

Standard .05B(2) – Need- Minimum Utilization for Establishment of a New or Replacement Facility.

An applicant proposing to establish or replace a hospital or ambulatory surgical facility shall:

- (a) Demonstrate the need for the number of operating rooms proposed for the facility, consistent with the operating room capacity assumptions and other guidance included in Regulation .07 of this chapter.
- (b) Provide a needs assessment demonstrating that each proposed operating room is likely to be utilized at optimal capacity or higher levels within three years of the initiation of surgical services at the proposed facility, consistent with Regulation .07 of this chapter.
- (c) An applicant proposing the establishment or replacement of a hospital shall submit a needs assessment that includes the following:
 - (i) Historic trends in the use of surgical facilities for inpatient and outpatient surgical procedures by the new or replacement hospital's likely service area population;
 - (ii) The operating room time required for surgical cases projected at the proposed new or replacement hospital by surgical specialty or operating room category; and
 - (iii) In the case of a replacement hospital project involving relocation to a new site, an analysis of how surgical case volume is likely to change as a result of changes in the surgical practitioners using the hospital.
- (d) An applicant proposing the establishment of a new ambulatory surgical facility shall submit a needs assessment that includes the following:
 - (i) Historic trends in the use of surgical facilities for outpatient surgical procedures by the proposed facility's likely service area population;
 - (ii) The operating room time required for surgical cases projected at the proposed facility by surgical specialty or, if approved by Commission staff, another set of categories; and
 - (iii) Documentation of the current surgical caseload of each physician likely to perform surgery at the proposed facility.

Applicant Response:

The applicant is not seeking to expand surgical capacity. Rather, the applicant is seeking to replace four of JHBMC's current 14 mixed use ORs with new state of the art ORs. The four ORs which will be taken off line are among the smallest in the operating room suite.

Ten of the 14 ORs were built in 1994, and are not sufficient in size to house the equipment necessary for contemporary complex surgery. Equipment such as Brain Lab and surgical robots take up a significant footprint and are not usable in several of the existing rooms. By creating four larger rooms, the OR suite will be more efficient, permitting greater flexibility in scheduling OR cases.

Historical OR Volumes

Calendar Year	OR Cases			OR Minutes		
	Inpt	Outpt	Total	Inpt	Outpt	Total
2012	5,144	5,256	10,400	998,757	490,434	1,489,286
2013	4,685	5,503	10,188	965,843	521,392	1,487,265
2014	4,834	5,724	10,558	942,959	551,473	1,494,446
2015	4,465	5,422	9,887	868,037	534,970	1,403,406
2016	4,771	5,120	9,891	889,127	523,822	1,412,949

JHBMC has projected future need based on the CY2016 surgical use rate by zip code in JHBMC's surgical primary and secondary service areas. See Exhibit 16.

JHBMC OR Need Through 2025

In calculating the need for ORs, the applicant used 25 minutes of turnaround time ("TAT") per case. On average, the TAT time JHBMC was 41 minutes in FY2017.

The projections below demonstrate that JHBMC will need 15 ORs in 2024. However, the applicant requests 14 ORs as it expects even more hospital-based surgical activity to shift to non-hospital settings over the next five years.

	2016	2025
OR Cases	9,891	10,349
Minutes / Case	143	143
OR Minutes	1,412,949	1,479,926
TAT Minutes / Case	41	25
TAT Minutes		258,728
Total Minutes		1,738,654
Capacity: Minutes / OR		114,000
Needed ORs		15