

August 9, 2018

Sandra Greene, D.Ph., Chair Acute Care Committee
North Carolina State Health Coordinating Council
c/o NC Division of Health Service Regulation
Healthcare Planning and Certificate of Need Section
2704 Mail Service Center
Raleigh, NC 27699-2704
DHSR.SMFP.Petitions-Comments@dhhs.nc.gov

Re: **Comments Received Regarding the Operating Room Need Methodology**

Dear Dr. Greene and members of the Committee:

Chapter Two of the Proposed 2019 State Medical Facilities Plan discusses its availability for review by interested parties during an annual "Public Review and Comment Period." During that period, comments were accepted by the Division, and The North Carolina Healthcare Association appreciates the opportunity to respond to the comments pertaining to the recently adopted Operating Room Need Methodology. That need methodology reflects an important policy change in the SMFP, resulting in the opportunity for new surgical capacity in several regions of the state. Mission Health and PDA submitted comments on July 25 on that need methodology, and we appreciate your consideration of the following:

1. NCHA largely supports alternative #3 on page three of the PDA letter; Recognize all deficits in multi-facility health systems, including underutilized facilities, *when those facilities are located within the same service area.*
 - The Need Methodology now removes all "chronically underutilized" facilities from the calculation, but should include the ORs from those that belong to a larger health system within the service area, because those "surplus" operating rooms could readily be moved to other facilities within that health system.
2. NCHA largely supports alternative #4 on page three of the PDA letter and item #3 on page two of the Mission Health letter regarding removal of the limit of (6) Operating Rooms available for CON review per service area.
 - This year the SHCC moved to remove the limitation of (6) operating rooms available for CON review in the Proposed 2019 SMFP. The limitation was installed when in multiple service areas showed significant OR need the 2018 SMFP, potentially taxing the ability of the CON Section to conduct the application reviews within the mandated period of time. NCHA supports leaving the maximum available for review at (6) OR per service area, as it will enable the Section to better budget its time in conducting application reviews and provide control over batched reviews that include large numbers of operating rooms, likely with



even larger numbers of applicants and applications. Further, none of the 2018 CON application reviews have yet been completed. Continuing the limit at six will better enable the CON Section to consider the current year's application volume in making future recommendations.

- Continuation of the six OR per service area limit can also mitigate the potential for oversupply of operating rooms in situations where fully utilized facilities do not obtain a Certificate of Need to enable them to meet that need.

We thank the Acute Care Services Committee, its appointed Operating Room Need Methodology Workgroup, and The Division of Health Service Regulation staff for their important roles in developing and continuing to improve the operating room need methodology.

We also thank you for your consideration of our comments and ask that you please contact Mike Vicario (mvicario@ncha.org) if you have questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen J. Lawler". The signature is fluid and cursive, with a long horizontal stroke at the end.

Stephen J. Lawler
President
North Carolina Healthcare Association

Cc: Christopher Ullrich M.D., SHCC Chair