

Christopher Ullrich, MD, Chair  
State Health Coordinating Council  
Amy Craddock, Assistant Chief Planning  
Healthcare Planning and Certificate of Need Section

RE: Novant Petition to add 2 Operating Rooms to Brunswick County Need in 2020 State Medical Facilities Plan

Dear Dr. Ullrich and Ms. Craddock:

With this letter, I am asking the State Health Coordinating Council to deny the special need Petition for two more operating rooms in Brunswick County. The proposed change is unnecessary, and, if approved, could have negative consequences for Brunswick County's rural health care delivery system.

Located in the southeastern corner of Brunswick County, Doshier Memorial Hospital serves about a third of the county, approximately 42,000 residents plus beach visitors. It is a 25-bed critical access hospital, with an emergency department and outpatient clinics. As CEO of Doshier Memorial Hospital, I am charged with assuring the long-term viability of this non-profit community health system. Doshier's dedicated staff, community and Board of Trustees meet the challenge with help from a special hospital property tax on Smithville Township property. Residents voted for the tax to assure that Southport keeps a hospital.

As you evaluate the Petition, please consider these key points:

- Doshier is a safety net provider and depends on surgical revenue to support essential services. More operating rooms in the Plan would provide an entry platform for additional competitors, as happened in 2016. More competitors, especially if they offer ownership to surgeons, will draw paying patients away from Doshier.
- Emerge Orthopedics took advantage of a Brunswick County need for one operating room in the 2016 State Medical Facilities Plan. Emerge applied and was approved to build a new surgery center with one operating room plus two procedure rooms. The surgery center recently opened, so the Proposed 2020 Plan has no data for this facility. To compensate, the Proposed Plan adjusts for the one approved Emerge operating room. However, the Proposed Plan methodology makes no adjustment for the two procedure rooms.
- The petitioner observes that the Draft 2020 Plan forecasts Doshier and Novant operating rooms will exceed methodology thresholds in 2022 (Doshier: 2.0 OR available, 2.12 needed; Novant 4 available, 5.1 needed). However, the Proposed Plan methodology does not account for the fact that any hospital can shift surgical cases from operating rooms to procedure rooms under North Carolina licensure and construction rules. Both Novant and Doshier can add procedure rooms built to operating room specifications regardless of the operating room need in the Plan. Novant could even relocate an operating room and add procedure rooms without a change to the Plan. That decision is fully within the control of the respective hospital.

- The Novant Petition is generic. It does not ask to restrict the proposed two additional operating rooms to Novant Brunswick Hospital in Supply. Thus, if the SHCC approves this petition and adds two operating rooms to the 2020 Plan for Brunswick County, anyone could apply and the 2016 history could repeat itself. But this time the result could be two more ambulatory surgery centers in Brunswick County.
- Brunswick County has 139,829 people, according to the State Demographer. It is too small to support two hospitals and three ambulatory surgery centers.
- As noted previously, Novant has adequate license to expand its operating room capacity without a modification to the operating room need in the 2020 State Medical Facilities Plan.

For all of these reasons, I am asking that you consider what could be a drastic negative impact on Doshier Memorial Hospital and deny the petition.

Thank you for your time and attention. I would be happy to respond to any questions you may have.

Regards,



Thomas R. Siemers, FACHE  
President and CEO