

Rex Hospital's Petition for an Adjusted Need Determination for Six Hospital-Designated Operating Rooms in Wake County

Oral Remarks by Chad Anderson, Vice President of Surgical Services

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- Rex Hospital, Inc. (UNC REX) is filing a petition to request that the State Health Coordinating Council (SHCC) create an adjusted need determination for six operating rooms (ORs) for Wake County in the *2022 State Medical Facilities Plan (2022 SMFP)* to be specifically designated for existing licensed acute care hospitals located in Wake County.
- UNC REX supports the standard OR need methodology in the *SMFP*. However, as detailed in our Petition, UNC REX believes that the special circumstances in Wake County warrant the need for the requested adjustment.
- Over the last several years, OR need determinations across the state have repeatedly been driven by hospital systems – and this is also true for Wake County.
- The competitive CON review process favors the development of ORs in the ASF setting. Since 2018, a total of 11 ORs have been allocated to Wake County – all of which were driven by the OR utilization at hospitals within the county. Of the eleven (11) ORs allocated since 2018, seven (7) were approved for ASFs – notably, none were initially approved for hospitals. Every year since 2018, UNC REX has generated a portion of the need for ORs in Wake County based on historical utilization, but every single UNC REX application for hospital-based ORs has been denied.
- While ASFs provide a convenient alternative for patients, unlike hospital ORs, they cannot be used for cases requiring an overnight stay (inpatients), patients with complications or co-morbidities, nor are they available 24/7/365 for emergency cases.
- In the last decade, the number of ASF ORs in Wake County doubled and the number of surgical cases performed in ASFs increased more than three-fold. Despite the growth in the number of ASFs that have been developed in Wake County, hospitals continue to drive the need in many counties given the inherently higher utilization of hospital versus freestanding facilities.
- If capacity constraints at hospitals are not relieved and ASFs continue to operate less highly utilized ORs given the limitations of ASF capacity (shorter hours of operation, etc.), the OR utilization of hospital systems in Wake County will continue to generate more need, ASFs will continue to be approved, and this cycle will continue with no relief for hospitals in sight, potentially duplicating resources as new ASFs are developed in response to hospital-generated needs in the *SMFP* year after year.
- UNC REX believes that the special circumstances in Wake County warrant the need for the requested adjustment of six ORs specifically designated for existing licensed acute care hospitals located in Wake County. An allocation of six ORs would be sufficient to allow Wake County hospitals to meet their needs for much-needed expanded OR capacity.
- Thank you for your consideration.