

Christopher Ullrich, M.D., Chairman
North Carolina State Health Coordinating Council and Technology and Equipment Sub-Committee
c/o Healthcare Planning Section
Division of Health Service Regulation
2714 Mail Service Center
Raleigh, NC 27699-2714

Re: Novant Health Comments Regarding the Wake Forest Baptist Health Petition to Decrease the Operating Room Need in Forsyth County from Six to Four ORs

Dear Dr. Ullrich:

Novant Health appreciates the opportunity to comment on the Petition submitted by Wake Forest Baptist Health (WFBH) to decrease the need for operating rooms in Forsyth County from six operating rooms to four operating rooms in the 2018 State Medical Facilities Plan.

Novant Health does not agree with WFBH and requests that the SHCC deny the Petition.

The need in the SMFP was generated based upon a new operating room need methodology in the Proposed 2018 SMFP. However, the methodology does not identify in which health service facility those operating rooms should be placed. It is simply a tool to identify the “determinative need” for new operating rooms in the identified service area. There is the potential for many applicants in the review, both existing providers and potentially new providers.

Wake Forest University Health Sciences¹ purchased Plastic Surgery Center of North Carolina with 3 ORs (PSCNC). PSCNC is a freestanding ambulatory surgical facility with three operating rooms. PSCNC has been chronically underutilized for many years, both prior to the WFUHS purchase and since, and as a result has consistently been removed from the OR inventory for Forsyth County for years.

Step 5 of the methodology expressly says that chronically underutilized facilities are to be excluded from all further calculations, and the footnote to Table 6B of the draft 2018 SMFP says no ORs or placeholders are included in the need determinations for PSCNC (or the to be developed ASC in Clemmons). This Step was included in the methodology specifically to prevent chronically underutilized facilities from suppressing the need for operating rooms in the County which is exactly what WFBH is proposing. This step was not changed by the SHCC when the methodology was revised this year.

In addition, Novant Health does not support the Petition as Novant Health surgical volume in Forsyth County is increasing dramatically and Novant Health surgical facilities are in need of additional operating rooms. The following table shows Novant Health surgical volume in Forsyth County for all five surgical locations combined.

¹ WFUHS is the sole member of Wake Forest Ambulatory Ventures, LLC. WFAV, LLC filed a CON Application in October 2010 relocate the 3 ORs from NC Plastic Surgery Center to its proposed ASC in Clemmons. Initially, the CON Application was denied. The parties entered into settlement discussions and the matter was resolved and a CON was issued for WFUHS to relocate 3 ORs from PSCNC to Clemmons to form a freestanding ASC. The WFBH Outpatient Surgery Center-Clemmons (“OSCC”) is not yet operational, although the Certificate of Need (CON Project I.D. # G-8608-10) was issued in 2012. According to media reports the Clemmons ASC is projected to open in early 2018. The ASC will be owned by WFBH and managed by Surgical Care Affiliates, a for-profit surgical management company. According to a March 2017 CON Progress for the Clemmons ASC, only about \$240,000 of the CON-approved capital amount of \$8,006,599 has been spent on the ASC development so far.

C-Section volume and open heart volumes are excluded from the total as those cases are performed in dedicated operating rooms.

Novant Health Forsyth County Surgical Volumes

	2012	2013	2014	2015	2016	2017*
Inpatient						
CY	8,629	9,172	9,194	9,253	9,718	9,960
Annual Growth		6.3%	0.2%	0.6%	5.0%	2.5%
FFY		9,043	9,063	9,342	9,587	10,011
Annual Growth			0.2%	3.1%	2.6%	4.4%
July-June		8,764	9,215	9,245	9,414	9,957
Annual Growth			5.1%	0.3%	1.8%	5.8%
Outpatient						
	2012	2013	2014	2015	2016	2017
CY	25,236	26,187	25,983	27,089	27,558	27,790
Annual Growth		3.8%	-0.8%	4.3%	1.7%	0.8%
FFY		25,682	26,008	26,878	27,404	28,157
Annual Growth			1.3%	3.3%	2.0%	2.7%
July-June		25,049	26,355	26,279	27,443	27,924
Annual Growth			5.2%	-0.3%	4.4%	1.8%


Source: Novant Health Trendstar Financial Database

*Calendar year 2017 estimated from six months data; FFY 2017 estimated on nine months data

As reflected in the previous table, in the last twelve months Novant Health inpatient surgical cases have increased dramatically. Outpatient cases dramatically increased from CY 2014 to CY 2015 and have continued growing steadily since then.

Therefore, Novant Health respectfully requests the SHCC deny the proposed Petition, keeping the need determination for Forsyth County at six ORs. Thank you for the opportunity to submit our concerns regarding this Petition.

Sincerely,



Leslie Barrett, Vice President, Surgical Services
Novant Health, Inc.

CC: Barbara L. Freedy, Director, Certificate of Need, Novant Health, Inc.

blfreedy@novanthealth.org

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