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Guilford Orthopaedic and Sports Medicine Center

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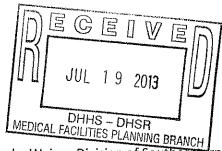
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John L. Rendali, MD Peter W. Whitfield, MD W. Dan Caffrey, MD Stephen D. Lucey, MD John D. Hewitt, MD Anna Voytek, MD Shaili Deveshwar, MD Rebecca S. Bassett, MD July 19, 2013

Good Afternoon,



I am Darcy Parizek, Administrator at the Murphy Wainer Division of Southeastern Orthopaedic Specialists, PA. I am here today to comment that the procedures and process for applying for and obtaining a Certificate of Need for a freestanding single-specialty surgery center are unfair and should be changed.

Southeastern Orthopaedic Specialists is a 29 physician multispecialty group. Our group provides orthopedic services to residents of the Greater Greensboro area to include Guilford, Alamance and Rockingham County. We operate four locations within Greensboro with satellite office in Kernersville, Burlington, Randleman and Eden. We see approximately 800 patients per day and perform 7,000 surgeries per year in the local hospital system and ambulatory surgery centers.

As a partially self-funded employer, we want to continue to offer medical insurance coverage to our employees. We continually search for ways to decrease our funding costs by reducing the claims expenses for our employees. One way this is accomplished is by educating our employees on lower cost alternatives to elective medical care to include elective surgical procedures. Improving access to single specialty operating rooms that bill at the ASC rates instead of hospital outpatient department rates reduces the overall cost of health care claims for our employees and their families. If one of our employees has a knee arthroscopy done at in the hospital setting the average cost is \$2,075. The same procedure in an ASC facility would average \$1,197. A cost savings to the employee and my bottom line of \$878. This is just one example of the potential savings to the healthcare system. Orthopaedic surgical trends are continuing to move to the outpatient setting and away from the traditional inpatient hospital setting. Orthopedic Surgeons are moving toward total joint procedures now being done in outpatient facilities and this trend is seeing rapid growth across the country. As technology advances, more surgeries are and will be done on a same day schedule for all specialties.

The physicians at Southeastern Orthopaedic Specialists do a majority of their orthopedic work at an ASC in Greensboro and frequently would do more procedures in this facility if operating rooms and times were available. This forces us to utilize a higher cost facility for our patients and employees. The proposed State Medical Facilities Planning does not allow for the development of ASC's that bill at the lower ASC rates. By making this change, patients, employers, the state and federal government would save money if these procedures were performed in an ASC facility billing at ASC rates.



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In closing, I believe the CON process for single specialty surgery centers should be opened up to more physician practices as a means of improving quality care and increasing access and choice for consumers.

Thank you,

Darcy G. Parizek, BSN, MA

Administrator