

Hospital Corporation of America

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October 17, 2014

The Honorable G. Murrell Smith, Jr., Chairman
Certificate of Need Ad Hoc Committee
420B Blatt Building
Columbia, South Carolina 29201

Dear Chairman Smith:

Thank you for the opportunity to provide feedback in preparation for your upcoming Certificate of Need (CON) Ad Hoc Committee meeting on October 22nd. As president of the South Atlantic Division for Hospital Corporation of America (HCA), I have responsibility of oversight of four hospitals in South Carolina located in North Charleston, Summerville, Walterboro, and Myrtle Beach.

HCA operates healthcare systems throughout the country and has experience in working in a variety of regulatory and competitive environments. South Carolina's CON program is among the most restrictive and often impedes a provider's ability to respond to community needs and provide the highest quality of care for patients.

HCA would like to expand our presence in South Carolina to better meet community needs and enhance access to medical care; however, the current CON requirements have prevented or excessively delayed our ability to do so. We would have added needed beds at our Summerville facility, added basic inpatient psychiatric services at Myrtle Beach and North Charleston to alleviate the holding of psychiatric patients in our emergency rooms, moved forward with a cancer center in Myrtle Beach, and moved to a Level III NICU in North Charleston. The current CON process has stymied us in each case.

As your committee considers CON reform, we offer the following suggestions for your consideration.

1. Eliminate the CON requirement for the expansion of beds and services on existing campus for licensed hospitals
2. Eliminate the CON requirement for the conversion of up to 10% of existing beds to psychiatric beds based on facility demonstrated need
3. Increase equipment threshold up to \$5 million
4. Eliminate the \$2 million capital expenditure threshold

5. In lieu of a CON, approve new designated health care services based on licensing standards, which generally require evidence of qualifications, capacity, and volume thresholds

Thank you for your consideration. Please do not hesitate to let me know if you have questions or if we can provide additional information as you study the CON process.

Sincerely,

A handwritten signature in black ink that reads "Jamie R. Thomas". The signature is written in a cursive style with a large initial "J" and "T".

Jamie R. Thomas

cc: The Honorable William "Bill" Clyburn
The Honorable James H. Merrill
The Honorable William G. "Bill" Herbkersman
The Honorable Michael A. "Mike" Anthony