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By Kelli Fisk at 4:24 pm, Mar 18, 2009

North Carolina Hospital Association

March 16, 2009

MEMORANDUM

DFS HEALTH PLANNING RECEIVED

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MAR 18 2009

Medical Facilities
Planning Section

TO:

Victoria Mc Clanahan, Planner

Medical Facilities Planning Section

FROM:

Mike Vicario, Vice President of Regulatory Affairs

919-677-4233 <mvicario@ncha.org>

SUBJECT:

Petition Comments

The State Health Coordinating Council has received several petitions for consideration by the Acute Care Services Committee. The North Carolina Hospital Association appreciates the opportunity to comment on petitions from *Affordable Health Care Facilities, LLC*, and *Southern Surgical Center, LLC*.

A Petition for a Need Methodology Related to Ambulatory Surgical Operating Rooms
The Affordable Healthcare Facilities, LLC petition proposes several modifications from the petition it submitted last year. (However the petition still expects that the group's recommendations be available for approval this year for potential inclusion in the 2010 SMFP.)

- The petition submits an additional "key premise," of expanding the workgroup membership.
- The petition submits an additional "key premise," of safety and quality considerations."
- The petition requests that an unlimited number of single specialty ambulatory surgery centers be approved as "pilot demonstrations."

The de-regulation of single specialty ambulatory surgery centers will result in migration of surgeries from hospitals and other existing surgery sites to the "physician owned" model described in the petition. This has occurred in Ohio, Pennsylvania and other states where Certificate of Need Laws were rescinded. The SHCC has established a Single Specialty ASC Workgroup to give careful consideration and provide recommendations in response to last years AHCF petition for "demonstration pilot" facilities. That workgroup has met twice, and is considering the measurements of quality and safety, access to the uninsured, and value in deliberations. The workgroup may be submitting recommendations to the SHCC's Acute Care Committee this year.

We believe that the Acute Care Committee should disapprove this petition, and that the Single Specialty ASC Workgroup should move forward with its current charge.

Southern Surgical Center, LLC

This petition proposes the establishment of six freestanding ambulatory surgery centers across North Carolina, also as a demonstration project. The proposal is similar to the petitions submitted by Affordable Healthcare Facilities, LLC, although a higher level of cases per operating room (2000) would be expected, and applicants for multi-specialty and hospital joint-venture surgery centers would also be eligible.

NCHA opposes this petition. However, the Acute Care Committee may wish to suggest that the Single Specialty ASC Workgroup consider the criteria for ambulatory surgery centers in the Southern Surgical Center petition in formulating their recommendations.

Please feel free to contact me if you have questions regarding these comments. Thank you for the opportunity to comment on these petitions.