

March 21, 2013

Jerry Parks Chairman, State Health Coordinating Council c/o Dept. of Health Service Regulation Medical Facilities Planning Section 2714 Mail Services Center Raleigh, NC 27699-2714

Dear Mr. Parks:

Please accept this letter in opposition to the petition filed by Robert Blake and MedCapital Advisors. I believe that the petitioner's request is outside of the scope of the State Health Coordinating Council, but I want to comment regarding how single specialty Operating Rooms would be detrimental to our community.

In addition to my job as Chief Executive Officer of Randolph Hospital, I am the current board chairman of Central Piedmont Surgery Center (CPSC). Central Piedmont Surgery Center is a two room, multispecialty, Ambulatory Surgery Center that is a Joint Venture between Randolph Hospital, 12 local surgeons, and Nueterra Healthcare. CPSC opened in December 2012, after petitioning the SHCC in 2007 and 2008 for a special need for ambulatory surgery capacity in Randolph County. Our petition was granted in 2008 and a Certificate of Need application was filed and a CON was awarded in 2009. It took many years to make this venture a reality. This was important to our hospital for physician recruitment and it was a great opportunity to partner with a dedicated team of surgeons. Most importantly, CPSC gives our patients the option of a local Ambulatory Surgery Center. We did this through the appropriate channels established by our state government that are meant to avoid the unnecessary duplication of health care services.

As a community hospital, we provide services to people regardless of their ability to pay. Surgeons and proprietary firms who might open freestanding single specialty surgery centers do not have those same obligations. This proposed CON exemption would allow them to compete on a very unlevel playing field. It would allow them to take the few profitable services out of the hospital, care for only those patients who can pay, and leave the uninsured, underinsured, and Medicaid patients for hospitals. It is "cherry picking," and it cannot be allowed to happen. If it is allowed, we are in substantial jeopardy of not being able to provide the services we need and want to provide to this community.

A CON exemption for single-specialty Operating Rooms stands to threaten the success and growth of a physician owned entity that is working hard to grow in a tough economy. The threat of additional competitive pressures from Surgeons/Operating Rooms who have never lived, worked, or offered care in our community is against the fundamentals of the North Carolina health planning process. Please consider the effect this kind of change in rules or legislation will have on newly established surgery centers with physician investors.

Sincerely,

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