement Per Outpatient Surgery | Comparison of Avg Gross Reimbursement/Case |
|----------------------|--|---|---|---|
| RSCW | \$18,929.00 | \$14,410.79 Higher 419% higher | \$4,991.00 | \$2,890.89 higher 138% higher |
| SDSC Franklin | \$4,518.51 | \$14,410.79 Lower 76% lower | \$2,100.11 | \$2,890.89 lower 58% lower |

The above table clearly shows that SDSC Franklin will provide outpatient surgical services in the service area in a more cost effective manner. SDSC Franklin offers an Average Gross Charge per Outpatient Surgical Case that is \$14, 410.79 less than that offered by RSCW; and SDSC Franklin projects an Average Reimbursement per Outpatient Surgical Case that is \$2,809.89 lower than that projected at RSCW. Lower average charges per case and lower reimbursement per case confirms that SDSC Franklin will be the more economically accessible freestanding surgery center.

A comparison of the payor categories that are used by the CON Agency to define medically underserved populations includes Charity Care/Self Pay, Medicare and Medicaid. The comparison table below shows SDSC Franklin is comparatively better in two of the three payor categories. When comparing the totals of the Medicare, Medicaid and Charity Care payor mix percentages for RSCW and SDSC Franklin, the SDSC Franklin payor mix dedicated to the medically underserved populations at 47.41% is more than twice as much as the RSCW payor mix dedicated to medically underserved populations at 20.3%. This demonstrates that SDSC Franklin is superior in terms of the level of access to outpatient surgical service in a freestanding ASC. This comparison is based on data from each applicant’s CON ProForma financial projections, the Gross Revenue worksheets. SDSC Franklin’s 10/1/16-9/30/17 Project Year 1 is compared to RSCW’s 7/1/16-6/30/17 Project Year 1.

Projected Payor Mix Comparison

| | Medicare | Medicaid | Charity Care/Self Pay | Total of Mcare, Mcaid, Charity |
|------------------------------|----------|----------|-----------------------|--------------------------------|
| Rex Surgery Center Wakefield | 13.10% | 6.50% | 0.70% | 20.30% |
| SDSC Franklin-Youngsville | 38.90% | 6.18% | 2.33% | 47.41% |

Sources: RSCW CON App ProForma Form D (page 153) and SDSC Franklin CON App ProForma Form D (page 162). Payor Mix comparison based on Gross Charges.

In addition, a comparison of the Novant Health Charity Care policy applicable at SDSC Franklin and the policy for the RexAssist Program⁷ applicable at RSCW suggests that the Novant Health Charity care policy is more generous and has the potential to cover a greater portion of the medically underserved populations, based on the two different household assets tests described in the two charity care policies. The Novant Health Charity Care policy provides care at no charge for patient with annual household incomes that are 300% of the current Federal Poverty Level. Under the Novant Health Charity Care policy the Household income is defined to include: *“annual family earnings and cash benefits from all sources before taxes, less payments made for alimony and child support.”*⁸ The RexAssist policy includes a broader array of patient assets in determining a patient’s annual household income for purposes of determining eligibility for charity care. The Res Assist policy specifies that “income” for the charity care eligibility determination includes: *“total cash receipts from all sources before taxes and includes but is not limited to wages and salaries, self-employment income, social security benefits, pensions and retirement income/distribution, unemployment compensation, worker’s compensation, Veteran’s payments, Public Assistance, Alimony, military allotments, dividend[s], rents, royalties, interest, income from estates and trusts, annuity and insurance payments, support payments, lottery winnings and strike or union benefits....also counted as income amounts held in stocks, bonds, money market and other investments....Assets are reviewed from an individual basis to determine the patient’s ability to pay. [These assets]include savings accounts (in amounts above \$2,000 to \$3,000), stocks, bonds, vacation homes, recreational vehicles, and plots of land which may be liquidated to pay the debt without compromising the individual’s basic living needs....To determine eligibility for charity care,...the following are evaluated...Rex Hospital Account balances, assets, liabilities, income, expenses, catastrophic or medical expenses, insurance coverage...Medicaid eligibility, Real Estate/Tax Assessment, and credit reports.”*

The Novant Health Charity Care policy covers under-insured and uninsured patients with annual household incomes up to 300% of the federal poverty level. For patients eligible for Novant Health’s Charity Care program, 100% of charges are written-off and the patient is not required to pay. In 2014, for a family of four with an annual household income at 300% of the current poverty level would be \$71,550. The RexAssist policy specifies a 100% write-off of charges for qualifying patients with annual household incomes up to 250% of the Federal

⁷RSCW CON Application Exhibit #22, pages 474-479.

⁸ SDSC Franklin CON Application Exhibit #7, pages 528-534.

Poverty Level. In its Rex Assist program for a family of four with an annual household income at 250% of the Federal Poverty Level (2013) would be \$58,875.

Hours of Surgery Center Operation and Access to Services

In response to CON Application Question II.5 (at page 27), RSCW specifies that “the existing ambulatory surgical facility currently schedules [surgical] procedures between 7:15 a.m. and 3:30 p.m., Monday through Friday. And that upon the completion of the proposed project the hours of operation will “remain the same.” For the Rex Surgery Center Wakefield this amounts to 8.25 hours per day or 41.25 hours per week.

In response to CON Application Question II.5 at page 12, SDSC Franklin projects the hours of operation for the first three project years. SDSC Franklin’s PY 1 hours of operation are projected to be 6:00 a.m. to 3:00 p.m., Monday – Friday, which is 9 hours per day or 45 hours per week. SDSC Franklin’s PY 2 hours of operation are projected to be 6:00 a.m. to 4:00 p.m., Monday – Friday, which is 10 hours per day or 50 hours per week. SDSC Franklin’s PY 3 hours of operation are projected to be 6:00 a.m. to 5:00 p.m., Monday – Friday, which is 11 hours per day or 55 hours per week.

The daily weekly hours of operation for SDSC Franklin in Youngsville NC are longer than the proposed RSCW hours of operation. Each SDSC Franklin OR is available for 9 to 11 hours daily, while each RSCW OR is available for 8.25 hours daily. The greater the weekly hours of operation for the SDSC Franklin ASC creates superior access for patients and surgeons at the surgery center in Youngsville.

VI. Conclusion

The Rex CON Application does not demonstrate conformity with multiple CON Review Criteria. As a result, the Rex CON Application should be denied. Furthermore, based on the comparison of the features of the CON-approved Youngsville surgery center and RSCW, the SDSC Franklin freestanding, multi-specialty surgery center will offer superior access as measured by Gross Charge and Net Reimbursement per Outpatient Surgical Case, service to medically underserved populations at the surgery centers as measured by Medicare, Medicaid, and Charity Care payor mix percentages, the applicable Charity Care policies for each ASC, and weekly ASC hours of operation.

File: Novant CIO RexWakefieldConversion 5 27 14 FINAL.docx

**ATTACHMENTS TO NOVANT HEALTH COMMENTS ON
REX SURGERY CENTER OF WAKEFIELD CON APPLICATION**

**ATTACHMENT A: CON AGENCY FINDINGS FOR APPROVAL OF SDSC FRANKLIN (CON PROJECT
I.D. K#-10229-13)**

**ATTACHMENT B: SELECTED PAGES FROM CON APPLICATION & EXHIBITS FOR CON PROJECT
I.D. K#-10229-13**

ATTACHMENT C: REX HELTHCARE 2014 HOSPITAL LICENSURE RENEWAL APPLICATION

ATTACHMENT - REQUIRED STATE AGENCY FINDINGS

FINDINGS

C = Conforming

CA = Conditional

NC = Nonconforming

NA = Not Applicable

DECISION DATE: April 29, 2014

FINDINGS DATE: May 6, 2014

PROJECT ANALYST: Tanya S. Rupp

INTERIM CHIEF: Martha J. Frisone

PROJECT I.D. NUMBER: K-10229-13 / Same Day Surgery Center, Franklin, LLC / Relocate one operating room from Novant Health Franklin Regional Medical Center which is a change in scope and cost overrun for Project ID#K-8357-09 (develop a new, separately licensed ambulatory surgical facility with one operating room) / Franklin 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.

C

Same Day Surgery Center Franklin, LLC (SDSC Franklin) was issued a certificate of need (CON) effective December 29, 2009 for Project I.D. #K-8357-09 to develop a new, separately-licensed ambulatory surgical facility (ASC) with one operating room, one procedure room, two pre-operative rooms, and four post-operative rooms in Youngsville, Franklin County. The approved capital cost for that project was \$4,310,512. SDSC Franklin is owned by Novant Health, Inc., which also owns Novant Health Franklin Regional Medical Center in Louisburg, also in Franklin County. Novant Health, Inc. acquired the hospital in 2009, shortly before Project ID#K-8357-09 was filed. The previous owner was HMA. According to the 2013 License Renewal Application, Novant Health Franklin Medical Center is licensed for three (3) shared operating rooms (ORs).

The applicant submits this current application, K-10229-13, to request approval for a change in scope and cost overrun. The applicant proposes to relocate one shared OR from the hospital in Louisburg to the ASC in Youngsville, for a total of two ORs at the previously

approved ASC. Thus, the applicant proposes to construct space for a total of two ORs in the ASC; develop space for equipment storage, add space for sterile processing, add space for an additional pre- and post-operative room, and add space as needed for observation, support, and waiting/administration. Furthermore, the applicant now projects the capital cost to be \$10,440,572, which is an increase of \$6,130,060, or approximately 145% of the originally approved capital cost.

The total complement of licensed ORs in Franklin County will not change as a result of this proposal. The applicant does not propose add any new health services or acquire any equipment for which there is a need determination in the 2013 State Medical Facilities Plan (SMFP).

However, Policy GEN-4, on page 42 of the 2013 SMFP is applicable to this review. Policy GEN-4: ENERGY EFFICIENCY AND SUSTAINABILITY FOR HEALTH SERVICE FACILITIES states:

“Any person proposing a capital expenditure greater than \$2 million to develop, replace, renovate or add to a health service facility pursuant to G.S. 131E-178, shall include in its certificate of need application a written statement describing the project’s plan to assure improved energy efficiency and water conservation.

In approving a certificate of need proposing an expenditure greater than \$5 million to develop, replace, renovate or add to a health service facility pursuant to G.S. 131E-178, the Certificate of Need Section shall impose a condition requiring the applicant to develop and implement an energy Efficiency and Sustainability Plan for the project that conforms to or exceeds energy efficiency and water conservation standards incorporated in the latest editions of the North Carolina State Building Codes. The plan must be consistent with the applicant’s representation in the written statement as described in paragraph one of Policy GEN-4.

Any person awarded a certificate of need for a project or an exemption from review pursuant to G.S. 131E-184 are required to submit a plan for energy efficiency and water conservation that conforms to the rules, codes and standards implemented by the Construction Section of the Division of Health Service Regulation. The plan must be consistent with the applicant’s representation in the written statement as described in paragraph one of Policy GEN-4. The plan shall not adversely affect patient or resident health, safety or infection control.”

In Section III.4, page 76, the applicant refers to Exhibit 12 for a description of its plan to provide improved energy and water conservation in accordance with Policy GEN-4. In Exhibit 12, the applicant provides a copy of its Sustainable Energy Management Plan, which states in part:

“Novant Health Same Day Surgery Center Franklin’s SEMP [Sustainable Energy Maintenance Plan] will be guided by these principles:

***Taking a Strategic Approach:** Novant Health Same Day Surgery Center Franklin will actively manage energy costs by continuously looking for opportunities to reduce consumption by more efficiently utilizing our energy resources. Novant Health Same Day Surgery Center Franklin can significantly improve its energy-related performance by acting strategically through the adoption of a SEMP, internalizing energy management into our organization’s every-day decision-making, policies, and operating procedures will help assure substantial and long-lasting reductions in energy use throughout the facility.*

***Supporting Mission-Critical Goals:** Strategic energy management will directly support Novant Health Same Day Surgery Center Franklin’s mission-critical goal of improving the health of our communities in which we conduct business by improving the environment through active efforts to reduce energy consumption and prevent pollution. The impacts of Novant Health Same Day Surgery Center Franklin’s energy management efforts will provide a more consistent comfort level for our patients, provide a cleaner patient care environment, and ensure better reliability of utility infrastructure and back-up power systems.*

***Pursuing Long-Term Change to Core Business Practices:** The core of a strategic approach is the consistent incorporation of energy management into our organization’s core practices and decision-making, such as the strategic planning and budgetary processes. Change in energy-related business practice will cover all applications of energy management - new construction and major renovations, existing facility operations and upgrades, and the economic analysis and procurement practices underlying these practices.*

...

***Using Available Resources and Assistance:** Use national, regional and local sources of strategic, technical and financial assistance to help achieve our energy management goals.” [emphasis in original].*

Also in Exhibit 12 the applicant lists the steps it will take in order to facilitate its plans for developing an energy efficiency and sustainability plan for the project. The applicant states it will establish a *Sustainability Team* that will have membership composed of “*Senior Leaders, Physician partners, Nursing, Sourcing, Support Services, Public Affairs and others as appropriate.*” [emphasis in original].

The application includes a written statement describing the project’s plan to assure improved energy efficiency and water conservation. The application is conforming to Policy GEN-4; therefore, the application is conforming to this criterion.

- (2) Repealed effective July 1, 1987.
- (3) The applicant shall identify the population to be served by the proposed project, and shall demonstrate the need that this population has for the services proposed, and the extent to which all residents of the area, and, in particular, low income persons, racial and ethnic minorities, women, handicapped persons, the elderly, and other underserved groups are likely to have access to the services proposed.

C

Same Day Surgery Center Franklin, LLC (SDSC Franklin) was issued a certificate of need effective December 29, 2009 for Project I.D. #K-8357-09 to develop a new, separately-licensed ambulatory surgical facility (ASC) with one operating room, one procedure room, two pre-operative rooms, and four post-operative rooms in Youngsville, Franklin County. The approved capital cost for that project was \$4,310,512. SDSC Franklin is owned by Novant Health, Inc., which also owns Novant Health Franklin Regional Medical Center in Louisburg, also in Franklin County. Novant Health, Inc. acquired the hospital in 2009, shortly before Project ID#K-8357-09 was filed. The previous owner was HMA. According to the 2013 License Renewal Application, Novant Health Franklin Medical Center is licensed for three (3) shared operating rooms (ORs).

This application, K-10229-13, is for a change in scope and cost overrun for the previously approved application. The applicant proposes to relocate one shared OR from the hospital in Louisburg to the ASC in Youngsville, for a total of two ORs at the previously approved ASC. In Section II.6, page 13, the applicant states:

"The applicant proposes to relocate one underutilized OR from NHFRMC in Louisburg to the SDSC Franklin in Youngsville. If approved, the result would be that 2 dedicated outpatient ORs are operational in Youngsville and 2 shared inpatient/outpatient ORs are operational at the hospital in Louisburg. Thus, four ORs will remain in Franklin County and will be fully utilized. ... Thus the re-distribution of the four ORs will result in 2 ORs in southern Franklin County and 2 ORs in central Franklin County."

In Section XI.2, on page 144, the applicant states the site proposed in this application is at the same intersection in Youngsville as the previously approved ASC; however, it is approximately 750 feet away from the originally approved site. Furthermore, the applicant now projects the capital cost to be \$10,440,572, which is an increase of \$6,130,060, or approximately 145% of the originally approved capital cost. As proposed, this facility would be twice the size of the previously approved ASC.

In Section I.1, page 1, SDSC Franklin is the only entity identified as an applicant. However, Novant Health Inc., the owner of both SDSC Franklin and the hospital, executed a Certification page, which states in part:

“The undersigned hereby assures and certifies that:

...

(d) the applicant will materially comply with the representations made in its application in the development of the project and the offering of the services pursuant to N.C.G.S. 131E-181(b); and,

(e) that the information included in this application and all attachments is correct to the best of my knowledge and belief and that it is my intent to carry out the proposed project as described.”

Furthermore, Exhibit 4 contains a letter signed by the President of the hospital, which states in part:

“I have the authority to authorize the relocation of one operating room within Franklin County from the hospital in Louisburg to the proposed 2-OR surgery center in Youngsville”

Novant Health, Inc. is not required to be identified in Section I.1 as a co-applicant. However, if Section I.1 did require Novant Health, Inc. to be identified as a co-applicant, that would merely mean it would have to sign a certification page, which it already did.

Population to Be Served

Since SDSC Franklin has not yet been developed there is no historical patient origin for that ASC on which to base projected patient origin. In Section III.5, page 77, the applicant states that the proposed service area for the ASC is based on the hospital’s outpatient surgical services; particularly during FFY 2013. The applicant states:

“SDSC Franklin reviewed historical zip code level patient origin for NHFRMC in Franklin County and Novant Health Medical Group (NHMG) physician practices in Franklin County and in Wake Forest, in northern Wake County ... to determine the service area to be served by SDSC Franklin in Youngsville, NC. In addition, SDSC Franklin considered the higher population growth in southern Franklin County, and the lack of any health care facilities in southern part of the County in determining the service area. Finally, SDSC Franklin considered the lack of any freestanding separately licensed ambulatory surgical facility in northern Wake County in determining the defined service area....”

On page 77, the applicant provides a table, reproduced below, to illustrate the proposed service area:

SDSC Franklin Service Area by ZIP Code

| ZIP CODE | TOWN | COUNTY |
|----------|-------------|----------------|
| 27508 | Bunn | Franklin |
| 27525 | Franklinton | Franklin |
| 27549 | Louisburg | Franklin |
| 27596 | Youngsville | Franklin |
| 27816 | Castalia | Franklin |
| 27882 | Spring Hope | Nash/Franklin |
| 27544 | Kittrell | Vance/Franklin |
| 27587 | Wake Forest | Wake/Vance |
| 27597 | Zebulon | Wake/Franklin |
| 27508 | Rolesville | Wake |

The applicant states:

“These ten zip codes include all zip codes in Franklin County and zip codes adjacent to southern Franklin County and represent 58.9% of total patient origin for NHFRMC outpatient surgical services in FFY 2013. Additional zip codes located adjacent to northern Franklin County and other areas north and west of NHFRMC make up the remaining 41.1% of the zip codes served by NHFRMC outpatient surgical services in FFY 2013.”

On page 79, the applicant illustrates the projected patient origin for the first three project years following project completion, as shown in the following table:

| COUNTY | PROJECT YEAR 1 | | PROJECT YEAR 2 | | PROJECT YEAR 3 | |
|--------------------|----------------|---------|----------------|---------|----------------|---------|
| | # CASES | PERCENT | # CASES | PERCENT | # CASES | PERCENT |
| Franklin* | 591 | 57.8% | 788 | 58.6% | 961 | 58.5% |
| Nash [♦] | 11 | 1.0% | 15 | 1.1% | 20 | 1.2% |
| Vance [●] | 0 | 0.0% | 5 | 0.3% | 9 | 0.6% |
| Wake [▲] | 267 | 26.1% | 336 | 24.9% | 407 | 24.8% |
| All Other | 153 | 15.0% | 202 | 15.0% | 247 | 15.0% |
| Total | 1,022 | 100.0% | 1,346 | 100.0% | 1,644 | 100.0% |

*The applicant states this includes all of the Franklin County ZIP codes.

♦The applicant states this includes only those Nash County ZIP codes that are in the SDSC Franklin Service area.

●The applicant states this includes only those Vance County ZIP codes that are in the SDSC Franklin Service area.

▲The applicant states this includes only those Wake County ZIP codes that are in the SDSC Franklin Service area.

In Section III.5, page 79, the applicant states “All Other” refers to all other North Carolina counties and those other states from which patients are served, as reported on the hospital’s license renewal application.

In the previously approved application, SDSC Franklin projected patient origin to consist of only Franklin County residents; in particular, three census tracts that comprise the southern

and southeastern area of the county. The applicant stated in 2009 that a secondary service area included five additional census tracts in Franklin County.

In this application, the applicant extends the projected service area to include specific ZIP codes in northern Wake County, and specific ZIP codes in Nash and Vance counties, both of which border Franklin County. The applicant demonstrates, through letters in Exhibits 5 and 16, that its expanded service area as proposed in this application is reasonable, credible and adequately supported. Furthermore, a review of the hospital's license renewal applications for CYs 2010 through 2013 show a fairly consistent number of patients from outside of Franklin County received outpatient surgical services at the hospital in Louisburg, including residents of Nash, Vance and Wake counties.

The applicant adequately identifies the population to be served.

Demonstration of Need

In Section III.1, pages 40 - 57, the applicant discusses the need for the change in scope of the previously approved project. Specifically, the need the population to be served has for a second OR at the ASC.

There are currently four existing or approved ORs in Franklin County, all of which are owned by Novant Health: three at the hospital in Louisburg, and one that was previously approved to be located at SDSC Franklin in Youngsville. This application proposes to relocate one of the three shared ORs from the hospital to the surgery center, for a total of two ORs at each location following development of this project and Project ID# K-8357-09. The total complement of ORs in Franklin County will not change as a result of this proposal.

In Section II.6, on page 13, the applicant states:

"The proposed development of a new Youngsville ambulatory surgery facility with two operating rooms will allow much improved access for residents of Franklin County and northern Wake County to the first freestanding, multi-specialty surgery center to be located in Franklin County. Currently, the two most proximate providers to the proposed SDSC Franklin (in Youngsville, NC, near the northern Wake County border) are Rex Healthcare of Wakefield and WakeMed North Healthplex. Rex operates a 3-OR hospital-based ambulatory surgery center in Wakefield. WakeMed North offers outpatient surgery at its 4 hospital-based outpatient ORs at the WakeMed North Healthplex. Thus, Novant Health's Same Day Surgery Center Franklin in Youngsville, presents the only outpatient surgery center option in the northern Wake County / Youngsville market that is a freestanding separately licensed, multi-specialty surgery center. Thus, Novant Health's SDSC Franklin believes it can offer lower co-pays and charges than are typically associated with care delivered in freestanding, licensed surgery centers."

In Section III.1(a), page 40, citing information obtained from the 2013 Hospital License Renewal Applications (LRAs), the applicant states:

“In FFY 2012 nearly 70% of all surgery performed in North Carolina was done on an outpatient basis. Outpatient surgery cases performed in separately licensed freestanding ambulatory surgery centers represented 16% of total surgery and outpatient surgery cases performed in hospital based outpatient surgery centers represented 54% of total surgery in FFY 2012.”

In Section III.1, pages 43 – 57, the applicant states the following factors support the need for a second OR at SDSC Franklin:

- Population and Economic Growth in the SDSC Franklin Service Area
- Improved Access to Outpatient Surgical Services
- Franklin County and North Carolina Outpatient Surgical Use Rate Comparison
- Freestanding vs. Hospital Based Ambulatory Surgery Centers
- Need Assessment and Recruitment for Additional Surgeons in Franklin County and Physician Support for SDSC Franklin
- Efficiencies in Ambulatory Surgical Facilities with Two Operating Rooms

Each factor is discussed below.

Population and Economic Growth in the SDSC Franklin Service Area

Louisburg, the location of the hospital, is located approximately 18 miles from Youngsville, the proposed location of SDSC Franklin, which is located near the borders with Wake and Granville counties. In Section III.1, page 43, the applicant states that Youngsville is the fastest growing ZIP code in Franklin County, with a projected compound annual growth rate (CAGR) of 1.4% from 2013 to 2018. See the following table, from page 43:

SDSC Service Area Population Projections

| ZIP CODE | TOWN | COUNTY | 2013 | 2018 | ACTUAL GROWTH | CAGR |
|-----------------|-------------|----------------|---------------|---------------|----------------------|-------------|
| 27596 | Youngsville | Franklin | 16,171 | 17,356 | 1,185 | 1.4% |
| 27597 | Zebulon | Wake/Franklin | 22,585 | 23,657 | 1,072 | 0.9% |
| 27549 | Louisburg | Franklin | 23,988 | 24,537 | 549 | 0.5% |
| 27525 | Franklinton | Franklin | 13,844 | 1,4364 | 520 | 0.7% |
| 27882 | Spring Hope | Nash/Franklin | 7,062 | 7,239 | 177 | 0.5% |
| 27544 | Kittrell | Vance/Franklin | 3,966 | 4,070 | 104 | 0.5% |
| 27816 | Castalia | Franklin | 2,685 | 2,691 | 6 | 0.0% |
| 27508 | Bunn | Franklin | 1,993 | 1,972 | -21 | -0.2% |
| 27571 | Rolesville | Wake | 3,973 | 4,464 | 491 | 2.4% |
| 27587 | Wake Forest | Wake/Granville | 57,645 | 64,588 | 6,943 | 2.3% |
| Total | | | 92,294 | 95,886 | 3,592 | 0.8% |

As shown in the table above, Youngsville is projected to grow by 1,185 people, or a CAGR of 1.4% through the third project year. The projected growth rate is the highest among the

Franklin County ZIP codes that are in the proposed service area, and is also the proposed location of SDSC Franklin.

In addition, the analyst researched population projections as reported by the North Carolina Office of State Budget and Management. That website projects Franklin County will experience “medium” population growth of between 7.5% and 15.0% during the ten year period from 2010 to 2020¹. Franklin County is one of 19 counties in the state projected to grow at a “medium” rate. The same website also projects that Wake County will experience “high” population growth, defined as over 15% for the same time period². Wake County is one of 13 counties projected to grow at a “high” rate. Granville, Vance and Nash counties are projected to grow by less than 7.5%³.

In Section III.1, pages 48 – 50, the applicant discusses economic growth projections in Franklin County. The applicant states business and residential developments are increasing in that region.

Improved Access to Outpatient Surgical Services and Freestanding vs. Hospital-Based Ambulatory Surgery Centers

In Section III.1, page 50, the applicant provides data obtained from the 2013 SMFP to compare Franklin County outpatient surgical use rates to North Carolina surgical use rates, as shown in the following table:

| Franklin County | 2009 | 2010 | 2011 | 2012 | 4 Year Avg. |
|------------------------|-------------|-------------|-------------|-------------|--------------------|
| Outpatient Cases | 3,611 | 3,675 | 3,637 | 3,594 | |
| Population | 59,502 | 60,813 | 61,603 | 61,633 | |
| Use Rate | 60.69 | 60.43 | 59.04 | 58.13 | 59.62 |
| North Carolina | | | | | |
| Outpatient Cases | 661,556 | 663,772 | 659,512 | 651,016 | |
| Population | 9,435,396 | 9,574,477 | 9,666,068 | 9,765,229 | |
| Use Rate | 70.11 | 69.33 | 68.23 | 66.67 | 68.58 |

On page 51, the applicant states the reason for the gap between use rates per 1,000 population for North Carolina as a whole versus Franklin County is “probably due to lack of surgeons and a lack of surgical choices in Franklin County.” On page 52, the applicant states:

“The health reform objectives articulated by the Congress and the Administration in the Affordable Care Act -promoting efficient use of services in the health care system and improving the value of Medicare’s spending-- are inextricably linked to promoting the use of ASCs for beneficiaries’ outpatient surgical needs. The results of this research demonstrate that ASCs have already been a beneficial partner to the Medicare program and its beneficiaries in constraining Medicare

¹ See http://osbm.nc.gov/ncosbm/facts_and_figures/socioeconomic_data/population_estimates

² *Id.*

³ *Id.*

spending growth by providing a lower-priced option for outpatient surgical needs. The reforms discussed in Congress should provide further incentives to move additional clinically appropriate surgeries into ASCs at a savings to the beneficiary, Medicare program, and U.S. taxpayers.”

On page 50, the applicant illustrates the market share for outpatient surgical services provided to residents of Franklin County from FFY 2010 to FFY 2012, as shown in the following table:

**Market Share – Outpatient Surgical Services
 Franklin County Residents**

| SURGICAL FACILITY | FFY 2010 | FFY 2011 | FFY 2012 |
|--|-----------------|-----------------|-----------------|
| Novant Health Franklin Medical Center | 9.6% | 9.0% | 13.6% |
| Rex Hospital | 24.3% | 25.7% | 22.6% |
| WakeMed | 19.1% | 18.5% | 20.6% |
| Duke Health Raleigh Hospital | 17.3% | 16.2% | 14.5% |
| Blue Ridge Surgery Center (Freestanding) | 7.3% | 7.8% | 7.0% |
| Duke University Hospital | 5.8% | 4.9% | 6.4% |
| University of North Carolina Hospitals | 2.9% | 3.0% | 3.5% |
| All Other Freestanding | 3.4% | 3.8% | 4.0% |
| All Other Hospital | 10.3% | 10.9% | 7.7% |

The applicant states:

“The data illustrates the growth in NHFRMC’s market share of outpatient surgical volume but also illustrates that over 85% of Franklin County residents left the county for outpatient surgery in 2012.

...

NHFRMC’s share of outpatient surgical cases for Franklin County residents has increased from 9.6% in FFY 2010 to 13.6% in FFY 2012. Of note in the previous table, is the fact that only 14.7% of all outpatient surgery performed on Franklin County residents was performed in a freestanding ambulatory surgery center. This is less than the state average of 22.9%. In FFY 2012 nearly 70% of all surgery performed in North Carolina was done on an outpatient basis and cases performed in separately licensed freestanding ambulatory surgery centers represented 22.9% of outpatient surgery.”

The data provided by the applicant shows that over two thirds of the Franklin County residents who received outpatient surgery left the county for those services in FFY 2012. The data also shows that the hospital’s market share increased from FFY 2010 to FFY 2012.

Freestanding vs. Hospital Based Ambulatory Surgery Centers

In Section III.1, pages 52 – 53, the applicant states the following factors support the development of an ASC:

- Cost and convenience – the cost of a surgical procedure performed in an ASC is less than in a hospital, and the patient is able to leave sooner after the surgery.
- More efficiency for surgeons – the time involved in preparing the room and the patient is less because of the nature of outpatient surgery. Thus, the surgeons are able to more efficiently perform surgical procedures with greater throughput.
- Greater autonomy for the surgeons – in an ASC, surgeons can set their own standards for staffing, safety and other issues.

There is currently no freestanding ASC in either northern Wake County or anywhere in Franklin County. On page 53, the applicant calculated potential drive times from the existing ASCs in Wake and Durham counties to the town of Wake Forest, which is on the border of Wake and Franklin counties. Drive times range from 20 to 39 minutes without factoring in traffic conditions. The only major highways into or out of Franklin County are US Highway 1 and US Highway 401, both of which run north and south. The roads that run east and west through Franklin County are secondary county and state roads. According to MapQuest,[®] Youngsville, the proposed location of SDSC Franklin, is located approximately 4 miles from Wake Forest. The drive times from Wake Forest to the existing ASCs and the proposed SDSC Franklin are reported by the applicant on page 53, as follows:

- *“SDSC Franklin, Youngsville, NC = 8 minutes*
- *James E. Davis Surgery Center, Durham, NC =30+ minutes*
- *Triangle Orthopaedic Specialty Surgery Center, Brier Creek/Raleigh = 20 minutes*
- *Raleigh Orthopaedic Surgery Center, Raleigh/Near Rex Healthcare = 20 minutes*
- *Blue Ridge Ambulatory Surgery Center, Raleigh, NC (near Rex), = 21 minutes*
- *Rex Ambulatory Surgery Center, Cary, NC = 30+ minutes*
- *Capital City Surgery Center, Raleigh, NC (near WakeMed) = 18 minutes*
- *Holly Springs Surgery Center, Holly Springs, NC (southern Wake County) = 39 minutes.”*

In addition, the applicant states that SDSC Franklin will be located on US Highway 1, thus providing easy accessibility and a lower cost alternative for patients. In Exhibit 16, the applicant provides 52 letters signed by patients and members of the business community in Youngsville. Each of the patient letters describes the difficulty of traveling to and from surgical facilities in Wake County. Each patient letter also states that a second OR located in southern Franklin County would help alleviate that burden.

Physician Needs Assessment / Physician Recruitment in Franklin County, and Physician Support

Utilizing population projections reported by the North Carolina Office of State Budget and Management (NCOSBM), the applicant prepared a *“physician needs assessment”* which

illustrates a shortage of surgeons in the SDSC Franklin service area. In Section III.1, page 55, the applicant states:

“Novant Health assumed ownership and management of NHFMC in fall 2009 and has been working with the physician community and residents of Franklin County to identify necessary facility improvements and strategic needs since that time. The Board of NHFRMC consists of Franklin County residents and physicians. Novant Health has invested in stabilizing the existing physician practices in Franklin County in Louisburg and Franklinton, as well as expanding to add practices in northern Wake County.... The NHMG Triangle Region (northern Wake County & Franklin County) has 14 physicians and surgeons, in addition to 3 mid-level physician providers, in seven primary care and specialty practice locations in Wake Forest, Franklinton, Franklin, and Louisburg, NC. When the NHMG-Triangle physicians practicing in Durham County are considered, the NHMG-Triangle footprint is 29 physicians and 5 mid-level providers in 9 physician office locations. In addition, NHMG is considering the development of a primary care practice in Youngsville and has had preliminary discussions with existing providers about the development of a satellite location there.

...

The Franklin County Surgeon Need Assessment is included in Exhibit 3, Tables 19-20. The Assessment, which is based upon Franklin County population data projections from the NC Office of State Budget & Management (NCOSBM) reflects a shortage of surgeons in Franklin County in the following specialties: general surgery, neurosurgery, ophthalmology, orthopedic surgery, otolaryngological surgery, ENT, and urological surgery. The study suggests there is a need for more surgeons in each of these categories. At the present time, NHFRMC has two general surgeons on its active medical staff and an identified deficit in 2013 of 3.1 general surgeons. Currently, NHFRMC is in negotiation to bring 2.5 FTE additional general surgeons to practice in Franklin County.”

The following tables, reproduced from Exhibit 3, illustrate the projected need in Franklin County for additional surgeons:

Franklin County Surgical Needs Assessment - 2013

| SPECIALTY | POPULATION | MDS NEEDED PER 100,000 | TOTAL MDS NEEDED | CURRENT NUMBER OF MDS | SURPLUS (DEFICIT) |
|--------------------|------------|------------------------|------------------|-----------------------|-------------------|
| General Surgery | 62,311 | 8.12 | 5.06 | 2.00 | (3.1) |
| Neurology | | 1.29 | 0.81 | 0.00 | (0.8) |
| Ophthalmology | | 4.89 | 3.05 | 1.00 | (2.0) |
| Orthopedic Surgery | | 8.62 | 5.37 | 1.00 | (4.4) |
| Otolaryngology | | 3.12 | 1.94 | 1.00 | (0.9) |
| Urology Surgery | | 3.44 | 2.15 | 0.00 | (2.1) |

Franklin County Surgical Needs Assessment - 2018

| SPECIALTY | POPULATION | MDS NEEDED PER 100,000 | TOTAL MDS NEEDED | CURRENT NUMBER OF MDS | SURPLUS (DEFICIT) |
|--------------------|------------|------------------------|------------------|-----------------------|-------------------|
| General Surgery | 64,967 | 8.12 | 5.27 | 2.00 | (3.3) |
| Neurology | | 1.29 | 0.84 | 0.00 | (0.8) |
| Ophthalmology | | 4.89 | 3.18 | 1.00 | (2.2) |
| Orthopedic Surgery | | 8.62 | 5.60 | 1.00 | (4.6) |
| Otolaryngology | | 3.12 | 2.02 | 1.00 | (1.0) |
| Urology Surgery | | 3.44 | 2.24 | 0.00 | (2.2) |

In Exhibit 5, the applicant provides eight letters signed by individual surgeons in both Wake and Franklin counties. Each of the surgeons indicates that he or she currently performs outpatient surgery on Franklin County residents; furthermore, those residents who must travel out of county for outpatient surgery would benefit from an outpatient surgical facility in Franklin County. In addition, each surgeon indicated that he or she would seek privileges at SDSC Franklin.

Also in Exhibit 5 are nine letters from physicians in and around Franklin County and northern Wake County which indicate that each physician would refer patients to SDSC Franklin because so many of their patients are from Franklin County and currently leave the county for outpatient surgical services. The applicant also provides letters from anesthesiologists, pathologists, and radiologists, each of which states that the physician who signed the letter would seek privileges at SDSC Franklin for both outpatient surgery and pain management.

Improved Efficiencies in ASCs with Two Operating Rooms

In Section III.1, pages 56 – 57, the applicant explains how adding a second OR to the previously approved SDSC Franklin would improve efficiencies and thus reduce cost to the patients. The applicant states:

“Adding a second operating room at SDSC Franklin will improve the efficiency of the approved facility. The fixed costs associated with operating a one-OR ambulatory surgical facility, such as administrative space, waiting areas and HVAC expenses, will be shared between two operating rooms with twice as much surgical capacity. In addition, staffing expense is shared resulting in lower staffing expense per OR The additional staffing required for the second operating room does not result in double the staff.”

The applicant also states that, overall, an ASC is more cost-effective because less time is involved in preparing the room between patients, thus improving throughput.

In addition, on page 57, the applicant states the ASC will have a non-sterile minor procedure room, as previously approved in Project ID#K-8357-09, for pain management and other minor procedures that would not require surgery.

Projected Utilization

The following table, from page 68, illustrates projected utilization during the first three operating years following project completion:

| | PY 1 (FFY 2017) | PY 2 (FFY 2018) | PY 3 (FFY 2019) |
|-----------------------------------|-----------------|-----------------|-----------------|
| Projected Cases from Service Area | 869 | 1,144 | 1,397 |
| In-migration (15%) | 153 | 202 | 246 |
| Total Cases | 1,022 | 1,346 | 1,644 |

In Section III.1(b), pages 58 – 69, the applicant describes the assumptions and methodology used to project utilization, which are described below.

Step 1: Determine County Specific Outpatient Surgery Use Rates

On pages 58 – 60, using data reported in the hospital LRAs and population data obtained from the NCOSBM, the applicant calculates an average outpatient surgical use rate in the four counties [ten ZIP codes] included in SDSC Franklin’s service area, as shown in the following table:

| COUNTY | OUTPATIENT SURGICAL USE RATE (2009 – 2012) |
|----------------------|---|
| Franklin | 59.62 |
| Vance | 61.12 |
| Wake | 59.06 |
| Nash | 66.62 |
| Four County Combined | 59.82 |
| North Carolina | 68.58 |

As shown in the table above, both Franklin and Wake County use rates are lower than the statewide use rate. On page 59, the applicant states that the Affordable Care Act (ACA), combined with the aging baby boomer population support a projected increase in outpatient surgical services. Citing various other sources, the applicant states that outpatient surgery volume is projected to increase by 8% to 12% between 2012 and 2025.

On page 60, the applicant states:

“The four year average outpatient surgical use rates for Franklin and Wake Counties are less than the four-county average and the North Carolina average. The four year average outpatient surgical use rates for Vance and Nash Counties are less than the statewide ambulatory surgical use rate. SDSC Franklin utilized county specific four year outpatient surgery use rates to project future utilization and held the rate constant through FFY 2019, Project Year 3. These rates are lower than the State average so are conservative in that respect. Holding the use rate constant assumes that utilization will increase at the same rate as population growth. SDSC Franklin chose not increase use rates even though the impact of

the ACA and the aging population would support growth in outpatient surgery use rates.”

Step 2: Calculate Total Outpatient Surgery Volume in the SDSC Franklin Service Area

On pages 60 – 61, utilizing the outpatient surgical use rates calculated in Step 1, the applicant projects outpatient surgery volume for the entire service area for all ten ZIP codes in SDSC Franklin’s service area, as shown in the following table:

SDSC Franklin Service Area Total Outpatient Surgical Volume (All Facilities)

| ZIP CODE | TOWN | COUNTY | PY 1 (FFY 2017) | PY 2 (FFY 2018) | PY 3 (FFY 2019) |
|--|-------------|----------|--------------------|--------------------|--------------------|
| 27508 | Bunn | Franklin | 118 | 118 | 117 |
| 27525 | Franklin | Franklin | 850 | 856 | 863 |
| 27549 | Louisburg | Franklin | 1,456 | 1,463 | 1,469 |
| 27596 | Youngsville | Franklin | 1,020 | 1,035 | 1,049 |
| 27816 | Castalia | Franklin | 160 | 160 | 161 |
| 27882 | Spring Hope | Nash | 480 | 482 | 485 |
| 27554 | Kittrell | Vance | 247 | 249 | 250 |
| 27571 | Rolesville | Wake | 258 | 264 | 270 |
| 27587 | Wake Forest | Wake | 3,729 | 3,815 | 3,903 |
| 27597 | Zebulon | Wake | 1,384 | 1,397 | 1,410 |
| Total Service Area Outpatient Surgical Volume | | | 9,702 | 9,839 | 9,977 |

Step 3: Market Share Assumptions

On pages 62 – 63, the applicant provides assumptions it used to project its market share of outpatient surgical volume in the first three project years, for both the hospital and SDSC Franklin, as follows:

“The impact of new surgeons in Franklin County and the new SDSC Franklin will decrease surgery out-migration from Franklin County and increase the market share for Novant Health in Franklin County and in the SDSC Franklin Service Area. To determine future Novant Health market share by zip code in the SDSC Franklin Service Area, the applicant considered many variables which will impact the utilization of SDSC Franklin, including

- *NHFRMC in Louisburg is the only existing provider of surgical services in Franklin County. Currently, there is no ambulatory surgery center in Louisburg, Youngsville, or other areas of Franklin County.*
- *There is no freestanding, separately licensed ambulatory surgery center in northern Wake County.*
- *Over 85% of the residents of Franklin County who need outpatient surgical care out-migrate to Wake, Durham, and other counties for ambulatory surgery services.*
- *The proposed location for SDSC Franklin in Youngsville is in the most populous and fastest growing zip code in Franklin County.*

- *The SDSC Franklin Service Area population is projected to grow 7.2% from 2013 through 2018, at a compound annual growth rate (CAGR) of 1.4% during that five-year period.*
- *Included in Exhibit 5 are letters of support from surgeons and primary care referring physicians. In addition, NHFRMC is in negotiation to bring 2.5 FTE additional general surgeons to practice in Franklin County. Novant Health does not foresee difficulty recruiting additional surgeons to utilize the proposed ambulatory surgical facility.*
- *SDSC Franklin will be a multispecialty freestanding ambulatory surgery center, wholly owned by Novant Health, and will be locally-accessible, high quality, and cost-effective, in a comfortable and convenient location close to the homes of all residents of Franklin County.*
- *NHMG-Triangle includes physicians practicing in Franklin County and the northern Wake County communities of Wake Forest and is considering development of a satellite office in Youngsville. This NHMG presence in the Triangle reflects the ability of NHMG to recruit and retain physicians in the Triangle market. When the NHMG-Triangle physicians practicing in Durham County are considered, the NHMG-Triangle footprint is 29 physicians and 5 mid-level providers in 9 physician office locations. ...”*

See the following table, reproduced from page 63, which illustrates the total outpatient surgery market share for the hospital and the ASC combined:

| ZIP CODE | TOWN | COUNTY | PY 1 (FFY 2017) | PY 2 (FFY 2018) | PY 3 (FFY 2019) |
|----------|-------------|----------|--------------------|--------------------|--------------------|
| 27508 | Bunn | Franklin | 36.9% | 42.5% | 50.0% |
| 27525 | Franklin | Franklin | 28.0% | 34.0% | 40.0% |
| 27549 | Louisburg | Franklin | 35.0% | 42.5% | 50.0% |
| 27596 | Youngsville | Franklin | 28.0% | 34.0% | 40.0% |
| 27816 | Castalia | Franklin | 17.5% | 21.3% | 25.0% |
| 27882 | Spring Hope | Nash | 4.9% | 6.0% | 7.0% |
| 27554 | Kittrell | Vance | 10.5% | 12.8% | 15.0% |
| 27571 | Rolesville | Wake | 17.5% | 21.3% | 25.0% |
| 27587 | Wake Forest | Wake | 4.9% | 6.0% | 7.0% |
| 27597 | Zebulon | Wake | 4.9% | 6.0% | 7.0% |

On page 63, the applicant states:

“...market share assumptions also took into consideration projected growth of outpatient surgery at NHFRMC, proximity to SDSC Franklin and other hospital based surgical programs in northern Wake County, NHMG primary care practice patient origin data from northern Wake County, and the expertise of NHFRMC and NHMG Administration. Market share is projected to grow in the first three years of operation to achieve the target identified for Project Year 3. Ramp up of market share is estimated to be 70% in PY 1 and 85% PY 2.”

Step 4: Project Combined Outpatient Surgery Volume ad SDSC Franklin and NHFRMC

On page 64, the applicant projects total outpatient surgery volume for the hospital and the ASC combined, using the projections from Steps 2 and 3, as shown in the following table:

SDSC Franklin and NHFRMC Outpatient Surgical Volume

| ZIP CODE | TOWN | COUNTY | PY 1 (FFY 2017) | PY 2 (FFY 2018) | PY 3 (FFY 2019) |
|--|-------------|---------------|----------------------------|----------------------------|----------------------------|
| 27508 | Bunn | Franklin | 43 | 50 | 59 |
| 27525 | Franklin | Franklin | 238 | 291 | 345 |
| 27549 | Louisburg | Franklin | 510 | 622 | 735 |
| 27596 | Youngsville | Franklin | 286 | 352 | 420 |
| 27816 | Castalia | Franklin | 28 | 34 | 40 |
| 27882 | Spring Hope | Nash | 24 | 29 | 34 |
| 27544 | Kittrell | Vance | 26 | 32 | 38 |
| 27571 | Rolesville | Wake | 45 | 56 | 67 |
| 27587 | Wake Forest | Wake | 183 | 227 | 273 |
| 27597 | Zebulon | Wake | 68 | 83 | 99 |
| Total Combined Outpatient Surgical Volume | | | 1,451 | 1,776 | 2,110 |

On page 65, the applicant states:

“To test the overall impact of zip level market share assumptions used in the previous table, SDSC Franklin compared county-level market share data from other counties with a comparable population base to projected Franklin County market share calculated in the previous table. Projected combined NHFRMC and SDSC Franklin market share of Franklin County outpatient surgical volume in Project Year 3 is calculated to be 43.7% of total Franklin County outpatient surgical volume in FFY 2019. This includes just the five zip codes labeled as Franklin County in the previous table. If the three zip codes which overlap into Nash, Vance and Wake County are included, the overall market share decreases to 30.5% in Project Year 3. The combined NHFRMC and SDSC Franklin market share of the total SDSC Franklin Service Area, all ten zip codes, is 21.1% of total outpatient surgical volume. NHFRMC provided 5.2% of total outpatient surgical volume from the SDSC Franklin Service Area in FFY 2012; therefore, SDSC Franklin projects an increase in market share of only 15.9%. In FFY 2012, 86.4% of Franklin County residents in need of outpatient surgery left Franklin County for outpatient surgical services. Franklin County has a population of approximately 61,500 in 2012, which is projected to increase to approximately 65,000 by FFY 2019. Outpatient surgical market share for FFY 2012 for all North Carolina counties with a population of 50,000 to 70,000 was analyzed to test the reasonableness of the SDSC Franklin market share assumptions. SDSC Franklin determined that in FFY 2012: the average outpatient surgical market share for all surgical facilities in counties with a comparable population base was 39.0%; the median outpatient surgical market share for all surgical facilities in counties with a comparable population base was 41.1%; the range of

outpatient surgical market share for all surgical facilities in counties with a comparable population base was 5.2% to 66.4%; and the average outpatient surgical market share for counties with a comparable population base with two licensed surgical providers was 44.2%.”

See also Exhibit 3. Note: the applicant states its market share is projected to increase 15.9%. In actuality, it is projected to increase 15.9 percentage points [21.1% - 5.2% = 15.9%], not 15.9%.

Step 5: Calculate SDSC Franklin Projected Outpatient Surgical Volume

In Section III.1, pages 65 – 68, the applicant calculates projected outpatient surgical volume at the ASC by subtracting the outpatient surgical procedures projected to be performed at the hospital from the total projected in Step 4. On page 66, the applicant provides data showing that outpatient surgical utilization at the hospital increased by a CAGR of 4.9% between FFY 2011 and FFY 2013, as shown in the table below:

| SURGERY | FFY 2011 | FFY 2012 | FFY 2013 | CAGR FFY 2011 - 13 |
|------------|----------|----------|----------|-----------------------|
| Outpatient | 742 | 836 | 816 | 4.9% |

On page 66, the applicant states:

“Projected growth in outpatient surgical volume at NHFRMC for patients from the Louisburg zip code utilizes the CAGR in the interim years. For PY 2 and in PY 3, it is assumed that 60% of the combined SDSC Franklin and NHFRMC outpatient surgery volume for the Louisburg zip code, which increases due to population growth and market share as previously discussed, remains at NHFRMC....

Franklin assumes that the development of the freestanding ambulatory surgery facility in Youngsville with two operating rooms will provide additional incentive to recruit needed surgeons to Franklin County. The impact of additional surgeons in Franklin County will increase projected outpatient surgical growth at NHFRMC in Louisburg.”

Step 6: Calculate Total Surgical Volume at SDSC Franklin

On page 68, the applicant states:

“In addition to the surgical volume calculated in Step 5 from the SDSC Franklin Zip Code Service Area, SDSC Franklin will have patients from outside the Service Area choose to receive care at SDSC Franklin. This may result from a patient living outside the SDSC Franklin Service Area choosing to have a specific surgeon perform their surgery, or may be due to a family or friend having a positive experience at SDSC Franklin, or result from a patient from another Wake

County zip code or surrounding county choosing to have their outpatient surgery performed in a freestanding ambulatory surgery center in Youngsville to save money. This volume is considered to be in-migration to the facility and reflects patient choice.

SDSC Franklin used a 15% in-migration factor which was determined based upon review of historical in-migration to Franklin County for outpatient surgical services at NHFRMC. Historical in-migration at NHFRMC from all other zip codes was 41.1%.... The 15% in-migration factor utilized in the SDSC Franklin methodology was determined to be reasonable as it is less than half of the outpatient surgical in-migration to Franklin County in FFY 2013. In addition, over 20% of patients receiving care from NHMG practices in the defined SDSC Franklin Service Area come from zip codes and counties outside of the defined SDSC Service Area ... and will most often be referred, as clinically appropriate, to surgeons performing surgery at SDSC Franklin as reflected in the referring physician letters of support....”

Below is a table reproduced from page 68 that illustrates the calculations described above:

| | PY 1 FFY 2017 | PY 2 FFY 2018 | PY 3 FFY 2019 |
|---|------------------|------------------|------------------|
| Projected outpatient surgical volume from Step 5 | 869 | 1,144 | 1,397 |
| All other in-migration (15%) | 153 | 202 | 247 |
| Total outpatient surgical volume at SDSC Franklin | 1,022 | 1,346 | 1,644 |

Step 7: Project Operating Room Need at SDSC Franklin

On page 69, the applicant provides the following table:

| | PY 1 FFY 2017 | PY 2 FFY 2018 | PY 3 FFY 2019 |
|--|------------------|------------------|------------------|
| Projected ambulatory surgical cases | 1,022 | 1,346 | 1,644 |
| Projected weighted ambulatory surgical hours | 1,533 | 2,019 | 2,466 |
| Total ambulatory surgical ORs needed | 0.8 | 1.1 | 1.3 |
| Total ambulatory surgical ORs rounded* | 1 | 1 | 2 |

*In accordance with the 2013 SMFP methodology.

Projected utilization of the ASC is based on reasonable, credible and adequately supported assumptions.

The applicant adequately demonstrates the need for its proposal based on the following:

- There is no existing ASC in Franklin County.
- Over 85% of Franklin County residents are leaving the county for outpatient surgical services.
- The hospital in Franklin County is actively recruiting more surgeons.

- The ASC is already approved to be developed in Youngsville with one OR. All this proposal would do is increase the number of ORs at the ASC to two, which will allow the ASC to operate more efficiently. The OR to be relocated from the hospital is not in use.
- The applicant provides adequate documentation of support from surgeons and referring physicians.

Access

In Section III.8, page 82, the applicant states:

“Currently, the two most proximate providers to the proposed SDSC Franklin (in Youngsville, NC, near the northern Wake County border) are Rex Healthcare of Wakefield and WakeMed North Healthplex. Rex operates a 3-OR hospital-based ambulatory surgery center in Wakefield. WakeMed North offers outpatient surgery at its 4 hospital-based outpatient ORs at the WakeMed North Healthplex. Thus, [SDSC Franklin] presents the only outpatient surgery center option in the northern Wake County/Youngsville market that is a freestanding separately licensed, multi-specialty surgery center.”

In addition, in Section VI.4, page 107, the applicant states: *“SDSC Franklin will provide outpatient surgery services to all [underserved groups]. Any service deemed medically necessary (by a physician) will be available to a patient, regardless of ability to pay.”* In Section VI.14, page 116, the applicant projects that 2.36% of SDSC Franklin’s patients will be self-pay or indigent, and 6.18% will be Medicaid recipients.

In summary, the applicant adequately identifies the population to be served, adequately demonstrates the need the population to be served has for the proposed project and adequately demonstrates the extent to which all residents, and in particular, the medically underserved are likely to have access to the ASC. Therefore, the application is conforming to this criterion.

- (3a) In the case of a reduction or elimination of a service, including the relocation of a facility or a service, the applicant shall demonstrate that the needs of the population presently served will be met adequately by the proposed relocation or by alternative arrangements, and the effect of the reduction, elimination or relocation of the service on the ability of low income persons, racial and ethnic minorities, women, handicapped persons, and other underserved groups and the elderly to obtain needed health care.

C

The applicant proposes to relocate one existing shared OR from the hospital to the previously approved ASC in Youngsville. The hospital is currently licensed for three shared ORs, only two of which are currently utilized.

In Section III.1(c), page 73, the applicant provides current and projected utilization of the ORs at the hospital, as shown in the following table:

| | FFY 2013 | FFY 2014 | FFY 2015 | FFY 2016 | FFY 2017 (PY 1) | FFY 2018 (PY 2) | FFY 2019 (PY 3) |
|--|-------------|-------------|-------------|-------------|-----------------------|-----------------------|-----------------------|
| Projected Cases from SDSC Franklin ZIP code service area | 481 | 504 | 528 | 554 | 581 | 631 | 712 |
| Projected Cases from other ZIP codes | 335 | 352 | 369 | 387 | 406 | 425 | 446 |
| Total Projected Cases at the Hospital | 816 | 856 | 897 | 941 | 987 | 1,057 | 1,158 |
| Growth Rate | -- | 4.9% | 4.9% | 4.9% | 4.9% | 7.1% | 9.6% |
| Weighted Hours (cases x 1.5) | 1,224 | 1,284 | 1,346 | 1,412 | 1,480 | 1,585 | 1,737 |
| Total IP Cases | 109 | 119 | 129 | 141 | 153 | 167 | 181 |
| Growth Rate | -- | 8.8% | 8.8% | 8.8% | 8.8% | 8.8% | 8.8% |
| Weighted hours (cases x 3.0) | 327 | 356 | 387 | 422 | 459 | 500 | 544 |
| Total Weighted Hours | 1,551 | 1,640 | 1,733 | 1,833 | 1,939 | 2,085 | 2,281 |
| Number of ORs needed (total hours / 1,872) | 0.8 | 0.9 | 0.9 | 1.0 | 1.0 | 1.1 | 1.22 |

On page 73, the applicant states:

“Total inpatient surgical growth from FFY 2013 to FFY 2019 is 72 inpatient surgical cases. Total outpatient surgical growth from FFY 2013 to FFY 2019 is 342 outpatient surgical cases. ... this volume is less than the impact of recruiting one general surgeon working full time at NHFRMC. Ongoing recruitment at NHFRMC will meet or exceed this goal.

Projected surgical volume results in a need for 1.22 operating rooms as reflected in the previous table When rounded using as a guideline, Step 5 of the 2013 SMFP Operating Room Need Methodology, NHFRVIC has an identified need for two operating rooms in 2018.”

As shown in the table above, in FFY 2013, based on the need methodology in the 2013 SMFP, the hospital only needed one of its three existing shared ORs. In FFY 2019 (PY 3), the hospital only needs 1.22 ORs, based on an assumption that total weighted hours would increase from 1,551 to 2,281, an increase of 47.1% [2,281 – 1,551 = 730; 730 / 1,551 = 0.471].

The applicant demonstrates that the needs of the population presently served at the hospital will continue to be adequately met with the two ORs currently in use which will remain at the hospital. Therefore, the application is conforming to this criterion.

- (4) Where alternative methods of meeting the needs for the proposed project exist, the applicant shall demonstrate that the least costly or most effective alternative has been proposed.

CA

In Section III.8, pages 80 - 82, the applicant describe the alternatives it considered prior to submitting this change of scope application, which include:

- 1) Maintain the Status Quo – The ASC in Youngsville was previously approved in Project ID #K-8357-09 with one OR and one procedure room. The applicant states it is more cost-effective to develop the approved ASC with two ORs rather than one.
- 2) Joint Venture with another provider - The applicant states it considered a joint venture but was unable to identify any potential joint venture partners.
- 3) Develop SDSC Franklin as a hospital-based outpatient center - The applicant states this alternative is less effective because a hospital-based outpatient center would not be as cost-effective for patients as a separately licensed ASC.

For the reasons stated in Section III of the application, the applicant determined that the project, as modified by this change of scope application, is the most effective alternative to meet the need for outpatient surgery services in Franklin County.

Furthermore, the application is conforming to all other applicable statutory and regulatory review criteria and thus, is approvable. A project that cannot be approved cannot be an effective alternative.

In summary, the applicant adequately demonstrates that the project is the least costly or most effective alternative to meet the identified need. Therefore, the application is conforming to this criterion and approved subject to the following conditions:

1. **Same Day Surgery Center Franklin shall materially comply with all representations made in this certificate of need application and in Project ID #K-8357-09. In those instances in which representations conflict, Same Day Surgery Center Franklin shall materially comply with the last-made representation.**
2. **Same Day Surgery Center Franklin shall not acquire, as part of this project, any equipment that is not included in the project's proposed capital expenditure in Section VIII of the application and that would otherwise require a certificate of need.**
3. **Same Day Surgery Center Franklin shall construct an ambulatory surgical facility that shall be licensed for no more than two ambulatory surgical operating rooms and one procedure room.**
4. **Same Day Surgery Center Franklin shall meet all criteria to receive accreditation of the ambulatory surgical facility from JCAHO, AAAHC**

or a comparable accreditation authority within two years following completion of the facility.

5. Upon relocation of the existing operating room to the new location, Novant Health Franklin Regional Medical Center shall reduce the number of licensed operating rooms in the hospital by 1, such that the hospital shall not be licensed for more than two shared operating rooms.
6. Same Day Surgery Center Franklin shall acknowledge acceptance of and agree to comply with all conditions stated herein in writing to the Certificate of Need Section prior to the issuance of the certificate of need.

- (5) Financial and operational projections for the project shall demonstrate the availability of funds for capital and operating needs as well as the immediate and long-term financial feasibility of the proposal, based upon reasonable projections of the costs of and charges for providing health services by the person proposing the service.

C

In Project ID #K-8357-09, the applicant was previously approved for a capital cost of \$4,310,512. In this application, the applicant projects a capital cost of \$10,440,572, which represents approximately a 140% increase. In Section VII.2, page 128, the applicant provides a table to illustrate the difference in capital cost between the two applications. See the following table:

| CATEGORY | PREVIOUSLY APPROVED CAPITAL COST (K-8357-09) | INCREASE IN CAPITAL COST (K-10229-13) | TOTAL CAPITAL COST |
|------------------------------------|--|---------------------------------------|---------------------|
| Site Costs | | | |
| Purchase Price of Land | \$0 | \$1,482,354 | \$1,482,354 |
| Closing Costs | \$0 | \$40,000 | \$40,000 |
| Site Preparation Costs | \$297,524 | \$378,745 | \$676,269 |
| Off-Site Improvements | \$347,000 | \$0 | \$347,000 |
| Subtotal Site Costs | \$644,524 | \$1,901,099 | \$2,545,623 |
| Construction Contract | | | |
| Materials | \$921,280 | \$925,719 | \$1,846,999 |
| Labor | \$614,186 | \$1,232,813 | \$1,846,999 |
| Construction Contingency | \$79,042 | \$202,162 | \$281,204 |
| Subtotal Construction Contract | \$1,614,508 | \$2,360,694 | \$3,975,202 |
| Miscellaneous Project Costs | | | |
| Fixed and Moveable Equipment | \$1,037,741 | \$1,437,081 | \$2,474,822 |
| Information Technology | \$495,064 | \$4,936 | \$500,000 |
| Furniture/Fixtures | \$35,486 | \$26,668 | \$62,154 |
| Artwork | \$0 | \$3,530 | \$3,530 |
| Signage | \$0 | \$10,338 | \$10,338 |
| Consultant Fees | \$232,768 | \$202,471 | \$435,239 |
| Interest During Construction | \$101,365 | \$143,229 | \$244,664 |
| Project Contingency | \$149,056 | \$39,944 | \$189,000 |
| Subtotal Miscellaneous Costs | \$2,051,480 | \$1,868,267 | \$3,919,747 |
| Total Project Capital Cost | \$4,310,512 | \$6,130,060 | \$10,440,572 |

In the previously approved application (Project ID# K-8357-09), the applicant proposed to lease the site on which to construct the ASC; thus there were no costs for purchase of land associated with that application. In the present application, the applicant proposes to purchase the land. In a footnote to the table on page 128, the applicant explains that the site to be purchased is actually a 4.25 acre parcel costing \$1,750,000. However, only 3.6 acres will be utilized; consequently, the purchase price has been adjusted to reflect the difference.

In the previously approved application, the total square feet associated with the project was 6,440, which is a construction cost per square foot of \$582.85. This application, which proposes a second OR, additional waiting room space, administration space, equipment space, and other areas as needed to effectively operate an ASC with two ORs. This application proposes 12,782 total square feet, which is a construction cost per square foot of \$311.00.

In Section IX, page 138, the applicant projects an additional \$13,174 for the working capital needs of the project over and above \$313,000, the amount projected in the previously approved 2009 application.

In Section VIII.3, page 129, and Section IX, page 138, the applicant states the capital and working capital costs of the project will be funded with the accumulated reserves of Novant Health, Inc.

Exhibit 8 contains a letter dated November 8, 2013 from the Senior Vice-President Operational Finance of Novant Health Inc., which confirms Novant Health's intent to provide \$10,453,746 from its accumulated cash reserves for the development of the proposed project.

Exhibit 8 also contains a letter dated November 8, 2013 from the Vice President and Chief Operating Officer, Triangle Market Novant Health, Inc. committing those funds for the development of the proposed project.

Exhibit 8 also contains the audited financial statements for Novant Health, Inc. As of December 31, 2012, Novant Health, Inc. had \$276,637,000 in Cash and Cash Equivalents, \$1,157,218,000 in Total Assets, and \$2,163,123,000 in Net Assets [Total Assets less Total Liabilities]. The applicant adequately demonstrates the availability of sufficient funds for the capital and working capital needs of the project.

The applicant projects revenues will exceed operating expenses in the second and third operating years of the project, as illustrated in the table below.

| SDSC FRANKLIN | PY 1 (FFY 2017) | PY 2 (FFY 2018) | PY 3 (FFY 2019) |
|-------------------|-----------------|-----------------|-----------------|
| Total Net Revenue | \$2,176,498 | \$2,941,807 | \$3,717,794 |
| Total Expenses | \$2,438,540 | \$2,598,653 | \$2,757,902 |
| Net Income | (\$262,042) | \$343,154 | \$959,892 |

The assumptions used by the applicant in preparation of the pro forma financial statements, including projected utilization, are adequately supported. See the Financials section of the

application following Tab 12 for the assumptions. See Criterion (3) for discussion regarding projected utilization which is incorporated hereby as if set forth fully herein. The applicant adequately demonstrates that the financial feasibility of the proposal is based upon reasonable projections of costs and charges. Therefore, the application is conforming to this criterion.

- (6) The applicant shall demonstrate that the proposed project will not result in unnecessary duplication of existing or approved health service capabilities or facilities.

C

The original application (Project ID #K-8357-09) was conforming to this criterion. In this application, the applicant proposes to relocate one existing shared OR from the hospital to SDSC Franklin. The OR to be relocated is not currently in use at the hospital. This proposal will not alter the number of existing or approved facilities or ORs in Franklin County. It will shift one OR such that the hospital will have two, not three (one of which is not in use) and the ASC will have two, not one. The ASC will be able to operate more efficiently according to the applicant.

The applicant adequately demonstrates that this project will not result in an unnecessary duplication of existing or approved health service capabilities or facilities in Franklin County. Therefore, the application is conforming to this criterion.

- (7) The applicant shall show evidence of the availability of resources, including health manpower and management personnel, for the provision of the services proposed to be provided.

C

The following table illustrates the projected staffing at the proposed facility, as reported by the applicants in Section VII.2, page 119.

| EMPLOYEE CATEGORY | # OF FULL TIME EQUIVALENT (FTE) POSITIONS |
|-------------------------------|---|
| Nurse Manager | 1.0 |
| OP Registered Nurse | 4.0 |
| OP Surgical Technologist | 4.0 |
| Patient Access Specialist | 2.0 |
| Sterile Processing Technician | 1.0 |
| TOTAL | 12.0 |

As shown in the table above, the applicant proposes a total of 12.0 FTE positions in Project Year Two. On page 120, the applicant states that, as an existing health care provider in Franklin County, it does not anticipate difficulty in recruiting staff.

Exhibit 4 contains a letter signed by Barbara Burggraaff, MD, which indicates her commitment to serve as Medical Director for the ASC. Exhibit 4 also contains Dr. Burggraaff's curriculum vitae.

The applicant adequately demonstrates the availability of sufficient health manpower and management personnel to provide the proposed surgical services. Therefore, the application is conforming to this criterion.

- (8) The applicant shall demonstrate that the provider of the proposed services will make available, or otherwise make arrangements for, the provision of the necessary ancillary and support services. The applicant shall also demonstrate that the proposed service will be coordinated with the existing health care system.

C

In Section II.2(b), page 10, the applicant states:

"SDSC Franklin will provide directly or through contract the following services including, but are [sic] not limited to, materials management, pathology/laboratory, laundry, patient access, IT (for business office), finance, accounts payable, biomedical engineering, plant engineering, mail courier, human resources, corporate education, anesthesia, pharmacy, supply distribution, infection control, translation services, patient education, and medical records. ... In this application, SDSC Franklin proposes to provide sterile processing services on site in the surgery center. SDSC Franklin patients will also be able to access pre-op and post-op lab services at NHFRMC, as well as at other providers of lab and imaging services in Franklin County and northern Wake County."

Exhibit 4 contains a letter dated November 13, 2013 from the President of Novant Health Franklin Medical Center which confirms that the hospital will provide laboratory, ED, pathology, imaging, and "other ancillary and support services" to the ASC. Exhibit 5 includes letters from area surgeons and physicians indicating their support for the proposed project. These letters also estimate the number of surgical procedures they expect to refer or perform at SDSC Franklin.

The applicant adequately demonstrates that all necessary ancillary and support services will be available and that the services will be coordinated with the existing health care system. Therefore, the application is conforming to this criterion.

- (9) An applicant proposing to provide a substantial portion of the project's services to individuals not residing in the health service area in which the project is located, or in adjacent health service areas, shall document the special needs and circumstances that warrant service to these individuals.

- (10) When applicable, the applicant shall show that the special needs of health maintenance organizations will be fulfilled by the project. Specifically, the applicant shall show that the project accommodates: (a) The needs of enrolled members and reasonably anticipated new members of the HMO for the health service to be provided by the organization; and (b) The availability of new health services from non-HMO providers or other HMOs in a reasonable and cost-effective manner which is consistent with the basic method of operation of the HMO. In assessing the availability of these health services from these providers, the applicant shall consider only whether the services from these providers: (i) would be available under a contract of at least 5 years duration; (ii) would be available and conveniently accessible through physicians and other health professionals associated with the HMO; (iii) would cost no more than if the services were provided by the HMO; and (iv) would be available in a manner which is administratively feasible to the HMO.

NA

- (11) Repealed effective July 1, 1987.
- (12) Applications involving construction shall demonstrate that the cost, design, and means of construction proposed represent the most reasonable alternative, and that the construction project will not unduly increase the costs of providing health services by the person proposing the construction project or the costs and charges to the public of providing health services by other persons, and that applicable energy saving features have been incorporated into the construction plans.

C

In Section XI.5, page 147, the applicant compares the square footage (SF) as proposed in 2009 in Project ID #K-8357-09 and in this application, as shown in the following table:

| AREA | SF PROPOSED IN K-8357-09 | SF PROPOSED IN PRESENT APPLICATION | TOTAL ESTIMATED SF FOR SDSC FRANKLIN WITH TWO ORS |
|-----------------------------|-----------------------------|--|---|
| Administration | 940 | 545 | 1,485 |
| Pre-Operative Area | 730 | 1,441 | 2,171 |
| Operating Rooms | 715 | 3,027 | 3,742 |
| Post-Operative Recover Area | 1,090 | 623 | 1,713 |
| Anesthesia | 195 | 4 | 199 |
| Support Space | 2,770 | -137 | 2,633 |
| Sterile Processing | 0 | 839 | 839 |
| Total Facility | 6,440 | 6,342 | 12,782 |

See Exhibit 8 for line drawings for the ASC.

In Section XI.6, page 148, the applicant estimates the following construction costs per square foot:

| ESTIMATED CONSTRUCTION COST PER SQUARE FOOT | | | |
|---|-----------------------|-------------------------------|--------------------------|
| | ESTIMATED SQUARE FEET | CONSTRUCTION COST/SQUARE FOOT | TOTAL COST / SQUARE FOOT |
| Total | 12,782 | \$311.00 | \$3,975,202 |

In Section III.4, pages 75 - 76, and Section XI.8, pages 149 - 150, the applicant discusses the project's plan to assure improved energy and water conservation. In Exhibit 12, the applicant provides a copy of SDSC Franklin's Sustainable Energy Management Plan. See Criterion (1) for discussion which is incorporated hereby as if set forth fully herein.

In Exhibit 12, the applicant provides a letter dated November 14, 2013, from an architect which confirms the increase in square footage, the cost per square foot and the site preparation costs for the ASC as proposed in this application. The costs identified by the architect in Exhibit 12 are consistent with the construction costs presented in Section VIII of the application.

The applicant adequately demonstrates that the cost, design and means of construction represent the most reasonable alternative for the project as proposed and that the proposed project will not unduly increase the costs and charges of providing health services. See Criterion (5) for discussion of costs and charges which is incorporated hereby as if set forth fully herein. The applicant adequately demonstrates that applicable energy saving features have been incorporated into the construction plans. Therefore, the application is conforming to this criterion.

- (13) The applicant shall demonstrate the contribution of the proposed service in meeting the health-related needs of the elderly and of members of medically underserved groups, such as medically indigent or low income persons, Medicaid and Medicare recipients, racial and ethnic minorities, women, and handicapped persons, which have traditionally experienced difficulties in obtaining equal access to the proposed services, particularly those needs identified in the State Health Plan as deserving of priority. For the purpose of determining the extent to which the proposed service will be accessible, the applicant shall show:
 - (a) The extent to which medically underserved populations currently use the applicant's existing services in comparison to the percentage of the population in the applicant's service area which is medically underserved;

C

SDSC Franklin was previously approved but does not yet exist. In Section VI.13, page 115, the applicant provides the CY 2012 payor mix for the hospital's surgical program, as illustrated in the table below.

| PAYOR | CASES AS % OF TOTAL CASES |
|--|---------------------------|
| Self Pay/ Indigent | 11.5% |
| Commercial Insurance | 2.63% |
| Medicare / Medicare Managed Care | 41.58% |
| Medicaid | 24.93% |
| Managed Care | 17.91% |
| Other (Work Comp and Other government) | 1.90% |
| Total | 100.0% |

The Division of Medical Assistance (DMA) maintains a website which offers information regarding the number of persons eligible for Medicaid assistance and estimates of the percentage of uninsured for each county in North Carolina. The following table illustrates those percentages for the proposed service area and statewide.

| | 2010 Total # of Medicaid Eligibles as % of Total Population * | 2010 Total # of Medicaid Eligibles Age 21 and older as % of Total Population * | 2008-2009 % Uninsured (Estimate by Cecil G. Sheps Center) * |
|-----------|--|---|--|
| Franklin | 17.5% | 7.4% | 19.7% |
| Wake | 9.82% | 3.4% | 18.4% |
| Nash | 19.8% | 8.6% | 19.7% |
| Vance | 30.4% | 13.4% | 22.8% |
| Statewide | 16.5% | 6.7% | 19.7% |

* More current data, particularly with regard to the estimated uninsured percentages, was not available.

The majority of Medicaid eligibles are children under the age of 21. They do not utilize the same health services at the same rates as older segments of the population, particularly the surgical services to be offered by SDSC Franklin.

Moreover, the number of persons eligible for Medicaid assistance may be greater than the number of Medicaid eligibles who actually utilize health services. The DMA website includes information regarding dental services which illustrates this point. For dental services only, DMA provides a comparison of the number of persons eligible for dental services with the number actually receiving services. The statewide percentage of persons eligible to receive dental services who actually received dental services was 48.6% for those age 20 and younger and 31.6% for those age 21 and older. Similar information is not provided on the website for other types of services covered by Medicaid. However, it is reasonable to assume that the percentage of those actually receiving other types of health services covered by Medicaid is less than the percentage that is eligible for those services.

The Office of State Budget & Management (OSBM) maintains a website which provides historical and projected population data for each county in North Carolina. In addition, data is available by age, race or gender. However, a direct comparison to

the hospital's current payor mix would be of little value. The population data by age, race or gender does not include information on the number of elderly, minorities or women utilizing health services. Furthermore, OSBM's website does not include information on the number of handicapped persons.

The applicant demonstrates that medically underserved populations currently have adequate access to outpatient surgery services available at the hospital. Therefore, the application is conforming to this criterion.

- (b) Its past performance in meeting its obligation, if any, under any applicable regulations requiring provision of uncompensated care, community service, or access by minorities and handicapped persons to programs receiving federal assistance, including the existence of any civil rights access complaints against the applicant;

C

Recipients of Hill-Burton funds were required to provide uncompensated care, community service and access by minorities and handicapped persons. In Section VI.11, page 114, the applicant states that the proposed ASC will have no federal obligation to provide uncompensated care, but will comply with all access requirements for Americans with Disabilities Act, as documented in the Charity Care policies included in Exhibit 7. In Section VI.2, page 102, the applicant states:

"It is the policy of all the Novant Health facilities and programs, including Same Day Surgery Center Franklin, to provide necessary services to all individuals without regard to race, creed, color, or handicap. Novant Health facilities and programs do not discriminate against the above-listed persons, regardless of their ability to pay."

In Section VI.10(a), page 113, in reference to patient civil rights complaints, the applicant states:

"A complaint was filed on July 11, 2007 alleging that Novant Health Charlotte Orthopaedic Hospital engaged in unlawful discrimination based on disability (hearing impaired) in violation of Section 504 of the Rehabilitation Act of 1973. Specifically, the complainant alleged he was denied access to a qualified sign language interpreter during two hospital stays in 2006."

In Section VI.10(b), page 114, the applicant states:

"The Office of Civil Rights completed its investigation in April 2010 and determined that Novant Health Charlotte Orthopaedic Hospital did not violate Section 504 of the Rehabilitation Act."

The application is conforming to this criterion.

- (c) That the elderly and the medically underserved groups identified in this subdivision will be served by the applicant's proposed services and the extent to which each of these groups is expected to utilize the proposed services; and

C

In Section VI.14, page 116, the applicant provides the projected payor mix for SDSC Franklin in Project Year Two (FFY 2018).

| PAYOR | PROJECTED CASES AS % OF TOTAL CASES |
|----------------------------------|---|
| Self Pay/ Indigent | 2.36% |
| Commercial Insurance | 3.05% |
| Medicare / Medicare Managed Care | 38.84% |
| Medicaid | 6.18% |
| Managed Care | 45.10% |
| Other | 4.47% |
| Total | 100.0% |

Exhibit 7 contains a copy of Novant Health Inc.'s Charity Care policies which the applicant states will be followed by SDSC Franklin.

The applicant demonstrates that medically underserved populations will have adequate access to the proposed services at SDSC Franklin. Therefore, the application is conforming to this criterion.

- (d) That the applicant offers a range of means by which a person will have access to its services. Examples of a range of means are outpatient services, admission by house staff, and admission by personal physicians.

C

In Section VI.9(a), page 112, the applicant states, *"Typically, patients will have access to the services at SDSC Franklin by physician referral to a surgeon with privileges at SDSC Franklin. Outpatient surgery services will be available to any person upon referral and a written order from a licensed physician."* The information provided is reasonable and credible and supports a finding of conformity with this criterion.

- (14) The applicant shall demonstrate that the proposed health services accommodate the clinical needs of health professional training programs in the area, as applicable.

C

In Section V.1(a), page 86, the applicant states that SDSC Franklin will provide clinical educational experiences to students of the following schools:

- Campbell University (Pharmaceutical Training)
- East Carolina University (Allied Health)
- Edgecombe Community College (Health Information Technology)
- Husson University (Physical Therapy)
- Nash Community College (EMS)
- Providence Training Institute (Phlebotomy)
- Richmond School of Health Technology (Health & Applied Sciences)
- St. Augustine University (Occupational Physician Therapy)
- Thomas Healthcare Institute (Phlebotomy & Lab Services)
- Vance Granville Community College (Nursing, Nursing Assistant, Pharmacy Technology, Phlebotomy, and Radiologic Technology)

The information provided is reasonable and credible and supports a finding of conformity with this criterion.

- (15) Repealed effective July 1, 1987.
- (16) Repealed effective July 1, 1987.
- (17) Repealed effective July 1, 1987.
- (18) Repealed effective July 1, 1987.

- (18a) The applicant shall demonstrate the expected effects of the proposed services on competition in the proposed service area, including how any enhanced competition will have a positive impact upon the cost effectiveness, quality, and access to the services proposed; and in the case of applications for services where competition between providers will not have a favorable impact on cost-effectiveness, quality, and access to the services proposed, the applicant shall demonstrate that its application is for a service on which competition will not have a favorable impact.

C

The applicant proposes to relocate one existing OR from the hospital in Louisburg to the previously approved SDSC Franklin in Youngsville. The proposed project does not result in an increase in the total number of facilities or ORs located in Franklin County.

According to the 2014 SMFP, Franklin County has a total of 4 existing and approved ORs, as shown in the table below.

| NUMBER OF OPERATING ROOMS BY TYPE | | | | | |
|--|----|----|--------|--------------------|-------|
| FACILITY | IP | OP | SHARED | CON ADJUSTMENTS | TOTAL |
| Novant Health Franklin Regional Medical Center | 0 | 0 | 3 | 0 | 3 |
| SDSC Franklin | 0 | 0 | 0 | 1 | 1 |
| Total | 0 | 0 | 3 | 1 | 4 |

In Section V.7, pages 93 - 101, the applicant discusses how any enhanced competition in the service area will have a positive impact on the cost-effectiveness, quality and access to outpatient surgical services for residents of the service area. See also Sections II, III, V, VI and VII in which the applicant discusses the impact of the project on cost-effectiveness, quality and access.

The information provided by the applicant in those sections is reasonable and credible and adequately demonstrates that any enhanced competition in the service area includes a positive impact on the cost-effectiveness, quality and access to the proposed services. This determination is based on the information in the application and the following analysis:

- The applicant adequately demonstrates the need to relocate one shared OR from the hospital to the previously approved SDSC Franklin, and that it is a cost-effective alternative;
- The applicant adequately demonstrates that it will continue to provide quality services; and
- The applicant demonstrates that it will continue to provide adequate access to medically underserved populations.

The application is conforming to this criterion.

- (19) Repealed effective July 1, 1987.
- (20) An applicant already involved in the provision of health services shall provide evidence that quality care has been provided in the past.

C

The applicant proposes to relocate one existing shared OR from the hospital to the previously approved SDSC. The hospital is accredited by the Joint Commission and certified for Medicare and Medicaid participation. According to the records in the Acute and Home Care Licensure and Certification Section of the Division of Health Service Regulation, no incidents have occurred at Novant Health Franklin Regional Medical Center within the eighteen months immediately preceding the date of this decision for which any sanctions or penalties related to

quality of care were imposed by the State. Therefore, the application is conforming to this criterion.

- (21) Repealed effective July 1, 1987.
- (b) The Department is authorized to adopt rules for the review of particular types of applications that will be used in addition to those criteria outlined in subsection (a) of this section and may vary according to the purpose for which a particular review is being conducted or the type of health service reviewed. No such rule adopted by the Department shall require an academic medical center teaching hospital, as defined by the State Medical Facilities Plan, to demonstrate that any facility or service at another hospital is being appropriately utilized in order for that academic medical center teaching hospital to be approved for the issuance of a certificate of need to develop any similar facility or service.

C

The Criteria and Standards for Surgical Services and Operating Rooms, promulgated in 10A NCAC 14C .2100, are applicable to this review. The specific criteria are discussed below.

SECTION .2100 – CRITERIA AND STANDARDS FOR SURGICAL SERVICES AND OPERATING ROOMS

.2102 INFORMATION REQUIRED OF APPLICANT

.2102(a) An applicant proposing to establish a new ambulatory surgical facility, to establish a new campus of an existing facility, to establish a new hospital, to convert a specialty ambulatory surgical program to a multispecialty ambulatory surgical program or to add a specialty to a specialty ambulatory surgical program shall identify each of the following specialty areas that will be provided in the facility:

- (1) gynecology;*
- (2) otolaryngology;*
- (3) plastic surgery;*
- (4) general surgery;*
- (5) ophthalmology;*
- (6) orthopedic;*
- (7) oral surgery; and*
- (8) other specialty area identified by the applicant.*

-NA- The applicant proposes to relocate one OR to the previously approved SDSC Franklin, a multispecialty ASC.

.2102(b) An applicant proposing to increase the number of operating rooms in a service area, to convert a specialty ambulatory surgical program to a

multispecialty ambulatory surgical program or to add a specialty to a specialty ambulatory surgical program shall provide the following information:

(1) the number and type of operating rooms in each licensed facility which the applicant or a related entity owns a controlling interest in and is located in the service area (separately identifying the number of dedicated open heart and dedicated C-Section rooms);

(2) the number and type of operating rooms to be located in each licensed facility which the applicant or a related entity owns a controlling interest in and is located in the service area after completion of the proposed project and all previously approved projects related to these facilities (separately identifying the number of dedicated open heart and dedicated C-Section rooms);

(3) The number of inpatient surgical cases, excluding trauma cases reported by Level I, II and III trauma centers, cases reported by designated burn intensive care units, and cases performed in dedicated open heart and dedicated C-Section rooms, and the number of outpatient surgical cases performed in the most recent 12 month period for which data is available, in the operating rooms in each licensed facility listed in response to Subparagraphs (b)(1) and(b)(2) of this Rule:

(4) The number of inpatient surgical cases, excluding trauma cases reported by Level I, II and III trauma centers, cases reported by designated burn intensive care units, and cases performed in dedicated open heart and dedicated C-Section rooms, and the number of outpatient surgical cases projected to be performed in each of the first three operating years of the proposed project, in each licensed facility listed in response to Subparagraphs (b)(1) and (b)(2) of this Rule;

(5) A detailed description of and documentation to support the assumptions and methodology used in the development of the projections required by this Rule;

(6) The hours of operation of the proposed operating rooms;

(7) If the applicant is an existing facility, the average reimbursement received per procedure for the 20 surgical procedures most commonly performed in the facility during the preceding 12 months and a list of all services and items included in the reimbursement;

(8) the projected average reimbursement to be received per procedure for the 20 surgical procedures which the applicant projects will be performed most often in the facility and a list of all services and items in the reimbursement; and

(9) identification of providers of pre-operative services and procedures which will not be included in the facility's charge.

-NA- The applicant's proposal does not increase the number of existing and approved ORs in Franklin County.

.2102(c) An applicant proposing to relocate existing or approved operating rooms within the same service area shall provide the following information:

(1) the number and type of existing and approved operating rooms in each facility in which the number of operating rooms will increase or decrease (separately identifying the number of dedicated open heart and dedicated C-Section rooms);

-C - On page 20, the applicant provides the number and type of ORs at the hospital and SDSC Franklin, as shown below:

| OPERATING ROOMS | EXISTING AND APPROVED OR CAPACITY | PROPOSED CHANGE | PROPOSED OR CAPACITY |
|---|-----------------------------------|-----------------|----------------------|
| SDSC FRANKLIN | | | |
| Ambulatory ORs | 1 | +1 | 2 |
| NOVANT HEALTH FRANKLIN MEDICAL CENTER | | | |
| Shared ORs | 3 | -1 | 2 |
| NOVANT HEALTH TOTAL OPERATING ROOMS IN FRANKLIN COUNTY | | | |
| Ambulatory Ors | 1 | +1 | 2 |
| Shared ORs | 3 | -1 | 2 |
| Total Operating Rooms | 4 | 0 | 4 |

(2) the number and type of operating rooms to be located in each affected facility after completion of the proposed project and all previously approved projects related to these facilities (separately identifying the number of dedicated open heart and dedicated C-Section rooms);

-C- In Section II.10, page 21, the applicant provides a copy of the same table reproduced above. In addition, the applicant states:

"SDSC Franklin is a CON-approved multi-specialty freestanding ambulatory surgical center in Franklin County with one approved operating room.... NHFRMC is a licensed acute care hospital with three shared inpatient/outpatient operating rooms. Both SDSC Franklin in

Youngsville and Franklin Medical Center ('NHFRMC') in Louisburg are owned by Novant Health."

(3) the number of inpatient surgical cases, excluding trauma cases reported by Level I, II, or III trauma centers, cases reported by designated burn intensive care units, and cases performed in dedicated open heart and dedicated C-section rooms, and the number of outpatient surgical cases performed in the most recent 12 month period for which data is available, in the operating rooms in each facility listed in response to Subparagraphs (c)(1) and (c)(2) of this Rule;

-C- In Section II, page 22, the applicant provides the number of inpatient surgical cases and outpatient surgical cases performed in the most recent 12 month period (October 1, 2012 to September 30, 2013) at the hospital, as shown below:

| SURGICAL CASES (UNWEIGHTED) | |
|-----------------------------|-----|
| Inpatient | 109 |
| Outpatient / Ambulatory | 816 |
| Total Surgical Cases | 925 |

(4) the number of inpatient surgical cases, excluding trauma cases reported by level I, II, or III trauma centers, cases reported by designated burn intensive care units and cases performed in dedicated open heart and dedicated C-section rooms, and the number of outpatient surgical cases projected to be performed in each of the first three operating years of the proposed project, in each facility listed in response to Subparagraphs (c)(1) and (c)(2) of this Rule;

-C- In Section II, page 22, the applicant provides the number of surgical cases projected to be performed in each of the first three operating years of the proposed project at SDSC Franklin and the hospital, as shown below:

Same Day Surgery Center Franklin

| | PY 1 | PY 2 | PY 3 |
|---------------------|-------|-------|-------|
| Unweighted OP Cases | 1,022 | 1,346 | 1,644 |

Novant Health Franklin Regional Medical Center

| | PY 1 | PY 2 | PY 3 |
|----------------------|-------|-------|-------|
| Unweighted IP Cases* | 153 | 167 | 181 |
| Unweighted OP Cases* | 987 | 1,057 | 1,158 |
| Total | 1,140 | 1,161 | 1,339 |

***In the application, it is clear that the labels in the first two rows of the left column are "reversed."**

(5) a detailed description of and documentation to support the assumptions and methodology used in the development of the projections required by this Rule;

- C- See Section III, pages 43 – 69, and the tables provided in Exhibit 3 for the assumptions and methodology used in the development of the projections required by this Rule. See also Criterion (3) for discussion regarding utilization which is incorporated hereby as if set forth fully herein.

(6) the hours of operation of the facility to be expanded;

- C- In Section II.10, page 24, the applicant states that the hours of operation in Project Year One will be 6:00 AM to 3:00 PM, Monday through Friday. In Project Year Two, the hours of operation will be from 6:00 AM to 4:00 PM Monday through Friday. In Project Year Three, the hours of operation will be 6:00 AM to 5:00 PM, Monday through Friday.

(7) the average reimbursement received per procedure for the 20 surgical procedures most commonly performed in each affected facility during the preceding 12 months and a list of all services and items included in the reimbursement;

- C- See Section II.10, pages 24 – 25, for the 20 inpatient surgical procedures most commonly performed at the hospital. The applicant states that reimbursement includes the facility fee and the charges for the inpatient stay. Furthermore, the applicant states the reimbursement rates typically include OR time charges, recovery room time charges, pharmaceuticals, room charges, ER and implants, if applicable. On pages 25 – 26, the applicant provides the same information for the 20 outpatient surgical procedures most commonly performed at the hospital.

(8) the projected average reimbursement to be received per procedure for the 20 surgical procedures which the applicant projects will be performed most often in the facility to be expanded and a list of all services and items included in the reimbursement; and

- C- In Section II.10, page 26, the applicant provides the projected average reimbursement to be received per procedure for the 20 surgical procedures projected to be performed most often at SDSC Franklin.

9) identification of providers of pre-operative services and procedures which will not be included in the facility's charge.

- C- In Section II.10, page 27, the applicant states the pre-operative fees and procedures which will not be covered in the facility charge include per-

operative and post-operative anesthesia services, laboratory services, and radiology and pathology services. The separately covered fees will be billed to the patient by the provider of the service.

.2102(d) *An applicant proposing to establish a new single specialty separately licensed ambulatory surgical facility pursuant to the demonstration project in the 2010 State Medical Facilities Plan shall provide:*

(1) the single surgical specialty area in which procedures will be performed in the proposed ambulatory surgical facility;

(2) a description of the ownership interests of physicians in the proposed ambulatory surgical facility;

(3) a commitment that the Medicare allowable amount for self pay and Medicaid surgical cases minus all revenue collected from self-pay and Medicaid surgical cases shall be at least seven percent of the total revenue collected for all surgical cases performed in the proposed facility;

(4) for each of the first three full fiscal years of operation, the projected number of self-pay surgical cases;

(5) for each of the first three full fiscal years of operation, the projected number of Medicaid surgical cases;

(6) for each of the first three full fiscal years of operation, the total projected Medicare allowable amount for the self pay surgical cases to be served in the proposed facility, i.e. provide the projected Medicare allowable amount per self-pay surgical case and multiply that amount by the projected number of self pay surgical cases;

(7) for each of the first three full fiscal years of operation, the total projected Medicare allowable amount for the Medicaid surgical cases to be served in the facility, i.e. provide the projected Medicare allowable amount per Medicaid surgical case and multiply that amount by the projected number of Medicaid surgical cases;

(8) for each of the first three full fiscal years of operation, the projected revenue to be collected from the projected number of self-pay surgical cases;

(9) for each of the first three full fiscal years of operation, the projected revenue to be collected from the projected number of Medicaid surgical cases;

(10) for each of the first three full fiscal years of operation, the projected total revenue to be collected for all surgical cases performed in the proposed facility;

(11) a commitment to report utilization and payment data for services provided in the proposed ambulatory surgical facility to the statewide data processor, as required by G.S. 131E-214.2;

(12) a description of the system the proposed ambulatory surgical facility will use to measure and report patient outcomes for the purpose of monitoring the quality of care provided in the facility;

(13) descriptions of currently available patient outcome measures for the surgical specialty to be provided in the proposed facility, if any exist;

(14) if patient outcome measures are not currently available for the surgical specialty area, the applicant shall develop its own patient outcome measures to be used for monitoring and reporting the quality of care provided in the proposed facility, and shall provide in its application a description of the measures it developed;

(15) a description of the system the proposed ambulatory surgical facility will use to enhance communication and ease data collection, e.g. electronic medical records;

(16) a description of the proposed ambulatory surgical facility's open access policy for physicians, if one is proposed;

(17) a commitment to provide to the Agency annual reports at the end of each of the first five full years of operation regarding:

(A) patient payment data submitted to the statewide data processor as required by G.S. 131E-214.2;

(B) patient outcome results for each of the applicant's patient outcome measures;

(C) the extent to which the physicians owning the proposed facility maintained their hospital staff privileges and provided Emergency Department coverage, e.g. number of nights each physician is on call at a hospital; and

(D) the extent to which the facility is operating in compliance with the representations the applicant made in its application relative to the single specialty ambulatory surgical facility demonstration project in the 2010 State Medical Facilities Plan.

- NA- The applicant does not propose to establish a new single specialty separately licensed ambulatory surgical facility pursuant to the demonstration project in the 2010 State Medical Facilities Plan.

.2103 PERFORMANCE STANDARDS

- .2103(a) *In projecting utilization, the operating rooms shall be considered to be available for use five days per week and 52 weeks per year.*

- C- In Section II.10, page 29, the applicant states that SDSC Franklin will be available for use at least five days per week and 52 weeks per year.

- .2103(b) *A proposal to establish a new ambulatory surgical facility, to establish a new campus of an existing facility, to establish a new hospital, to increase the number of operating rooms in an existing facility (excluding dedicated C-section operating rooms), to convert a specialty ambulatory surgical program to a multispecialty ambulatory surgical program or to add a specialty to a specialty ambulatory surgical program shall:*

(1) demonstrate the need for the number of proposed operating rooms in the facility, which is proposed to be developed or expanded, in the third operating year of the project is based on the following formula: $\{[(\text{Number of facility projected inpatient cases, excluding trauma cases reported by Level I or II trauma centers, cases reported by designated burn intensive care units and cases performed in dedicated open heart and C-Section rooms, times 3.0 hours}) \text{ plus } (\text{Number of facilities projected outpatient cases times 1.5 hours}) \text{ plus } (\text{Number of facility's projected outpatient cases times 1.5 hours})] \text{ divided by } 1,872 \text{ hours}\}$ minus the facility's total number of existing and approved operating rooms and operating rooms proposed in another pending application, excluding one operating room for level I or II trauma centers, one operating room for facilities with designated burn intensive care units, and all dedicated open heart and C-section operating rooms or demonstrate conformance of the proposed project to Policy AC-3 in the State Medical Facilities Plan titled "Exemption From Plan Provisions for Certain Academic Medical Center Teaching Hospital Projects;" and

(2) The number of rooms needed is determined as follows:

(A) in a service area which has more than 10 operating rooms, if the difference is a positive number greater than or equal to 0.5, then the need is the next highest whole number for fractions of 0.5 or greater and the next lowest whole number for fractions less than 0.5; and if the difference is a negative number less than 0.5, then the need is zero;

(B) in a service area which has 6 to 10 operating rooms, if the difference is a positive number greater than or equal to 0.3, then the need is the next highest whole number for fractions of 0.3 or greater and the next lowest whole number for fractions less than 0.3, and if the difference is a negative number or a positive number less than 0.3, the need is zero; and

(C) in a service area which has five or fewer operating rooms, if the difference is a positive number greater than or equal to 0.2, then the need is the next highest whole number for fractions of 0.2 or greater and the next lowest whole number for fractions of less than 0.2; and the difference is a negative number or a positive number less than 0.2, the need is zero; or

-NA- The applicant proposes to relocate an existing shared OR from the hospital in Louisburg to the previously approved SDSC Franklin in Youngsville. The applicant does not propose to increase the number of ORs in an existing facility, since SDSC Franklin does not yet exist.

.2103(c) *A proposal to increase the number of operating rooms (excluding dedicated C-Sections operating rooms) in a service area shall:*

(1) demonstrate the need for the number of proposed operating rooms in addition to the rooms in all of the licensed facilities identified in response to 10A NCAC 14C .2102(b)(2) in the third operating year of the proposed project based on the following formula: {[(Number of projected inpatient cases for all the applicant's or related entities' facilities, excluding trauma cases report by Level I or II trauma centers, cases reported by designated burn intensive care units and cases performed in dedicated open heart and C-section rooms, times 3.0 hours) plus (Number of projected outpatient cases for all the applicant's or related entities' times 1.5 hours)] divided by 1,872 hours} minus the total number of existing and approved operating rooms and operating rooms proposed in another pending application, excluding one operating room for Level I or II trauma centers, one operating room for facilities with designated burn intensive care units, and all dedicated open heart and C-section operating rooms in all of the applicant's or related entities' licensed facilities in the service area; and

(2) The number of rooms needed is determined as follows:

(A) in a service area which has more than 10 operating rooms, if the difference is a positive number greater than or equal to 0.5, then the need is the next highest whole number for fractions of 0.5 or greater and the next lowest whole number for fractions less than 0.5; and if the

difference is a negative number or a positive number less than 0.5, the need is zero;

(B) in a service area which has 6 to 10 operating rooms, if the difference is a positive number greater than or equal to 0.3, then the need is the next highest whole number for fractions of 0.3 or greater and the next lowest whole number for fractions less than 0.3, and if the difference is a negative number or a positive number less than 0.3, the need is zero; and

(C) in a service area which has five or fewer operating rooms, if the difference is a positive number greater than or equal to 0.2, then the need is the next highest whole number for fractions of 0.2 or greater and the next lowest whole number for fractions of less than 0.2; and if the difference is a negative number or a positive number less than 0.2, the need is zero.

- NA- The applicant does not propose to increase the number of ORs in Franklin County.
- .2103(d) *An applicant that has one or more existing or approved dedicated C-section operating rooms and is proposing to develop an additional dedicated C-section operating room in the same facility shall demonstrate that an average of at least 365 C-sections per room were performed in the facility's existing dedicated C-section operating rooms in the previous 12 months and are projected to be performed in the facility's existing, approved and proposed dedicated C-section rooms during the third year of operation following completion of the project.*
- NA- The applicant does not have a dedicated C-section OR and does not propose to develop a dedicated C-section OR.
- .2103(e) *An applicant proposing to convert a specialty ambulatory surgical program to a multispecialty ambulatory surgical program or to add a specialty to a specialty ambulatory surgical program shall:*
- (1) provide documentation to show that each existing ambulatory surgery program in the service area that performs ambulatory surgery in the same specialty area as proposed in the application is currently utilized an average of at least 1,872 hours per operating room per year, excluding dedicated open heart and C-Section operating rooms. The hours utilized per operating room shall be calculated as follows: [(Number of projected inpatient cases, excluding open heart and C-sections performed in dedicated rooms times 3.0 hours) plus (Number of projected outpatient cases times 1.5 hours)] divided*

by the number of operating rooms, excluding dedicated open heart and C-Section operating rooms; and

(2) demonstrate the need in the third operating year of the project based on the following formula: [Total number of projected outpatient cases for all ambulatory surgery programs in the service area times 1.5 hours) divided by 1,872 hours] minus the total number of existing, approved and proposed outpatient or ambulatory surgical operating rooms and shared operating rooms in the service area. The need for the conversion is demonstrated if the difference is a positive number greater than or equal to one, after the number is rounded to the next highest number for fractions of 0.50 or greater.

-NA- The applicant does not propose to convert a specialty ambulatory surgical program to a multispecialty ambulatory surgical program.

.2103(f) *The applicant shall document the assumptions and provide data supporting the methodology used for each projection in this Rule.*

-NA- There are no projections required in this Rule that are applicable to SDSC Franklin. Nevertheless, in Section III, the applicant provides a description of the assumptions and methodology used in the development of the projections provided in this application. See Criterion (3) for discussion of projected utilization which is incorporated hereby as if set forth fully herein.

.2104 SUPPORT SERVICES

.2104(a) *An applicant proposing to establish a new ambulatory surgical facility, a new campus of an existing facility, or a new hospital shall provide copies of the written policies and procedures that will be used by the proposed facility for patient referral, transfer, and follow-up.*

-NA- The applicant does not propose to establish a new ASC, a new campus of an existing facility or a new hospital.

.2104(b) *An applicant proposing to establish a new ambulatory surgical facility, a new campus of an existing facility, or a new hospital shall provide documentation showing the proximity of the proposed facility to the following services:*
(1) emergency services;
(2) support services;
(3) ancillary services; and
(4) public transportation.

-NA- The applicant does not propose to establish a new ASC, a new campus of an existing facility or a new hospital.

.2105 STAFFING AND STAFF TRAINING

.2105(a) *An applicant proposing to establish a new ambulatory surgical facility, to establish a new campus of an existing facility, to establish a new hospital, to increase the number of operating rooms in a facility, to convert a specialty ambulatory surgical program to a multispecialty ambulatory surgical program or to add a specialty to a specialty ambulatory surgical program shall identify, justify and document the availability of the number of current and proposed staff to be utilized in the following areas:*

- (1) *administration;*
- (2) *pre-operative;*
- (3) *post-operative;*
- (4) *operating room; and*
- (5) *other.*

-C- The applicant provides the proposed staffing for the previously approved SDSC Franklin in Section VII.2, page 119, in each area listed above.

.2105(b) *The applicant shall identify the number of physicians who currently utilize the facility and estimate the number of physicians expected to utilize the facility and the criteria to be used by the facility in extending surgical and anesthesia privileges to medical personnel.*

-C- SDSC Franklin, although previously approved, is not an existing facility and therefore has no physicians who currently use the facility. However, on page 36, the applicant provides the number of physicians expected to utilize the ASC: 9 surgeons, 1 – 2 anesthesiologists, 1 – 5 radiologists, and 1 pathologist. On page 37, the applicant describes the criteria to be used to extend privileges. See Exhibit 4 for the medical staff bylaws.

.2105(c) *The applicant shall provide documentation that physicians with privileges to practice in the facility will be active members in good standing at a general acute care hospital within the service area in which the facility is, or will be, located or documentation of contacts the applicant made with hospitals in the service area in an effort to establish staff privileges.*

-C- In Section II.10, page 36, the applicant states several surgeons who have expressed support for the facility are currently credentialed at the hospital. Other physicians and surgeons are members in good standing at other hospitals located in Wake County, such as Rex, WakeMed and Duke Health Raleigh Hospital.

.2105(d) *The applicant shall provide documentation that physicians owning the proposed single specialty demonstration facility will meet Emergency Department coverage responsibilities in at least one hospital within the*

service area, or documentation of contacts the applicant made with hospitals in the service area in an effort to commit its physicians to assume Emergency Department coverage responsibilities.

- NA- The applicant does not propose to establish a new single specialty separately licensed ambulatory surgical facility.

.2106 FACILITY

.2106(a) *An applicant proposing to establish a licensed ambulatory surgical facility that will be physically located in a physician's or dentist's office or within a general acute care hospital shall demonstrate that reporting and accounting mechanisms exist and can be used to confirm that the licensed ambulatory surgery facility is a separately identifiable entity physically and administratively, and is financially independent and distinct from other operations of the facility in which it is located.*

- NA- The applicant does not propose to establish a licensed ambulatory surgical facility that will be physically located in a physician's or dentist's office or within a general acute care hospital.

.2106(b) *An applicant proposing a licensed ambulatory surgical facility or a new hospital shall receive accreditation from the Joint Commission for the Accreditation of Healthcare Organizations, the Accreditation Association for Ambulatory Health Care or a comparable accreditation authority within two years of completion of the facility.*

- C- The applicant states that it will seek accreditation from an appropriate accreditation authority within two years of completion of the facility. See the letter in Exhibit 4 which documents a commitment to meet this requirement.

.2106(c) *All applicants shall document that the physical environment of the facility to be developed or expanded conforms to the requirements of federal, state, and local regulatory bodies.*

- C- In Section II.10, page 38, the applicant states, "See the letter from Laura McFadden, which documents that the physical environment of SDSC Franklin will be developed to conform to the requirements of federal, state, and local regulatory bodies. Exhibit 4 contains a letter from Laura McFadden which verifies compliance with the standards as required above.

.2106(d) *An applicant proposing to establish a new ambulatory surgical facility, a new campus of an existing facility or a new hospital shall provide a floor plan of the proposed facility identifying the following areas:*
(1) *receiving/registering area;*

- (2) *waiting area;*
- (3) *pre-operative area;*
- (4) *operating room by type;*
- (5) *recovery area; and*
- (6) *observation area.*

-NA- The applicant does not propose to establish a new ASC, a new campus of an existing facility or a new hospital.

.2106(e) *An applicant proposing to expand by converting a specialty ambulatory surgical program to a multispecialty ambulatory surgical program or by adding a specialty to a specialty ambulatory surgical program that does not propose to add physical space to the existing ambulatory surgical facility shall demonstrate the capability of the existing ambulatory surgical program to provide the following for each additional specialty area:*

- (1) *physicians;*
- (2) *ancillary services;*
- (3) *support services;*
- (4) *medical equipment;*
- (5) *surgical equipment;*
- (6) *receiving/registering area;*
- (7) *clinical support areas;*
- (8) *medical records;*
- (9) *waiting area;*
- (10) *pre-operative area;*
- (11) *operating rooms by type;*
- (12) *recovery area; and*
- (13) *observation area.*

-NA- The applicant does not propose to expand by converting a specialty ambulatory surgical program to a multispecialty ambulatory surgical program or by adding a specialty to a specialty ambulatory surgical program.

November 15, 2013
CON Application
Same Day Surgery Center Franklin
CON Project I.D. # K-10229-13

Selected CON Application
Pages and Exhibits

ambulatory surgery centers represented 16% of total surgery and outpatient surgery cases performed in hospital based outpatient surgery centers represented 54% of total surgery in FFY 2012.

SDSC Franklin Service Area

The SDSC Franklin Service Area includes 10 zip codes in four counties, Franklin, Nash, Vance, and Wake.

SDSC Franklin Service Area
Zip Codes

| Zip | Town | County |
|-------|-------------|----------------|
| 27508 | Bunn | Franklin |
| 27525 | Franklinton | Franklin |
| 27549 | Louisburg | Franklin |
| 27596 | Youngsville | Franklin |
| 27816 | Castalia | Franklin |
| 27882 | Spring Hope | Nash/Franklin |
| 27544 | Kittrell | Vance/Franklin |
| 27597 | Zebulon | Wake/Franklin |
| 27587 | Wake Forest | Wake/Granville |
| 27571 | Rolesville | Wake |

Note: While some zip codes do overlap counties the county listed in the above table contains the larger population base and the zip code therefore is considered part of that county for purposes of identifying the population to be served. This determination was made by the US Census Bureau and was utilized to define zip codes by county. A second county may be listed to illustrate the overlap.

As shown in the previous table eight of the ten zip codes are located in whole or in part in Franklin County. The remaining two zip codes are in northern Wake County adjacent to Franklin County. The SDSC Franklin Service Area in the 2009 approved CON Application consisted of Franklin County with in-migration from northern Wake County.

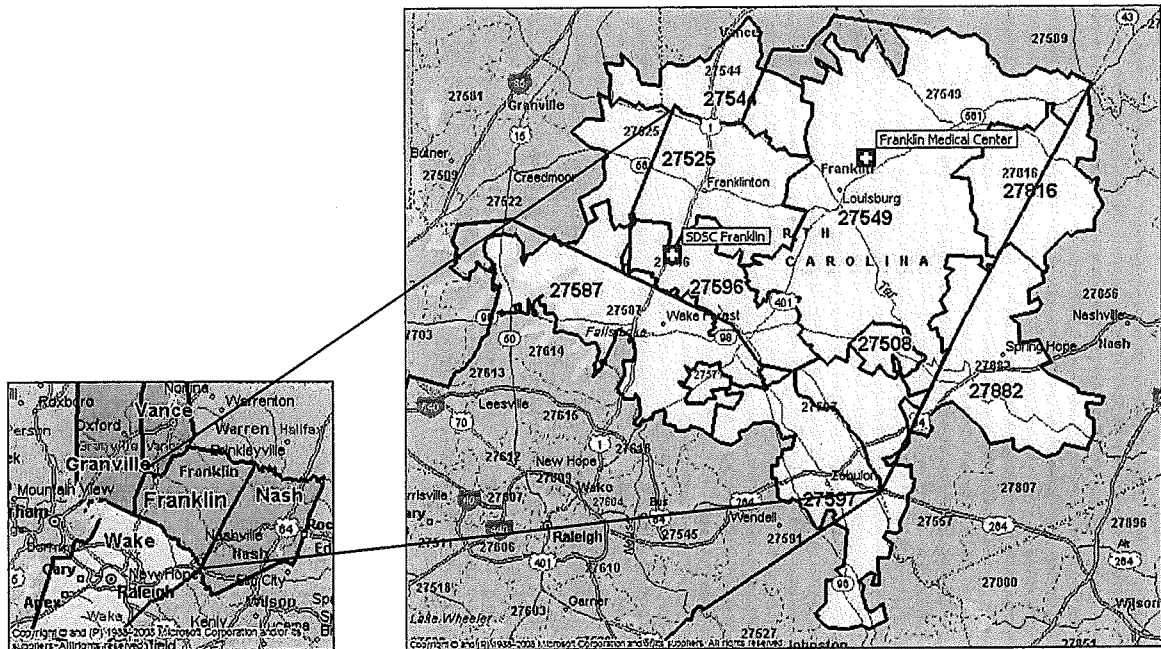
To define the Service Area to be served by the expanded SDSC Franklin, the applicant reviewed the previously defined SDSC Franklin Service Area, the NHFRMC Service Area, and patient origin for the Novant Health Medical Group (NHMG) Triangle Region physician practices in Franklin and northern Wake County. Since 2009, NHMG practices in the Triangle have expanded and have additional physicians and a larger patient base in Wake Forest and Rolesville in northern Wake County.

Historical zip code level patient origin data for NHFRMC in Franklin County and NHMG Triangle Region physician practices in Franklin County and in Wake Forest and Rolesville, in northern Wake County is included in Exhibit 3, Table 11 through Table 14 and reflects a substantial population served from northern Wake County as well as Franklin County. In addition, SDSC Franklin considered the higher population growth in southern Franklin County and Wake Forest, and the lack of any health care facilities in southern part of Franklin

County in determining the service area. Finally, SDSC Franklin considered the lack of any freestanding separately licensed ambulatory surgical facility in northern Wake County in determining the defined SDSC Franklin Service Area.

These ten zip codes represented 58.9% of total patient origin for NHFRMC outpatient surgical services in FFY 2013. Zip codes located adjacent to northern Franklin County in Vance and Warren Counties and other areas north and west of NHFRMC made up the remaining 41.1% of the zip codes served by NHFRMC outpatient surgical services in FFY 2013 as reflected in Exhibit 3, Table 11. These ten zip codes represented almost 80% of the patient origin for the NHMG practices in Franklin and northern Wake Counties, with over 30% coming from northern Wake County, as reflected in Exhibit 3, Table 14. As a result, the two zip codes in northern Wake County were included in the SDSC Franklin Service Area. The SDSC Franklin Service Area is illustrated in the following map.

SDSC Franklin Service Area



The 10 zip codes that make up the SDSC Franklin Service Area are located in four counties, Franklin, Nash, Vance and Wake. Note that the zip codes from Nash and Vance Counties overlap into Franklin County and that one Wake County zip code (Zebulon) also overlaps into Franklin County. In addition, the Wake Forest zip code in Wake County is very wide and overlaps into Granville County as does one Franklin County zip code. Each zip code is considered to be in the county identified for the zip code by the US Census Bureau.

Need for a Second Ambulatory Surgical Operating Room at SDSC Franklin

The proposed project will add a second operating room to an approved multispecialty ambulatory surgery center with one operating room in Youngsville, North Carolina in

- Princeton Manor, 43 lots of an acre or more in Youngsville, priced from \$375,000.³⁴
- Ridgemont, 51 lots of an acre or more in Franklinton, priced from \$275,000.³⁵
- Hidden Lake, 124 home sites in Youngsville from one to six acres, home sites priced from the \$200,000s and custom homes starting from the upper \$900,000s.³⁶

As evidenced in the previous information, most of the growth in Franklin County is in Youngsville and southern Franklin County.

Improved Access to Outpatient Surgical Services for Franklin County Residents Will Result in Decreased Out-migration

The following table shows market share for outpatient surgical services for residents of Franklin County from 2010 through 2012. The data illustrates the growth in NHFRMC's market share of outpatient surgical volume but also illustrates that over 85% of Franklin County residents left the county for outpatient surgery in 2012.

Franklin County Outpatient Surgical Market Share

| Surgical Facility | FFY 2010 | FFY 2011 | FFY 2012 |
|--|----------|----------|----------|
| Novant Health Franklin Medical Center | 9.6% | 9.0% | 13.6% |
| Rex Hospital | 24.3% | 25.7% | 22.6% |
| WakeMed | 19.1% | 18.5% | 20.6% |
| Duke Health Raleigh Hospital | 17.3% | 16.2% | 14.5% |
| Blue Ridge Surgery Center (Freestanding) | 7.3% | 7.8% | 7.0% |
| Duke University Hospital | 5.8% | 4.9% | 6.4% |
| University of North Carolina Hospitals | 2.9% | 3.0% | 3.5% |
| All Other Freestanding | 3.4% | 3.8% | 4.0% |
| All Other Hospital | 10.3% | 10.9% | 7.7% |
| Total | 100% | 100% | 100% |

Source: Exhibit 3, Table 15

NHFRMC's share of outpatient surgical cases for Franklin County residents has increased from 9.6% in FFY 2010 to 13.6% in FFY 2012. Of note in the previous table, is the fact that only 14.7% of all outpatient surgery performed on Franklin County residents was performed in a freestanding ambulatory surgery center. This is less than the state average of 22.9%. In FFY 2012 nearly 70% of all surgery³⁷ performed in North Carolina was done on an outpatient basis and cases performed in separately licensed freestanding ambulatory surgery centers represented 22.9% of outpatient surgery.

³⁴ <http://www.ap-realtors.com/PrincetonManor/tabid/2069/Default.aspx>

³⁵ <http://www.ap-realtors.com/Ridgemont/tabid/2070/Default.aspx>

³⁶ <http://www.hiddenlake-crescent.com/>

³⁷ Patient origin data from 2013 annual LRAs for all NC hospitals and freestanding ambulatory surgery centers utilized to calculate this percentage; data does not include GI endoscopy cases performed in GI endoscopy rooms.

SDSC Franklin will provide choice and opportunity for residents of Youngsville and southern Franklin County allowing them to remain in Franklin County for outpatient surgical services in a freestanding ambulatory surgery center. In addition, SDSC Franklin will provide choice and opportunity for all residents of the SDSC Franklin Service Area allowing them to receive outpatient surgical services in a freestanding, separately licensed, lower cost ambulatory surgery facility. SDSC Franklin will reduce the out-migration of Franklin County residents as evidenced by the letters of support in Exhibit 5 from surgeons. Working with area surgeons, SDSC Franklin will provide Franklin County residents the choice of locally-accessible, high quality, and cost-effective, outpatient ambulatory surgery in a comfortable and convenient location close to home.

Franklin County and North Carolina Surgical Use Rate Comparison

The following table compares the outpatient surgical use rate use rate per 1,000 population³⁸ for Franklin County to the North Carolina outpatient surgical use rate. This data represents total outpatient surgical cases performed on residents of Franklin County in all licensed surgical facilities in North Carolina as reported in the annual *State Medical Facilities Plan* and in annual Licensure Renewal Applications submitted by hospital surgical programs and freestanding licensed ambulatory surgical facilities.

**Franklin County
Outpatient Surgical Use Rate**

| County | 2009 | 2010 | 2011 | 2012 | 4Yr Avg |
|---------------------------------------|-----------|-----------|-----------|-----------|---------|
| Franklin County | | | | | |
| Outpatient Cases | 3,611 | 3,675 | 3,637 | 3,594 | |
| Population | 59,502 | 60,813 | 61,603 | 61,633 | |
| Use Rate | 60.69 | 60.43 | 59.04 | 58.31 | 59.62 |
| North Carolina | | | | | |
| Total North Carolina Outpatient Cases | 661,556 | 663,772 | 659,512 | 651,016 | |
| Population | 9,435,396 | 9,574,477 | 9,666,068 | 9,765,229 | |
| Use Rate | 70.11 | 69.33 | 68.23 | 66.67 | 68.58 |

Source: Exhibit 3, Table 6

As shown in the previous table, the outpatient surgical use rate for North Carolina is considerably greater than the Franklin County rate. Lack of surgeons and lack of surgical choices in the county probably explain part of the difference.

Freestanding vs. Hospital Based Ambulatory Surgery Centers

Ambulatory surgery in a freestanding licensed ambulatory surgery center is generally less expensive than hospital based surgery. This is true for a number of reasons, including lower

³⁸The NC surgical use rates are estimated using total surgery performed in North Carolina hospitals and ambulatory surgical centers from the annual SMFP with volume from underutilized facilities added to the total in SMFP Table 6A. They are not adjusted for in-migration to North Carolina or out-migration from North Carolina, or for procedures done in unlicensed facilities.

The previous table calculates total outpatient surgical volume for each of the ten zip codes in the SDSC Franklin Service Area.

Step 3: Market Share Assumptions

The impact of new surgeons in Franklin County and the new SDSC Franklin will decrease surgery out-migration from Franklin County and increase the market share for Novant Health in Franklin County and in the SDSC Franklin Service Area. To determine future Novant Health market share by zip code in the SDSC Franklin Service Area, the applicant considered many variables which will impact the utilization of SDSC Franklin, including the following.

- NHFRMC in Louisburg is the only existing provider of surgical services in Franklin County. Currently, there is no ambulatory surgery center in Louisburg, Youngsville, or other areas of Franklin County.
- There is no freestanding, separately licensed ambulatory surgery center in northern Wake County.
- Over 85% of the residents of Franklin County who need outpatient surgical care out-migrate to Wake, Durham, and other counties for ambulatory surgery services.
- The proposed location for SDSC Franklin in Youngsville is in the most populous and fastest growing zip code in Franklin County.
- The SDSC Franklin Service Area population is projected to grow 7.2% from 2013 through 2018, at a compound annual growth rate (CAGR) of 1.4% during that five-year period.
- Included in Exhibit 5 are letters of support from surgeons and primary care referring physicians. In addition, NHFRMC is in negotiation to bring 2.5 FTE additional general surgeons to practice in Franklin County. Novant Health does not foresee difficulty recruiting additional surgeons to utilize the proposed ambulatory surgical facility.
- SDSC Franklin will be a multispecialty freestanding ambulatory surgery center, wholly owned by Novant Health, and will be locally-accessible, high quality, and cost-effective, in a comfortable and convenient location close to the homes of all residents of Franklin County.
- NHMG-Triangle includes physicians practicing in Franklin County and the northern Wake County communities of Wake Forest and is considering development of a satellite office in Youngsville. This NHMG presence in the Triangle reflects the ability of NHMG to recruit and retain physicians in the Triangle market. When the NHMG-Triangle physicians practicing in Durham County are considered, the NHMG-Triangle footprint is 29 physicians and 5 mid-level providers in 9 physician office locations. Furthermore, NHMG is well known in North Carolina for outstanding physician services, emphasis on quality care and services that help physicians enhance and improve operational efficiencies, such as the recent successful installation and adoption of the EPIC Dimensions Electronic Health Record and Practice Management System throughout the entire Novant Health Medical Group. Letters of support for SDSC Franklin from NHMG-Triangle and independent referring physicians are included in Exhibit 5.

11/15/2013 SDSC Franklin CON Application Exhibit # 3

Table 15. Franklin County Historical Outpatient Market Share

| 2009 | | | 2010 | | | 2011 | | | 2012 | | |
|--|-------|-----------|---|-------|-----------|---|-------|-----------|---|-------|-----------|
| Surgical Facility | Cases | Mkt Share | Surgical Facility | Cases | Mkt Share | Surgical Facility | Cases | Mkt Share | Surgical Facility | Cases | Mkt Share |
| Rex Hospital | 816 | 22.6% | Rex Hospital | 894 | 24.3% | Rex Hospital | 945 | 25.7% | Rex Hospital | 813 | 22.6% |
| Duke Health Raleigh Hospital | 473 | 13.1% | WakeMed | 703 | 19.1% | WakeMed | 674 | 18.5% | WakeMed | 741 | 20.6% |
| WakeMed | 435 | 12.0% | Duke Health Raleigh Hospital | 636 | 17.3% | Duke Health Raleigh Hospital | 589 | 16.2% | Duke Health Raleigh Hospital | 520 | 14.5% |
| Novant Health Franklin Medical Center | 359 | 10.2% | Novant Health Franklin Medical Center | 351 | 9.5% | Novant Health Franklin Medical Center | 328 | 9.0% | Novant Health Franklin Medical Center | 490 | 13.6% |
| Novant Health Franklin Medical Center | 359 | 10.2% | WakeMed-Blue Ridge Surgery Center | 259 | 7.2% | WakeMed-Blue Ridge Surgery Center | 284 | 7.8% | Blue Ridge Surgery Center | 251 | 7.0% |
| Blue Ridge | 282 | 7.8% | Duke University Hospital | 213 | 5.8% | Duke University Hospital | 180 | 4.9% | Duke University Hospital | 125 | 3.5% |
| Duke University Hospital | 181 | 5.0% | University of North Carolina Hospitals | 107 | 2.9% | University of North Carolina Hospitals | 110 | 3.0% | University of North Carolina Hospitals | 125 | 3.5% |
| University of North Carolina Hospitals | 92 | 2.5% | Martha Parham Medical Center | 83 | 2.3% | Martha Parham Medical Center | 90 | 2.5% | Martha Parham Medical Center | 78 | 2.2% |
| Martha Parham Medical Center | 83 | 2.3% | North Carolina Specialty Hospital | 68 | 1.9% | North Carolina Specialty Hospital | 50 | 1.4% | North Carolina Specialty Hospital | 64 | 1.8% |
| North Carolina Specialty Hospital | 75 | 2.1% | Granville Medical Center | 65 | 1.8% | Granville Medical Center | 60 | 1.6% | North Carolina Specialty Hospital | 40 | 1.1% |
| Southern Eye Associates Ophthalmic Surgery Center | 72 | 2.0% | Nash General Hospital | 60 | 1.6% | North Carolina Specialty Hospital | 60 | 1.6% | James E. Davis Ambulatory Surgical Center | 35 | 1.0% |
| Raleigh Women's Health Organization | 64 | 1.8% | Southern Eye Associates Ophthalmic Surgery Center | 43 | 1.2% | Southern Eye Associates Ophthalmic Surgery Center | 54 | 1.5% | Southern Eye Associates Ophthalmic Surgery Center | 29 | 0.8% |
| WakeMed Eye Center | 58 | 1.6% | WakeMed Cary Hospital | 37 | 1.0% | Durham Regional Hospital | 40 | 1.1% | Rex Surgery Center | 28 | 0.8% |
| North Carolina Specialty Hospital | 56 | 1.6% | James E. Davis Ambulatory Surgical | 35 | 1.0% | James E. Davis Ambulatory Surgical | 35 | 1.0% | Granville Medical Center | 22 | 0.6% |
| WakeMed Cary Hospital | 31 | 0.9% | Durham Regional Hospital | 35 | 1.0% | WakeMed Cary Hospital | 27 | 0.7% | Durham Regional Hospital | 21 | 0.6% |
| James E. Davis Ambulatory Surgical | 31 | 0.9% | Wilmington SurgCare | 14 | 0.4% | Wilmington SurgCare | 17 | 0.5% | WakeMed Cary Hospital | 20 | 0.6% |
| Durham Regional Hospital | 28 | 0.8% | Surgical Eye Center | 8 | 0.2% | Surgical Eye Center | 9 | 0.2% | Orthopaedic Surgery Center of Asheville | 11 | 0.3% |
| Surgical Services of Eastern Carolina | 8 | 0.2% | Orthopaedic Surgery Center of Asheville | 5 | 0.1% | Orthopaedic Surgery Center of Asheville | 8 | 0.2% | Eastern Regional Surgical Center | 10 | 0.3% |
| Surgical Eye Center | 7 | 0.2% | Eastern Regional Surgical Center | 4 | 0.1% | Raleigh Plastic Surgery Center, Inc. | 7 | 0.2% | Capital City Surgery Center | 9 | 0.3% |
| Wilmington SurgCare | 7 | 0.2% | Orthopaedic Surgery Center of Asheville | 4 | 0.1% | Wilton Medical Center | 6 | 0.2% | Surgical Eye Center | 8 | 0.2% |
| Cleveland Regional Medical Center | 6 | 0.2% | Raleigh Plastic Surgery Center of Asheville | 4 | 0.1% | Pitt County Memorial Hospital | 5 | 0.1% | Surgical Center of Eastern Carolina | 7 | 0.2% |
| Wilson Medical Center | 6 | 0.2% | Pitt County Memorial Hospital | 4 | 0.1% | North Carolina Baptist Hospital | 4 | 0.1% | Johnston Memorial Hospital | 3 | 0.1% |
| Pitt County Memorial Hospital | 4 | 0.1% | Wilson Medical Center | 4 | 0.1% | Higginbotham-Salvey Memorial Hospital | 3 | 0.1% | Watson Medical Center | 3 | 0.1% |
| Heritage Hospital | 3 | 0.1% | Rowan Regional Medical Center | 3 | 0.1% | Johnston Memorial Hospital | 3 | 0.1% | Wilson Medical Center | 3 | 0.1% |
| Johnston Memorial Hospital | 3 | 0.1% | Wilson OB/GYN | 2 | 0.1% | Eastern Regional Surgical Center | 2 | 0.1% | The Eye Surgery Center of the Carolinas | 3 | 0.1% |
| North Carolina Baptist Hospital | 3 | 0.1% | CMC Mercy | 2 | 0.1% | Surgical Center of Greensboro | 2 | 0.1% | Alamance Regional Medical Center-Mebane | 2 | 0.1% |
| The Eye Surgery Center of the Carolinas | 3 | 0.1% | Johnston Memorial Hospital | 2 | 0.1% | Surgical Services of Eastern Carolina | 2 | 0.1% | Campus | 2 | 0.1% |
| Cape Fear Valley Medical Center | 2 | 0.1% | New Hanover Regional Medical Center | 2 | 0.1% | Cape Fear Valley Medical Center | 2 | 0.1% | Carolina East Medical Center | 2 | 0.1% |
| Foscht Memorial Hospital | 2 | 0.1% | North Carolina Baptist Hospital | 2 | 0.1% | New Hanover Regional Medical Center | 2 | 0.1% | Haltix Regional Medical Center | 2 | 0.1% |
| Haltix Regional Medical Center | 2 | 0.1% | Chapel Hill Surgical Center | 1 | 0.0% | FEMCARE, INC. | 1 | 0.0% | North Carolina Baptist Hospital | 2 | 0.1% |
| Wayne Memorial Hospital | 2 | 0.1% | Fayetteville Ansturge Center | 1 | 0.0% | Alamance Regional Medical Center-Mebane | 1 | 0.0% | Vidant Medical Center | 2 | 0.1% |
| Carollas Med. Center-NorthEast, Inc. | 1 | 0.0% | FEMCARE, INC. | 1 | 0.0% | Carollas Med. Center-Lincoln | 1 | 0.0% | Fayetteville Ansturge Center | 2 | 0.1% |
| FitchHealth Moore Regional Hospital | 1 | 0.0% | South Park Surgery Center | 1 | 0.0% | Carollas Med. Center-Northeast, Inc. | 1 | 0.0% | Alamance Regional Medical Center-Main Campus | 1 | 0.0% |
| High Point Regional Health System | 1 | 0.0% | Surgery Center of Pinebluff | 1 | 0.0% | Carollas Med. Center for Mental Health | 1 | 0.0% | Betsy Johnson Regional Hospital | 1 | 0.0% |
| Lenoir Memorial Hospital | 1 | 0.0% | The Eye Surgery Center of the Carolinas | 1 | 0.0% | Durham General Hospital | 1 | 0.0% | Cape Fear Valley Medical Center | 1 | 0.0% |
| Memorial Mission Hospital and Asheville Surgery Center | 1 | 0.0% | The Surgical Center of Morehead City | 1 | 0.0% | Medical Park Hospital | 1 | 0.0% | Forsyth Memorial Hospital | 1 | 0.0% |
| New Hanover Regional Medical Center | 1 | 0.0% | Alamance Regional Medical Center | 1 | 0.0% | Wilkes Regional Medical Center | 1 | 0.0% | Grace Hospital | 1 | 0.0% |
| Onslow Memorial Hospital | 1 | 0.0% | Carollas Med. Center-Northeast, Inc. | 1 | 0.0% | Medical Park Hospital | 1 | 0.0% | Medical Park Hospital | 1 | 0.0% |
| Parson Memorial Hospital | 1 | 0.0% | Haltix Regional Medical Center | 1 | 0.0% | Presbyterian Hospital, Matthews | 1 | 0.0% | Presbyterian Hospital, Matthews | 1 | 0.0% |
| Roanoke-Clovan Hospital | 1 | 0.0% | High Point Regional Health System | 1 | 0.0% | Rowan Regional Medical Center | 1 | 0.0% | Rowan Regional Medical Center | 1 | 0.0% |
| Atlantic SurgeCenter | 1 | 0.0% | Higginbotham-Salvey Memorial Hospital | 1 | 0.0% | Vidant Edgecombe Hospital | 1 | 0.0% | Vidant Edgecombe Hospital | 1 | 0.0% |
| FEMCARE, INC. | 1 | 0.0% | Hugh Chatham Memorial Hospital | 1 | 0.0% | Vidant Roanoke-Clovan Hospital | 1 | 0.0% | Vidant Roanoke-Clovan Hospital | 1 | 0.0% |
| Surgical Center of Greensboro | 1 | 0.0% | FEMCARE, INC. | 1 | 0.0% | Wayne Memorial Hospital | 1 | 0.0% | Wayne Memorial Hospital | 1 | 0.0% |
| Surgery Center of Pinebluff | 1 | 0.0% | Sanadillo Regional Medical Center | 1 | 0.0% | Chapel Hill Surgical Center | 1 | 0.0% | Wayne Memorial Hospital | 1 | 0.0% |
| Wilson OB/GYN | 1 | 0.0% | The Outer Banks Hospital | 1 | 0.0% | Fenn Care | 1 | 0.0% | Fenn Care | 1 | 0.0% |
| Total | 3611 | 100% | Total | 3675 | 100% | Total | 3637 | 100% | Total | 3594 | 100% |

Source: LRAs

SAME DAY SURGERY CENTER-FRANKLIN FORM E - SURGERY REIMBURSEMENT WORKSHEET

First Full Fiscal Year (From 10/01/2016 to 9/30/2017)

| | % of Total | # of Surgical Cases | times | Projected Average Reimbursement Rate | equals | Net Revenue |
|---|----------------|---------------------|-------|--------------------------------------|--------|---------------------|
| Self Pay | 2.33% | 24 | | \$542.22 | | \$ 12,912 |
| Medicare/Medicare Managed Care | 38.90% | 398 | | \$1,372.72 | | \$ 545,714 |
| Medicaid | 6.18% | 63 | | \$665.58 | | \$ 42,038 |
| Commercial Insurance | 3.05% | 31 | | \$2,743.19 | | \$ 85,508 |
| Managed Care | 45.07% | 461 | | \$2,978.15 | | \$ 1,371,836 |
| Other - (Other Government, NC State Health Plan, Worker Comp) | 4.47% | 46 | | \$1,933.02 | | \$ 88,307 |
| Total | 100.00% | 1,022 | | | | \$ 2,146,314 |

Second Full Fiscal Year (From 10/01/2017 to 9/30/2018)

| | % of Total | # of Surgical Cases | times | Projected Average Reimbursement Rate | equals | Net Revenue |
|---|----------------|---------------------|-------|--------------------------------------|--------|---------------------|
| Self Pay | 2.33% | 31 | | \$558.49 | | \$ 17,515 |
| Medicare/Medicare Managed Care | 38.90% | 524 | | \$1,367.37 | | \$ 715,913 |
| Medicaid | 6.18% | 83 | | \$685.54 | | \$ 57,025 |
| Commercial Insurance | 3.05% | 41 | | \$2,825.49 | | \$ 115,995 |
| Managed Care | 45.07% | 607 | | \$3,067.50 | | \$ 1,860,946 |
| Other - (Other Government, NC State Health Plan, Worker Comp) | 4.47% | 60 | | \$1,991.01 | | \$ 119,792 |
| Total | 100.00% | 1,346 | | | | \$ 2,887,186 |

Third Full Fiscal Year (From 10/01/2018 to 9/30/2019)

| | % of Total | # of Surgical Cases | times | Projected Average Reimbursement Rate | equals | Net Revenue |
|---|----------------|---------------------|-------|--------------------------------------|--------|---------------------|
| Self Pay | 2.33% | 38 | | \$575.24 | | \$ 22,035 |
| Medicare/Medicare Managed Care | 38.90% | 639 | | \$1,408.39 | | \$ 900,647 |
| Medicaid | 6.18% | 102 | | \$706.11 | | \$ 71,740 |
| Commercial Insurance | 3.05% | 50 | | \$2,910.25 | | \$ 145,926 |
| Managed Care | 45.07% | 741 | | \$3,159.52 | | \$ 2,341,143 |
| Other - (Other Government, NC State Health Plan, Worker Comp) | 4.47% | 73 | | \$2,050.74 | | \$ 150,702 |
| Total | 100.00% | 1,644 | | | | \$ 3,632,192 |

11/15/2013 SDSC Franklin CON Application
Exhibit #16

Town Board of
Youngville



P. O. Box 190 / 118 N. Cross Street
Youngsville, NC 27596
(919) 556-5073 / Fax (919) 556-0995
ktucker@townofyoungsville.org
TownofYoungsville.org

November 14, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

On behalf of the Town Board of Youngville, and myself as Mayor of Youngville, North Carolina, I write this letter to express our unanimous support of the proposed project to expand the previously approved ambulatory surgery center in Youngville from one to two operating rooms.

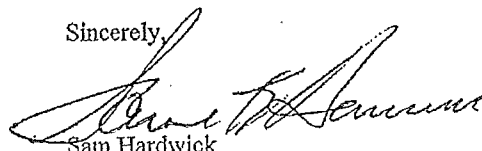
Youngville, and the surrounding community, is undergoing tremendous growth because of its small-town, rural lifestyle, as well as its access to metropolitan amenities nearby. In fact, the Youngville zip code is the fastest growing area in Franklin County. With our fast population growth, there is a significant need for more ambulatory services, such as outpatient surgery, and the desire of our residents to have that surgery close to home where family, friends, and other local support is situated. Franklin County-based employers also appreciate community-based access to ambulatory services for their employees and family members.

SDSC Franklin will be the first freestanding outpatient surgery center in Franklin County. Each year, many Franklin County residents must leave the county for outpatient surgical services. The time has come for this type of outpatient facility and healthcare option to be available for all of the Franklin County community.

This 2-operating room surgery center at SDSC Franklin will expand local access to outpatient surgery in Youngville and provide beneficial choice and competition for physicians and their patients within Franklin County. In addition, since SDSC Franklin and Novant Health Franklin Medical Center are owned by a single non-profit health system, both the hospital in Louisburg and the surgery center in Youngville will benefit from the success of the surgery center.

Please share with the Certificate of Need Section our overwhelming support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,



Sam Hardwick
Mayor of Youngville, North Carolina

992A

Health Director



Department of Health
Christopher M. Szwagiel, DrPH, MPH, MS
Local Health Director
107C Industrial Drive
Louisburg, NC 27549
(VOX) 919-496-8110
(FAX) 919-496-8128
cszwagiel@franklincountync.us
www.franklincohealth.org

November 12, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

**RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)**

Dear Mr. Smith:

Please allow me to introduce myself. I am the Director of the Franklin County Health Department.

This letter is to express full and enthusiastic support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville, North Carolina, from one to two operating rooms.

One of my prime duties as County Health Director is to advocate, support, and promote availability of healthcare services in Franklin County for the citizens of Franklin County. Although being designated by the NC Department of Commerce as Tier 3 County, Franklin County, is, indeed, a Tier 1 County in every respect, especially in regard to availability of/access to care. --Which is exactly the reason that this request, and the granting thereof is of utmost importance and necessity.

Because of Youngsville's proximity to the resource rich Wake County, it is undergoing consistent growth because of its small-town, rural lifestyle making it an appealing bedroom community for Wake County. In fact, the Youngsville zip code is the fastest growing area in Franklin County. With this population growth, there is a need for more ambulatory services, such as outpatient surgery, and the desire by residents to have that surgery close to home where family, friends, and other local support is located. Franklin County-based employers also appreciate community-based access to ambulatory services for their employees and family members.

SDSC Franklin will be the first freestanding outpatient surgery center in Franklin County. Each year, many Franklin County residents must leave the county for outpatient surgical services. The time has come for this type of outpatient facility and healthcare option to be available for the Franklin County community.



This 2-operating room surgery center at SDSC Franklin will expand local access to outpatient surgery in Youngsville and provide beneficial choice and competition for physicians and their patients within Franklin County. In addition, since SDSC Franklin and Novant Health Franklin Medical Center are owned by a single non-profit health system, both the hospital in Louisburg and the surgery center in Youngsville will benefit from the success of the surgery center.

It is for these reasons, then, that the Franklin County Health Department and I, as its Health Director, are respectfully requesting the full consideration of and the granting approval for the expansion of the Same Day Surgery Center, Franklin in Youngsville, NC.

Thank you very much for your consideration and help in this matter!

Sincerely,

Christopher M. Szwagiel, DrPH

Christopher M. Szwagiel, DrPH, MPH, MS
Local Health Director



Small Business
Owner



November 6, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

I am the President of Covenant Trucking Company in Youngsville, North Carolina. This letter is to express my enthusiastic support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville, North Carolina, from one to two operating rooms.

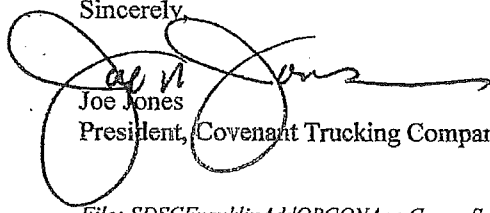
Youngsville and the surrounding community is undergoing consistent growth because of its small-town, rural lifestyle with access to metropolitan amenities nearby. In fact, the Youngsville zip code is the fastest growing area in Franklin County. With this population growth, there is a need for more ambulatory services, such as outpatient surgery, and the desire by residents to have that surgery close to home where family, friends, and other local support is located. Franklin County-based employers also appreciate community-based access to ambulatory services for their employees and family members.

SDSC Franklin will be the first freestanding outpatient surgery center in Franklin County. Each year, many Franklin County residents must leave the county for outpatient surgical services. The time has come for this type of outpatient facility and healthcare option to be available for the Franklin County community.

This 2-operating room surgery center at SDSC Franklin will expand local access to outpatient surgery in Youngsville and provide beneficial choice and competition for physicians and their patients within Franklin County. In addition, since SDSC Franklin and Novant Health Franklin Medical Center are owned by a single non-profit health system, both the hospital in Louisburg and the surgery center in Youngsville will benefit from the success of the surgery center.

Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,


Joe Jones
President, Covenant Trucking Company, Inc.

File: SDSCFranklinAddORCONApp Comm Suppt 102313 Szwagiel.docx

R. D. Edwards Properties

P.O. Box 597 Franklinton, NC 27525
Tel: 919-494-7135 Fax: 919-494-5481 Email: rdeproperties@aol.com

Franklinton
Senior Citizen
+ former
RE Develop

November 11, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, NC 27603

Dear Mr. Smith,

I have followed with great interest the endeavor of Franklin Regional Medical Center to build an ambulatory surgery center in Youngsville, NC. As I am an 88 year old male with multiple medical conditions including heart disease, diabetes, and diagnosed with Parkinson's Disease, I find myself in the position of writing this letter in support expansion proposal to expedite moving forward with this surgery center.

I am, like most others of my age, in the tangle of medical treatments that include several specialists, a laundry list of specialized lab and radiology tests and occasionally surgical procedures, all requiring a drive into, around and/or through Raleigh. If you ever had to go through the traffic that I do, you would understand my desire to see new medical facilities which could increase these services within Franklin County. If the medical conditions do not kill me, the drive will.

Franklin County is growing into a maze of growth I never thought I would live to see. Just as more new people are moving into our county, the residents are growing older also. For senior citizens, the drive we have to make to receive specialized care is a burden and a safety hazard to us and others on the roads. Having local up to date medical services would add years to our lives.

Please consider the seniors who have to drive out of the county for specialized services when you review the merits of this request. Our days are limited but we do not want them to be shorter than necessary.

Sincerely,


Ralph D. Edwards

Retired District
Judge

J. Larry Senter
PO Box 3
Franklinton, NC 27525
larrysenter@nc.rr.com

November 9, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

Mr. Smith:

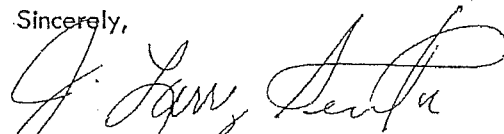
I've lived in Franklin County my whole life, and for most of that time, I've had to travel out of town for the much of the medical care I need. While I've had a primary care physician in Louisburg, when I had to have small cancers removed, I had to go to Raleigh. When I had to have my fingers operated on due to an accident, I had to go to Raleigh. When my children had to have minor surgeries done, they've had to leave town. We shouldn't have to leave Franklin County to have access to most of the major medical needs that arise, outside of major surgery or giving birth. Therefore, I write to you today to share my strong support of the proposed expansion of the Same Day Surgery Center in Youngsville.

In the last several years, I've had the primary responsibility for caring for several members of my family, including my mother. While handling their care, it would have been much easier on everyone involved. My mother, as a patient, for example, wouldn't have had to sit uncomfortably in a car for an hour to get to a same-day surgery center in Raleigh. She could have, instead, have simply gone to SDSC Franklin just five minutes away in Youngsville, which would have aided greatly in her comfort. The same can be said for several other members of my family, including myself.

As a retired district court judge, I know the importance of having quality healthcare in our more rural communities, and how the burden the expense of traveling to obtain such care can cripple families with low incomes. I've counseled families that were trying to determine the best way to meet those needs while trying to hold their families together. I've heard cases in which one parent had to sue another in order to gain support to provide medical care for their children, in part due to the travel distances required to gain the best care possible. In the case of our community, the best care possible truly can be found right here at home, if we are able to re-locate the second operating room from the main hospital in Louisburg to SDSC Franklin, to accommodate the many needs found in our area.

Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. Thank you for your time.

Sincerely,


J. Larry Senter

Former
Franklin
Mayor

803 East Mason Street
Franklinton, NC 27525
November 13, 2013

Craig Smith, Chief
Certificate of Needs Section
N C Division of Health Service Regulation
809 Ruggles Drive
Raleigh, NC 27603

Dear Mr. Smith,

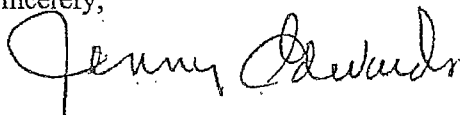
I am the previous Mayor of Franklinton and a very concerned citizen about the medical facilities available to the citizens of Franklin County. I am submitting this letter in support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville, NC from one to two operating rooms.

I would like to specifically address the needs of the senior citizens since I am now officially one. Southern Franklin County has grown in population in unprecedented growth but so has the age of the population. This population growth has brought with it congested travel, increased need for medical attention and older drivers. Having this surgery center in Youngsville would mean Franklin County residents would have the option for more affordable medical services closer to home and for seniors who have to make the drive to a facility, this would be a colossal option. This surgery center will bring more physicians and specialists to Franklin County and this would be a win-win for all involved.

As a former Mayor, I am also well aware of the needs of our business community. Businesses located in Franklin County appreciate local medical services for their employees and families. Having local medical options is a definite recruiting tool for expanding the business base in Franklin County which affords the workforce in our county the opportunity to work in county rather than commute to another county for employment.

All in all, approving the transfer of a non-used operating room at the hospital in Louisburg to a Same Day Surgery Center in Youngsville (still within the county) will assure the advancement of healthcare for the citizens of Franklin County and to the business community in Franklin County. Please give this issue your approval.

Sincerely,



Jenny M. Edwards

Franklinton
Mayor Pro
Tempora

November 11, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

I am Anita Fuller Mayor Pro Tempora of Franklinton NC and a resident of Franklinton in Franklin County. This letter is to express my enthusiastic support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville, North Carolina, from one to two operating rooms.

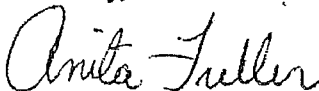
Youngsville and the surrounding community is undergoing consistent growth because of its small-town, rural lifestyle with access to metropolitan amenities nearby. In fact, the Youngsville zip code is the fastest growing area in Franklin County. With this population growth, there is a need for more ambulatory services, such as outpatient surgery, and the desire by residents to have that surgery close to home where family, friends, and other local support is located. Franklin County-based employers also appreciate community-based access to ambulatory services for their employees and family members.

SDSC Franklin will be the first freestanding outpatient surgery center in Franklin County. Each year, many Franklin County residents must leave the county for outpatient surgical services. The time has come for this type of outpatient facility and healthcare option to be available for the Franklin County community.

This 2-operating room surgery center at SDSC Franklin will expand local access to outpatient surgery in Youngsville and provide beneficial choice and competition for physicians and their patients within Franklin County. In addition, since SDSC Franklin and Novant Health Franklin Medical Center are owned by a single non-profit health system, both the hospital in Louisburg and the surgery center in Youngsville will benefit from the success of the surgery center.

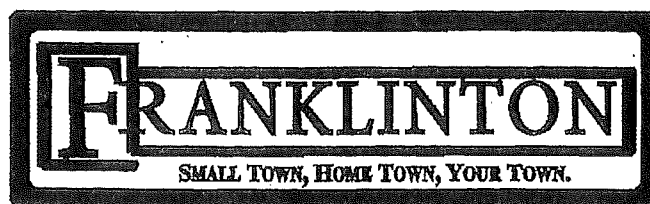
Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,



Anita Fuller
Mayor Pro Tempora
Franklinton NC

Franklinton
Mayor



November 9, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Mr. Smith:

As Mayor of the Town of Franklinton, I know the urgency of having quality medical care close by when one is choosing a site to locate a business or a family. We are fortunate in Franklinton that we are close to Novant Health Franklin Medical Center. However, medical services for our citizens would be greatly improved by locating a second ambulatory surgery center operating room in Youngsville. This letter is to express my support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville, which is less than five minutes from the majority of Franklinton residents.

Youngsville, Franklinton and our surrounding areas are undergoing consistent growth because of our small-town, rural lifestyle with access to metropolitan amenities nearby. With this population growth, there is a need for more ambulatory services, such as outpatient surgery, and the desire by residents to have that surgery close to home where family, friends, and other local support is located. Our area businesses also appreciate community-based access to medical services for their employees and family members.

SDSC Franklin will be the first freestanding outpatient surgery center in Franklin County. Each year, many of our residents must leave the community – and the county – for outpatient surgical services. Given the high quality of services that are available from Novant Health Franklin Medical Center, there is no reason this should have to occur. Our medical community – and our leaders – must take whatever steps necessary to ensure that this type of outpatient facility and healthcare option is available for our citizens.

This two-operating room surgery center will expand local access to outpatient surgery in southern Franklin County, and provide beneficial choices and competition for physicians and their patients within our area. In addition, since SDSC Franklin and Novant Health Franklin Medical Center are owned by a single non-profit health system, both the hospital in Louisburg and the surgery center in Youngsville will benefit from the success of the surgery center.

Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision. If I can be of further assistance, please do not hesitate to contact me.

Very Truly Yours,

Elic A Senter 

Elic A. Senter
Mayor, Town of Franklinton

Nsg Home
Administrative

November 6, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

I am the Administrator of Louisburg Nursing Center located in Louisburg, North Carolina. This letter is to express my enthusiastic support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville, North Carolina, from one to two operating rooms.

Youngsville and the surrounding community is undergoing consistent growth because of its small-town, rural lifestyle with access to metropolitan amenities nearby. In fact, the Youngsville zip code is the fastest growing area in Franklin County. With this population growth, there is a need for more ambulatory services, such as outpatient surgery, and the desire by residents to have that surgery close to home where family, friends, and other local support is located. Franklin County-based employers also appreciate community-based access to ambulatory services for their employees and family members.

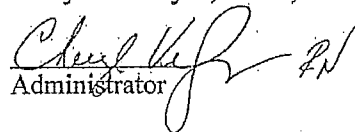
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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,

Cheryl Vermilyea, RN-C, LNHA, ALA-C


Administrator

File: SDSCFranklinAddORCONApp CommSuppt 110613 LouisburgNursg.docx

Yuille
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

I am a resident of Youngsville, North Carolina. This letter is to express my enthusiastic support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville from one to two operating rooms.

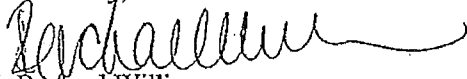
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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,



Rachael Williams
106 Blue Heron Drive
Youngsville, NC 27596

Yville
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
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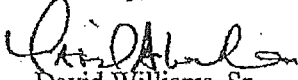
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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,


David Williams, Sr
3201 Baynam Pond Road
Wake Forest, NC 27587

Yville
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

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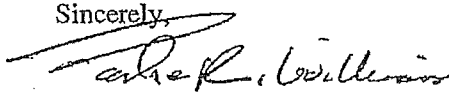
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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,



Jackie Williams
3201 Baynam Pond Road
Wake Forest, NC 27587

Youngsville
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

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Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,



David Williams
106 Blue Heron Drive
Youngsville, NC 27596

Local
Business
Owners
+
Village
Residents

116 Mayfield Place
Youngsville, North Carolina 27596

November 13, 2013

Mr. Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina. 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

We are local business owners and residents of Youngsville in Franklin County. This letter is to express my enthusiastic support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville, North Carolina, from one to two operating rooms.

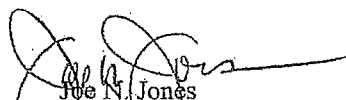
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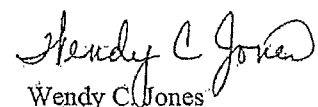
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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,


Joe N. Jones
Resident


Wendy C. Jones
Resident

President
Wake Electric



Wake Electric

Post Office Box 1229
Wake Forest, North Carolina 27588-1229
Telephone: 919.863.6300 or 800.474.6300
Internet: www.wemc.com

November 14, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

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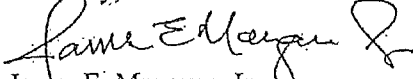
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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,


James E. Mangum, Jr.
General Manager/CEO

Wake Electric is a Touchstone Energy[®] Cooperative



Business
Owner -
Youngsville



November 13, 2013

Mr. Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

I am a business owner and resident of Youngsville in Franklin County. This letter is to express my enthusiastic support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville, North Carolina, from one to two operating rooms.

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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,

Wendy C. Jones
Vice-President

November 12, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

I am the Clerk of Superior Court for Franklin County and a lifelong resident of Louisburg in Franklin County. This letter is to express my enthusiastic support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville, North Carolina, from one to two operating rooms.

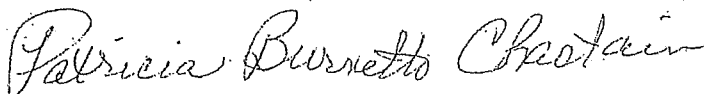
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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,



Patricia Burnette Chastain
Franklin County Clerk of Superior Court

RE Broker

November 13, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

I am a Real Estate Broker and a 12 year resident of Franklin County. This letter is to express my enthusiastic support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville, North Carolina, from one to two operating rooms.

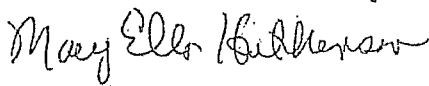
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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,



Mary Ella Hutchinson

Yville
Residents
(x2)

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

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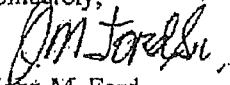
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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,


John M. Ford
103 Patterson Dr.
Youngsville, NC 27596

Kathleen S. Ford

Youngsville
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

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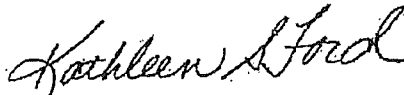
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Sincerely,



Kathleen S. Ford

John M. Ford
103 Patterson Dr.
Youngsville, NC 27596

NH FRM
Ee
Louisburg

November 14, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

I am Release of Information Specialist and a resident of Louisburg in Franklin County. This letter is to express my enthusiastic support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville, North Carolina, from one to two operating rooms.

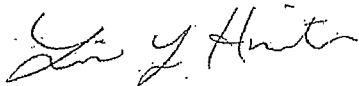
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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,



Lisa Hinton
Release of Information Specialist

NHPRMC
EE
Resident of
Bunn

November 14, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

I am employed at Novant Health, Inc. as a Medical Records Technician and a resident of Bunn in Franklin County. This letter is to express my enthusiastic support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville, North Carolina, from one to two operating rooms.

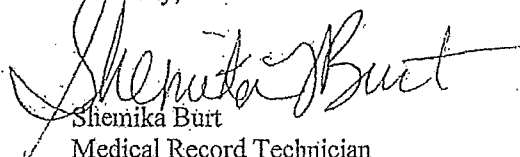
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SDSC Franklin will be the first freestanding outpatient surgery center in Franklin County. Each year, many Franklin County residents must leave the county for outpatient surgical services. The time has come for this type of outpatient facility and healthcare option to be available for the Franklin County community.

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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,


Shemika Burt
Medical Record Technician
Novant Health Franklin Medical Center

NHFRMC
Ee
Resident
of Louisburg

November 13, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

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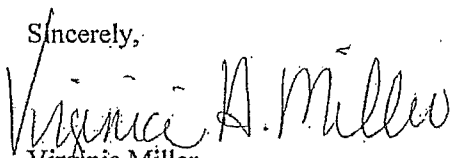
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Sincerely,



Virginia Miller
Medical Records Technician II
Novant Health Franklin Medical Center

NH-FRMC
Ee

November 14, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

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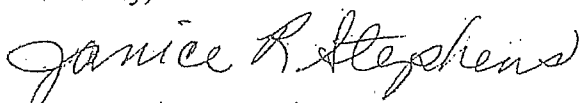
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Sincerely,



Janice R. Stephens, RHIT
Medical Record Manager
Novant Health Franklin Medical Center

NHFRM
Ee

November 14, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

I am employed at Novant Health, Inc. as a Medical Records Scan Technician II at Franklin Medical Center. I also live in Louisburg and I am a resident of Franklin County. This letter is to express my enthusiastic support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville, North Carolina, from one to two operating rooms.

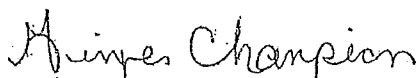
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Sincerely,



Ginger Champion
Medical Records Scan Technician II
Novant Health Franklin Medical Center

Yville
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

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Sincerely,



Youngsville
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

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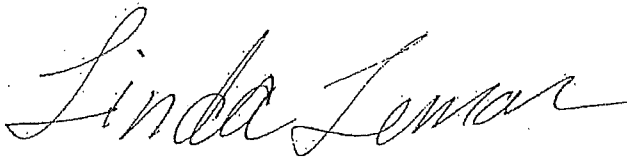
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Sincerely,



Yville
Resident

November 7, 2013

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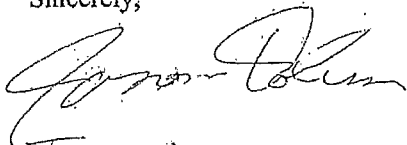
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Sincerely,



Jason Dokins

101 Patterson Dr.

Youngsville, NC 27596

Youngville
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

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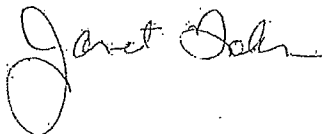
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Sincerely,



Janet Dahn
101 Patterson Drive
Youngsville, NC 27596

Yvonne
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

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Sincerely,

Elroy McAleander P.M.C.

Yville
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
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Sincerely,



Yulle
Resident

November 12, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

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Sincerely,



Elaine Falt
102 Chipping Sparrow Ct
Youngsville, NC 27596

Yville
Resident

November 12, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

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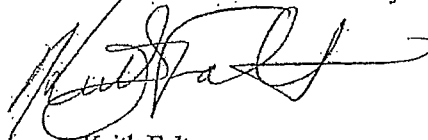
Dear Mr. Smith:

I have been a resident of Youngsville for the past 4 years. In this short period I have had several minor surgical procedures that required me to travel to a surgical center in central Raleigh, a considerable distance. I understand that there is a proposal to bring an ambulatory surgical center to Youngsville, which makes a great deal of sense to me.

Demographics clearly show the trend of population growth to be moving north from the North Raleigh/Wake Forest area to southern Franklin County. Developers are running out of tracts for development in the Wake Forest area and are in the process of opening up large new developments bringing many new residents. With the growth comes demand for services as people do not want to travel long distances for relatively routine care. The Youngsville area has suffered from being under served not only medically but commercially in the past, but this is about to change.

I fully support a same day surgical center in the Youngsville area as it will serve a current need and lay the groundwork for meeting the needs in southern Franklin County.

Sincerely,



Keith Falt
102 Chipping Sparrow Ct.
Youngsville, NC 27596

Yvonne
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

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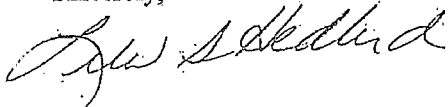
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Sincerely,



Youngsville
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
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Sincerely,

Derry O. Hedlund

Yville
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

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Sincerely,

Don M. Salazar

Yville
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
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Raleigh, North Carolina 27603

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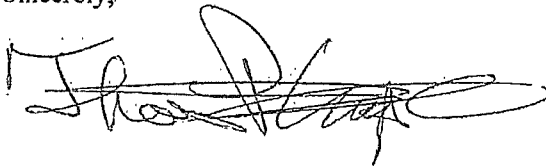
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Sincerely,

Jelli Campbell

Yville
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

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Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

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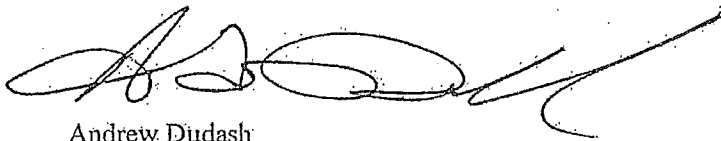
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Sincerely,



Andrew Dudash

Youngsville
Resident

November 7, 2013

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Certificate of Need Section
NC Division of Health Service Regulation
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Sincerely,



Megan C. Dudash

Yville
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
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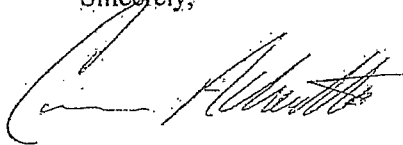
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Yvile
Resident

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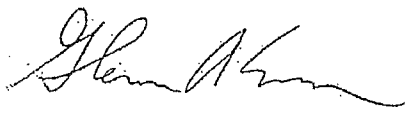
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Youngsville
Residents
(X2)

November 7, 2013

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Certificate of Need Section
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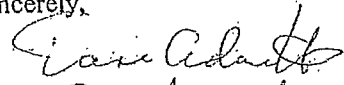
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David Adornetto

Yville
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
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Raleigh, North Carolina 27603

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Sincerely,



Yville
Resident

November 7, 2013

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Resident

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Sincerely,

Lynn White

Youngsville
Resident

November 7, 2013

Craig Smith, Chief
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NC Division of Health Service Regulation
809 Ruggles Drive
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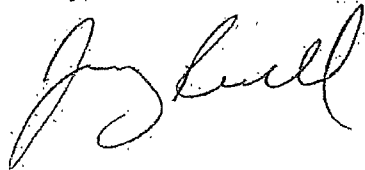
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Sincerely,

Leslie W. O'Brien

Youngsville
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

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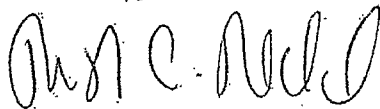
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Yville
Resident

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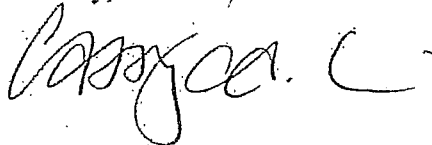
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Youngville
Resident

November 7, 2013

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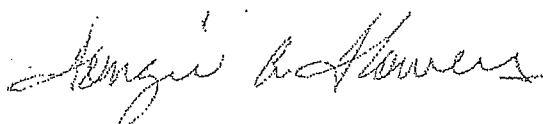
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Sincerely,



1044A

Youngville
Resident

November 7, 2013

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NC Division of Health Service Regulation
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Sincerely,

James E. Cyrus

10448

Yville
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
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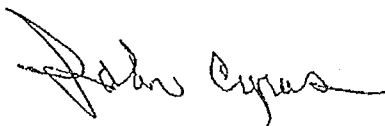
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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,



10446

Yvonne
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

I am a resident of Youngsville, North Carolina. This letter is to express my enthusiastic support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville from one to two operating rooms.

Youngsville and the surrounding community is undergoing consistent growth because of its small-town, rural lifestyle with access to metropolitan amenities nearby. In fact, the Youngsville zip code is the fastest growing area in Franklin County. With this population growth, there is a need for more ambulatory services, such as outpatient surgery, and the desire by residents to have that surgery close to home where family, friends, and other local support is located. Franklin County-based employers also appreciate community-based access to ambulatory services for their employees and family members.

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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,

Neil Holden

10441

Yville
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

I am a resident of Youngsville, North Carolina. This letter is to express my enthusiastic support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville from one to two operating rooms.

Youngsville and the surrounding community is undergoing consistent growth because of its small-town, rural lifestyle with access to metropolitan amenities nearby. In fact, the Youngsville zip code is the fastest growing area in Franklin County. With this population growth, there is a need for more ambulatory services, such as outpatient surgery, and the desire by residents to have that surgery close to home where family, friends, and other local support is located. Franklin County-based employers also appreciate community-based access to ambulatory services for their employees and family members.

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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,



DOUGLAS E. FLETCHER

10444E

Yville
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

I am a resident of Youngsville, North Carolina. This letter is to express my enthusiastic support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville from one to two operating rooms.

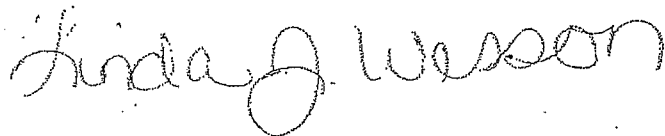
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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,



Linda J. Wesson

1044F

Youngville
Resident

November 13, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

I am a resident of Youngville, North Carolina. This letter is to express my enthusiastic support of the proposed project to expand the previously approved ambulatory surgery center in Youngville from one to two operating rooms.

Youngville and the surrounding community is undergoing consistent growth because of its small-town, rural lifestyle with access to metropolitan amenities nearby. In fact, the Youngville zip code is the fastest growing area in Franklin County. With this population growth, there is a need for more ambulatory services, such as outpatient surgery, and the desire by residents to have that surgery close to home where family, friends, and other local support is located. Franklin County-based employers also appreciate community-based access to ambulatory services for their employees and family members.

SDSC Franklin will be the first freestanding outpatient surgery center in Franklin County. Each year, many Franklin County residents must leave the county for outpatient surgical services. The time has come for this type of outpatient facility and healthcare option to be available for the Franklin County community.

This 2-operating room surgery center at SDSC Franklin will expand local access to outpatient surgery in Youngville and provide beneficial choice and competition for physicians and their patients within Franklin County. In addition, since SDSC Franklin and Novant Health Franklin Medical Center are owned by a single non-profit health system, both the hospital in Louisburg and the surgery center in Youngville will benefit from the success of the surgery center.

Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,

Gerald J. White

10444

Yulle
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

I am a resident of Youngsville, North Carolina. This letter is to express my enthusiastic support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville from one to two operating rooms.

Youngsville and the surrounding community is undergoing consistent growth because of its small-town, rural lifestyle with access to metropolitan amenities nearby. In fact, the Youngsville zip code is the fastest growing area in Franklin County. With this population growth, there is a need for more ambulatory services, such as outpatient surgery, and the desire by residents to have that surgery close to home where family, friends, and other local support is located. Franklin County-based employers also appreciate community-based access to ambulatory services for their employees and family members.

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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,



Yville
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,

Charles D. Keith

10447

Yville
Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

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I am a resident of Youngsville, North Carolina. This letter is to express my enthusiastic support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville from one to two operating rooms.

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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,

Mary Buffaloe

10442

Young Resident

November 7, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

I am a resident of Youngsville, North Carolina. This letter is to express my enthusiastic support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville from one to two operating rooms.

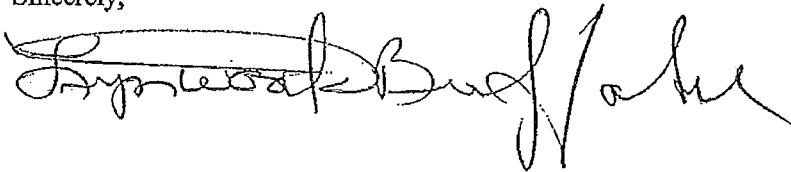
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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,



NHFRMC
Ee
+
ville
Resident

November 15, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

I am a Benefits Coordinator for Novant Health Franklin and a resident of Youngsville in Franklin County. This letter is to express my enthusiastic support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville, North Carolina, from one to two operating rooms.

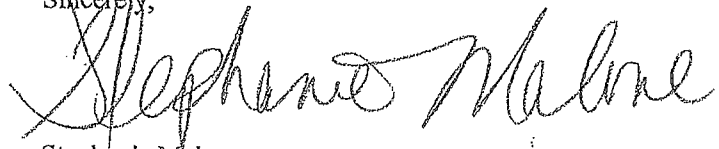
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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,



Stephanie Malone
Benefits Coordinator

1044L

Youngville Resident
+
Professional Detail
Worker

November 15, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

I am a Professional Detail worker for Foster's Collision and Detail and a resident of Youngsville in Franklin County. This letter is to express my enthusiastic support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville, North Carolina, from one to two operating rooms.

Youngsville and the surrounding community is undergoing consistent growth because of its small-town, rural lifestyle with access to metropolitan amenities nearby. In fact, the Youngsville zip code is the fastest growing area in Franklin County. With this population growth, there is a need for more ambulatory services, such as outpatient surgery, and the desire by residents to have that surgery close to home where family, friends, and other local support is located. Franklin County-based employers also appreciate community-based access to ambulatory services for their employees and family members.

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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,



Larry Malone
Professional Detail Worker

10444

Franklin County
Clerk's Office
Res of
Louisburg

November 15, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

I am an employee of the Franklin County Clerk's Office and a resident of Louisburg, NC, Franklin County. This letter is to express my enthusiastic support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville, North Carolina, from one to two operating rooms.

Youngsville and the surrounding community is undergoing consistent growth because of its small-town, rural lifestyle with access to metropolitan amenities nearby. In fact, the Youngsville zip code is the fastest growing area in Franklin County. With this population growth, there is a need for more ambulatory services, such as outpatient surgery, and the desire by residents to have that surgery close to home where family, friends, and other local support is located. Franklin County-based employers also appreciate community-based access to ambulatory services for their employees and family members.

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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,

Tonya S. Pearce

Tonya S Pearce
Head Bookkeeper

1044N

Franklin County
Clerk's Office
Resident of
Franklinton

November 14, 2013

Craig Smith, Chief
Certificate of Need Section
NC Division of Health Service Regulation
809 Ruggles Drive
Raleigh, North Carolina 27603

RE: Community Letter of Support; CON Application Submitted November 15, 2013 to
Add an Operating Room at Same-Day Surgery Center Franklin (Franklin County)

Dear Mr. Smith:

I am an employee of the Franklin County Clerk's Office and a resident of Franklinton in Franklin County. This letter is to express my enthusiastic support of the proposed project to expand the previously approved ambulatory surgery center in Youngsville, North Carolina, from one to two operating rooms.

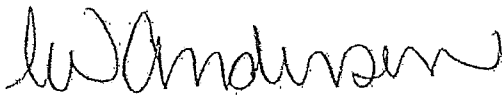
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Please share with the Certificate of Need Section my support for the expansion of Same Day Surgery Center Franklin. I look forward to a favorable decision.

Sincerely,



Leanna W Anderson
Asst. Clerk of Court

North Carolina Department of Health and Human Services
Division of Health Service Regulation
Acute and Home Care Licensure and Certification Section
1205 Umstead Drive, 2712 Mail Service Center
Raleigh, North Carolina 27699-2712
Telephone: (919) 855-4620 Fax: (919) 715-3073

For Official Use Only
License # H0065 Medicare # 340114
Computer: 953429
PC _____ Date _____
License Fee: \$10,427.50

**2014
HOSPITAL LICENSE
RENEWAL APPLICATION**

Legal Identity of Applicant: Rex Hospital, Inc.
(Full legal name of corporation, partnership, individual, or other legal entity owning the enterprise or service.)

Doing Business As
(d/b/a) name(s) under which the facility or services are advertised or presented to the public:

PRIMARY: Rex Hospital
Other: Rex Healthcare
Other: Rex Rehab. & Nursing Center of Raleigh

Facility Mailing Address: 4420 Lake Boone Trail
Raleigh, NC 27607

Facility Site Address: 4420 Lake Boone Trail
Raleigh, NC 27607

County: Wake
Telephone: (919)784-3100
Fax: (919)784-3336

Administrator/Director: David Strong
Title: President
(Designated agent (individual) responsible to the governing body (owner) for the management of the licensed facility)

Chief Executive Officer: _____ **Title:** _____
(Designated agent (individual) responsible to the governing body (owner) for the management of the licensed facility)

Name of the person to contact for any questions regarding this form:
Name: Jeff LeGay **Telephone:** 919-784-6394
E-Mail: jeff.legay@rexhealth.com

Primary National Provider Identifier (NPI) registered at NPPES 1942519483

If facility has more than one "Primary" NPI, please provide _____

For questions regarding NPI contact Azzie Conley at (919) 855-4646.

All responses should pertain to October 1, 2012 through September 30, 2013.

Type of Health Care Facilities under the Hospital License (please include offsite emergency departments)

| List Name(s) of facilities: | Address: | Type of Business / Service: |
|-----------------------------|----------|-----------------------------|
| | | |
| | | |
| | | |
| | | |

Please attach a separate sheet for additional listings

Ownership Disclosure (Please fill in any blanks and make changes where necessary.)

1. What is the name of the legal entity with ownership responsibility and liability?

Owner: Rex Healthcare Services Inc
Street/Box: 4220 Lake Boone Trail
City: Raleigh State: NC Zip: 27607
Telephone: (919)784-3100 Fax: (919)783-3336
CEO: Gary L. Park

Is your facility part of a Health System? [i.e., are there other hospitals, offsite emergency departments, ambulatory surgical facilities, nursing homes, home health agencies, etc. owned by your hospital, a parent company or a related entity?] Yes No

If 'Yes', name of Health System*: The University of North Carolina Healthcare
* (please attach a list of NC facilities that are part of your Health System)

If 'Yes', name of CEO: William L. Roper, MD, MPH

- a. Legal entity is: For Profit Not For Profit
- b. Legal entity is: Corporation LLP Partnership
 Proprietorship LLC Government Unit

c. Does the above entity (partnership, corporation, etc.) LEASE the building from which services are offered? Yes No

If "YES", name of building owner:

2. Is the business operated under a management contract? Yes No

If 'Yes', name and address of the management company:

Name: _____
Street/Box: _____
City: _____ State: _____ Zip: _____
Telephone: (____) _____

All responses should pertain to October 1, 2012 through September 30, 2013.

Ownership Disclosure continued...

3. Vice President of Nursing and Patient Care Services:
Mary Lou Powell, RN, BSN, MSN
4. Director of Planning: William Pittman

Facility Data

- A. **Reporting Period** All responses should pertain to the period **October 1, 2012 to September 30, 2013.**
- B. **General Information** (Please fill in any blanks and make changes where necessary.)

| | | |
|--|--------|---------|
| a. Admissions to Licensed Acute Care Beds: include responses to "a - q" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets. | 26,820 | |
| b. Discharges from Licensed Acute Care Beds: include responses to "a - q" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets. | 26,796 | |
| c. Average Daily Census: include responses to "a - q" on page 4; exclude responses to "2-9" on page 4; and exclude normal newborn bassinets. | 285 | |
| d. Was there a permanent change in the total number of licensed beds during the reporting period? | Yes | No X |
| If 'Yes', what is the current number of licensed beds? | | |
| If 'Yes', please state reason(s) (such as additions, alterations, or conversions) which may have affected the change in bed complement: | | |
| e. Observations: Number of patients in observation status and not admitted as inpatients, excluding Emergency Department patients. | 3,464 | |

C. Designation and Accreditation

1. Are you a designated trauma center? Yes (Designated Level #) No X
2. Are you a critical access hospital (CAH)? Yes X No
3. Are you a long term care hospital (LTCH)? Yes X No
4. Is this facility TJC accredited? X Yes ~~X~~ No Expiration Date: 11/8/14
5. Is this facility DNV accredited? Yes X No Expiration Date:
6. Is this facility AOA accredited? Yes X No Expiration Date:
7. Are you a Medicare deemed provider? X Yes No

All responses should pertain to **October 1, 2012 through September 30, 2013.**

D. Beds by Service (Inpatient – Do Not Include Observation Beds or Days of Care)

[Please provide a Beds by Service (p. 4) for each hospital campus (see G.S. 131E-176(2c))]

Please indicate below the number of beds usually assigned (set up and staffed for use) to each of the following services and the number of census inpatient days of care rendered in each unit. NOTE: If your facility has a designated unit(s) for chemical dependency treatment and/or detoxification, please complete the patient origin sheet pertaining to Psychiatric and Substance Abuse Services. If your facility has a Nursing Facility unit and/or Adult Care Bed unit please complete the supplemental packet for Skilled Nursing Facility beds.

| Licensed Acute Care (provide details below) | Licensed Beds as of September 30, 2013 | Staffed Beds as of September 30, 2013 | Annual Census Inpt. Days of Care |
|---|---|--|---|
| <i>Campus</i> | | | |
| Intensive Care Units | | | |
| 1. General Acute Care Beds/Days | | | |
| a. Burn * | | | * |
| b. Cardiac | 10 | 10 | 2,567 |
| c. Cardiovascular Surgery | 8 | 8 | 1,512 |
| d. Medical/Surgical | 20 | 20 | 5,048 |
| e. Neonatal Beds Level IV ** (Not Normal Newborn) | | | ** |
| f. Pediatric | | | |
| g. Respiratory Pulmonary | | | |
| h. Other (List) | | | |
| Other Units | | | |
| i. Gynecology | | | |
| j. Medical/Surgical *** | 95 | 95 | ***24,224 |
| k. Neonatal Level III ** (Not Normal Newborn) | 15 | 15 | ** 3,065 |
| l. Neonatal Level II ** (Not Normal Newborn) | | | ** |
| m. Obstetric (including LDRP) | 70 | 70 | 12,532 |
| n. Oncology | 31 | 31 | 8,953 |
| o. Orthopedics | 30 | 30 | 7,233 |
| p. Pediatric | 8 | 8 | 99 |
| q. Other (List) | 146 | 146 | 38,638 |
| Total General Acute Care Beds/Days (a through q) | 433 | 433 | 103,871 |
| 2. Comprehensive In-Patient Rehabilitation | 0 | | |
| 3. Inpatient Hospice | 0 | | |
| 4. Detoxification | 0 | | |
| 5. Substance Abuse / Chemical Dependency Treatment | 0 | | |
| 6. Psychiatry | 0 | | |
| 7. Nursing Facility | 120 | 120 | 39,962 |
| 8. Adult Care Home | 0 | | |
| 9. Other | 0 | | |
| 10. Totals (1 through 9) | 553 | 553 | 143,833 |

* Please report only Census Days of Care of DRG's 927, 928, 929, 933, 934 and 935.

** Per C.O.N. rule definition: Refer to Section 1400 entitled Neonatal Services. (10A NCAC 14C)

*** Exclude Skilled Nursing swing-bed days. (See swing-bed information next page)

All responses should pertain to **October 1, 2012 through September 30, 2013.**

D. Beds by Service (Inpatient) continued

| | |
|--|--|
| Number of Swing Beds * | |
| Number of Skilled Nursing days in Swing Beds | |
| Number of unlicensed observation beds | |

* means a hospital designated as a swing-bed hospital by CMS (Centers for Medicare & Medicaid Services)

E. Reimbursement Source (For "Inpatient Days," show Acute Inpatient Days only, excluding normal newborns.)

| Primary Payer Source | Inpatient Days of Care (total should be the same as D.1.a - q total on p. 4) | Emergency Visits (total should be the same as F.3.b. on p. 6) | Outpatient Visits (excluding Emergency Visits and Surgical Cases) | Inpatient Surgical Cases (total should be same as F.8.d. Total Surgical Cases - Inpatient Cases on p.9) | Ambulatory Surgical Cases (total should be same as F.8.d. Total Surgical Cases - Ambulatory Cases on p. 9) |
|----------------------------------|---|--|--|--|---|
| Self Pay/Indigent/Charity | 3,531 | 12,337 | 6,922 | 172 | 285 |
| Medicare & Medicare Managed Care | 57,840 | 19,275 | 88,442 | 3,455 | 3,355 |
| Medicaid | 7,460 | 6,360 | 8,185 | 460 | 897 |
| Commercial Insurance | 322 | 566 | 1,655 | 35 | 68 |
| Managed Care | 33,468 | 18,689 | 101,020 | 4,683 | 10,385 |
| Other (Specify) | 1,250 | 1,335 | 14,195 | 208 | 1,003 |
| TOTAL | 103,871 | 58,562 | 220,419 | 9,013 | 15,993 |

F. Services and Facilities

1. Obstetrics

| | Enter Number of Infants |
|-------------------------------------|-------------------------|
| a. Live births (Vaginal Deliveries) | 3,461 |
| b. Live births (Cesarean Section) | 1,876 |
| c. Stillbirths | 18 |

| | |
|--|--------|
| d. Delivery Rooms - Delivery Only (not Cesarean Section) | |
| e. Delivery Rooms - Labor and Delivery, Recovery | 15 |
| f. Delivery Rooms - LDRP (include Item "D.1.m" on Page 4) | |
| g. Normal newborn bassinets (Level I Neonatal Services) Do not include with totals under the section entitled Beds by Service (Inpatient) | Varies |

2. Abortion Services

Number of procedures per Year 307

All responses should pertain to October 1, 2012 through September 30, 2013.

3. Emergency Department Services (cases equal visits to ED)

- a. Total Number of ED Exam Rooms: 47 Of this total, how many are:
- a.1. # Trauma Rooms 41
 - a.2. # Fast Track Rooms 6
 - a.3. # Urgent Care Rooms 32
- b. Total Number of ED visits for reporting period: 58,562
- c. Total Number of admits from the ED for reporting period: 11,360
- d. Total Number of Urgent Care visits for reporting period: 38,213
- e. Does your ED provide services 24 hours a day 7 days per week? Yes No
 If no, specify days/hours of operation:
- f. Is a physician on duty in your ED 24 hours a day 7 days per week? Yes No
 If no, specify days/hours physician is on duty:

4. Medical Air Transport: Owned or leased air ambulance service:

- a. Does the facility operate an air ambulance service? Yes No
- b. If "Yes", complete the following chart.

| Type of Aircraft | Number of Aircraft | Number Owned | Number Leased | Number of Transports |
|------------------|--------------------|--------------|---------------|----------------------|
| Rotary | | | | |
| Fixed Wing | | | | |

5. Pathology and Medical Lab (Check whether or not service is provided)

- a. Blood Bank/Transfusion Services Yes No
- b. Histopathology Laboratory Yes No
- c. HIV Laboratory Testing Yes No
 Number during reporting period
 HIV Serology 10,115
 HIV Culture 0
- d. Organ Bank Yes No
- e. Pap Smear Screening Yes No

6. Transplantation Services - Number of transplants

| Type | Number | Type | Number | Type | Number |
|---------------------------|-----------|-----------------|--------|--------------------|--------|
| a. Bone Marrow-Allogeneic | | f. Kidney/Liver | | k. Lung | |
| b. Bone Marrow-Autologous | | g. Liver | | l. Pancreas | |
| c. Cornea | <u>44</u> | h. Heart/Liver | | m. Pancreas/Kidney | |
| d. Heart | | i. Heart/Kidney | | n. Pancreas/Liver | |
| e. Heart/Lung | | j. Kidney | | o. Other | |

Do you perform living donor transplants? Yes No

All responses should pertain to **October 1, 2012 through September 30, 2013**

7. Specialized Cardiac Services (for questions, call 855-3865 [Medical Facilities Planning])

| (a) Cardiac Catheterization | Diagnostic Cardiac Catheterization ICD-9 37.21, 37.22, 37.23, 37.25 | Interventional Cardiac Catheterization ICD-9 00.66, 99.10, 36.06, 36.07, 36.09; 35.52, 35.71, 35.96 |
|--|--|---|
| 1. Number of Units of Fixed Equipment | 4 | |
| 2. Number of Procedures* Performed in Fixed Units on Patients Age 14 and younger | | |
| 3. Number of Procedures* Performed in Fixed Units on Patients Age 15 and older | 2,666 | 1,350 |
| 4. Number of Procedures* Performed in Mobile Units | | |
| | Electro-physiology ICF-9 37.26, 37.27, 37.34, 37.70, 37.71, 37.72, 37.73, 37.74, 37.75, 37.76, 37.77, 37.79, 37.80, 37.81, 37.82, 37.83, 37.85, 37.86, 37.87, 37.89, 37.94, 37.95, 37.96, 37.97, 37.98, 37.99, 00.50, 00.51, 00.52, 00.53, 00.54 | |
| 5. Number of Units of Fixed Equipment | 1 | |
| 6. Number of Procedures on Dedicated EP Equipment | 680 | |

*A **procedure** is defined to be one visit or trip by a patient to a catheterization laboratory for a single or multiple catheterizations. Count each visit once, regardless of the number of diagnostic, interventional, and/or EP catheterizations performed within that visit.

Name of Mobile Vendor: _____

Number of 8-hour days per week the mobile unit is onsite: _____ 8-hour days per week

(Examples: Monday through Friday for 8 hours per day is 5 8-hour days per week. Monday, Wednesday, & Friday for 4 hours per day is 1.5 8-hour days per week)

| (b) Open Heart Surgery | Number of Machines/Procedures |
|--|--------------------------------------|
| 1. Number of Heart-Lung Bypass Machines | 3 |
| 2. Total Annual Number of Open Heart Surgery Procedures Utilizing Heart-Lung Bypass Machine | 347 |
| 3. Total Annual Number of Open Heart Surgery Procedures done without utilizing a Heart-Lung Bypass Machine | 4 |
| 4. Total Open Heart Surgery Procedures (2. + 3.) | 351 |
| Procedures on Patients Age 14 and younger | |
| 5. Of total in #2, Number of Procedures on Patients Age 14 & younger | |
| 6. Of total in #3, Number of Procedures on Patients Age 14 & younger | |

All responses should pertain to **October 1, 2012 through September 30, 2013.**

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

NOTE: If this License includes more than one campus, please copy pages 8 and 9 for each site. Submit the Cumulative Totals and submit a duplicate of pages 8 and 9 for each campus.

(Campus – If multiple sites: Combined)

a) Surgical Operating Rooms

Report Surgical Operating Rooms built to meet the specifications and standards for operating rooms required by the Construction Section of the Division of Health Services Regulation, and which are fully equipped to perform surgical procedures. These surgical operating rooms include rooms located in Obstetrics and surgical suites.

| Type of Room | Number of Rooms |
|--|-----------------|
| Dedicated Open Heart Surgery | |
| Dedicated C-Section | 3 |
| Other Dedicated Inpatient Surgery | |
| Dedicated Ambulatory Surgery | 3 |
| Shared: - Inpatient / Ambulatory Surgery | 24 |
| Total of Surgical Operating Rooms | 30 |

Number of additional CON approved surgical operating rooms pending development: _____

CON Project ID Number(s): _____

b) Procedure Rooms (Excluding Operating Rooms and Gastrointestinal Endoscopy Rooms)

Report rooms, which are not equipped for or do not meet all the specifications for an operating room, that are used for performance of procedures other than Gastrointestinal Endoscopy procedures.

Total Number of Procedure Rooms: 16

c) Gastrointestinal Endoscopy Rooms, Cases and Procedures:

Report the number of Gastrointestinal Endoscopy rooms and the Endoscopy cases and procedures performed **only** in these rooms during the reporting period.

Total Number of existing Gastrointestinal Endoscopy Rooms: 4

Number of additional CON approved GI Endoscopy Rooms pending development: _____

CON Project ID Number(s): _____

| | Number of Cases Performed In GI Endoscopy Rooms | | Number of Procedures* Performed in GI Endoscopy Rooms | |
|-------------------------|---|--------------|---|--------------|
| | Inpatient | Outpatient | Inpatient | Outpatient |
| GI Endoscopy** | <u>906</u> | <u>2,659</u> | <u>1,213</u> | <u>3,276</u> |
| Non-GI Endoscopy | <u>203</u> | <u>139</u> | <u>392</u> | <u>225</u> |
| Totals | <u>1,109</u> | <u>2,798</u> | <u>1,605</u> | <u>3,501</u> |

Count each patient as one case regardless of the number of procedures performed while the patient was in the GI endoscopy room.

*As defined in 10A NCAC 14C .3901 "Gastrointestinal (GI) endoscopy procedure" means a single procedure, identified by CPT code or ICD-9-CM procedure code, performed on a patient during a single visit to the facility for diagnostic or therapeutic purposes.

All responses should pertain to October 1, 2012 through September 30, 2013.

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

NOTE: If this License includes more than one campus, please copy pages 8 and 9 for each site. Submit the Cumulative Totals and submit a duplicate of pages 8 and 9 for each campus.

(Campus – If multiple sites: main campus)

a) Surgical Operating Rooms

Report Surgical Operating Rooms built to meet the specifications and standards for operating rooms required by the Construction Section of the Division of Health Services Regulation, and which are fully equipped to perform surgical procedures. These surgical operating rooms include rooms located in Obstetrics and surgical suites.

| Type of Room | Number of Rooms |
|--|-----------------|
| Dedicated Open Heart Surgery | |
| Dedicated C-Section | 3 |
| Other Dedicated Inpatient Surgery | |
| Dedicated Ambulatory Surgery | |
| Shared - Inpatient / Ambulatory Surgery | 24 |
| Total of Surgical Operating Rooms | 27 |

Number of additional CON approved surgical operating rooms pending development: _____

CON Project ID Number(s) _____

b) Procedure Rooms (Excluding Operating Rooms and Gastrointestinal Endoscopy Rooms)

Report rooms, which are not equipped for or do not meet all the specifications for an operating room, that are used for performance of procedures other than Gastrointestinal Endoscopy procedures.

Total Number of Procedure Rooms: 15

c) Gastrointestinal Endoscopy Rooms, Cases and Procedures:

Report the number of Gastrointestinal Endoscopy rooms and the Endoscopy cases and procedures performed only in these rooms during the reporting period.

Total Number of existing Gastrointestinal Endoscopy Rooms: 4

Number of additional CON approved GI Endoscopy Rooms pending development: _____

CON Project ID Number(s) _____

| | Number of Cases Performed In GI Endoscopy Rooms | | Number of Procedures* Performed in GI Endoscopy Rooms | |
|-------------------------|---|--------------|---|--------------|
| | Inpatient | Outpatient | Inpatient | Outpatient |
| GI Endoscopy** | 906 | 2,659 | 1,213 | 3,276 |
| Non-GI Endoscopy | 203 | 139 | 392 | 225 |
| Totals | 1,109 | 2,798 | 1,605 | 3,501 |

Count each patient as one case regardless of the number of procedures performed while the patient was in the GI endoscopy room.

*As defined in 10A NCAC 14C .3901 "Gastrointestinal (GI) endoscopy procedure" means a single procedure, identified by CPT code or ICD-9-CM procedure code, performed on a patient during a single visit to the facility for diagnostic or therapeutic purposes.

All responses should pertain to October 1, 2012 through September 30, 2013.

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

NOTE: If this License includes more than one campus, please copy pages 8 and 9 for each site. Submit the Cumulative Totals and submit a duplicate of pages 8 and 9 for each campus.

(Campus – If multiple sites: Wakefield)

a) Surgical Operating Rooms

Report Surgical Operating Rooms built to meet the specifications and standards for operating rooms required by the Construction Section of the Division of Health Services Regulation, and which are fully equipped to perform surgical procedures. These surgical operating rooms include rooms located in Obstetrics and surgical suites.

| Type of Room | Number of Rooms |
|--|-----------------|
| Dedicated Open Heart Surgery | |
| Dedicated C-Section | |
| Other Dedicated Inpatient Surgery | |
| Dedicated Ambulatory Surgery | 3 |
| Shared - Inpatient / Ambulatory Surgery | |
| Total of Surgical Operating Rooms | 3 |

Number of additional CON approved surgical operating rooms pending development: _____

CON Project ID Number(s) _____

b) Procedure Rooms (Excluding Operating Rooms and Gastrointestinal Endoscopy Rooms)

Report rooms, which are not equipped for or do not meet all the specifications for an operating room, that are used for performance of procedures other than Gastrointestinal Endoscopy procedures.

Total Number of Procedure Rooms: 1

c) Gastrointestinal Endoscopy Rooms, Cases and Procedures:

Report the number of Gastrointestinal Endoscopy rooms and the Endoscopy cases and procedures performed only in these rooms during the reporting period.

Total Number of existing Gastrointestinal Endoscopy Rooms: _____

Number of additional CON approved GI Endoscopy Rooms pending development: _____

CON Project ID Number(s) _____

| | Number of Cases Performed In GI Endoscopy Rooms | | Number of Procedures* Performed in GI Endoscopy Rooms | |
|-------------------------|---|------------|---|------------|
| | Inpatient | Outpatient | Inpatient | Outpatient |
| GI Endoscopy** | | | | |
| Non-GI Endoscopy | | | | |
| Totals | | | | |

Count each patient as one case regardless of the number of procedures performed while the patient was in the GI endoscopy room.

*As defined in 10A NCAC 14C .3901 "Gastrointestinal (GI) endoscopy procedure" means a single procedure, identified by CPT code or ICD-9-CM procedure code, performed on a patient during a single visit to the facility for diagnostic or therapeutic purposes.

All responses should pertain to October 1, 2012 through September 30, 2013.

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

(Campus - If multiple sites: Combined)

d) Surgical Cases by Specialty Area Table

Enter the number of surgical cases performed only in licensed operating rooms 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 performed only in licensed operating rooms. The total number of surgical cases should match the total number of patients listed in the Patient Origin Tables on pages 20 and 21.**

| Surgical Specialty Area | Inpatient Cases | Ambulatory Cases |
|--|-----------------|------------------|
| Cardiothoracic (excluding Open Heart Surgery) | 258 | 72 |
| Open Heart Surgery (from 7.(b) 4.) | 351 | |
| General Surgery | 2,815 | 4,830 |
| Neurosurgery | 718 | 1,016 |
| Obstetrics and GYN (excluding C-Sections) | 182 | 1,796 |
| Ophthalmology | | 213 |
| Oral Surgery | 1 | 48 |
| Orthopedics | 2,192 | 4,209 |
| Otolaryngology | 49 | 1,848 |
| Plastic Surgery | | 416 |
| Urology | 305 | 586 |
| Vascular | 305 | 535 |
| Other Surgeries (specify) <i>Trauma, Oncology, Dermatology</i> | 40 | 424 |
| Other Surgeries (specify) | | |
| Number of C-Section's Performed in Dedicated C-Section ORs | 1,744 | |
| Number of C-Section's Performed in Other ORs | 53 | |
| Total Surgical Cases Performed Only in Licensed ORs | 9,013 | 15,993 |

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 | 203 | 2,322 |
| Cystoscopy | 128 | 1,051 |
| Non-GI Endoscopies (not reported in 8. c) | | |
| GI Endoscopies (not reported in 8. c) | | |
| YAG Laser | | |
| Other (specify) <i>Minor procedures</i> | 142 | 6,636 |
| Other (specify) | | |
| Other (specify) | | |
| Total Non-Surgical Cases | 473 | 10,009 |

All responses should pertain to October 1, 2012 through September 30, 2013.

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

(Campus - If multiple sites: main campus)

d) Surgical Cases by Specialty Area Table

Enter the number of surgical cases performed only in licensed operating rooms 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 performed only in licensed operating rooms. The total number of surgical cases should match the total number of patients listed in the Patient Origin Tables on pages 20 and 21.**

| Surgical Specialty Area | Inpatient Cases | Ambulatory Cases |
|--|-----------------|------------------|
| Cardiothoracic (excluding Open Heart Surgery) | 258 | 72 |
| Open Heart Surgery (from 7.(b) 4.) | 351 | |
| General Surgery | 2,815 | 4,534 |
| Neurosurgery | 718 | 1,006 |
| Obstetrics and GYN (excluding C-Sections) | 182 | 1,781 |
| Ophthalmology | | 212 |
| Oral Surgery | 1 | 44 |
| Orthopedics | 2,192 | 3,124 |
| Otolaryngology | 49 | 1,749 |
| Plastic Surgery | | 371 |
| Urology | 305 | 564 |
| Vascular | 305 | 520 |
| Other Surgeries (specify) <i>oncology, dermatology</i> | 40 | 374 |
| Other Surgeries (specify) | | |
| Number of C-Section's Performed in Dedicated C-Section ORs | 1,744 | |
| Number of C-Section's Performed in Other ORs | 53 | |
| Total Surgical Cases Performed Only in Licensed ORs | 9,013 | 14,351 |

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 | 203 | 2,171 |
| Cystoscopy | 128 | 982 |
| Non-GI Endoscopies (not reported in 8. c) | | |
| GI Endoscopies (not reported in 8. c) | | |
| YAG Laser | | |
| Other (specify) <i>minor procedures</i> | 142 | 6,377 |
| Other (specify) | | |
| Other (specify) | | |
| Total Non-Surgical Cases | 473 | 9,530 |

All responses should pertain to October 1, 2012 through September 30, 2013.

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

(Campus – If multiple sites: Wakefield)

d) Surgical Cases by Specialty Area Table

Enter the number of surgical cases performed only in licensed operating rooms 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 performed only in licensed operating rooms. The total number of surgical cases should match the total number of patients listed in the Patient Origin Tables on pages 20 and 21.**

| Surgical Specialty Area | Inpatient Cases | Ambulatory Cases |
|--|-----------------|------------------|
| Cardiothoracic (excluding Open Heart Surgery) | | |
| Open Heart Surgery (from 7.(b) 4.) | | |
| General Surgery | | 296 |
| Neurosurgery | | 10 |
| Obstetrics and GYN (excluding C-Sections) | | 15 |
| Ophthalmology | | 1 |
| Oral Surgery | | 4 |
| Orthopedics | | 1,085 |
| Otolaryngology | | 99 |
| Plastic Surgery | | 45 |
| Urology | | 22 |
| Vascular | | 15 |
| Other Surgeries (specify) <u>Trauma, Dermatology</u> | | 50 |
| 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 Performed Only in Licensed ORs | | 1,642 |

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 | | 151 |
| Cystoscopy | | 69 |
| Non-GI Endoscopies (not reported in 8. c) | | |
| GI Endoscopies (not reported in 8. c) | | |
| YAG Laser | | |
| Other (specify) <u>minor procedures</u> | | 259 |
| Other (specify) | | |
| Other (specify) | | |
| Total Non-Surgical Cases | | 479 |

All responses should pertain to October 1, 2012 through September 30, 2013.

9. Average Operating Room Availability and Average Case Times:

The Operating Room Methodology assumes that the average operating room is staffed 9 hours a day, for 260 days per year, and utilized at least 80% of the available time. This results in 1,872 hours per operating room per year.

The Operating Room Methodology also assumes an average of 3 hours for each Inpatient Surgery and an average of 1.5 hours for each Outpatient Surgery.

Based on your hospital's experience, please complete the table below by showing the assumptions for the average operating room in your hospital.

| Average Hours per Day Routinely Scheduled for Use * | Average Number of Days per Year Routinely Scheduled for Use | Average "Case Time" ** in Minutes for Inpatient Cases | Average "Case Time" ** in Minutes for Ambulatory Cases |
|---|---|---|--|
| 11.3 | 260 | 175 | 95 |

* Use only Hours per Day **routinely** scheduled when determining the answer.

Example for determining average hours per day routinely scheduled for use:

A hospital has two operating rooms routinely scheduled for use for 8 hours per day, and two other operating rooms routinely scheduled for use for 10 hours per day.

2 rooms X 8 hours = 16 hours per day
 plus

2 rooms X 10 hours = 20 hours per day

equals 36 hours per day total

The average hours per day for the four operating rooms is calculated by dividing the total hours per day for all operating rooms by the total number of operating rooms. In this example, 36 hours divided by four operating rooms is 9 average hours per day for an operating room.

** "Case Time" = Time from Room Set-up Start to Room Clean-up Finish. Definition 2.4 from the "Procedural Times Glossary" of the AACD, as approved by ASA, ACS, and AORN. NOTE: This definition includes all of the time for which a given procedure requires an OR/PR. It allows for the different duration of Room Set-up and Room Clean-up Times that occur because of the varying supply and equipment needs for a particular procedure.

All responses should pertain to October 1, 2012 through September 30, 2013.

10a. Magnetic Resonance Imaging (MRI)

Indicate the number of MRI scanners (units) and the number of procedures performed during the 12-month reporting period at your facility. For hospitals that operate medical equipment at multiple sites/ campuses, please copy the MRI pages and provide separate data for each site/campus. Campus – *if multiple sites: Main Campus*

| | | | | | | | | |
|--|---------------------|---------------------------|------------------------------|-----------------|---------------------------|------------------------------|------------------|------------------|
| Number of fixed MRI scanners-closed (<i>do not include any Policy AC-3 scanners</i>) | # Units 2 | Inpatient Procedures* | | | Outpatient Procedures* | | | |
| # of fixed MRI scanners-open (<i>do not include any Policy AC-3 scanners</i>) | | With Contrast or Sedation | Without Contrast or Sedation | TOTAL Inpatient | With Contrast or Sedation | Without Contrast or Sedation | TOTAL Outpatient | TOTAL Procedures |
| Number of Policy AC-3 MRI scanners used for general clinical purposes | | | | | | | | |
| Total Fixed MRI Scanners/Procedures | 2 | 1,105 | 1,547 | 2,652 | 1,995 | 2,204 | 4,199 | 6,851 |
| Procedures performed on mobile MRI scanners only at this site | | | | | | | | |
| Name(s) of Mobile MRI Provider(s): | | | | | | | | |
| The total number of procedures performed on the MRI scanners listed above should be equal to or more than the total number of patients reported on the MRI Patient Origin Table on page 25 of this application. Patients served on units listed in the next row should not be included in the MRI Patient Origin Table on page 25 of this application. | | | | | | | | |
| Other Human Research MRI scanners | | | | | | | | |

* An MRI procedure is defined as a single discrete MRI study of one patient (single CPT coded procedure). An MRI study means one or more scans relative to a single diagnosis or symptom.

10b. MRI Procedures by CPT Codes

| CPT Code | CPT Description | Number of Procedures |
|------------------------|-----------------------------------|----------------------|
| 70336 | MRI Temporomandibular Joint(s) | 3 |
| 70540 | MRI Orbit/Face/Neck w/o | 2 |
| 70542 | MRI Orbit/Face/Neck with contrast | |
| 70543 | MRI Orbit/Face/Neck w/o & with | 61 |
| 70544 | MRA Head w/o | 327 |
| 70545 | MRA Head with contrast | 1 |
| 70546 | MRA Head w/o & with | 22 |
| 70547 | MRA Neck w/o | 12 |
| 70548 | MRA Neck with contrast | |
| 70549 | MRA Neck w/o & with | 187 |
| 70551 | MRI Brain w/o | 1,482 |
| 70552 | MRI Brain with contrast | 32 |
| Subtotal for this page | | 2,129 |

All responses should pertain to October 1, 2012 through September 30, 2013.

10b. MRI Procedures by CPT Codes *continued*.....

| CPT Code | CPT Description | Number of Procedures |
|----------|---|----------------------|
| 70553 | MRI Brain w/o & with | 1,150 |
| 7055A | IAC Screening | |
| 71550 | MRI Chest w/o | 7 |
| 71551 | MRI Chest with contrast | |
| 71552 | MRI Chest w/o & with | 9 |
| 71555 | MRA Chest with OR without contrast | |
| 72126 | Cervical Spine Infusion only | |
| 72141 | MRI Cervical Spine w/o | 425 |
| 72142 | MRI Cervical Spine with contrast | 4 |
| 72156 | MRI Cervical Spine w/o & with | 165 |
| 72146 | MRI Thoracic Spine w/o | 161 |
| 72147 | MRI Thoracic Spine with contrast | 2 |
| 72157 | MRI Thoracic Spine w/o & with | 143 |
| 72148 | MRI Lumbar Spine w/o | 665 |
| 72149 | MRI Lumbar Spine with contrast | 3 |
| 72158 | MRI Lumbar Spine w/o & with | 393 |
| 72159 | MRA Spinal Canal w/o OR with contrast | |
| 72195 | MRI Pelvis w/o | 165 |
| 72196 | MRI Pelvis with contrast | |
| 72197 | MRI Pelvis w/o & with | 185 |
| 72198 | MRA Pelvis w/o OR with Contrast | |
| 73218 | MRI Upper Ext, other than joint w/o | 14 |
| 73219 | MRI Upper Ext, other than joint with contrast | 1 |
| 73220 | MRI Upper Ext, other than joint w/o & with | 17 |
| 73221 | MRI Upper Ext, any joint w/o | 143 |
| 73222 | MRI Upper Ext, any joint with contrast | 1 |
| 73223 | MRI Upper Ext, any joint w/o & with | 10 |
| 73225 | MRA Upper Ext, w/o OR with contrast | |
| 73718 | MRI Lower Ext other than joint w/o | 128 |
| 73719 | MRI Lower Ext other than joint with contrast | |
| 73720 | MRI Lower Ext other than joint w/o & with | 57 |
| 73721 | MRI Lower Ext any joint w/o | 281 |
| 73722 | MRI Lower Ext any joint with contrast | |
| 73723 | MRI Lower Ext any joint w/o & with | 25 |
| 73725 | MRA Lower Ext w/o OR with contrast | |
| 74181 | MRI Abdomen w/o | 101 |
| 74182 | MRI Abdomen with contrast | |
| | Subtotal for this page | 4,255 |

All responses should pertain to October 1, 2012 through September 30, 2013.

10b. MRI Procedures by CPT Codes. *continued.*

| CPT Code | CPT Description | Number of Procedures |
|---|---|----------------------|
| 74183 | MRI Abdomen w/o & with | 467 |
| 74185 | MRA Abdomen w/o OR with contrast | |
| 75557 | MRI Cardiac Morphology w/o | |
| 75561 | MRI Cardiac Morphology with contrast | |
| 75554 | MRI Cardiac Function Complete | |
| 75555 | MRI Cardiac Function Limited | |
| 75556 | MRI Cardiac Velocity Flow Mapping | |
| 77055 | MRI Breast, unilateral w/o and/or with contrast | |
| 77056 | MRI Breast, bilateral w/o and/or with contrast | |
| 76125 | Cineradiography to complement exam | |
| 76390 | MRI Spectroscopy | |
| 76393 | MRI Guidance for needle placement | |
| 76394 | MRI Guidance for tissue ablation | |
| 76400 | MRI Bone Marrow blood supply | |
| 7649A | MR functional imaging | |
| 7649D | MRI infant spine comp w/ & w/o contrast | |
| 7649E | Spine (infants) w/o infusion | |
| 7649H | MR functional imaging | |
| N/A | Clinical Research Scans | |
| Subtotal for this page | | 467 |
| Total Number of Procedures for all pages | | 6,851 |

10c. Computed Tomography (CT)

How many fixed CT scanners does the hospital have? _____
 Does the hospital contract for mobile CT scanner services? Yes No
 If yes, identify the mobile CT vendor _____

Complete the following tables: (one for fixed CT scanners; one for mobile CT scanners).

Scans Performed on Fixed CT Scanners (*Multiply # scans by Conversion Factor to get HECT Units*)

| | Type of CT Scan | # of Scans | | Conversion Factor | | HECT Units |
|---|--|------------|---|-------------------|---|------------|
| 1 | Head without contrast | | X | 1.00 | = | |
| 2 | Head with contrast | | X | 1.25 | = | |
| 3 | Head without and with contrast | | X | 1.75 | = | |
| 4 | Body without contrast | | X | 1.50 | = | |
| 5 | Body with contrast | | X | 1.75 | = | |
| 6 | Body without contrast and with contrast | | X | 2.75 | = | |
| 7 | Biopsy in addition to body scan with or without contrast | | X | 2.75 | = | |
| 8 | Abscess drainage in addition to body scan with or without contrast | | X | 4.00 | = | |

All responses should pertain to October 1, 2012 through September 30, 2013.

10a. Magnetic Resonance Imaging (MRI)

Indicate the number of MRI scanners (units) and the number of procedures performed during the 12-month reporting period at your facility. For hospitals that operate medical equipment at multiple sites/campuses, please copy the MRI pages and provide separate data for each site/campus. Campus – *if multiple sites: Cary*

| | | | | | | | | |
|--|---------|---------------------------|------------------------------|-----------------|---------------------------|------------------------------|------------------|------------------|
| Number of fixed MRI scanners-closed (<i>do not include any Policy AC-3 scanners</i>) | # Units | Inpatient Procedures* | | | Outpatient Procedures* | | | |
| # of fixed MRI scanners-open (<i>do not include any Policy AC-3 scanners</i>) | | With Contrast or Sedation | Without Contrast or Sedation | TOTAL Inpatient | With Contrast or Sedation | Without Contrast or Sedation | TOTAL Outpatient | TOTAL Procedures |
| Number of Policy AC-3 MRI scanners used for general clinical purposes | | | | | | | | |
| Total Fixed MRI Scanners/Procedures | 1 | | | | 355 | 246 | 601 | 601 |
| Procedures performed on mobile MRI scanners only at this site | | | | | | | | |
| Name(s) of Mobile MRI Provider(s): | | | | | | | | |
| The total number of procedures performed on the MRI scanners listed above should be equal to or more than the total number of patients reported on the MRI Patient Origin Table on page 25 of this application. Patients served on units listed in the next row should not be included in the MRI Patient Origin Table on page 25 of this application. | | | | | | | | |
| Other Human Research MRI scanners | | | | | | | | |

*-An MRI procedure is defined as a single discrete MRI study of one patient (single CPT coded procedure). An MRI study means one or more scans relative to a single diagnosis or symptom.

10b. MRI Procedures by CPT Codes

| CPT Code | CPT Description | Number of Procedures |
|------------------------|-----------------------------------|----------------------|
| 70336 | MRI Temporomandibular Joint(s) | |
| 70540 | MRI Orbit/Face/Neck w/o | 2 |
| 70542 | MRI Orbit/Face/Neck with contrast | |
| 70543 | MRI Orbit/Face/Neck w/o & with | 8 |
| 70544 | MRA Head w/o | 16 |
| 70545 | MRA Head with contrast | |
| 70546 | MRA Head w/o & with | |
| 70547 | MRA Neck w/o | |
| 70548 | MRA Neck with contrast | |
| 70549 | MRA Neck w/o & with | 2 |
| 70551 | MRI Brain w/o | 61 |
| 70552 | MRI Brain with contrast | |
| Subtotal for this page | | 89 |

All responses should pertain to October 1, 2012 through September 30, 2013

10b. MRI Procedures by CPT Codes *continued*

| CPT Code | CPT Description | Number of Procedures |
|----------|---|----------------------|
| 70553 | MRI Brain w/o & with | 124 |
| 7055A | IAC Screening | |
| 71550 | MRI Chest w/o | |
| 71551 | MRI Chest with contrast | |
| 71552 | MRI Chest w/o & with | |
| 71555 | MRA Chest with OR without contrast | |
| 72126 | Cervical Spine Infusion only | |
| 72141 | MRI Cervical Spine w/o | 49 |
| 72142 | MRI Cervical Spine with contrast | |
| 72156 | MRI Cervical Spine w/o & with | 8 |
| 72146 | MRI Thoracic Spine w/o | 18 |
| 72147 | MRI Thoracic Spine with contrast | 1 |
| 72157 | MRI Thoracic Spine w/o & with | 3 |
| 72148 | MRI Lumbar Spine w/o | 85 |
| 72149 | MRI Lumbar Spine with contrast | |
| 72158 | MRI Lumbar Spine w/o & with | 29 |
| 72159 | MRA Spinal Canal w/o OR with contrast | |
| 72195 | MRI Pelvis w/o | 10 |
| 72196 | MRI Pelvis with contrast | |
| 72197 | MRI Pelvis w/o & with | 10 |
| 72198 | MRA Pelvis w/o OR with Contrast | |
| 73218 | MRI Upper Ext, other than joint w/o | 1 |
| 73219 | MRI Upper Ext, other than joint with contrast | |
| 73220 | MRI Upper Ext, other than joint w/o & with | 1 |
| 73221 | MRI Upper Ext, any joint w/o | 28 |
| 73222 | MRI Upper Ext, any joint with contrast | |
| 73223 | MRI Upper Ext, any joint w/o & with | 1 |
| 73225 | MRA Upper Ext, w/o OR with contrast | |
| 73718 | MRI Lower Ext other than joint w/o | 20 |
| 73719 | MRI Lower Ext other than joint with contrast | |
| 73720 | MRI Lower Ext other than joint w/o & with | 7 |
| 73721 | MRI Lower Ext any joint w/o | 71 |
| 73722 | MRI Lower Ext any joint with contrast | |
| 73723 | MRI Lower Ext any joint w/o & with | 3 |
| 73725 | MRA Lower Ext w/o OR with contrast | |
| 74181 | MRI Abdomen w/o | 4 |
| 74182 | MRI Abdomen with contrast | |
| | Subtotal for this page | 473 |

All responses should pertain to October 1, 2012 through September 30, 2013.

10b. MRI Procedures by CPT Codes *continued*

| CPT Code | CPT Description | Number of Procedures |
|--|---|----------------------|
| 74183 | MRI Abdomen w/o & with | 39 |
| 74185 | MRA Abdomen w/o OR with contrast | |
| 75557 | MRI Cardiac Morphology w/o | |
| 75561 | MRI Cardiac Morphology with contrast | |
| 75554 | MRI Cardiac Function Complete | |
| 75555 | MRI Cardiac Function Limited | |
| 75556 | MRI Cardiac Velocity Flow Mapping | |
| 77055 | MRI Breast, unilateral w/o and/or with contrast | |
| 77056 | MRI Breast, bilateral w/o and/or with contrast | |
| 76125 | Cineradiography to complement exam | |
| 76390 | MRI Spectroscopy | |
| 76393 | MRI Guidance for needle placement | |
| 76394 | MRI Guidance for tissue ablation | |
| 76400 | MRI Bone Marrow blood supply | |
| 7649A | MR functional imaging | |
| 7649D | MRI infant spine comp w/ & w/o contrast | |
| 7649E | Spine (infants) w/o infusion | |
| 7649H | MR functional imaging | |
| N/A | Clinical Research Scans | |
| Subtotal for this page | | 39 |
| Total Number of Procedures for all pages | | 601 |

10c. Computed Tomography (CT)

How many fixed CT scanners does the hospital have? _____
 Does the hospital contract for mobile CT scanner services? Yes No
 If yes, identify the mobile CT vendor _____

Complete the following tables (one for fixed CT scanners; one for mobile CT scanners).

Scans Performed on Fixed CT Scanners (*Multiply # scans by Conversion Factor to get HECT Units*)

| | Type of CT Scan | # of Scans | Conversion Factor | HECT Units |
|---|--|------------|-------------------|------------|
| 1 | Head without contrast | X | 1.00 | = |
| 2 | Head with contrast | X | 1.25 | = |
| 3 | Head without and with contrast | X | 1.75 | = |
| 4 | Body without contrast | X | 1.50 | = |
| 5 | Body with contrast | X | 1.75 | = |
| 6 | Body without contrast and with contrast | X | 2.75 | = |
| 7 | Biopsy in addition to body scan with or without contrast | X | 2.75 | = |
| 8 | Abscess drainage in addition to body scan with or without contrast | X | 4.00 | = |

All responses should pertain to October 1, 2012 through September 30, 2013.

10a. Magnetic Resonance Imaging (MRI)

Indicate the number of MRI scanners (units) and the number of procedures performed during the 12-month reporting period at your facility. For hospitals that operate medical equipment at multiple sites/ campuses, please copy the MRI pages and provide separate data for each site/campus. Campus - if multiple sites: *Wakefield*

| Number of fixed MRI scanners-closed (do not include any Policy AC-3 scanners) | # Units | Inpatient Procedures* | | | Outpatient Procedures* | | | TOTAL Procedures |
|--|---------|---------------------------|------------------------------|-----------------|---------------------------|------------------------------|------------------|------------------|
| | | With Contrast or Sedation | Without Contrast or Sedation | TOTAL Inpatient | With Contrast or Sedation | Without Contrast or Sedation | TOTAL Outpatient | |
| # of fixed MRI scanners-open (do not include any Policy AC-3 scanners) | | | | | | | | |
| Number of Policy AC-3 MRI scanners used for general clinical purposes | | | | | | | | |
| Total Fixed MRI Scanners/Procedures | | | | | | | | |
| Procedures performed on mobile MRI scanners only at this site | | | | | 346 | 525 | 971 | 871 |
| Name(s) of Mobile MRI Provider(s): <i>Rex Healthcare</i> | | | | | | | | |
| The total number of procedures performed on the MRI scanners listed above should be equal to or more than the total number of patients reported on the MRI Patient Origin Table on page 25 of this application. Patients served on units listed in the next row should not be included in the MRI Patient Origin Table on page 25 of this application. | | | | | | | | |
| Other Human Research MRI scanners | | | | | | | | |

* An MRI procedure is defined as a single discrete MRI study of one patient (single CPT coded procedure). An MRI study means one or more scans relative to a single diagnosis or symptom.

10b. MRI Procedures by CPT Codes

| CPT Code | CPT Description | Number of Procedures |
|------------------------|-----------------------------------|----------------------|
| 70336 | MRI Temporomandibular Joint(s) | |
| 70540 | MRI Orbit/Face/Neck w/o | 1 |
| 70542 | MRI Orbit/Face/Neck with contrast | |
| 70543 | MRI Orbit/Face/Neck w/o & with | 10 |
| 70544 | MRA Head w/o | 23 |
| 70545 | MRA Head with contrast | |
| 70546 | MRA Head w/o & with | |
| 70547 | MRA Neck w/o | 1 |
| 70548 | MRA Neck with contrast | |
| 70549 | MRA Neck w/o & with | 4 |
| 70551 | MRI Brain w/o | 125 |
| 70552 | MRI Brain with contrast | 1 |
| Subtotal for this page | | 165 |

All responses should pertain to October 1, 2012 through September 30, 2013.

10b. MRI Procedures by CPT Codes *continued*

| CPT Code | CPT Description | Number of Procedures |
|----------|---|----------------------|
| 70553 | MRI Brain w/o & with | 137 |
| 7055A | IAC Screening | |
| 71550 | MRI Chest w/o | |
| 71551 | MRI Chest with contrast | |
| 71552 | MRI Chest w/o & with | 2 |
| 71555 | MRA Chest with OR without contrast | |
| 72126 | Cervical Spine Infusion only | |
| 72141 | MRI Cervical Spine w/o | 80 |
| 72142 | MRI Cervical Spine with contrast | |
| 72156 | MRI Cervical Spine w/o & with | 17 |
| 72146 | MRI Thoracic Spine w/o | 17 |
| 72147 | MRI Thoracic Spine with contrast | |
| 72157 | MRI Thoracic Spine w/o & with | 2 |
| 72148 | MRI Lumbar Spine w/o | 150 |
| 72149 | MRI Lumbar Spine with contrast | |
| 72158 | MRI Lumbar Spine w/o & with | 46 |
| 72159 | MRA Spinal Canal w/o OR with contrast | |
| 72195 | MRI Pelvis w/o | 30 |
| 72196 | MRI Pelvis with contrast | |
| 72197 | MRI Pelvis w/o & with | 18 |
| 72198 | MRA Pelvis w/o OR with Contrast | |
| 73218 | MRI Upper Ext, other than joint w/o | 4 |
| 73219 | MRI Upper Ext, other than joint with contrast | |
| 73220 | MRI Upper Ext, other than joint w/o & with | 2 |
| 73221 | MRI Upper Ext, any joint w/o | 35 |
| 73222 | MRI Upper Ext, any joint with contrast | |
| 73223 | MRI Upper Ext, any joint w/o & with | |
| 73225 | MRA Upper Ext, w/o OR with contrast | |
| 73718 | MRI Lower Ext other than joint w/o | 24 |
| 73719 | MRI Lower Ext other than joint with contrast | 1 |
| 73720 | MRI Lower Ext other than joint w/o & with | 4 |
| 73721 | MRI Lower Ext any joint w/o | 53 |
| 73722 | MRI Lower Ext any joint with contrast | |
| 73723 | MRI Lower Ext any joint w/o & with | 2 |
| 73725 | MRA Lower Ext w/o OR with contrast | |
| 74181 | MRI Abdomen w/o | 12 |
| 74182 | MRI Abdomen with contrast | |
| | Subtotal for this page | 645 |

All responses should pertain to October 1, 2012 through September 30, 2013.

10b. MRI Procedures by CPT Codes *continued*.....

| CPT Code | CPT Description | Number of Procedures |
|---|---|----------------------|
| 74183 | MRI Abdomen w/o & with | 61 |
| 74185 | MRA Abdomen w/o OR with contrast | |
| 75557 | MRI Cardiac Morphology w/o | |
| 75561 | MRI Cardiac Morphology with contrast | |
| 75554 | MRI Cardiac Function Complete | |
| 75555 | MRI Cardiac Function Limited | |
| 75556 | MRI Cardiac Velocity Flow Mapping | |
| 77055 | MRI Breast, unilateral w/o and/or with contrast | |
| 77056 | MRI Breast, bilateral w/o and/or with contrast | |
| 76125 | Cineradiography to complement exam | |
| 76390 | MRI Spectroscopy | |
| 76393 | MRI Guidance for needle placement | |
| 76394 | MRI Guidance for tissue ablation | |
| 76400 | MRI Bone Marrow blood supply | |
| 7649A | MR functional imaging | |
| 7649D | MRI infant spine comp w/ & w/o contrast | |
| 7649E | Spine (infants) w/o infusion | |
| 7649H | MR functional imaging | |
| N/A | Clinical Research Scans | |
| Subtotal for this page | | 61 |
| Total Number of Procedures for all pages | | 871 |

10c. Computed Tomography (CT)

How many fixed CT scanners does the hospital have? _____
 Does the hospital contract for mobile CT scanner services? Yes No
 If yes, identify the mobile CT vendor _____

Complete the following tables (one for fixed CT scanners; one for mobile CT scanners).

Scans Performed on Fixed CT Scanners (*Multiply # scans by Conversion Factor to get HECT Units*)

| | Type of CT Scan | # of Scans | Conversion Factor | HECT Units |
|---|--|------------|-------------------|------------|
| 1 | Head without contrast | X | 1.00 | = |
| 2 | Head with contrast | X | 1.25 | = |
| 3 | Head without and with contrast | X | 1.75 | = |
| 4 | Body without contrast | X | 1.50 | = |
| 5 | Body with contrast | X | 1.75 | = |
| 6 | Body without contrast and with contrast | X | 2.75 | = |
| 7 | Biopsy in addition to body scan with or without contrast | X | 2.75 | = |
| 8 | Abscess drainage in addition to body scan with or without contrast | X | 4.00 | = |

All responses should pertain to October 1, 2012 through September 30, 2013.

10a. Magnetic Resonance Imaging (MRI)

Indicate the number of MRI scanners (units) and the number of procedures performed during the 12-month reporting period at your facility. For hospitals that operate medical equipment at multiple sites/ campuses, please copy the MRI pages and provide separate data for each site/campus. Campus – if multiple sites: **Combined**

| | | | | | | | | |
|--|----------|---------------------------|------------------------------|-----------------|---------------------------|------------------------------|------------------|------------------|
| Number of fixed MRI scanners-closed (do not include any Policy AC-3 scanners) | # Units | Inpatient Procedures* | | | Outpatient Procedures* | | | TOTAL Procedures |
| # of fixed MRI scanners-open (do not include any Policy AC-3 scanners) | 3 | With Contrast or Sedation | Without Contrast or Sedation | TOTAL Inpatient | With Contrast or Sedation | Without Contrast or Sedation | TOTAL Outpatient | |
| Number of Policy AC-3 MRI scanners used for general clinical purposes | | | | | | | | |
| Total Fixed MRI Scanners/Procedures | 3 | 1,105 | 1,547 | 2,652 | 2,350 | 2,450 | 4,800 | 7,452 |
| Procedures performed on mobile MRI scanners only at this site | | | | | 346 | 525 | 871 | 871 |
| Name(s) of Mobile MRI Provider(s): | | Rex Healthcare | | | | | | |
| The total number of procedures performed on the MRI scanners listed above should be equal to or more than the total number of patients reported on the MRI Patient Origin Table on page 25 of this application. Patients served on units listed in the next row should not be included in the MRI Patient Origin Table on page 25 of this application. | | | | | | | | |
| Other Human Research MRI scanners | | | | | | | | |

* An MRI procedure is defined as a single discrete MRI study of one patient (single CPT coded procedure). An MRI study means one or more scans relative to a single diagnosis or symptom.

10b. MRI Procedures by CPT Codes

| CPT Code | CPT Description | Number of Procedures |
|------------------------|-----------------------------------|----------------------|
| 70336 | MRI Temporomandibular Joint(s) | 3 |
| 70540 | MRI Orbit/Face/Neck w/o | 5 |
| 70542 | MRI Orbit/Face/Neck with contrast | |
| 70543 | MRI Orbit/Face/Neck w/o & with | 79 |
| 70544 | MRA Head w/o | 366 |
| 70545 | MRA Head with contrast | 1 |
| 70546 | MRA Head w/o & with | 22 |
| 70547 | MRA Neck w/o | 13 |
| 70548 | MRA Neck with contrast | |
| 70549 | MRA Neck w/o & with | 193 |
| 70551 | MRI Brain w/o | 1,668 |
| 70552 | MRI Brain with contrast | 33 |
| Subtotal for this page | | 2,383 |

All responses should pertain to October 1, 2012 through September 30, 2013.

10b. MRI Procedures by CPT Codes *continued*

| CPT Code | CPT Description | Number of Procedures |
|----------|---|----------------------|
| 70553 | MRI Brain w/o & with | 1, 411 |
| 7055A | IAC Screening | |
| 71550 | MRI Chest w/o | 7 |
| 71551 | MRI Chest with contrast | |
| 71552 | MRI Chest w/o & with | 10 |
| 71555 | MRA Chest with OR without contrast | |
| 72126 | Cervical Spine Infusion only | |
| 72141 | MRI Cervical Spine w/o | 554 |
| 72142 | MRI Cervical Spine with contrast | 4 |
| 72156 | MRI Cervical Spine w/o & with | 190 |
| 72146 | MRI Thoracic Spine w/o | 196 |
| 72147 | MRI Thoracic Spine with contrast | 3 |
| 72157 | MRI Thoracic Spine w/o & with | 158 |
| 72148 | MRI Lumbar Spine w/o | 900 |
| 72149 | MRI Lumbar Spine with contrast | 3 |
| 72158 | MRI Lumbar Spine w/o & with | 468 |
| 72159 | MRA Spinal Canal w/o OR with contrast | |
| 72195 | MRI Pelvis w/o | 205 |
| 72196 | MRI Pelvis with contrast | |
| 72197 | MRI Pelvis w/o & with | 213 |
| 72198 | MRA Pelvis w/o OR with Contrast | |
| 73218 | MRI Upper Ext, other than joint w/o | 19 |
| 73219 | MRI Upper Ext, other than joint with contrast | 1 |
| 73220 | MRI Upper Ext, other than joint w/o & with | 20 |
| 73221 | MRI Upper Ext, any joint w/o | 206 |
| 73222 | MRI Upper Ext, any joint with contrast | 1 |
| 73223 | MRI Upper Ext, any joint w/o & with | 11 |
| 73225 | MRA Upper Ext, w/o OR with contrast | |
| 73718 | MRI Lower Ext other than joint w/o | 172 |
| 73719 | MRI Lower Ext other than joint with contrast | 1 |
| 73720 | MRI Lower Ext other than joint w/o & with | 68 |
| 73721 | MRI Lower Ext any joint w/o | 405 |
| 73722 | MRI Lower Ext any joint with contrast | |
| 73723 | MRI Lower Ext any joint w/o & with | 30 |
| 73725 | MRA Lower Ext w/o OR with contrast | |
| 74181 | MRI Abdomen w/o | 117 |
| 74182 | MRI Abdomen with contrast | |
| | Subtotal for this page | 5, 373 |

All responses should pertain to **October 1, 2012 through September 30, 2013.**

10b. MRI Procedures by CPT Codes *continued*

| CPT Code | CPT Description | Number of Procedures |
|--|---|----------------------|
| 74183 | MRI Abdomen w/o & with | 567 |
| 74185 | MRA Abdomen w/o OR with contrast | |
| 75557 | MRI Cardiac Morphology w/o | |
| 75561 | MRI Cardiac Morphology with contrast | |
| 75554 | MRI Cardiac Function Complete | |
| 75555 | MRI Cardiac Function Limited | |
| 75556 | MRI Cardiac Velocity Flow Mapping | |
| 77055 | MRI Breast, unilateral w/o and/or with contrast | |
| 77056 | MRI Breast, bilateral w/o and/or with contrast | |
| 76125 | Cineradiography to complement exam | |
| 76390 | MRI Spectroscopy | |
| 76393 | MRI Guidance for needle placement | |
| 76394 | MRI Guidance for tissue ablation | |
| 76400 | MRI Bone Marrow blood supply | |
| 7649A | MR functional imaging | |
| 7649D | MRI infant spine comp w/ & w/o contrast | |
| 7649E | Spine (infants) w/o infusion | |
| 7649H | MR functional imaging | |
| N/A | Clinical Research Scans | |
| Subtotal for this page | | 567 |
| Total Number of Procedures for all pages | | 8,323 |

10c. Computed Tomography (CT)

How many fixed CT scanners does the hospital have? 5
 Does the hospital contract for mobile CT scanner services? Yes X No
 If yes, identify the mobile CT vendor _____

Complete the following tables (one for fixed CT scanners; one for mobile CT scanners).

Scans Performed on Fixed CT Scanners (Multiply # scans by Conversion Factor to get HECT Units)

| | Type of CT Scan | # of Scans | | Conversion Factor | | HECT Units |
|---|--|------------|---|-------------------|---|------------|
| 1 | Head without contrast | 9,445 | X | 1.00 | = | 9,445 |
| 2 | Head with contrast | 711 | X | 1.25 | = | 889 |
| 3 | Head without and with contrast | 194 | X | 1.75 | = | 340 |
| 4 | Body without contrast | 6,984 | X | 1.50 | = | 8,976 |
| 5 | Body with contrast | 10,802 | X | 1.75 | = | 18,904 |
| 6 | Body without contrast and with contrast | 1,161 | X | 2.75 | = | 3,193 |
| 7 | Biopsy in addition to body scan with or without contrast | 423 | X | 2.75 | = | 1,164 |
| 8 | Abscess drainage in addition to body scan with or without contrast | | X | 4.00 | = | |

All responses should pertain to **October 1, 2012 through September 30, 2013**.

Scans Performed on Mobile CT Scanners (Multiply # scans by Conversion Factor to get HECT Units)

| | Type of CT Scan | # of Scans | | Conversion Factor | | HECT Units |
|---|--|------------|---|-------------------|---|------------|
| 1 | Head without contrast | | X | 1.00 | = | |
| 2 | Head with contrast | | X | 1.25 | = | |
| 3 | Head without and with contrast | | X | 1.75 | = | |
| 4 | Body without contrast | | X | 1.50 | = | |
| 5 | Body with contrast | | X | 1.75 | = | |
| 6 | Body without contrast and with contrast | | X | 2.75 | = | |
| 7 | Biopsy in addition to body scan with or without contrast | | X | 2.75 | = | |
| 8 | Abscess drainage in addition to body scan with or without contrast | | X | 4.00 | = | |

10d. Other Imaging Equipment

| | Number of Units | Number of Procedures | | |
|---|-----------------|----------------------|------------|--------|
| | | Inpatient | Outpatient | Total |
| Dedicated Fixed PET Scanner | 1 | 157 | 1,700 | 1,857 |
| Mobile PET Scanner | | | | |
| PET pursuant to Policy AC-3 | | | | |
| Other Human Research PET Scanner | | | | |
| Ultrasound equipment | 25 | 3,868 | 14,113 | 17,981 |
| Mammography equipment | 9 | 18 | 25,977 | 25,995 |
| Bone Density Equipment | 4 | 2 | 2,323 | 2,325 |
| Fixed X-ray Equipment (excluding fluoroscopic) | 11 | 31,099 | 53,888 | 84,987 |
| Fixed Fluoroscopic X-ray Equipment | 3 | 1,038 | 2,402 | 3,440 |
| Special Procedures/ Angiography Equipment (neuro & vascular, but not including cardiac cath.) | 3 | 2,250 | 3,167 | 5,417 |
| Coincidence Camera | | | | |
| Mobile Coincidence Camera | | | | |
| Vendor: | | | | |
| SPECT | 2 | 414 | 857 | 1,271 |
| Mobile SPECT | | | | |
| Vendor: | | | | |
| Gamma Camera | 1 | 896 | 2,160 | 3,056 |
| Mobile Gamma Camera | | | | |
| Vendor: | | | | |

* PET procedure means a single discrete study of one patient involving one or more PET scans. PET scan means an image-scanning sequence derived from a single administration of a PET radiopharmaceutical, equated with a single injection of the tracer. One or more PET scans comprise a PET procedure. The number of PET procedures in this table should match the number of patients reported on the PET Patient Origin Table on page 27.

10e. Lithotripsy

| | Number of Units | Number of Procedures | | |
|--------|-----------------|----------------------|------------|-------|
| | | Inpatient | Outpatient | Total |
| Fixed | | | | |
| Mobile | 2 | | 586 | 586 |

Lithotripsy Vendor/Owner:
 Triangle Litho
 Carolina Litho

All responses should pertain to October 1, 2012 through September 30, 2013.

11. Linear Accelerator Treatment Data (including Cyberknife® & Similar Equipment)

| CPT Code | Description | # of Procedures |
|--|--|-----------------|
| Simple Treatment Delivery | | |
| 77401 | Radiation treatment delivery | |
| 77402 | Radiation treatment delivery (<=5 MeV) | |
| 77403 | Radiation treatment delivery (6-10 MeV) | 28 |
| 77404 | Radiation treatment delivery (11-19 MeV) | 68 |
| 77406 | Radiation treatment delivery (>=20 MeV) | |
| Intermediate Treatment Delivery | | |
| 77407 | Radiation treatment delivery (<=5 MeV) | |
| 77408 | Radiation treatment delivery (6-10 MeV) | 9 |
| 77409 | Radiation treatment delivery (11-19 MeV) | 38 |
| 77411 | Radiation treatment delivery (>=20 MeV) | |
| Complex Treatment Delivery | | |
| 77412 | Radiation treatment delivery (<=5 MeV) | |
| 77413 | Radiation treatment delivery (6-10 MeV) | 2,879 |
| 77414 | Radiation treatment delivery (11-19 MeV) | 9,277 |
| 77416 | Radiation treatment delivery (>= 20 MeV) | 187 |
| Other Treatment Delivery Not Included Above | | |
| 77418 | Intensity modulated radiation treatment (IMRT) delivery | 4,592 |
| 77372 | Radiation treatment delivery, stereotactic radiosurgery (SRS), complete course of treatment of cranial lesion(s) consisting of 1 session; linear accelerator | |
| 77373 | Stereotactic body radiation therapy, treatment delivery, per fraction to 1 or more lesions, including image guidance, entire course not to exceed 5 fractions | |
| G0339 | (Image-guided) robotic linear accelerator-based stereotactic radiosurgery in one session or first fraction | |
| G0340 | (Image-guided) robotic linear accelerator-based stereotactic radiosurgery, fractionated treatment, 2nd-5th fraction | |
| | Intraoperative radiation therapy (conducted by bringing the anesthetized patient down to the linac) | |
| | Pediatric Patient under anesthesia | |
| | Neutron and proton radiation therapy | |
| | Limb salvage irradiation | |
| | Hemibody irradiation | |
| | Total body irradiation | |
| Imaging Procedures Not Included Above | | |
| 77417 | Additional field check radiographs | 2,080 |
| Total Procedures – Linear Accelerators | | 19,158 |
| Gamma Knife® Procedures | | |
| 77371 | Radiation treatment delivery, stereotactic radiosurgery (SRS), complete course of treatment of cranial lesion(s) consisting of one session; multisource Cobalt 60 based (Gamma Knife®) | |
| Total Procedures – Gamma Knife® | | |

All responses should pertain to October 1, 2012 through September 30, 2013.

11. Linear Accelerator Treatment Data-continued

a. Number of patients who received a course of radiation oncology treatments on linear accelerators (not the Gamma Knife®). Patients shall be counted once if they receive one course of treatment and more if they receive additional courses of treatment. For example, one patient who receives one course of treatment counts as one, and one patient who receives three courses of treatment counts as three.
 # Patients 663 (This number should match the number of patients reported in the Linear Accelerator Patient Origin Table on page 26.)

b. Linear Accelerators
 1. TOTAL number of Linear Accelerator(s) 4
 2. Of the TOTAL number above, number of Linear Accelerators configured for stereotactic radiosurgery _____
 3. Of the TOTAL number above, Number of CyberKnife® Systems: _____
 Other specialized linear accelerators _____ Identify Manufacturer of Equipment _____

c. Number of Gamma Knife® units _____

d. Number of treatment simulators ("machine that produces high quality diagnostic radiographs and precisely reproduces the geometric relationships of megavoltage radiation therapy equipment to the patient."(GS 131E-176(24b))) 2

12. Telemedicine

- a. Does your facility utilize telemedicine to have images read at another facility? yes
- b. Does your facility read telemedicine images? yes

13. Additional Services:

a) Check if Service(s) is provided: (for dialysis stations, show number of stations)

| | Check | | Check |
|---------------------------------------|-------|--------------------------------------|-------|
| 1. Cardiac Rehab Program (Outpatient) | ✓ | 5. Rehabilitation Outpatient Unit | ✓ |
| 2. Chemotherapy | ✓ | 6. Podiatric Services | ✓ |
| 3. Clinical Psychology Services | ✓ | 7. Genetic Counseling Service | ✓ |
| 4. Dental Services | | 8. Number of Acute Dialysis Stations | |

b) Hospice Inpatient Unit Data:

Hospital-based hospice units with licensed hospice beds. List each county served and report **all patients by county of residence**. Use each patient's age on the admission day to the Licensed Hospice Inpatient Facility. **For age categories count each inpatient client only once.**

All responses should pertain to October 1, 2012 through September 30, 2013.

| County of Residence | Age 0-17 | Age 18-40 | Age 41-59 | Age 60-64 | Age 65-74 | Age 75-84 | Age 85+ | Total Patients Served | Total Days of Care | Deaths |
|-----------------------|----------|-----------|-----------|-----------|-----------|-----------|---------|-----------------------|--------------------|--------|
| | | | | | | | | | | |
| | | | | | | | | | | |
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| | | | | | | | | | | |
| | | | | | | | | | | |
| Out of State | | | | | | | | | | |
| Total All Ages | | | | | | | | | | |

All responses should pertain to October 1, 2012 through September 30, 2013.

13. Additional Services: *continued*

c) Mental Health and Substance Abuse

1. If psychiatric care has a different name than the hospital, please indicate:

2. If address is different than the hospital, please indicate:

3. Director of the above services.

Indicate the program/unit location in the **Service Categories** chart below. If it is in the hospital, include the room number. If it is located at another site, include the building name, program/unit name and address.

Service Categories: All applicants must complete the following table for all mental health services which are to be provided by the facility. If the service is not offered, leave the spaces blank.

| Rule 10A NCAC 27G Licensure Rules For Mental Health Facilities | Location of Services | Beds Assigned by Age | | | | |
|--|----------------------|----------------------|-------|---------------|---------|------------|
| | | 0-12 | 13-17 | Subtotal 0-17 | 18 & up | Total Beds |
| .1100 Partial hospitalization for individuals who are acutely mentally ill. | | | | | | |
| .1200 Psychosocial rehabilitation facilities for individuals with severe and persistent mental illness. | | | | | | |
| .1300 Residential treatment facilities for children and adolescents who are emotionally disturbed or have a mental illness | | | | | | |
| .1400 Day treatment for children and adolescents with emotional or behavioral disturbances | | | | | | |
| .1500 Intensive residential treatment facilities for children & adolescents who are emotionally disturbed or who have a mental illness | | | | | | |
| .5000 Facility Based Crisis Center | | | | | | |

| Rule 10A NCAC 13B Licensure Rules For Hospitals | Location of Services | Beds Assigned by Age | | | | |
|--|----------------------|----------------------|-------|---------------|---------|------------|
| | | 0-12 | 13-17 | Subtotal 0-17 | 18 & up | Total Beds |
| .5200 Dedicated inpatient unit for individuals who have mental disorders | | | | | | |

All responses should pertain to October 1, 2012 through September 30, 2013.

13. Additional Services: continued

c) Mental Health and Substance Abuse continued

| Rule 10A NCAC 27G Licensure Rules for Substance Abuse Facilities | Location of Services | Beds Assigned by Age | | | | |
|--|----------------------|----------------------|-------|---------------|---------|------------|
| | | 0-12 | 13-17 | Subtotal 0-17 | 18 & up | Total Beds |
| .3100 Nonhospital medical detoxification for individuals who are substance abusers | | | | | | |
| .3200 Social setting detoxification for substance abusers | | | | | | |
| .3300 Outpatient detoxification for substance abusers | | | | | | |
| .3400 Residential treatment/ rehabilitation for individuals with substance abuse disorders | | | | | | |
| .3500 Outpatient facilities for individuals with substance abuse disorders | | | | | | |
| .3600 Outpatient narcotic addiction treatment | | | | | | |
| .3700 Day treatment facilities for individuals with substance abuse disorders | | | | | | |

| Rule 10A NCAC 13B Licensure Rules For Hospitals | Location of Services | Beds Assigned by Age | | | | |
|---|----------------------|----------------------|-------|---------------|---------|------------|
| | | 0-12 | 13-17 | Subtotal 0-17 | 18 & up | Total Beds |
| .5200 Dedicated inpatient hospital unit for individuals who have substance abuse disorders (specify type) # of Treatment beds _____ # of Medical Detox beds _____ | | | | | | |

All responses should pertain to October 1, 2012 through September 30, 2013.

Patient Origin -General Acute Care Inpatient Services

Facility County: **Wake**

In an effort to document patterns of utilization of General Acute Care Inpatient Services in North Carolina hospitals, please provide the county of residence for each patient admitted to your facility.

| County | No. of Admissions | County | No. of Admissions | County | No. of Admissions |
|----------------|-------------------|-----------------|-------------------|------------------------------|-------------------|
| 1. Alamance | 61 | 37. Gates | 2 | 73. Person | 16 |
| 2. Alexander | | 38. Graham | | 74. Pitt | 23 |
| 3. Alleghany | 1 | 39. Granville | 200 | 75. Polk | |
| 4. Anson | 2 | 40. Greene | 5 | 76. Randolph | 6 |
| 5. Ashe | 3 | 41. Guilford | 39 | 77. Richmond | 6 |
| 6. Avery | | 42. Halifax | 48 | 78. Robeson | 22 |
| 7. Beaufort | 8 | 43. Harnett | 887 | 79. Rockingham | 6 |
| 8. Bertie | 2 | 44. Haywood | 2 | 80. Rowan | 5 |
| 9. Bladen | 6 | 45. Henderson | 2 | 81. Rutherford | 1 |
| 10. Brunswick | 17 | 46. Hertford | 4 | 82. Sampson | 649 |
| 11. Buncombe | 2 | 47. Hoke | 4 | 83. Scotland | 9 |
| 12. Burke | 2 | 48. Hyde | 1 | 84. Stanly | |
| 13. Cabarrus | 2 | 49. Iredell | 7 | 85. Stokes | 1 |
| 14. Caldwell | | 50. Jackson | | 86. Surry | |
| 15. Camden | 1 | 51. Johnston | 1,732 | 87. Swain | |
| 16. Carteret | 25 | 52. Jones | | 88. Transylvania | |
| 17. Caswell | | 53. Lee | 119 | 89. Tyrrell | |
| 18. Catawba | 5 | 54. Lenoir | 25 | 90. Union | 4 |
| 19. Chatham | 120 | 55. Lincoln | 1 | 91. Vance | 160 |
| 20. Cherokee | | 56. Macon | | 92. Wake | 23,771 |
| 21. Chowan | 6 | 57. Madison | | 93. Warren | 55 |
| 22. Clay | | 58. Martin | 2 | 94. Washington | 5 |
| 23. Cleveland | 2 | 59. McDowell | | 95. Watauga | 3 |
| 24. Columbus | 6 | 60. Mecklenburg | 12 | 96. Wayne | 279 |
| 25. Craven | 13 | 61. Mitchell | | 97. Wilkes | 1 |
| 26. Cumberland | 108 | 62. Montgomery | 3 | 98. Wilson | 209 |
| 27. Currituck | 1 | 63. Moore | 26 | 99. Yadkin | 1 |
| 28. Dare | 8 | 64. Nash | 251 | 100. Yancey | |
| 29. Davidson | 3 | 65. New Hanover | 19 | | |
| 30. Davie | 1 | 66. Northampton | 18 | 101. Georgia | 14 |
| 31. Duplin | 57 | 67. Onslow | 12 | 102. South Carolina | 21 |
| 32. Durham | 461 | 68. Orange | 67 | 103. Tennessee | 7 |
| 33. Edgecombe | 53 | 69. Pamlico | 3 | 104. Virginia | 43 |
| 34. Forsyth | 13 | 70. Pasquotank | 1 | 105. Other States | 140 |
| 35. Franklin | 998 | 71. Pender | 13 | 106. Other | |
| 36. Gaston | | 72. Perquimans | | Total No. of Patients | 30,949 |

All responses should pertain to October 1, 2012 through September 30, 2013.

Patient Origin – Inpatient Surgical Cases

Facility County: Wake

In an effort to document patterns of Inpatient utilization of Surgical Services in North Carolina hospitals, please provide the county of residence for each inpatient surgical patient served in your facility. Count each inpatient surgical patient once regardless of the number of surgical procedures performed while the patient was having surgery. However, each admission as an inpatient surgical case should be reported separately.

The Total from this chart should match the Total Inpatient Surgical Cases reported on the "Surgical Cases by Specialty Area" Table on page 9.

| County | No. of Patients | County | No. of Patients | County | No. of Patients |
|----------------|-----------------|-----------------|-----------------|------------------------------|-----------------|
| 1. Alamance | 53 | 37. Gates | 2 | 73. Person | 7 |
| 2. Alexander | | 38. Graham | | 74. Pitt | 17 |
| 3. Alleghany | 1 | 39. Granville | 62 | 75. Polk | |
| 4. Anson | 2 | 40. Greene | 5 | 76. Randolph | 4 |
| 5. Ashe | 1 | 41. Guilford | 26 | 77. Richmond | 4 |
| 6. Avery | | 42. Halifax | 23 | 78. Robeson | 13 |
| 7. Beaufort | 6 | 43. Harnett | 351 | 79. Rockingham | |
| 8. Bertie | 1 | 44. Haywood | 2 | 80. Rowan | 1 |
| 9. Bladen | 1 | 45. Henderson | 2 | 81. Rutherford | |
| 10. Brunswick | 8 | 46. Hertford | 3 | 82. Sampson | 176 |
| 11. Buncombe | 1 | 47. Hoke | 4 | 83. Scotland | 7 |
| 12. Burke | 1 | 48. Hyde | 1 | 84. Stanly | |
| 13. Cabarrus | 1 | 49. Iredell | 4 | 85. Stokes | 1 |
| 14. Caldwell | | 50. Jackson | | 86. Surry | |
| 15. Camden | 1 | 51. Johnston | 666 | 87. Swain | |
| 16. Carteret | 18 | 52. Jones | | 88. Transylvania | |
| 17. Caswell | | 53. Lee | 58 | 89. Tyrrell | |
| 18. Catawba | 1 | 54. Lenoir | 21 | 90. Union | 1 |
| 19. Chatham | 57 | 55. Lincoln | | 91. Vance | 49 |
| 20. Cherokee | | 56. Macon | | 92. Wake | 6,175 |
| 21. Chowan | 3 | 57. Madison | | 93. Warren | 21 |
| 22. Clay | | 58. Martin | 1 | 94. Washington | 1 |
| 23. Cleveland | 1 | 59. McDowell | | 95. Watauga | 2 |
| 24. Columbus | 2 | 60. Mecklenburg | 5 | 96. Wayne | 178 |
| 25. Craven | 8 | 61. Mitchell | | 97. Wilkes | 1 |
| 26. Cumberland | 54 | 62. Montgomery | 3 | 98. Wilson | 116 |
| 27. Currituck | 1 | 63. Moore | 16 | 99. Yadkin | |
| 28. Dare | 8 | 64. Nash | 110 | 100. Yancey | |
| 29. Davidson | 2 | 65. New Hanover | 8 | | |
| 30. Davie | | 66. Northampton | 10 | 101. Georgia | 3 |
| 31. Duplin | 30 | 67. Onslow | 8 | 102. South Carolina | 5 |
| 32. Durham | 123 | 68. Orange | 26 | 103. Tennessee | 1 |
| 33. Edgecombe | 23 | 69. Pamlico | 2 | 104. Virginia | 19 |
| 34. Forsyth | 6 | 70. Pasquotank | | 105. Other States | 44 |
| 35. Franklin | 331 | 71. Pender | 2 | 106. Other | |
| 36. Gaston | | 72. Perquimans | | Total No. of Patients | 9,013 |

All responses should pertain to October 1, 2012 through September 30, 2013.

Patient Origin – Ambulatory Surgical Cases

Facility County: Wake

In an effort to document patterns of Ambulatory utilization of Surgical Services in North Carolina hospitals, please provide the county of residence for each ambulatory surgery patient served in your facility. Count each ambulatory patient once regardless of the number of procedures performed while the patient was having surgery. However, each admission as an ambulatory surgery case should be reported separately.

The Total from this chart should match the Total Ambulatory Surgical Cases reported on the “Surgical Cases by Specialty Area” Table on page 9.

| County | No. of Patients | County | No. of Patients | County | No. of Patients |
|----------------|-----------------|-----------------|-----------------|------------------------------|-----------------|
| 1. Alamance | 17 | 37. Gates | 1 | 73. Person | 16 |
| 2. Alexander | | 38. Graham | | 74. Pitt | 31 |
| 3. Alleghany | | 39. Granville | 152 | 75. Polk | |
| 4. Anson | | 40. Greene | 6 | 76. Randolph | 5 |
| 5. Ashe | 6 | 41. Guilford | 20 | 77. Richmond | 6 |
| 6. Avery | | 42. Halifax | 25 | 78. Robeson | 16 |
| 7. Beaufort | 6 | 43. Harnett | 449 | 79. Rockingham | 4 |
| 8. Bertie | 3 | 44. Haywood | 1 | 80. Rowan | 3 |
| 9. Bladen | 3 | 45. Henderson | 2 | 81. Rutherford | |
| 10. Brunswick | 11 | 46. Hertford | 3 | 82. Sampson | 134 |
| 11. Buncombe | 2 | 47. Hoke | 7 | 83. Scotland | 4 |
| 12. Burke | 1 | 48. Hyde | 1 | 84. Stanly | 1 |
| 13. Cabarrus | 6 | 49. Iredell | 2 | 85. Stokes | |
| 14. Caldwell | 3 | 50. Jackson | 1 | 86. Surry | 1 |
| 15. Camden | | 51. Johnston | 1,252 | 87. Swain | |
| 16. Carteret | 23 | 52. Jones | 3 | 88. Transylvania | 1 |
| 17. Caswell | 3 | 53. Lee | 77 | 89. Tyrrell | 1 |
| 18. Catawba | 1 | 54. Lenoir | 34 | 90. Union | 4 |
| 19. Chatham | 75 | 55. Lincoln | 1 | 91. Vance | 89 |
| 20. Cherokee | | 56. Macon | | 92. Wake | 11,280 |
| 21. Chowan | | 57. Madison | | 93. Warren | 38 |
| 22. Clay | | 58. Martin | 5 | 94. Washington | 2 |
| 23. Cleveland | 1 | 59. McDowell | | 95. Watauga | 3 |
| 24. Columbus | 3 | 60. Mecklenburg | 14 | 96. Wayne | 177 |
| 25. Craven | 12 | 61. Mitchell | 1 | 97. Wilkes | 2 |
| 26. Cumberland | 93 | 62. Montgomery | 3 | 98. Wilson | 168 |
| 27. Currituck | | 63. Moore | 36 | 99. Yadkin | |
| 28. Dare | 8 | 64. Nash | 185 | 100. Yancey | |
| 29. Davidson | 4 | 65. New Hanover | 20 | | |
| 30. Davie | | 66. Northampton | 9 | 101. Georgia | 7 |
| 31. Duplin | 21 | 67. Onslow | 26 | 102. South Carolina | 14 |
| 32. Durham | 262 | 68. Orange | 79 | 103. Tennessee | 3 |
| 33. Edgecombe | 43 | 69. Pamlico | 3 | 104. Virginia | 26 |
| 34. Forsyth | 9 | 70. Pasquotank | 1 | 105. Other States | 113 |
| 35. Franklin | 790 | 71. Pender | 3 | 106. Other | |
| 36. Gaston | 5 | 72. Perquimans | 1 | Total No. of Patients | 15,993 |

All responses should pertain to October 1, 2012 through September 30, 2013.

Patient Origin – Gastrointestinal Endoscopy (GI) Cases

Facility County: Wake

In an effort to document patterns of utilization of Gastrointestinal Endoscopy Services in North Carolina hospitals, please provide the county of residence for each GI Endoscopy patient served in your facility. Count each patient once regardless of the number of procedures performed while the patient was receiving GI Endoscopy Services. However, each admission for GI Endoscopy services should be reported separately.

The Total from this chart should match the Total GI Endoscopy cases reported on the “Gastrointestinal Endoscopy Rooms, Cases and Procedures” Table on page 8 plus the total Inpatient and Ambulatory GI Endoscopy cases from the “Non-Surgical Cases by Category” Table on page 9.

| County | No. of Patients | County | No. of Patients | County | No. of Patients |
|----------------|-----------------|-----------------|-----------------|------------------------------|-----------------|
| 1. Alamance | 17 | 37. Gates | | 73. Person | 1 |
| 2. Alexander | | 38. Graham | | 74. Pitt | |
| 3. Alleghany | 1 | 39. Granville | 63 | 75. Polk | |
| 4. Anson | | 40. Greene | | 76. Randolph | 1 |
| 5. Ashe | 1 | 41. Guilford | 12 | 77. Richmond | 4 |
| 6. Avery | | 42. Halifax | 4 | 78. Robeson | 4 |
| 7. Beaufort | 1 | 43. Harnett | 146 | 79. Rockingham | 1 |
| 8. Bertie | | 44. Haywood | | 80. Rowan | |
| 9. Bladen | 2 | 45. Henderson | | 81. Rutherford | |
| 10. Brunswick | 2 | 46. Hertford | | 82. Sampson | 56 |
| 11. Buncombe | | 47. Hoke | 1 | 83. Scotland | |
| 12. Burke | | 48. Hyde | | 84. Stanly | |
| 13. Cabarrus | | 49. Iredell | | 85. Stokes | |
| 14. Caldwell | | 50. Jackson | | 86. Surry | |
| 15. Camden | | 51. Johnston | 272 | 87. Swain | |
| 16. Carteret | | 52. Jones | | 88. Transylvania | |
| 17. Caswell | | 53. Lee | 8 | 89. Tyrrell | |
| 18. Catawba | 1 | 54. Lenoir | | 90. Union | |
| 19. Chatham | 21 | 55. Lincoln | 1 | 91. Vance | 18 |
| 20. Cherokee | | 56. Macon | | 92. Wake | 2,937 |
| 21. Chowan | 1 | 57. Madison | | 93. Warren | 3 |
| 22. Clay | | 58. Martin | | 94. Washington | |
| 23. Cleveland | | 59. McDowell | | 95. Watauga | |
| 24. Columbus | | 60. Mecklenburg | 1 | 96. Wayne | 21 |
| 25. Craven | 2 | 61. Mitchell | | 97. Wilkes | |
| 26. Cumberland | 12 | 62. Montgomery | 1 | 98. Wilson | 31 |
| 27. Currituck | | 63. Moore | | 99. Yadkin | |
| 28. Dare | | 64. Nash | 34 | 100. Yancey | |
| 29. Davidson | | 65. New Hanover | 2 | | |
| 30. Davie | 2 | 66. Northampton | | 101. Georgia | |
| 31. Duplin | 3 | 67. Onslow | 2 | 102. South Carolina | 5 |
| 32. Durham | 29 | 68. Orange | 9 | 103. Tennessee | |
| 33. Edgecombe | 3 | 69. Pamlico | | 104. Virginia | 1 |
| 34. Forsyth | 1 | 70. Pasquotank | 1 | 105. Other States | 24 |
| 35. Franklin | 242 | 71. Pender | 1 | 106. Other | |
| 36. Gaston | 1 | 72. Perquimans | | Total No. of Patients | 3,907 |

All responses should pertain to October 1, 2012 through September 30, 2013.

Patient Origin - Psychiatric and Substance Abuse Alamance through Johnston

Facility County: Wake

Complete the following table below for inpatient Days of Care reported under Section .5200.

| County of Patient Origin | Psychiatric Treatment Days of Care | | | Substance Abuse Treatment Days of Care | | | Detoxification Days of Care | | |
|--------------------------|------------------------------------|---------|--------|--|---------|--------|-----------------------------|---------|--------|
| | Age 0-17 | Age 18+ | Totals | Age 0-17 | Age 18+ | Totals | Age 0-17 | Age 18+ | Totals |
| Alamance | | | | | | | | | |
| Alexander | | | | | | | | | |
| Alleghany | | | | | | | | | |
| Anson | | | | | | | | | |
| Ashe | | | | | | | | | |
| Avery | | | | | | | | | |
| Beaufort | | | | | | | | | |
| Bertie | | | | | | | | | |
| Bladen | | | | | | | | | |
| Brunswick | | | | | | | | | |
| Buncombe | | | | | | | | | |
| Burke | | | | | | | | | |
| Cabarrus | | | | | | | | | |
| Caldwell | | | | | | | | | |
| Camden | | | | | | | | | |
| Carteret | | | | | | | | | |
| Caswell | | | | | | | | | |
| Catawba | | | | | | | | | |
| Chatham | | | | | | | | | |
| Cherokee | | | | | | | | | |
| Chowan | | | | | | | | | |
| Clay | | | | | | | | | |
| Cleveland | | | | | | | | | |
| Columbus | | | | | | | | | |
| Craven | | | | | | | | | |
| Cumberland | | | | | | | | | |
| Currituck | | | | | | | | | |
| Dare | | | | | | | | | |
| Davidson | | | | | | | | | |
| Davie | | | | | | | | | |
| Duplin | | | | | | | | | |
| Durham | | | | | | | | | |
| Edgecombe | | | | | | | | | |
| Forsyth | | | | | | | | | |
| Franklin | | | | | | | | | |
| Gaston | | | | | | | | | |
| Gates | | | | | | | | | |
| Graham | | | | | | | | | |
| Granville | | | | | | | | | |
| Greene | | | | | | | | | |
| Guilford | | | | | | | | | |
| Halifax | | | | | | | | | |
| Harnett | | | | | | | | | |
| Haywood | | | | | | | | | |
| Henderson | | | | | | | | | |
| Hertford | | | | | | | | | |
| Hoke | | | | | | | | | |
| Hyde | | | | | | | | | |
| Iredell | | | | | | | | | |
| Jackson | | | | | | | | | |
| Johnston | | | | | | | | | |

** Note: See counties: Jones through Yancey (including Out-of-State) on next page.

All responses should pertain to October 1, 2012 through September 30, 2013.

Patient Origin - Psychiatric and Substance Abuse Jones through Yancey (including Out-of-State)

Facility County: **Wake**
 (Continued from previous page)

| County of Patient Origin | Psychiatric Treatment Days of Care | | | Substance Abuse Treatment Days of Care | | | Detoxification Days of Care | | |
|--------------------------|------------------------------------|---------|--------|--|---------|--------|-----------------------------|---------|--------|
| | Age 0-17 | Age 18+ | Totals | Age 0-17 | Age 18+ | Totals | Age 0-17 | Age 18+ | Totals |
| Jones | | | | | | | | | |
| Lee | | | | | | | | | |
| Lenoir | | | | | | | | | |
| Lincoln | | | | | | | | | |
| Macon | | | | | | | | | |
| Madison | | | | | | | | | |
| Martin | | | | | | | | | |
| McDowell | | | | | | | | | |
| Mecklenburg | | | | | | | | | |
| Mitchell | | | | | | | | | |
| Montgomery | | | | | | | | | |
| Moore | | | | | | | | | |
| Nash | | | | | | | | | |
| New Hanover | | | | | | | | | |
| Northampton | | | | | | | | | |
| Onslow | | | | | | | | | |
| Orange | | | | | | | | | |
| Pamlico | | | | | | | | | |
| Pasquotank | | | | | | | | | |
| Pender | | | | | | | | | |
| Perquimans | | | | | | | | | |
| Person | | | | | | | | | |
| Pitt | | | | | | | | | |
| Polk | | | | | | | | | |
| Randolph | | | | | | | | | |
| Richmond | | | | | | | | | |
| Robeson | | | | | | | | | |
| Rockingham | | | | | | | | | |
| Rowan | | | | | | | | | |
| Rutherford | | | | | | | | | |
| Sampson | | | | | | | | | |
| Scotland | | | | | | | | | |
| Stanly | | | | | | | | | |
| Stokes | | | | | | | | | |
| Surry | | | | | | | | | |
| Swain | | | | | | | | | |
| Transylvania | | | | | | | | | |
| Tyrrell | | | | | | | | | |
| Union | | | | | | | | | |
| Vance | | | | | | | | | |
| Wake | | | | | | | | | |
| Warren | | | | | | | | | |
| Washington | | | | | | | | | |
| Watauga | | | | | | | | | |
| Wayne | | | | | | | | | |
| Wilkes | | | | | | | | | |
| Wilson | | | | | | | | | |
| Yadkin | | | | | | | | | |
| Yancey | | | | | | | | | |
| Out of State | | | | | | | | | |
| TOTALS | | | | | | | | | |

** Note: See counties: Alamance through Johnston on previous page.

All responses should pertain to October 1, 2012 through September 30, 2013.

Patient Origin - MRI Services

Facility County: **Wake**

In an effort to document patterns of utilization of MRI Services in North Carolina, hospitals are asked to provide county of residence for each patient served in your facility. The total number of patients reported here should be equal to or less than the total number of MRI procedures reported in Table 10a, on page 11.

| County | No. of Patients | County | No. of Patients | County | No. of Patients |
|----------------|-----------------|-----------------|-----------------|------------------------------|-----------------|
| 1. Alamance | 7 | 37. Gates | 1 | 73. Person | 3 |
| 2. Alexander | | 38. Graham | | 74. Pitt | 3 |
| 3. Alleghany | | 39. Granville | 49 | 75. Polk | |
| 4. Anson | | 40. Greene | | 76. Randolph | 3 |
| 5. Ashe | 1 | 41. Guilford | 4 | 77. Richmond | 2 |
| 6. Avery | | 42. Halifax | 16 | 78. Robeson | 4 |
| 7. Beaufort | 3 | 43. Harnett | 162 | 79. Rockingham | 2 |
| 8. Bertie | | 44. Haywood | | 80. Rowan | |
| 9. Bladen | 1 | 45. Henderson | 1 | 81. Rutherford | 1 |
| 10. Brunswick | 7 | 46. Hertford | 1 | 82. Sampson | 12 |
| 11. Buncombe | | 47. Hoke | 2 | 83. Scotland | 1 |
| 12. Burke | 1 | 48. Hyde | | 84. Stanly | |
| 13. Cabarrus | 1 | 49. Iredell | | 85. Stokes | |
| 14. Caldwell | | 50. Jackson | | 86. Surry | |
| 15. Camden | | 51. Johnston | 306 | 87. Swain | 1 |
| 16. Carteret | 1 | 52. Jones | | 88. Transylvania | |
| 17. Caswell | | 53. Lee | 12 | 89. Tyrrell | |
| 18. Catawba | 2 | 54. Lenoir | 6 | 90. Union | |
| 19. Chatham | 51 | 55. Lincoln | 1 | 91. Vance | 33 |
| 20. Cherokee | | 56. Macon | | 92. Wake | 5,216 |
| 21. Chowan | 1 | 57. Madison | | 93. Warren | 12 |
| 22. Clay | | 58. Martin | 1 | 94. Washington | 2 |
| 23. Cleveland | | 59. McDowell | | 95. Watauga | |
| 24. Columbus | 1 | 60. Mecklenburg | 6 | 96. Wayne | 41 |
| 25. Craven | 3 | 61. Mitchell | | 97. Wilkes | |
| 26. Cumberland | 12 | 62. Montgomery | | 98. Wilson | 30 |
| 27. Currituck | | 63. Moore | 8 | 99. Yadkin | |
| 28. Dare | 1 | 64. Nash | 75 | 100. Yancey | |
| 29. Davidson | | 65. New Hanover | 6 | | |
| 30. Davie | | 66. Northampton | 5 | 101. Georgia | 6 |
| 31. Duplin | 11 | 67. Onslow | 3 | 102. South Carolina | 8 |
| 32. Durham | 71 | 68. Orange | 19 | 103. Tennessee | 2 |
| 33. Edgecombe | 10 | 69. Pamlico | | 104. Virginia | 13 |
| 34. Forsyth | 3 | 70. Pasquotank | | 105. Other States | 41 |
| 35. Franklin | 332 | 71. Pender | 1 | 106. Other | |
| 36. Gaston | 1 | 72. Perquimans | | Total No. of Patients | 6,702 |

Are mobile MRI services currently provided at your hospital? yes X no

All responses should pertain to **October 1, 2012 through September 30, 2013.**

Patient Origin – Linear Accelerator Treatment

Facility County: Wake

In an effort to document patterns of utilization of linear accelerators in North Carolina, hospitals are asked to provide the county of residence for patients served on linear accelerators in your facility. Report the number of patients who receive radiation oncology treatment on equipment (linear accelerators, CyberKnife®, but not Gamma Knife®) listed in Section 11 of this application. Patients shall be counted once if they receive one course of treatment and more if they receive additional courses of treatment. For example, one patient who receives one course of treatment counts as one, and one patient who receives three courses of treatment counts as three. **The number of patients reported here should match the number of patients reported in Section 11.a. of this application.**

| County | No. of Patients | County | No. of Patients | County | No. of Patients |
|----------------|-----------------|-----------------|-----------------|------------------------------|-----------------|
| 1. Alamance | 1 | 37. Gates | | 73. Person | |
| 2. Alexander | | 38. Graham | | 74. Pitt | |
| 3. Alleghany | | 39. Granville | 6 | 75. Polk | |
| 4. Anson | | 40. Greene | | 76. Randolph | |
| 5. Ashe | 1 | 41. Guilford | | 77. Richmond | |
| 6. Avery | | 42. Halifax | | 78. Robeson | |
| 7. Beaufort | | 43. Harnett | 11 | 79. Rockingham | |
| 8. Bertie | | 44. Haywood | | 80. Rowan | |
| 9. Bladen | | 45. Henderson | | 81. Rutherford | |
| 10. Brunswick | | 46. Hertford | | 82. Sampson | 1 |
| 11. Buncombe | | 47. Hoke | | 83. Scotland | |
| 12. Burke | | 48. Hyde | | 84. Stanly | |
| 13. Cabarrus | | 49. Iredell | 1 | 85. Stokes | |
| 14. Caldwell | | 50. Jackson | | 86. Surry | |
| 15. Camden | | 51. Johnston | 17 | 87. Swain | |
| 16. Carteret | | 52. Jones | | 88. Transylvania | |
| 17. Caswell | | 53. Lee | 2 | 89. Tyrrell | |
| 18. Catawba | | 54. Lenoir | | 90. Union | |
| 19. Chatham | 2 | 55. Lincoln | | 91. Vance | 6 |
| 20. Cherokee | | 56. Macon | | 92. Wake | 579 |
| 21. Chowan | 1 | 57. Madison | | 93. Warren | 1 |
| 22. Clay | | 58. Martin | | 94. Washington | |
| 23. Cleveland | | 59. McDowell | | 95. Watauga | |
| 24. Columbus | | 60. Mecklenburg | | 96. Wayne | |
| 25. Craven | | 61. Mitchell | | 97. Wilkes | |
| 26. Cumberland | 2 | 62. Montgomery | | 98. Wilson | 2 |
| 27. Currituck | | 63. Moore | | 99. Yadkin | |
| 28. Dare | | 64. Nash | 5 | 100. Yancey | |
| 29. Davidson | | 65. New Hanover | | | |
| 30. Davie | | 66. Northampton | | 101. Georgia | |
| 31. Duplin | 1 | 67. Onslow | | 102. South Carolina | |
| 32. Durham | 5 | 68. Orange | 2 | 103. Tennessee | |
| 33. Edgecombe | 2 | 69. Pamlico | | 104. Virginia | |
| 34. Forsyth | | 70. Pasquotank | | 105. Other States | 3 |
| 35. Franklin | 72 | 71. Pender | | 106. Other | |
| 36. Gaston | | 72. Perquimans | | Total No. of Patients | 663 |

All responses should pertain to **October 1, 2012 through September 30, 2013.**

Patient Origin – PET Scanner

Facility County: Wake

In an effort to document patterns of utilization of PET Scanners in North Carolina, hospitals are asked to provide county of residence for each patient served in your facility. This data should only reflect the number of patients, not number of scans and should not include other radiopharmaceutical or supply charge codes. **Please count each patient only once. The number of patients in this table should match the number of PET procedures reported in Table 10d on page 14.**

| County | No. of Patients | County | No. of Patients | County | No. of Patients |
|----------------|-----------------|-----------------|-----------------|------------------------------|-----------------|
| 1. Alamance | | 37. Gates | | 73. Person | |
| 2. Alexander | | 38. Graham | | 74. Pitt | |
| 3. Alleghany | | 39. Granville | 11 | 75. Polk | |
| 4. Anson | | 40. Greene | | 76. Randolph | |
| 5. Ashe | 3 | 41. Guilford | 3 | 77. Richmond | |
| 6. Avery | | 42. Halifax | 4 | 78. Robeson | 1 |
| 7. Beaufort | | 43. Harnett | 76 | 79. Rockingham | |
| 8. Bertie | | 44. Haywood | | 80. Rowan | |
| 9. Bladen | | 45. Henderson | 1 | 81. Rutherford | |
| 10. Brunswick | 2 | 46. Hertford | | 82. Sampson | 24 |
| 11. Buncombe | | 47. Hoke | | 83. Scotland | 1 |
| 12. Burke | 1 | 48. Hyde | | 84. Stanly | |
| 13. Cabarrus | | 49. Iredell | | 85. Stokes | |
| 14. Caldwell | | 50. Jackson | | 86. Surry | |
| 15. Camden | | 51. Johnston | 155 | 87. Swain | |
| 16. Carteret | 2 | 52. Jones | | 88. Transylvania | |
| 17. Caswell | | 53. Lee | 3 | 89. Tyrrell | |
| 18. Catawba | | 54. Lenoir | | 90. Union | |
| 19. Chatham | 6 | 55. Lincoln | | 91. Vance | 7 |
| 20. Cherokee | | 56. Macon | | 92. Wake | 1,336 |
| 21. Chowan | | 57. Madison | | 93. Warren | 1 |
| 22. Clay | | 58. Martin | | 94. Washington | |
| 23. Cleveland | | 59. McDowell | | 95. Watauga | |
| 24. Columbus | | 60. Mecklenburg | | 96. Wayne | 15 |
| 25. Craven | 1 | 61. Mitchell | | 97. Wilkes | |
| 26. Cumberland | 9 | 62. Montgomery | | 98. Wilson | 10 |
| 27. Currituck | | 63. Moore | | 99. Yadkin | |
| 28. Dare | | 64. Nash | 25 | 100. Yancey | 1 |
| 29. Davidson | | 65. New Hanover | 2 | | |
| 30. Davie | | 66. Northampton | | 101. Georgia | |
| 31. Duplin | 1 | 67. Onslow | | 102. South Carolina | 2 |
| 32. Durham | 15 | 68. Orange | 1 | 103. Tennessee | |
| 33. Edgecombe | 2 | 69. Pamlico | 3 | 104. Virginia | 2 |
| 34. Forsyth | | 70. Pasquotank | | 105. Other States | 9 |
| 35. Franklin | 118 | 71. Pender | 4 | 106. Other | |
| 36. Gaston | | 72. Perquimans | | Total No. of Patients | 1,857 |

All responses should pertain to October 1, 2012 through September 30, 2013.

Patient Origin – Emergency Department Services

Facility County: Wake

In an effort to document the patterns of utilization of Emergency Department Services in North Carolina hospitals, please provide the county of residence for all patients served by your Emergency Department. The total number of patients from this chart must match the number of Emergency Department visits provided in Section F.(3)(b) : Emergency Department Services, Page 6.

| County | No. of Visits | County | No. of Visits | County | No. of Visits |
|----------------|---------------|-----------------|---------------|------------------------------|---------------|
| 1. Alamance | 70 | 37. Gates | 1 | 73. Person | 27 |
| 2. Alexander | 3 | 38. Graham | | 74. Pitt | 50 |
| 3. Alleghany | 1 | 39. Granville | 269 | 75. Polk | |
| 4. Anson | 2 | 40. Greene | 3 | 76. Randolph | 19 |
| 5. Ashe | 5 | 41. Guilford | 109 | 77. Richmond | 20 |
| 6. Avery | | 42. Halifax | 38 | 78. Robeson | 27 |
| 7. Beaufort | 22 | 43. Harnett | 694 | 79. Rockingham | 17 |
| 8. Bertie | 2 | 44. Haywood | 4 | 80. Rowan | 23 |
| 9. Bladen | 12 | 45. Henderson | 4 | 81. Rutherford | 5 |
| 10. Brunswick | 22 | 46. Hertford | 14 | 82. Sampson | 132 |
| 11. Buncombe | 14 | 47. Hoke | 7 | 83. Scotland | 7 |
| 12. Burke | 7 | 48. Hyde | 1 | 84. Stanly | 2 |
| 13. Cabarrus | 16 | 49. Iredell | 21 | 85. Stokes | 5 |
| 14. Caldwell | 2 | 50. Jackson | 1 | 86. Surry | 6 |
| 15. Camden | 3 | 51. Johnston | 1,570 | 87. Swain | 2 |
| 16. Carteret | 32 | 52. Jones | 1 | 88. Transylvania | 2 |
| 17. Caswell | 2 | 53. Lee | 85 | 89. Tyrrell | 2 |
| 18. Catawba | 20 | 54. Lenoir | 20 | 90. Union | 42 |
| 19. Chatham | 137 | 55. Lincoln | 15 | 91. Vance | 155 |
| 20. Cherokee | 1 | 56. Macon | 1 | 92. Wake | 50,048 |
| 21. Chowan | 10 | 57. Madison | | 93. Warren | 56 |
| 22. Clay | 1 | 58. Martin | 3 | 94. Washington | 7 |
| 23. Cleveland | 9 | 59. McDowell | 2 | 95. Watauga | 4 |
| 24. Columbus | 16 | 60. Mecklenburg | 113 | 96. Wayne | 93 |
| 25. Craven | 24 | 61. Mitchell | 2 | 97. Wilkes | 4 |
| 26. Cumberland | 123 | 62. Montgomery | 6 | 98. Wilson | 115 |
| 27. Currituck | 3 | 63. Moore | 43 | 99. Yadkin | 3 |
| 28. Dare | 4 | 64. Nash | 273 | 100. Yancey | 3 |
| 29. Davidson | 17 | 65. New Hanover | 55 | | |
| 30. Davie | 9 | 66. Northampton | 11 | 101. Georgia | 83 |
| 31. Duplin | 23 | 67. Onslow | 40 | 102. South Carolina | 76 |
| 32. Durham | 674 | 68. Orange | 139 | 103. Tennessee | 30 |
| 33. Edgecombe | 94 | 69. Pamlico | 6 | 104. Virginia | 170 |
| 34. Forsyth | 73 | 70. Pasquotank | 5 | 105. Other States | 940 |
| 35. Franklin | 1,116 | 71. Pender | 11 | 106. Other | 227 |
| 36. Gaston | 11 | 72. Perquimans | 3 | Total No. of Patients | 68,562 |

All responses should pertain to October 1, 2012 through September 30, 2013.

This application must be completed and submitted with ONE COPY to the Acute and Home Care Licensure and Certification Section, Division of Health Service Regulation prior to the issuance of a 2014 hospital license.

AUTHENTICATING SIGNATURE: The undersigned submits application for the year 2014 in accordance with Article 5, Chapter 131E of the General Statutes of North Carolina, and subject to the rules and codes adopted thereunder by the North Carolina Medical Care Commission (10A NCAC 13B), and certifies the accuracy of this information.

Signature: Bernadette M. Spong Date: 11/20/13

PRINT NAME
OF APPROVING OFFICIAL Bernadette M. Spong

Please be advised, the license fee must accompany the completed application and be submitted to the Acute and Home Care Licensure and Certification Section, Division of Health Service Regulation, prior to the issuance of a hospital license.

North Carolina Department of Health and Human Services
Division of Health Service Regulation
Acute and Home Care Licensure and Certification Section
2712 Mail Service Center
Raleigh, North Carolina 27699-2712
Telephone: (919) 855-4620 Fax: (919) 715-3073

For Official Use Only
License # H0065 NF Provider #
Computer FID: 953429
Hospital: Rex Hospital

NURSING CARE FACILITY/UNIT BEDS 2014 Annual Data Supplement to Hospital License Application

To be completed by each hospital reporting Nursing Facility/Unit Beds as part of its total licensed capacity.

A separate form should be completed for each site.

Legal Identity of Applicant: Rex Hospital, Inc.

(Full legal name of corporation, partnership, individual, or other legal entity owning the enterprise or service.)

Doing Business As (name(s) under which the facility or services are advertised or presented to the public):

PRIMARY: Rex Hospital

Other: Rex Healthcare

Other: Rex Rehab. & Nursing Center of Raleigh

Facility Mailing Address: 4420 Lake Boone Trail
Raleigh, NC 27607

Facility Site Address: 4420 Lake Boone Trail
Raleigh, NC 27607

County: Wake

Telephone: (919)784-3100

Fax: (919)784-3336

E-mail Address of Administrator:

danielle.hellenbrand@rexhealth.com

National provider identifier (NPI): 1376542878

1. Was this facility in operation throughout the entire 12-month reporting period ending September 30, 2013?

Yes No

If No, for what period was the facility in operation? _____ / _____ / _____ through _____ / _____ / _____
month/day/year month/day/year

If No, for what reason was the facility not in full operation during this period? _____

2. Was there a change of ownership anytime between October 1, 2012 to September 30, 2013? Yes No

If Yes, what was the date of the change? _____ / _____ / _____

PART A OWNERSHIP DISCLOSURE

(Please fill in any blanks and make changes where necessary.)

1. What is the name of the legal entity with ownership responsibility and liability?

Owner: Rex Healthcare Services Inc
Street: 4220 Lake Boone Trail
Mailing: _____
(if different from street)
City: Raleigh State: NC Zip: 27607
Telephone: (919)784-3100 Fax: (919)783-3336
Senior Officer: ~~Gary L. Park~~ David Strong, President

- a. Legal entity is: For Profit Not For Profit
- b. Legal entity is: (check ALL that apply)
 Corporation LLC/LLP Partnership
 Proprietorship Government Unit
- c. Does the above entity (partnership, corporation, etc.) lease the building from which services are offered? ~~X~~ Yes No

If Yes, name of building owner:

2. Is the business operated under a management contract? Yes No

If Yes, name and address of the management company.

Name: _____
Street: _____
Mailing: _____
(if different from street)
City: _____ State: _____ Zip: _____
Telephone: (____) _____

3. If this business is a subsidiary of another entity, please identify the parent company below:

Name: NONE
Street: _____
Mailing: _____
(if different from street)
City: _____
State: _____ Zip: _____
Telephone: (____) _____ Fax: (____) _____
Senior Officer: _____

PART B OPERATIONS

1. Facility Personnel

a. Administration

Name of the Administrator: ~~David Strong~~ Danielle Hellenbrand
Date Hired As Administrator: 9/13/13 NC License Number: 2491

b. Nursing

Name of the Director: ~~Mary L Powell~~ Leslie Smith
Date Hired As D.O.N.: 5/14/12 NC License Number: 238369

c. Medical Director:

Name of Medical Director: Dr. Tanya Zinner, MD
Date Hired as Medical Director: 03/07
Office Address: 4210 Lake Boone Trail
Raleigh, NC 27607

2. Environmental Enhancements Supporting Culture Change

("Enhancements" refer to practices and products that help create a homelike atmosphere within the nursing home. Some may be unique to one facility while others may be central to a particular model of culture change.) Listed below are the enhancement components reported on your renewal application last year. Please update these records, as they are used by the North Carolina Culture Change Coalition.

Is the facility currently practicing a culture change process/program? Y X N

If yes, please check which components have been implemented:

| | | | | | | | |
|--------------------------|---------|--------------------------|----------|--------------------------|-------------------|--------------------------|---------------------------------|
| <input type="checkbox"/> | Cats | <input type="checkbox"/> | Children | <input type="checkbox"/> | Staff Empowerment | <input type="checkbox"/> | Residential building design |
| <input type="checkbox"/> | Dogs | <input type="checkbox"/> | Plants | <input type="checkbox"/> | Neighborhoods | <input type="checkbox"/> | Residential dining enhancements |
| <input type="checkbox"/> | Birds | <input type="checkbox"/> | Gardens | <input type="checkbox"/> | Other Animals | <input type="checkbox"/> | Sensory Room |
| <input type="checkbox"/> | Bathing | <input type="checkbox"/> | Teams | <input type="checkbox"/> | Aroma Therapy | <input type="checkbox"/> | Other enhancements |
| | | | | | | | Please specify |

If applicable, please indicate either the culture change philosophy being practiced (i.e.: Eden Alternative, Person Centered Care, Well Spring Model, etc.) or a philosophy unique to your home:

PART D PATIENT CENSUS

Important: Report patient census data for September 30, 2013 only.

1. Number of patients in facility on September 30, 2013

| Nursing | Adult Care |
|---------|------------|
| 110 | |

2. Statistics on Nursing Home Patients

| (a) Number of Nursing Level of Care patients on September 30, 2013 by age group | Male | Female |
|---|------|--------|
| 18-20 years old | | |
| 21-34 years old | | |
| 35-54 years old | | 2 |
| 55-64 years old | | 2 |
| 65-74 years old | 5 | 8 |
| 75-84 years old | 5 | 28 |
| 85 years old and older | 7 | 53 |
| Totals | 17 | 93 |

NOTE: Total for Item # 2 must match the number reported in Item # 1 for Nursing Patients.

(b) Nursing hours worked on this day for Nursing Patients by direct care RNs, LPNs and Nurse Aides.

413

3. Statistics on Adult Care Home residents on September 30, 2013 by age groups

| | Male | Female |
|------------------------|------|--------|
| Under 35 | | |
| 35 - 64 years old | | |
| 65 - 74 years old | | |
| 75 - 84 years old | | |
| 85 years old and older | | |

NOTE: Total for Item # 3 must match the number reported in Item # 1 for Adult Care Patients.

For questions please call Medical Facilities Planning at (919) 855-3865

PART E PATIENT UTILIZATION DATA

Answer these questions for the reporting period of October 1, 2012 through September 30, 2013.

1. Beginning Census, Admissions, Discharges, and Deaths by Level of Care

- The "Beginning Census" refers to the number of patients/residents in your facility on October 1, 2012.
- "Admissions" refers to the number of persons admitted during the period from Oct 1, 2012 through Sept 30, 2013.
- "Discharges and Deaths" refer to all discharges and deaths from October 1, 2012 through September 30, 2013.

| Patients/Residents | Beginning Census | Admissions | Discharges (excluding deaths) | Deaths | Total Beginning Census + Admissions - Discharges - Deaths |
|-------------------------|------------------|------------|-------------------------------|--------|---|
| (1) Nursing Patients | 113 | 871 | 844 | 30 | 110 |
| (2) Adult Care Patients | | | | | |

NOTE: Total must match # reported for Patient Census, Item # 1

2. Inpatient Days of Care

Number of Days of Inpatient Care rendered during the reporting period.

a. Nursing Care (NC)

| | |
|---------------------------------------|--------|
| (1) NC Days Reimbursed by Medicare | 13,052 |
| (2) NC Days Reimbursed by Medicaid | 20,007 |
| (3) NC Days Reimbursed by Private Pay | 6,141 |
| (4) NC Days Reimbursed by Other | 762 |
| (5) Total { (1) + (2) + (3) + (4) } | 39,962 |

b. Adult Care Home (ACH)

| | |
|--|--|
| (1) ACH Days reimbursed by Private Pay | |
| (2) ACH Days reimbursed by County Special Assistance | |
| (3) ACH Days reimbursed by Other | |
| (4) Total { (1) + (2) + (3) } | |

Note: These are reported as cumulative totals (ex: total # days reimbursed by Medicare for patient #1 + total # days reimbursed by Medicare for patient #2 + total # days reimbursed by Medicare for patient #3 + ...)

3. Counties of Origin for Nursing Care Patients

- For the period of October 1, 2012 through September 30, 2013, list in Column A the counties where Nursing Care patients lived before coming to your facility.
- For each county in Column B1 give the number of nursing patients, from that county, who were living in the facility on October 1, 2012.
- For each county, in Column B2 give the total number of additional Nursing Care patients, from that county, who were admitted between October 1, 2012 and September 30, 2013.
- Report patients who were not NC residents as "Out-of-State" on lines 26 through 30. **Attach additional sheets if needed.**

For questions please call Medical Facilities Planning at (919) 855-3865

| A Permanent County of Residence for Individuals prior to Admission (if out-of-state indicate in last lines below) | B Patient Census during reporting period: | | C TOTAL B1 plus B2 | D For each county indicate number of patients whose care was paid for, in whole or in part by Medicaid (Title XIX) program |
|---|--|------------------------------|--------------------------|--|
| | B1 In Facility at beginning | B2 Admitted during period | | |
| EXAMPLE: 1. Wake | 50 | 185 | 235 | 175 |
| 2. Yadkin | 1 | 2 | 3 | 2 |
| 1. Wake | 108 | 826 | 934 | 46 |
| 2. Johnston | | 11 | 11 | 2 |
| 3. Durham | 3 | 3 | 6 | |
| 4. Orange | | | | |
| 5. Harnett | 1 | 10 | 11 | 5 |
| 6. Bertie | | 1 | 1 | |
| 7. Carteret | | 1 | 1 | |
| 8. Chatham | | 1 | 1 | |
| 9. Craven | | 1 | 1 | |
| 10. Cumberland | | 1 | 1 | |
| 11. Edgecombe | | 1 | 1 | |
| 12. Franklin | | 1 | 1 | |
| 13. Nash | | 2 | 2 | |
| 14. Onslow | | 2 | 2 | |
| 15. Pitt | | 2 | 2 | |
| 16. Sampson | | 4 | 4 | |
| 17. Wayne | | 3 | 3 | |
| 18. Wilson | | 1 | 1 | |
| 19. | | | | |
| 20. | | | | |
| 21. | | | | |
| 22. | | | | |
| 23. | | | | |
| 24. | | | | |
| 25. | | | | |
| 26. Georgia | | 1 | | |
| 27. South Carolina | | | | |
| 28. Virginia | 1 | | 1 | |
| 29. Tennessee | | | | |
| 30. Other Out-of-State | | | | |
| 31. TOTALS | 113 | 871 | 984 | 53 |

↑
 Must match #
 reported for
 Patient Utilization
 Data, "Beginning
 Census"

↑
 Must match #
 reported for
 Patient Utilization
 Data, "Admissions"

4. Counties of Origin for Adult Care Home Residents

- For the period of October 1, 2012 through September 30, 2013, list in Column A the counties where **Adult Care Home residents** lived before coming to your facility.
- For each county in Column B1 give the number of Adult Care Home residents, from that county, who were living in the facility on October 1, 2012.
- For each county, in Column B2 give the total number of additional Adult Care Home residents, from that county, who were admitted between October 1, 2012 and September 30, 2013.
- Report residents who were not NC residents as "Out-of-State" on lines 26 through 30. **Attach additional sheets if needed.**

For questions please call Medical Facilities Planning at (919) 855-3865

| A Permanent County of Residence for Individuals prior to Admission (if "out-of-state" indicate in last lines below) | B Patient Census during reporting period: | | C TOTAL B1 plus B2 | D For each county indicate number of patients whose care was paid for, in whole or in part by Medicaid (Title XIX) program |
|--|--|------------------------------|--------------------------|---|
| | B1 In Facility at beginning | B2 Admitted during period | | |
| EXAMPLE: 1. Wake | 50 | 185 | 235 | 175 |
| 2. Yadkin | 1 | 2 | 3 | 2 |
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |
| 5. | | | | |
| 6. | | | | |
| 7. | | | | |
| 8. | | | | |
| 9. | | | | |
| 10. | | | | |
| 11. | | | | |
| 12. | | | | |
| 13. | | | | |
| 14. | | | | |
| 15. | | | | |
| 16. | | | | |
| 17. | | | | |
| 18. | | | | |
| 19. | | | | |
| 20. | | | | |
| 21. | | | | |
| 22. | | | | |
| 23. | | | | |
| 24. | | | | |
| 25. | | | | |
| 26. Georgia | | | | |
| 27. South Carolina | | | | |
| 28. Virginia | | | | |
| 29. Tennessee | | | | |
| 30. Other Out-of-State | | | | |
| 31. TOTALS | | | | |

↑
 Must match # reported for Patient Utilization Data, "Beginning Census"

↑
 Must match # reported for Patient Utilization Data, "Admissions"

PART F CURRENT OPERATING STATISTICS

1. Current Per Diem Reimbursement Rates/Charges.

Please state the CURRENT (as of the date the application is signed) basic daily charges/rates for residents or patients in your facility in the following categories of care.

For questions please call Certificate of Need at (919) 855-3873

| Private Pay (Usual Customary Charge) | Private Room (1 bed/room) | Semi-Private (2 beds/room) | 3 or more beds/room |
|--|------------------------------|-------------------------------|------------------------|
| Nursing Care | \$ 245 | \$ 225 | \$ |
| Adult Care Home | \$ | \$ | \$ |
| Special Care Unit (specify) <i>Rehab</i> | \$ 467 | \$ 441 | \$ |
| Special Care Unit (specify) | \$ | \$ | \$ |

| Medicare | Code | Rate |
|--|---------------|-----------|
| Three most frequent resource utilization group (RUG) codes and rates paid for them | 1. <i>RVB</i> | \$ 407.97 |
| | 2. <i>RVC</i> | \$ 471.12 |
| | 3. <i>RUB</i> | \$ 549.16 |

| Medicaid | Quarterly Rates | | | |
|--------------|-----------------|-----------|-----------|------------|
| | Oct.-Dec. | Jan.-Mar. | Apr.-June | July-Sept. |
| Nursing Care | \$ 149.38 | \$ 151.12 | \$ 155.35 | \$ 160.44 |

| Medicaid Nursing Care | Rate |
|-----------------------------|------|
| Special Care Unit (specify) | \$ |
| Special Care Unit (specify) | \$ |

| State/County Special Assistance | Rate |
|---------------------------------|------|
| Adult Care Home | \$ |
| Special Care Unit (specify) | \$ |
| Special Care Unit (specify) | \$ |

Please complete only if applicable:

| Alzheimer's/Dementia Special Care Unit | Rate |
|--|------|
| Additional cost or fee to resident | \$ |

(Use reverse side or separate sheet if needed)

2. Total Current Staff for Existing Facility

Do not include the following: courtesy or attending staff, private duty nurses, volunteer workers or the same employee in more than one category. These employees were on the payroll as of 9/30/13 month/day/year

For questions please call Certificate of Need at (919) 855-3873

| | Total Facility FTE's | Total Facility Annual Consul. Hrs. |
|---|----------------------|------------------------------------|
| Routine Services | | |
| Registered Nurses | 14.32 | |
| Licensed Practical Nurses (LPNs) | 13.73 | |
| Certified Nurse Aides | 43.3 | |
| Medical Director | | 2080 |
| Director of Nurses | 1 | |
| Assistant Director of Nurses | 2 | |
| Staff Development Coordinator | 1.5 | |
| Ward Secretary | 2 | |
| Medical Records | 1 | |
| Pharmacy Consultant | | 288 |
| Administration and General | | |
| Administrator | 1 | |
| Assistant Administrator | 3.5 | |
| Other Office Personnel | | |
| Dietary | | |
| Licensed Dietitian | 1 | |
| Food Service Supervisor | 2 | |
| Cooks | 3 | |
| Dietary Aides | 8 | |
| Social Work Services | | |
| Social Services Director | 2 | |
| Social Services Assistant(s) | | |
| Activity Services | | |
| Activity Director | 1 | |
| Activity Assistant(s) | 1.5 | |
| Housekeeping/Laundry | | |
| Housekeeping Supervisor | 0.5 | |
| Laundry Supervisor | | |
| Housekeeping Aides | 5 | |
| Laundry Aides | | |
| Maintenance | | |
| Maintenance Supervisor | 1 | |
| Janitors | | |
| Ancillary Services | | |
| Physical Therapist | 3.5 | |
| Rehabilitation Aide | 2 | |
| Respiratory Therapist | | |
| Occupational Therapist | 4.4 | |
| Speech/Hearing Therapist | 1.01 | |
| Total Positions/Total Consultant Hours | 119.26 | 2368 |

ADULT CARE HOME (ACH) SUPPLEMENT

For questions please call Adult Care Licensure at (919) 855-3765

- Please give the number (1, 2, 3, etc.) of Adult Care residents currently in facility with a physician's diagnosis of the following:
 - Mental Illness (MI) which includes a psychiatric illness but does not include intellectual disability, developmental disability or Alzheimer's Disease/Related Dementia; ***For the purpose of this application Mental Illness is an illness which lessens the capacity of the individual to use self-control, judgment and discretion in the conduct of his affairs and social relations so as it makes it necessary or advisable to be under treatment, care, supervision, guidance or control. Mental illnesses include major depression, schizophrenia, bipolar disorder, obsessive compulsive disorder, panic disorder, post traumatic stress disorder, and borderline personality disorder.***
 - Intellectual Disability/Developmental disability (ID/DD) *This reflects change in wording from MR to ID* or
 - Alzheimer's Disease or related dementia. If a resident is dually diagnosed, only count the resident once, based on the primary diagnosis.

| Resident Age - years | MI | ID/DD | Alzheimer's/Related Dementia |
|----------------------|----|-------|------------------------------|
| 18 - 20 | | | |
| 21 - 34 | | | |
| 35 - 64 | | | |
| 55 - 64 | | | |
| 65 - 74 | | | |
| 75 - 84 | | | |
| 85 or older | | | |
| TOTAL | | | |

- On September 30, 2013, number of Adult Care residents receiving Medicaid reimbursed Basic Adult Care Home Personal Care (not Enhanced): _____
- On September 30, 2013, number of Adult Care residents receiving Medicaid reimbursed Enhanced Adult Care Home Personal Care: _____
- On September 30, 2013, number of Adult Care residents on State/County Special Assistance (SA): _____
- On September 30, 2013, number of private pay Adult Care residents: _____
- Current total monthly private pay charge (average base plus add-ons if more than one price) for:

| | Rate |
|----------------------------|------|
| Private Room (1 bedroom) | \$ |
| Semi-Private (2 beds/room) | \$ |
| 3 or more beds/room | \$ |

- Check any that apply:

| | Number of Beds |
|---|----------------|
| <input type="checkbox"/> Alzheimer's <u>Special Care Unit</u> in facility [Rules 13F .1300 apply] | |
| | |

This application must be completed and submitted with the "Hospital License Renewal Application" for each hospital reporting Nursing Facility/Unit Beds as part of its total licensed capacity.

The undersigned submits this data supplement for licensure for the year 2014 and certifies the accuracy of this information.

Bernadette M. Spong CFO
Name of Chief Administrative Officer Title
Financial

Signature: Bernadette M Spong Date: 11/26/13
(Chief Administrative Officer or Representative)
Financial

Please identify the contact person for questions regarding this application:

Name: Ellen A. Carroll Telephone: (919) 784-6607
(Contact Person)