

Acute Care Services Committee
Agency Report for
Adjusted Need Determination Petition Regarding the
Proposed 2011 State Medical Facilities Plan
Novant Health and Rowan Regional Medical Center

Petitioners:

Novant Health
2085 Frontis Plaza Blvd.
Winston-Salem, NC 27103
Attn: Barbara Freedy, Director, CON
Novant Health, Inc.
(336) 718-4483
blfreedy@novanthealth.org

Rowan Regional Medical Center
612 Mocksville Avenue
Salisbury, NC 28144
Attn: Darice Caldwell, President
Rowan Regional Medical Center
(704) 210-5001
ddcaldwell@novanthealth.org

Request:

Novant Health, Inc. and Rowan Regional Medical Center (RRMC) request an adjusted need determination to remove the need for one additional surgical operating room in Rowan County shown in the Proposed 2011 State Medical Facilities Plan (SMFP). RRMC currently is the only provider of surgical services in Rowan County and its operating room case volumes drive the SMFP Chapter 6 operating room need determinations in Rowan County. The petitioners request that the need determination for one additional surgical operating room in Rowan County be eliminated in the 2011 SMFP.

Background Information:

The Operating Room (OR) need methodology consists of several steps, which result in the number of ORs needed in OR service areas. The methodology uses a projected number of surgical hours, calculated by multiplying an estimate of surgery hours for inpatient and ambulatory cases for the previous year (data year) by the projected population change between the data year and the target year (four years from the data year). The number of operating rooms required by the target year is the result of dividing the projected number of surgical hours for the target year by 1,872 hours, which is the standard number of hours per OR per year based on assumptions used in the SMFP. The final methodology step, the number of additional ORs needed, is determined by subtracting the projected total number of required ORs from the current OR inventory, less excluded ORs, and adjusting any deficit depending on the number of existing ORs in the service area.

In deference to the standard methodology, Chapter Two of the North Carolina 2011 Proposed SMFP allows persons to petition for an adjusted need determination if they believe their needs are not appropriately addressed by the standard methodology. The petitioners contend that various factors in the county have changed recently, resulting in there being no need for an additional operating room in Rowan County in the 2011 SMFP.

Analysis/Implications:

The standard methodology used to project need in the Proposed 2011 SMFP indicates a need for 11.89 ORs in Rowan County in 2013, based on the previous year's utilization data, population growth and the standard number of utilization hours per OR per year. With an adjusted planning inventory of 11 ORs, the resulting deficit of 0.89 rounds to a need determination of one OR in the county, as shown in the Proposed 2011 SMFP. The petitioners, however, state that annualized surgical operating room utilization has decreased in fiscal year 2010. Furthermore, they report the actual time per inpatient and ambulatory surgery case is less than assumed in the SMFP standard methodology. The combination of these two recent factors reduces the need for an additional OR in the county.

Agency Recommendation:

The Agency supports the standard methodology for operating rooms. However, in consideration of the above, the Agency has determined that Novant Health and Rowan Regional Medical Center have demonstrated "...unique or special attributes", which "are not appropriately addressed by the standard methodology." The Agency recommends approval of the petition to change the need determination for an additional operating room to zero in Rowan County in the 2011 SMFP.