

**PUBLIC HEARING PRESENTATION
CALDWELL MEMORIAL HOSPITAL**

Petitioner:

Caldwell Memorial Hospital
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Contact:

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Good afternoon. I am Laura Easton, President and Chief Executive Officer of Caldwell UNC Health Care. Caldwell Memorial Hospital requests an adjusted need determination in the 2018 State Medical Facilities Plan for one unit of fixed cardiac catheterization equipment for the Caldwell County service area.

For many years, Caldwell Memorial Hospital has been providing cardiac catheterization services utilizing a contract services agreement with a vendor that provides the equipment and staffing. The fixed cardiac catheterization equipment installed at the hospital is owned and operated by DLP Cardiac Partners. DLP Cardiac Partners is a part of Duke LifePoint Healthcare which now owns and operates Frye Regional Medical Center.

This situation of Caldwell Memorial Hospital being totally dependent on the cardiac catheterization equipment and staff provided through a contract services arrangement is not an effective long-term arrangement as explained in our petition.

Approval of the petition would allow the hospital the opportunity to submit a Certificate of Need (CON) application to acquire its own equipment. If CON approval is granted and Caldwell obtains its own cardiac catheterization equipment and staff, the services agreement with DLP Cardiac Partners would be discontinued. The equipment that is owned by DLP Cardiac Partners could then be removed from Caldwell Memorial Hospital and installed in another hospital because their cardiac catheterization equipment is a grandfathered unit that was in service in North Carolina prior to CON regulation of the service.

Caldwell Memorial Hospital is petitioning for an adjusted need determination because there are unique circumstances in Caldwell County that are not accounted for in the standard methodologies for cardiac catheterization equipment in the Proposed 2018 Plan. Having a contract services agreement for fixed cardiac catheterization equipment is unusual; only a couple of other hospitals in North Carolina have cardiac equipment that is provided by a vendor. Our equipment was previously a mobile unit and it was permitted to be installed with CON exemption. The current unit of equipment at Caldwell is approximately five years old. In a couple years we would like to replace the equipment with a more modern unit owned by the hospital. It will also improve staffing and achieve cost savings.

Caldwell County is a rural county with a population of over 80,800 and a median age of 43.5 years, which is considerably higher than the statewide median of 38.6. The Caldwell population has a much higher age-adjusted heart disease death rate as compared to the North Carolina rate. The combined weighted totals for the diagnostic and interventional procedures have increased from 237 weighted procedures in 2014 to 684 weighted procedures in 2016 for a 188 percent increase. Current year-to date utilization at Caldwell shows a 15 percent increase over the previous year. Growth in cardiac catheterization procedures will continue in future years due to the aging population, elevated heart disease incidence, strong medical staff support and the preference of patients and families to obtain healthcare services in their home county.

We are fortunate to have excellent board-certified cardiologists who perform diagnostic and interventional procedures. Our cardiologists would prefer to have a reliable and consistent team assigned to the Caldwell cardiac catheterization equipment. Yet, the DLP Cardiac Partners staffing at Caldwell has been inconsistent because the contract employees rotate to laboratories at other hospitals. Caldwell would have no difficulty in recruiting experienced registered nurses as hospital employees to work in the cardiac catheterization lab and be cross-trained to also staff the post-procedure care unit and the intensive care unit. Similarly, the radiology technologist assigned to the cardiac catheterization lab could be cross-trained to perform radiographic procedures.

Our petition shows cost savings of approximately \$500,000 per year if the hospital owned and staffed the cardiac catheterization equipment as compared to the current cost for the services agreement. If the requested change is not granted, it will be increasingly challenging to provide cost effective cardiac catheterization service; the continued involvement of DLP Cardiac Partners unnecessarily limits how Caldwell provides cardiac cath services. Other hospitals have the option and the flexibility to replace their fixed cardiac catheterization equipment by submitting a replacement exemption notice. In contrast, in order to do this Caldwell must modify or extend its costly services agreement with the vendor, who controls both the equipment and the staffing.

Alternatives that were considered include maintaining the status quo and petitioning for a change in the cardiac catheterization methodology. However, given the unique circumstances at Caldwell Memorial Hospital, the petition request for an adjusted need determination was selected as the best option. It also makes sense to allow Caldwell to have the opportunity to acquire its own cardiac catheterization equipment with the understanding that DLP Cardiac Partners can utilize its grandfathered equipment at another North Carolina hospital that only has part-time mobile service. In this way the inventory of cardiac catheterization equipment in Caldwell County remains at one unit so that no unnecessary duplication would result.

The requested change is entirely consistent with the Basic Principals regarding safety, quality, access and value. Caldwell Memorial Hospital would like to have the option to upgrade the equipment to improve safety and image quality. Having ownership of the equipment and direct supervision of the staff will also enable Caldwell to easily adjust the hours of operation and enhance overall efficiency. We are committed to expand our staff training and quality assurance programs with the equipment acquisition. Patient access can be expanded through increased staff productivity, greater scheduling flexibility and physician recruitment. This would enable more patients from Caldwell County to be served at CMH and avoid traveling to more distant facilities. CMH is committed to provide access to cardiac services to all persons that meet the patient selection criteria regardless of race, color, national origin, disability, age, or ability to pay.

Thank you for your consideration of the Caldwell Memorial Hospital petition. I would be glad to answer any questions you may have.