

**North Carolina State Health Coordinating Council  
c/o Healthcare Planning Section  
Division of Health Service Regulation  
2704 Mail Service Center  
Raleigh, NC 27699-2704**

**Re: Cape Fear Valley Health System Petition for Adjusted Need Determination for One Additional Operating Room in Cumberland County**

**I. Petitioner**

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**II. Requested Change**

Cape Fear Valley Health System (CFVHS) requests an adjusted need determination in the 2024 State Medical Facilities Plan for one additional operating room (OR) in the Cumberland County operating room service area for the purpose of training surgical residents in inpatient and outpatient surgical procedures.

**III. Background**

In 2017, CFVMC petitioned the State Health Coordinating Council (SHCC) for an adjusted need determination for one additional surgical operating room (OR) in the Cumberland County service area in the North Carolina 2018 State Medical Facilities Plan (SMFP). CFVMC's 2017 petition was predicated on its need for OR capacity to train surgical residents in inpatient and outpatient procedures. The SHCC approved the petition, CFVMC submitted a CON application pursuant to the adjusted need determination in the 2018 SMFP, the CON Section approved CFVMC's application, and the project was developed.

CFVHS notes that in 2017 it considered requesting for an adjusted need determination for two (2) operating rooms for the purpose of training surgical residents for inpatient and outpatient procedures. CFVHS decided to be conservative and request only one (1) additional operating room at that time and observe the impact the residency program would have on CFVMC's surgical case times and OR utilization.

Since 2018, CFVMC's residency program has grown significantly, and plans are underway to develop a new medical school in partnership with Methodist University. Therefore, CFHVS is

submitting this petition for one (1) additional OR in Cumberland County to ensure sufficient OR capacity to train surgical residents at CFVMC.

For information purposes, CFVHS received a CON to develop a satellite hospital (Cape Fear North), including 65 acute care beds and two relocated ORs from Highsmith-Rainey Specialty Hospital, Project I.D. M-8689-11. By Material Compliance dated October 19, 2021, the Agency granted CFVHS's request to develop all 65 acute care beds approved for Cape Fear North at CFVMC's main campus. The 65 beds are under development with an anticipated completion date of January 2025. By Material Compliance dated March 21, 2023, the Agency granted CFVHS's request to relocate one OR from Highsmith-Rainey Specialty Hospital, originally slated to move to Cape Fear North, to CFVMC's main campus. Therefore, CFVMC's adjusted planning inventory in Table 6B (Column L) of the Proposed 2024 SMFP should reflect an "adjusted planning inventory of "17" instead of "18", and the adjusted planning inventory for Highsmith-Rainey Specialty Hospital should reflect "2" instead of "1".<sup>1</sup>

#### **IV. Reasons for Proposed Adjustment**

Teaching hospitals deliver state-of-the-art medical care under complex conditions and are committed to educational activities in the health professions. As a teaching hospital and burgeoning center for medical research, CFVMC is Caring for the Future. The Campbell University Jerry M. Wallace School of Osteopathic Medicine enrolled its inaugural class in August 2013 and CFVMC admitted a total of 32 residents in five residency programs from Campbell in July 2017. Today the residency program at CFVMC has grown to include more than 270 physicians training in numerous program areas, including Traditional Rotating Internship, Emergency Medicine, General Surgery, Internal Medicine, OB/GYN, Pediatrics, Psychiatry, Orthopedics, Podiatry, and Surgery.

CFVHS's teaching faculty provides "hands-on" experience while educating the physicians of tomorrow. CFVHS teaching faculty members are clinically active physicians who are committed to providing the best possible learning experience for our trainees. Each teaching faculty strives to provide a patient-centric, evidence-based medicine educational experience. Residents are given primary patient care responsibility with faculty readily available to teach and mentor them throughout their training.

In January 2021, CFVHS broke ground on a state-of-the-art education and research center for medical residency programs that will benefit Campbell University medical students for generations to come. The CFVHS Center for Medical Education & Research and Neuroscience Institute spans five floors and 120,000 square feet and includes lecture halls, classrooms, and simulations labs to provide resident medical students with hands-on, applied learning with sophisticated technology. The facility opened in January 2023. The new Center for Medical

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<sup>1</sup> Also, Table 6A (Column I) of the Proposed 2024 SMFP should reflect a "CON Adjustment" of "1" for CFVMC instead of "2", and "-1" instead of "-2" for Highsmith-Rainey Specialty Hospital.

Education allows CFVHS to expand to full capacity, thus, the residency program is poised to bring hundreds of new doctors to the region in the next decade.

In February 2023, CFVHS and Methodist University announced a new partnership with the intent to establish the state-of-the-art Methodist University medical school that will train the next generation of healthcare professionals. Initially, the program is expected to train 80 physicians annually, and then increase to 120 physicians per year. The new medical school, to be constructed on the campus of CFVMC, will combine the expertise and resources of both institutions to provide students with unparalleled educational and clinical experiences.

As a result of the addition and growth of CFVHS's surgical residency programs, CFVMC needs additional surgical capacity to train residents as discussed in detail below.

#### **A. Collaboration with Campbell Medical Center**

The Campbell University Jerry M. Wallace School of Osteopathic Medicine, located in rural Harnett County, enrolls students from all 100 North Carolina counties in undergraduate and graduate level programs, including law, pharmacy, business, education, and divinity. Students come to Campbell from all socioeconomic backgrounds and then often return to work and serve in the communities they call home.

Campbell University began addressing health care issues in 1985 with the establishment of the nationally acclaimed School of Pharmacy, which was the first new pharmacy school founded in the United States in more than 35 years. In addition to offering the Doctor of Pharmacy program, the school offers undergraduate and graduate programs in Clinical Research and Pharmaceutical Sciences. In 2009, the name was formally changed from the School of Pharmacy to the College of Pharmacy & Health Sciences to provide additional health science programs, including the Physician Assistant program (2011), a Master of Public Health degree (2012), Doctor of Physical Therapy degree (2014), and Nursing (2014).

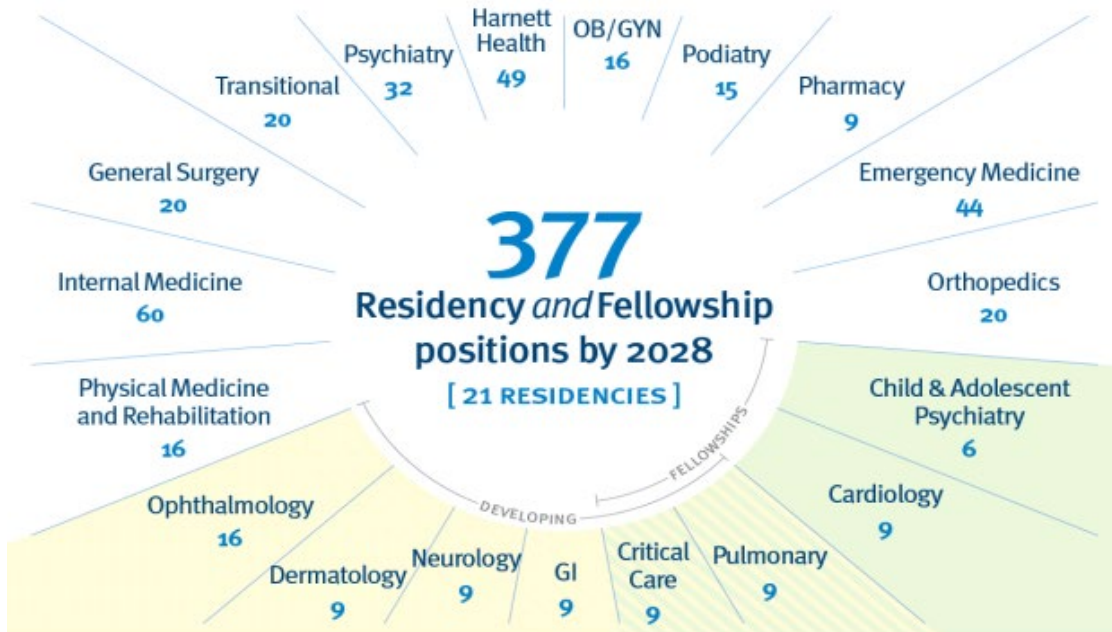
The Campbell University Jerry M. Wallace School of Osteopathic Medicine enrolled its inaugural class in August 2013. As the first and only osteopathic medical school established in the state of North Carolina, Campbell University School of Osteopathic Medicine is cultivating the next generation of physicians. In 2022, Campbell saw a total medical school enrollment of 617, of which 161 were first year matriculants. Many of the school's osteopathic physicians fill a critical need for physicians by practicing in rural and medically underserved communities.

CFVHS began accepting residents from Campbell in July 2017. The program has grown from 32 residents in five programs to 274 residents across 13 programs during 2023. The following summarizes CFVHS's residency programs and positions filled and the expected number of students in the residency programs by 2024.

### Cape Fear Valley Health System Residency Programs

Residencies:	2022	2023	2024 Positions
Internal Medicine	84	84	84
Family Medicine	12	12	12
Emergency Medicine	41	44	44
Transitional Year	33	33	33
General Surgery	18	20	20
Psychiatry	20	25	32
Obstetrics/Gynecology	16	16	16
Podiatry	8	13	15
Pharmacy	9	9	9
Orthopedics		4	20
<b>Fellowships:</b>			
Cardiology	9	9	9
Child & Adolescent Psychiatry	2	5	6
Pulmonary			6
<b>Total Residents &amp; Fellows</b>	<b>252</b>	<b>274</b>	<b>306</b>

CFVHS continues to grow and expand the scope of its residency offerings. CFVHS projects to host 377 residency and fellowship positions by 2028, including development of four new residency programs summarized below.



CFVHS values its collaborative relationship with the Campbell University Jerry M. Wallace School of Osteopathic Medicine and is working to assure that residents have access to all the tools needed for a thorough and rich education. It is important to acknowledge that the potential for increased surgical times in the operating rooms in a teaching hospital has been documented. As a result of the additional and future growth of the surgical residency programs, CFVHS is requesting additional surgical capacity in Cumberland County to assure that it has sufficient capacity for teaching future surgeons and that teaching our future surgeons does not result in delays and cancellations for other surgical patients at CFVHS.

## **B. Affiliation with Methodist University**

In February 2023, CFVHS and Methodist University announced their intent to establish a state-of-the-art School of Medicine located on the campus of Cape Fear Valley Medical Center. The new medical school will combine the expertise and resources of both institutions to provide students with unparalleled educational and clinical experiences. The partnership will have a mission that focuses on providing better medical care for rural and underserved populations and diversifying the physician workforce.

The partnership between CFVHS and Methodist University is a significant milestone in the history of medical education in Southeastern North Carolina. The new medical school will be an important contributor to the healthcare industry, addressing the shortage of healthcare professionals and improving the quality of healthcare delivery.

The partnership will create opportunities for students to learn in a collaborative and innovative environment, with access to innovative technologies and new, state-of-the-art facilities constructed at CFVMC. The new medical school will provide students with the opportunity to work alongside experienced faculty and healthcare professionals, gaining valuable real-world experience that will prepare them for their future careers. Construction on the medical school building is expected to begin January 2024. The building is scheduled for completion in late 2025.

The first class (Class of '30) will matriculate in July 2026. Recruitment of students will begin pending receipt of preliminary accreditation from the Liaison Commission on Medical Education (LCME) in the spring of 2025. The school will start with 80 students per year and grow to 120 students per year. Initially, the program will begin with 12 general surgery residents and increase during future years.

In collaboration with Methodist University, the development of a new medical school will create additional surgical residency positions for CFVHS, which is expected to further increase surgical case times at CFVMC. As the number of surgical residents increases, the need for ORs for the training of those residents will increase accordingly. Therefore, CFVHS is seeking to expand surgical capacity in Cumberland County to ensure sufficient hospital-based OR capacity for teaching future surgeons and that teaching our future surgeons does not result in delays and cancellations for other surgical patients at CFVHS.

**C. Residency Program Impact on CFVMC Average Case Times**

As previously stated, CFVHS began accepting residents from Campbell in July 2017. The program has grown from 32 residents in five programs to 274 residents across 13 programs during 2023. The growth of the residency program has had a positive effect on surgical case times in CFVMC’s operating rooms, as shown in the following table.

**Cape Fear Valley Medical Center  
Average Annual Surgical Case Times in Operating Rooms**

Fiscal Year	Average Case Time Per LRA (Minutes)	
	Inpatient Cases	Ambulatory Cases
FFY2017	139	114
FFY2018	138	116
FFY2019	136	118
FFY2020	140	115
FFY2021	162	119
FFY2022	167	120
<i>Total % Change</i>	<i>20.1%</i>	<i>5.3%</i>

Source: CFVMC License Renewal Applications

In the five years since CFVHS’s residency program with Campbell was initiated, CFVMC’s inpatient surgical case times have increased over 20 percent and ambulatory surgical case times have increased over five percent. CFVMC’s FY2022 inpatient case times represent a 29-minute increase over FFY2017 inpatient case times. Multiple studies have consistently demonstrated that resident involvement in a surgical case commonly lead to a prolonged surgery time length.<sup>2,3,4,5,6</sup>

Generally speaking, surgical residents can have longer case times compared to attending physicians for several reasons, including but not limited to:

1. Learning and Skill Development: Surgical residents are in the process of acquiring and refining their surgical skills. They may be less experienced in certain procedures or

<sup>2</sup> J. Mack, C. Turner, D. Carter, et al., The effect of resident participation on appendectomy operative times, Journal of Surgical Education, Volume 77, Issue 6, November–December 2020.

<sup>3</sup> R.W. Allen, M. Pruitt, K.M. Taaffe, Effect of resident involvement on operative time and operating room staffing costs, Journal of Surgical Education, Volume 73, Issue 6, November–December 2016.

<sup>4</sup> C.S. Hwang, K.A. Wichterman, E.J. Alfrey, The Cost of Resident Education, Journal of Surgical Research Volume 163, Issue 1, September 2010.

<sup>5</sup> S.L. Lee, R.M. Sydorak, H. Applebaum, Training General Surgery Residents in Pediatric Surgery: educational value vs time and cost, Journal of Pediatric Surgery, Volume 44, Issue 1, January 2009.

<sup>6</sup> R.S. Chamberlain, S. Patil, E.J. Minja, K. Kordears, Does Residents’ Involvement in Mastectomy Cases Increase Operative Cost? Journal of Surgical Research Volume 178, Issue 1, November 2012.

techniques, which can result in additional time spent on each case. Attending physicians, on the other hand, have already honed their skills through years of practice and repetition.

2. **Supervision and Teaching:** Residents are typically supervised by attending physicians during surgeries. Attending physicians may take the opportunity to teach and guide residents, explaining various steps, demonstrating techniques, and providing feedback. This additional interaction and instruction can contribute to longer case times.
3. **Case Complexity:** Surgical residents may encounter complex cases that require careful analysis and consultation with attending physicians which may extend the overall duration of the surgery.
4. **Learning Curve and Efficiency:** As residents progress through their training, they go through a learning curve where they gradually become more efficient in performing surgeries. Initially, they may require more time to complete a procedure, but with experience and practice, their efficiency typically improves over time.

Longer case times for surgical residents are expected and are part of the learning process. It allows them to gain valuable hands-on experience and develop the necessary skills to become proficient surgeons. The presence of attending physicians ensures that patient safety and quality of care are maintained throughout the procedure, even if it may result in longer overall case times. The following table summarizes the impact on CFVMC’s OR utilization during recent years as CFVHS’s residency program has expanded.

**Cape Fear Valley Medical Center  
Operating Room Utilization**

Year	SMFP	Total Surgical Cases	Surgical Hours Per SMFP Methodology	OR Utilization <sup>7</sup>
FFY2019	2021	11,107	23,578	59.3%
FFY2020	2022	10,705	22,960	57.7%**
FFY2021	2023	11,469	26,170	65.8%
FFY2022	2024*	11,541	27,486	69.1%
<b>FFY2019-FFY2022 % Change</b>		<b>3.9%</b>	<b>16.6%</b>	
FFY2023^	N/A	12,586	29,833	75.0%
<b>FFY2019-FFY2023 % Change</b>		<b>13.3%</b>	<b>26.5%</b>	

\*Proposed 2024 SMFP

\*\*FFY2020 surgical utilization was negatively impacted by COVID

^Annualized based on nine months data (Oct-Jun). Surgical hours based on CFVMC FFY2022 IP & OP case times.

<sup>7</sup> OR utilization calculated based on CFVMC adjusted OR inventory of 17, i.e., 5 inpatient ORs + 14 shared ORs = 19 ORs – 3 excluded C-section ORs + 1 CON adjustment = 17 ORs.

The number of surgical cases performed at CFVMC has increased in recent years, as shown in the previous table. CFVHS notes historical utilization reflects the shift of some cases to CFV Hoke, which opened in 2015, as well as a shift of some cases to Harnett Health which merged with CFVHS in 2021. Nonetheless, overall surgical utilization has increased by 3.9 percent from FFY2019-FFY2022. CFVMC's FFY2023 annualized OR utilization is expected to increase by 9.1 percent over FFY2022.

Due to increasing surgical case times, annual growth rates for surgical cases performed in CFVMC's ORs result in compounded growth rates for surgical hours. For example, during FFY2022, the number of surgical cases performed at CFVMC increased 3.9 percent over FFY2019; however, the number of surgical hours (per the SMFP methodology) increased 16.6 percent. Therefore, future surgical growth and/or increases in surgical case times will have a tremendous impact on CFVMC's OR utilization. Indeed, CFVMC's annualized FFY2023 surgical utilization demonstrates the facility is operating at capacity based on the 75% planning threshold.

CFVHS is developing additional surgical residency programs including ophthalmology, dermatology, neurology, and gastroenterology, which will further expand the scope of residencies performing cases in CFVMC's ORs. It is expected that CFVMC's surgical case times will continue to increase as the size and scope of CFVHS's surgical residency program with Campbell expands.

Furthermore, the development of a new medical school in collaboration with Methodist University will initially create 12 additional general surgery residency positions for CFVHS. The medical school will start with 80 students per year and grow to 120 students per year. As the number of general surgery residents increases, the need for ORs for the training of those residents will increase accordingly.

The following table shows surgical case times for North Carolina hospitals with general surgical residency programs.<sup>8</sup>

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<sup>8</sup> CFVMC attempted to identify existing general surgery residencies in NC by reviewing hospital websites. This list may not be complete.



### OR Case Times at Teaching Hospitals

Hospital Facility	General Surgery Residency Positions	Time per IP Case	Time per OP Case
Duke University Hospital	52	275.6	142.8
AH Carolinas Medical Center	33	241.0	149.0
AHWF Baptist	36	236.0	132.0
UNC Medical Center	43	202.0	120.0
ECU Health	33	186.0	131.0
Cape Fear Valley Medical Center	20	167.0	120.0
Novant Health New Hanover RMC	20	137.0	84.7
Average Case Times		206.4	125.6

Source: Medical school and hospital websites; Proposed 2024 SMFP, Table 6B

CFVHS supports the SMFP standard methodology for ORs. However, CFVHS has demonstrated that the implementation of its surgical residency program has contributed to a consistent annual increase in surgical case times. The development of a new medical school in collaboration with Methodist University will create additional general surgery residency positions for CFVHS beyond the current positions in coordination with Campbell University. With more residents training and participating in surgical cases at CFVMC, the surgical case time is expected to correspondingly increase. In other words, as the number of surgical residents increases, the need for ORs for the training of those residents will increase accordingly.

Based on the development of a new medical school on the CFVMC campus and the continued growth of its residency program, the following table presents an estimate of the impact that a ten percent increase in case times would have on CFVMC’s OR utilization.

A	B	C	D	E	F	G	H	I	J	K	L	M
Service Area	License	Facility	FY23 IP Cases	IP Case Time	FY23 OP Cases	OP Case Time	Total Adjusted Estimated Surgical Hours	Growth Factor	Projected Surgical Hours for 2026	Projected Surgical ORs Required in 2026	Adjusted Planning Inventory	Projected OR Deficit/ (Surplus)
Cumberland	H0213	CFVMC	5,950	175.4	6,636	126.0	31,324	0.82	31,815	18.13	17	1.13
Cumberland	H0275	Highsmith	20	106.0	2,036	80.0	2,750	0.82	2,780	1.85	2	-0.15
CFVHS Total												<b>0.98</b>

This analysis makes the following assumptions: (1) the number of cases is based on CFVHS FFY2023 annualized utilization (Oct-Jun); (2) the growth factor is based on Cumberland County’s population growth rate from 2023-2026; (3) CFVMC’s FFY2022 case times increase five percent as a result of continued growth of CFVHS’s residency program. The previous analysis illustrates that a nominal increase in surgical case times demonstrates the need for an additional OR for CFVHS. Further, this analysis is based on FFY2023 utilization, thus, any future increase in the

number of surgical cases will increase the demand for ORs. The analysis does not assume any changes to Highsmith Rainey's inpatient or outpatient surgical case times.

It is reasonable to anticipate that CFVMC's surgical case times will continue to increase. As shown previously, while CFVMC's surgical case times have increased since inception of the Campbell residency program, average case times are conservative compared to other teaching hospitals. CFVMC anticipates a five percent increase in surgical case times is conservative in consideration of the expected growth of the residency program.

#### **D. Development of Additional Acute Care Beds at CFVMC**

CFVMC's 2023 License is for 544 licensed general acute care beds. CFVMC is CFVHS's flagship facility, serving patients from a broad geographic area throughout southeastern North Carolina. As a Level III Trauma Center, CFVMC plays a critical role in meeting complex acute care needs for residents of southeastern North Carolina and beyond. CFVMC is a regional referral center for CFVHS's community hospitals as well as other community hospitals in the region.

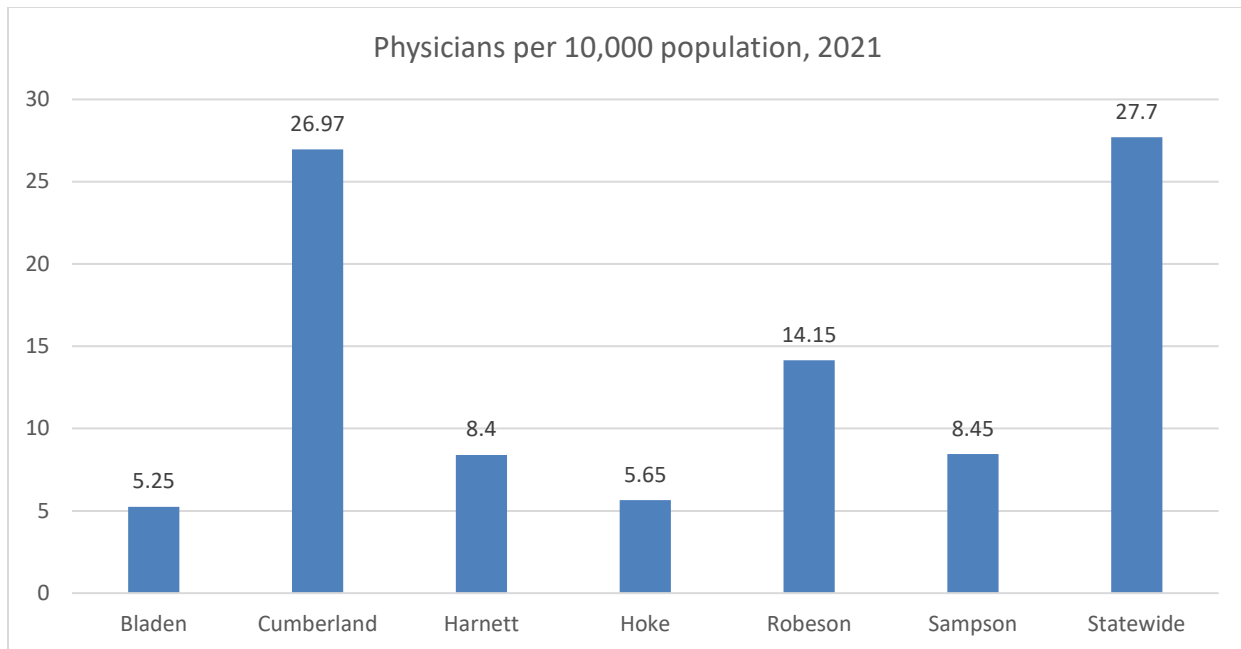
CFVMC is approved to develop 92 additional acute care beds.<sup>9</sup> The beds are being developed across existing and new spaces on the CFVMC main campus. Eighteen of the 92 additional acute care beds will be developed as intensive care unit (ICU beds). Upon completion of the approved projects (estimated late 2024), CFVMC's acute care bed capacity (excluding NICU beds) will increase by 17 percent. As its overall acute care bed capacity increases, CFVMC expects its surgical utilization will similarly increase.

#### **E. Need for Physicians in Rural North Carolina**

The shortage of primary health care providers (including advanced practice providers) in North Carolina is significant, particularly in the state's rural areas. There is also a severe shortage of primary health care providers and behavioral health providers who serve Medicaid, uninsured and low-income patients. The following graph summarizes physicians per 10,000 population within CFVHS's six-county service area.

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<sup>9</sup> 45 beds per Project I.D. M-8689-11, 29 beds per Project I.D. M-12178-22, and 18 beds per Project I.D. M-12332-23



Source: North Carolina Health Professions Data System, Program on Health Workforce Research and Policy, Cecil G. Sheps Center for Health Services Research

CFVHS’s residency program is addressing the physician shortage in rural areas. The number of physicians per 10,000 population in Cumberland County has increased from 14.5 physicians in 2000 to 27.0 in 2021 which is just below the state rate of 27.7 physicians per 10,000 population.<sup>10</sup> Last year, 51 percent of eligible residents signed to work at CFVHS. Of the 25 residents retained in the last year, at least 10 will work in rural areas, including Bladen County, Hoke County, and Harnett County.

The partnership between Methodist University and Cape Fear Valley Health will also contribute to the economic development of the region. The new medical school is expected to create jobs and attract new businesses to the area, providing a significant boost to the local economy. A study commissioned by CFVHS projects the new medical school could bring more than \$750 million in economic impact to the community in the first 10 years.

CFVHS’s residency program and the new medical school will create impacts on the CFVHS service area economy in a variety of ways. The program creates new jobs for additional employees, and will increase the day-to-day operational supply chain purchases from local businesses. This provides a steady stream of long-run spending impacts year after year. Lastly, as the residents who would otherwise not have been served finish the program and stay to practice in the region, they create long-run benefits within the CFVHS service area.

<sup>10</sup> North Carolina Health Professions Data System, Program on Health Workforce Research and Policy, Cecil G. Sheps Center for Health Services Research, University of North Carolina at Chapel Hill. Accessed July 2023 at <https://nhealthworkforce.unc.edu/interactive/supply/>

The added residency capacities created by the medical school will help CFVMC respond to the needs of a growing economy and demand for physicians. The added capacity will create additional physicians who otherwise would not have been served by CFVHS. Many of these physicians are expected to remain in the region upon completing the program. The additional physicians trained will go a long way in addressing the current shortage of physicians and allowing more patients to be served. This will add significant healthcare capacity, and, furthermore, the added earnings and increased productivity of these physicians will create long-run impacts across the regional economy.

#### **IV. Statement of Adverse Effects on the Population if the Adjustment is Not Made**

Rural residents choose to stay close to home for their health care whenever possible. Unfortunately, many rural residents across North Carolina must travel for basic health services due to the lack of physicians in local communities. The proposed additional operating room will be instrumental in training surgical residents in CFVHS's residency program.

It is important to realize that the proposed adjustment will not impact other surgical providers across North Carolina. The adjustment will allow CFVMC to expand surgical services for surgical residents in south-central and south-east North Carolina.

#### **V. Options for Operating Room Development in Cumberland County**

##### **A. Maintain the Status Quo**

As described previously, CFVMC's OR utilization is reaching capacity limitations. CFVMC needs additional surgical capacity to meet the needs of its growing residency program and the new medical school that will be developed on the CFVMC main campus.

##### **B. Move ORs from Highsmith Rainey or CFV North**

One of Highsmith Rainey's OR's currently is designated to relocate to CFVMC. CFVHS determined the remaining complement of two ORs at Highsmith Rainey is necessary to meet the long-term needs of the facility.

##### **C. Fayetteville Ambulatory Surgery Center**

Fayetteville Ambulatory Surgery Center (FASC) is a freestanding ambulatory surgery center with 11 operating rooms in Cumberland County. In November 2022, FASC received CON approval to replace and relocate the ASC to a new location within Cumberland County, Project I.D. M-12222-22. The approved application demonstrates that during the third project year, the replacement ASC will demonstrate the need for 10.6 ORs. Therefore, there will not be available capacity at FASC to transfer an OR to CFVMC.

Furthermore, it is not reasonable to consider decreasing the number of outpatient surgery operating rooms in freestanding settings and the additional operating room requested is needed for teaching in inpatient settings as well as outpatient settings. Therefore, It would not be a cost-effective alternative for residents of Cumberland County to decrease the number of freestanding ambulatory surgical operating rooms.

#### **D. Pursue an Adjusted Need Determination**

The proposed Adjusted Need Determination for one additional operating room in Cumberland County will allow CFVMC to apply for a new operating room to address the capacity demands associated with CFVHS's residency program and the new medical school that will be developed on the campus of CFVMC.

As described previously, in 2017 CFVHS considered requesting for an adjusted need determination for two operating rooms. CFVHS decided to be conservative and request one additional OR at that time and observe the impact the residency program would have on surgical case times and utilization of ORs. Since 2018, CFVMC's residency program has grown significantly, and plans are underway to develop a new medical school in partnership with Methodist University. Therefore, CFVHS is submitting this petition for an additional OR in Cumberland County to ensure sufficient OR capacity to train surgical residents at CFVMC.

#### **VI. Duplication of Health Resources**

The addition of an operating room in Cumberland County will not result in a duplication of health resources in the county. In November 2022, FASC received CON approval to replace and relocate the ASC to a new location within Cumberland County, Project I.D. M-12222-22. The approved application demonstrates that during the third project year, the replacement ASC will demonstrate the need for 10.6 ORs. Additionally, as discussed above, the need for an additional operating room is justified to meet the expanded need for operating room capacity resulting from CFVHS's collaboration with the Jerry M. Wallace School of Osteopathic Medicine at Campbell University and the new medical school which will be developed in affiliation with Methodist University. An additional operating room at CFVMC will provide educational opportunities for both inpatient and outpatient surgery and will not negatively impact utilization at FASC.

Valleygate Dental Surgery Center operates a single-specialty freestanding ASC in Cumberland County and provides oral surgery services. Valleygate Dental Surgery Center Coast is approved to develop a new freestanding ASC in Cumberland County via relocation of one OR from Valleygate Dental Surgery Center. These facilities are not teaching hospitals and do not provide inpatient services.

As documented above, surgical case times at teaching institutions are greater than surgical case times at non-teaching institutions. When the CFVMC case time is adjusted to reflect the impact

of adding surgical residents at CFVMC, an additional operating room is needed in Cumberland County. Therefore, the proposed adjustment would not result in a duplication of existing services.

## **VII. Consistency with SMFP Basic Principles**

The petition is consistent with the provisions of the Basic Principles of the State Medical Facilities Plan.

### **A. Safety and Quality Basic Principle**

The State of North Carolina recognizes the importance of systematic and ongoing improvement in the quality of health services. Emerging measures of quality address both favorable clinical outcomes and patient satisfaction, while safety measures focus on the elimination of practices that contribute to avoidable injury or death and the adoption of practices that promote and ensure safety. Providing appropriate care in the appropriate setting works to assure quality care for patients. As stated above, one of the goals of CFVHS's medical education program is to provide patient-centric teaching that emphasizes practice-based learning, evidence-based medicine, and the importance of professionalism and effective interpersonal communication skills.

### **B. Access Basic Principle**

Equitable access to timely, clinically appropriate, and high-quality health care for all the people of North Carolina is a foundation principle for the formulation and application of the North Carolina State Medical Facilities Plan. The formulation and implementation of the North Carolina State Medical Facilities Plan seeks to reduce all of those types of barriers to timely and appropriate access. The first priority is to ameliorate economic barriers and the second priority is to mitigate time and distance barriers. The SMFP is developed annually as a mechanism to assure the availability of necessary health care services to a population.

Residents of southeastern North Carolina have inadequate access to medical professionals. The population to physician ratio for the counties in the CFVHS service area is significantly greater than other areas in North Carolina. The proposed adjustment will impact the training of additional surgeons in the service area and will improve geographic access surgeons for residents in rural communities. Approval of this Petition will allow improved access to basic general surgical services as it is well documented that 51% of physicians choose locations in or near the community where they were trained when deciding where to practice.

### **C. Value Basic Principle**

The SHCC defines health care value as maximum health care benefit per dollar expended. The disparity between demand growth and funding constraints for health care services increases the need for affordability and value in health services. Measurement of the cost component of the value equation is often easier than measurement of benefit. Cost per unit of service is an

appropriate metric when comparing providers of like services for like populations. The cost basis for some providers such as CFVMC, one of the top ten providers of inpatient Medicaid days in North Carolina, may be inflated by disproportionate care to indigent and underfunded patients.

Measurement of benefit is more challenging. Standardized safety and quality measures, when available, can be key factors in achieving improved value in the provision of health services. CFVMC participates in a variety of benchmark programs to compare the use of inpatient and outpatient resources to other large tertiary hospitals. CFVMC uses this information to improve processes and decrease costs wherever possible.

### **VIII. Conclusion**

The proposed adjustment of one additional operating room in the Cumberland County OR service area for the purpose of training surgical residents in inpatient and outpatient procedures in the 2024 SMFP will allow CFVMC to apply for an additional operating room to accommodate the needs of its surgical residency program and the new medical school which will be located on the CFVMC campus.