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November 25, 2014

Ms. Julie Halatek Project Analyst Certificate of Need Section 2704 Mail Service Center Raleigh, NC 27699-2704

RE: Comments Regarding Caldwell Surgery Center, Project ID # E-10358-14

Dear Ms. Halatek:

As the County Manager for Caldwell County, I support the approval of the Certificate of Need application for Caldwell Surgery Center. This proposal has widespread support from community leaders and physicians. The citizens of Caldwell County have high utilization of ambulatory surgery services and deserve improved access to a cost effective surgery center located within their home county.

I understand that the purpose of the CON process is to control healthcare costs and prevent unnecessary duplication of health services. Our citizens will benefit from the lower charges and increased patient choice offered at the new freestanding ambulatory surgery center in Granite Falls. Caldwell Memorial Hospital is the sole provider with licensed operating rooms within the Caldwell County service area. The proposed plan for Caldwell Surgery Center involves the relocation of existing operating rooms from Caldwell Memorial Hospital to the new facility in Granite Falls; therefore no increase in the total operating room inventory will result with this project, which clearly avoids the potential for unnecessary duplication of health services. Furthermore, Granite Falls is the optimal location for the Center due to the population distribution within our county and the endorsement of this location by Caldwell Memorial Hospital, numerous local surgeons and both the Caldwell County Planning Department and the Granite Falls Planning Department.

Locating the Caldwell Surgery Center in Granite Falls is logical and justified because the majority of the population of Caldwell County reside in the southern portion of our county. Population distribution is a determining factor for where we have located our Emergency Medical Services (EMS) bases. The following describes our EMS resource distribution: Northern Caldwell County is staffed with 2 ambulances and 1 Quick Response Vehicle (QRV) in the Lenoir EMS Base; Gamewell EMS Base has 1 ambulance; and Collettsville is staffed with 1 QRV 0800 – 2000. Central and Southern Caldwell County is staffed with 2 ambulances in the Hudson EMS Base; 1 QRV in the North Catawba Base; and Granite Falls is staffed with 1 ambulance and 1 QRV (with full staffing we add an additional EMS unit and ambulance at Granite Falls.) As reflected in the distribution of EMS bases outside of Lenoir, the demand for healthcare services is greater in the southern region of Caldwell County due to population density.

The Caldwell Surgery Center application includes compelling justification to develop a new ambulatory surgery center and includes letters from local surgeons who are committed to support this project. These surgeons have provided surgery projections that should be accepted at face value. In addition, Caldwell Memorial Hospital's

Ms. Julie Halatek November 25, 2014 Page Two

physician recruitment plan documents the ongoing recruitment of additional surgeons who are expected to perform surgery cases at both Caldwell Surgery Center and Caldwell Memorial Hospital.

On behalf of the Board of Commissioners of Caldwell County, I encourage you to give thoughtful consideration to the comments submitted by the stakeholders who are located within Caldwell County as opposed to giving undue consideration to the criticism from competing hospitals and surgery centers located in Catawba, Burke or other counties. The 2014 State Medical Facilities Plan documents that these existing providers are located in separate service areas with regard to the regulation of operating rooms. Critical comments submitted by existing providers in separate service areas should be recognized as a strategy to exploit the Certificate of Need procedural process to block new competition.

The ambulatory surgery joint venture proposed by Caldwell Surgery Center offers tremendous opportunity to strengthen physician recruitment and increase overall surgical volume. Caldwell County citizens need access to a freestanding ambulatory surgery center within their home county based on the demographics of the county and high surgery use rates. This project will enable Caldwell's overall health system to more effectively compete and provide high quality and cost effective services.

Thank you for the opportunity to submit comments regarding the project application. Please contact me if I can provide additional information.

Best regards,

Stan Kiser

County Manager

SBK/ktg