

March 22, 2011

Via E-Mail Delivery

DHSR.SMFP.Petitions-Comments@dhhs.nc.gov
North Carolina Division of Health Service Regulation
Medical Facilities Planning Section
Council Building
701 Barbour Drive
Raleigh, NC 27603

Re: Comments in Opposition to Petition to the NC SHHC Regarding SMFP Policy AC-3 filed by Novant Health, Inc.

Dear Sir or Madam:

On behalf of Rex Healthcare, I am writing in opposition to the Petition filed on March 2, 2011 by Novant Health, Inc. Novant's Petition seeks to repeal or render effectively useless Policy AC-3 in the 2012 State Medical Facilities Plan ("SMFP").

Policy AC-3 permits qualified Academic Medical Center Teaching Hospitals ("AMCs") to file Certificate of Need applications outside of the standard SMFP need determination analysis if certain conditions are satisfied. These conditions require the AMCs to demonstrate that each Policy AC-3 proposed project is necessary for: (1) an expansion of students, residents or faculty; (2) an expansion of research activities; or (3) to accommodate changes in the requirements of specialty education accrediting bodies. A Policy AC-3 project must demonstrate that the AMC's teaching or research needs cannot be achieved effectively at a non-AMC within 20 miles. All of the requirements are unique to AMCs.

We believe that Policy AC-3 has worked in North Carolina and do not believe that it should be invalidated at the request of Novant. As demonstrated by the requirements of Policy AC-3, an AMC plays a unique role in its functions of teaching and research. Non-AMCs, such as Novant, do not carry this burden to the extent performed at AMCs. In addition, each AMC must meet requirements of accrediting bodies, such as the Accreditation Council for Graduate Medical Education (ACGME), which non-AMCs are not required to satisfy. It makes perfect sense to have a policy that addresses AMCs and allows them to satisfy their additional obligations.

Our experience has been that the AMCs admirably perform their unique role in North Carolina. We refer patients to UNC Hospitals on a regular basis. Our medical staff is replete with medical professionals trained at a North Carolina AMC. We are just one example of a health care provider that has benefited, and continues to benefit, from the AMCs.

We implore the State Health Coordinating Council to reject Novant's Petition and uphold the principles underlying Policy AC-3. Policy AC-3 works to allow AMCs to enhance their teaching and research functions and should not be dismantled. Thank you for your consideration.

Sincerely,



David Strong
President