January 25, 2013

Edward L. Burr, Vice President for Legal Affairs
University Hospital
1350 Walton Way
Augusta, Georgia 30901

Dear Mr. Burr:

The Georgia Department of Community Health has completed its review of the request submitted by University Health Services, Inc. d/b/a University Hospital, as outlined in Project GA2012-047, to establish a hospital based satellite emergency department in Evans, Columbia County, Georgia, which is located in State Service Delivery Region 7. The total estimated cost of this project is $9,570,000.

Findings and conclusions related to the evaluation of this project are attached to this notice. In accordance with Rule 111-2-2-07(2)(b) of the State Certificate of Need Rules and Regulations, it is the determination of the Department of Community Health that the proposal is not consistent with the considerations, standards, and criteria applicable to the issuance of a Certificate of Need. Therefore, your request is hereby denied. This action is subject to appeal, provided the request is received within thirty (30) days of the date of this letter. Please direct your request to:

Chairperson
Certificate of Need Appeal Panel
2 Peachtree Street, NW
5th Floor
Atlanta, Georgia 30303-3142

Sincerely,

Matthew Jarral, MPA
Health Planning Director

cc: Mark Richardson, RICHARDSON/KNAPP & ASSOCIATES, Inc.
Director, Division of Medical Assistance
Architect, State of Georgia
Division of Healthcare Facility Regulation
GEORGIA DEPARTMENT OF COMMUNITY HEALTH

EVALUATION FOR CERTIFICATE OF NEED

PROJECT NUMBER 2012-043  DOCTORS HOSPITAL OF AUGUSTA, LLC.
                                  AUGUSTA, RICHMOND COUNTY, GEORGIA

PROJECT NUMBER 2012-047  UNIVERSITY HEALTH SERVICES, INC. D/B/A UNIVERSITY HOSPITAL
                                  AUGUSTA, RICHMOND COUNTY, GEORGIA

BACKGROUND

Over the past decade there has been a growing trend in the development of freestanding emergency departments in the United States. While freestanding emergency departments can vary in form and level of function, these facilities generally provide emergency care at a location physically separate from an acute care hospital. A 2009 California Healthcare Foundation analysis of freestanding emergency departments in the United States describes the historical relationship between freestanding emergency departments and acute care hospitals in terms of three main categories: 1) an emergency department owned and operated by a hospital but in a location separate from the hospital ("hospital based, satellite, emergency department"); 2) an emergency department that is located near an acute care hospital but is a distinct legal entity operating under different management; and, 3) an emergency department that is fully isolated and not co-located with an acute care hospital and is under separate ownership. Despite their location relative to a hospital, these facilities are designed to replicate the services and procedures offered by traditional emergency departments. Most freestanding emergency departments are open 24 hours a day, 7 days a week and are staffed by trained emergency physicians and nurses. Freestanding emergency departments, however, cannot admit patients for inpatient care. When such care is needed, the freestanding emergency department must transfer the patient to an inpatient hospital. According to the American Hospital Association, in 2009 there were 241 freestanding emergency departments in approximately 17 states in the United States, with the vast majority (207) being hospital-affiliated in terms of ownership. There are currently no freestanding emergency departments in the State of Georgia.

PROJECT OVERVIEW

GA2012-043

Doctors Hospital of Augusta, LLC. has requested that the Georgia Department of Community Health ("Department") issue a Certificate of Need for the development of a hospital based, satellite emergency department ("ED") in Evans, Columbia County, Georgia. The proposed 10,992 square foot facility will consist of one trauma room, one psychiatric exam room, one isolation room, nine general exam rooms and one triage room, a Nurses station, reception, patient/family waiting area, staff support space and ambulance entrance and vestibule. Additionally, the applicant proposes to acquire a CT scanner as part of the project. Laboratory and general radiology services will also be available at the satellite facility. The proposed satellite ED will operate as a department of Doctors Hospital, which is located in Augusta, Richmond County, Georgia, approximately six miles from the proposed satellite location. The total estimated cost of the project is $9,822,715. The applicant is not making an indigent and charity care commitment with this proposed project.

Doctors Hospital of Augusta, LLC d/b/a Doctors Hospital of Augusta ("Doctors") is a 354 bed general, acute care hospital located in State Service Delivery Region ("SSDR") 7. Doctors Hospital of Augusta, LLC is a subsidiary of Hospital Corporation of America, Inc. ("HCA, Inc."), a for profit operator of a network of health care facilities, including 163 acute care, psychiatric and rehabilitation hospitals and 110 freestanding surgery centers across twenty states in the United States and in the United Kingdom. According to the 2011 Annual Hospital Questionnaire ("AHQ") submitted by the applicant, Doctors had 12,811 inpatient admissions for the year, resulting in an occupancy rate of 50.53 percent and an average
daily census of 178.4 patients. The data also indicates that the hospital had 43,909 ED visits for the year.

GA2012-047

University Health Services, Inc. has requested that the Georgia Department of Community Health ("Department") issue a Certificate of Need for the development of a hospital based, satellite emergency department ("ED") in Evans, Columbia County, Georgia. The proposed 17,500 square foot facility will consist of five trauma rooms, nine general exam rooms, two specialty exam rooms, one isolation room and support space including ambulance entrance and vestibule, reception area, patient/family waiting area and staff support areas. Additionally, the applicant proposes to acquire a CT scanner, general radiology and laboratory equipment for use at the proposed satellite facility. The proposed satellite ED will operate as a department of University Hospital, which is located in Augusta, Richmond County, Georgia, approximately eleven miles away from the proposed satellite location. The total estimated cost of the project is $9,581,506. The applicant is reaffirming its existing three percent hospital-wide indigent and charity care commitment with this proposed project.

University Health Services, Inc. d/b/a University Hospital ("University") is a 601 bed general, acute care hospital located in State Service Delivery Region ("SSDR") 7. University Health Services, Inc. was created in the 1984 corporate restructuring of the Richmond County Hospital Authority and is controlled by its not-for-profit parent corporation, University Health, Inc. According to the 2011 Annual Hospital Questionnaire ("AHQ") submitted by the applicant, University had 21,393 inpatient admissions for the year, resulting in an occupancy rate of 46.79 percent and an average daily census of 280.4 patients. The data also indicates that the hospital had 79,310 ED visits for the year.

PROJECT EVALUATION

Pursuant to Rule 111-2-2-.07(1)(c) of the State Certificate of Need rules and regulations, these applicants were joined for the purpose of review on October 3, 2012, as they propose the development of similar services in the same or overlapping service area at proposed locations that are less than two miles apart in Evans, Columbia County, Georgia. The State Health Plan does not define service specific standards by which the proposed projects must abide. As such, the proposals submitted by Doctors and University were reviewed according to the Certificate of Need rules outlined in the General Review Considerations of the State Health Plan. This evaluation documents the review findings for each of these rules.

General Review Considerations

Rule 111-2-2-.09(1)(b): The population residing in the area served, or to be served, by the new institutional health service has a need for such services.

There is no numerical need methodology specific to the proposed development of hospital based satellite emergency departments defined in the State Health Plan. Absent such methodology, the Department finds it reasonable to assess need in terms of population projections, utilization and other factors presented by the applicant in support of need for the project.

Doctors

As an existing provider of hospital services, including emergency services, in SSDR 7, the applicant relies, in part, on the historical patient origin of Doctors' main campus to define the service area for the proposed satellite ED. With a proposed location of 6.2 miles from the main campus in the city of Evans, Columbia County, Georgia, the applicant expects the proposed project to serve Columbia County, primarily. Doctors projects that the primary service area will constitute approximately seventy five percent (75%) of patients utilizing its satellite ED. Richmond, Lincoln and Warren Counties are identified as the secondary service area. Because of its proximity to the South Carolina border, the applicant also
includes Edgefield County, South Carolina in its secondary service area. The Department's analysis of the service area population in support of need for this project is limited to data projections for service area counties in Georgia. Data from the Governor's Office of Planning and Budget ("OPB") indicate that the overall population within the applicant's proposed service area, relative to Georgia counties only, is expected to increase 7.8 percent between 2012 and 2017, the five year horizon period for the proposed project pursuant to Rule 111-2-29(1)(b)3 of the Certificate of Need rules and regulations. Columbia County is projected to account for the most growth in the service area across all age groups.

### Exhibit One. Service Area Population Projections, All Ages

<table>
<thead>
<tr>
<th>County</th>
<th>2012</th>
<th>2017</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Service Area</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Columbia</td>
<td>123,991</td>
<td>141,915</td>
<td>14.5%</td>
</tr>
<tr>
<td>Total PSA</td>
<td>123,991</td>
<td>141,915</td>
<td>14.5%</td>
</tr>
<tr>
<td>Secondary Service Area</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lincoln</td>
<td>8,262</td>
<td>9,334</td>
<td>13.0%</td>
</tr>
<tr>
<td>Richmond</td>
<td>205,079</td>
<td>212,690</td>
<td>3.7%</td>
</tr>
<tr>
<td>Warren</td>
<td>5,960</td>
<td>6,101</td>
<td>2.4%</td>
</tr>
<tr>
<td>Total SSA</td>
<td>219,301</td>
<td>228,125</td>
<td>4.0%</td>
</tr>
<tr>
<td>Total Service Area</td>
<td>343,292</td>
<td>370,040</td>
<td>7.8%</td>
</tr>
</tbody>
</table>

*Source: Governor's Office of Planning and Budget 4/2011*

To support need for the project, the applicant includes an analysis of the 65 and older population. As reflected in Exhibit Two, this population is projected to increase 20.7 percent by the horizon year. According to the applicant, the growth in the senior population is significant as seniors utilize healthcare resources at a rate much higher than that of younger age cohorts. Like the total population, the largest growth in the senior population is projected for Columbia County.

### Exhibit Two. Service Area Population Projections, 65 and Up

<table>
<thead>
<tr>
<th>County</th>
<th>2012</th>
<th>2017</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Service Area</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Columbia</td>
<td>13,377</td>
<td>18,074</td>
<td>35.1%</td>
</tr>
<tr>
<td>Total PSA</td>
<td>13,377</td>
<td>18,074</td>
<td>35.1%</td>
</tr>
<tr>
<td>Secondary Service Area</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lincoln</td>
<td>1,549</td>
<td>1,979</td>
<td>27.8%</td>
</tr>
<tr>
<td>Richmond</td>
<td>25,724</td>
<td>29,117</td>
<td>13.2%</td>
</tr>
<tr>
<td>Warren</td>
<td>1,050</td>
<td>1,169</td>
<td>11.3%</td>
</tr>
<tr>
<td>Total SSA</td>
<td>28,323</td>
<td>32,265</td>
<td>13.9%</td>
</tr>
<tr>
<td>Total Service Area</td>
<td>41,700</td>
<td>50,339</td>
<td>20.7%</td>
</tr>
</tbody>
</table>

*Source: Governor's Office of Planning and Budget 4/2011*

According to the applicant, the proposed project, overall, is intended to address the emergency service needs of Columbia County residents who account for the greatest portion of service area growth and who will, presumably, drive the need for additional emergency services in the region. As one of the fastest growing counties in the region, the applicant notes that Columbia County is the largest county in the state without a hospital or emergency service that is available twenty four hours per day and seven days...
per week within the county. Residents must instead, travel a minimum of 6.2 miles to the nearest provider, Doctors Hospital, which is located in Richmond County, an adjoining county. The applicant suggests that residents of Lincoln and Warren Counties, which comprise the secondary service area for the proposed project, are similarly affected by the lack of a local hospital or twenty four hour emergency service located within each of their respective counties. Despite the existence of hospitals that provide emergency services in adjoining counties, the applicant indicates that approximately fifty percent of Lincoln County residents and twenty five percent of Warren County residents elect to receive emergency care from Augusta-area hospitals, which requires a travel distance of thirty six to forty seven miles. The applicant suggests that the proposed satellite ED would offer service area residents more convenient access to emergency care than its on-campus alternative in Augusta.

Although Columbia County is relatively affluent, the applicant indicates that a significant number of uninsured and/or unemployed people reside in the county. The applicant indicates that approximately 4,686 Columbia County residents or 7.3% of the population are unemployed and over 17,500 or 15.8% of the population do not have health insurance. Further, 7.1% of Columbia County residents live in poverty. According to the applicant, the lack of insurance and unemployment in the secondary service area is an even larger health issue as unemployment rates range from 8.3% to 17.1% of the population and uninsured rates range from 18.8% to 25.1% of the population. In addition, approximately one in four residents lives in poverty. For these patients, the applicant indicates that the emergency department is an important entry point into the healthcare system and often serves as their safety net provider of medical services. According to the applicant, the proposed satellite ED will offer another source for emergency services for this population that is more easily accessible than on-campus hospital-based services.

To further support need for the project, the applicant references issues related to the existing emergency service at Doctors Hospital’s main campus. According to the applicant, the on campus ED is reaching capacity, despite an expansion of the department two years ago. Exhibit Three reflects the historical volume of Doctors’ main campus ED. The hospital estimates that 2012 emergency room visits will approximate 50,000 visits. The applicant indicates that approximately 37 percent of its emergency volume can be attributed to Columbia County residents. As the nearest hospital provider to Columbia County, the applicant indicates that approximately fifty percent of Columbia County residents obtain emergency services at Doctors. According to the applicant, Doctors is considering options for expanding its current capacity. The applicant references a few expansion options that Doctors concluded were either cost prohibitive and disruptive to care or that did not provide the necessary long term relief. The applicant indicates that new construction is the hospital’s only remaining expansion option. Adopting a freestanding model and locating emergency services closer to a population Doctors Hospital serves in Columbia County is expected to enable the applicant to increase its emergency capacity on-campus and better position the hospital to address future demand for its services without the need for immediate and permanent expansion. The applicant projects that approximately 7.5 percent of its total emergency department volume (3,591 visits) will be redirected to the proposed satellite ED by Year Two of implementation. Sixty-eight percent of visits at the satellite ED are expected to be patients who are redirected from the main campus, proportional to the hospital’s service area market share. The remaining visits are expected to come from the overall market, including from projected population growth in the area.
In additional information submitted to the Department, the applicant explains that a 2008 process improvement program undertaken by Doctors has resulted in a more efficient ED. According to the applicant, the ED turnaround time, in terms of the average "arrival-to-provider" greet times ranged from 19 minutes to 38 minutes from January to November 2012. Similarly, the applicants "arrival time-to leave time" ranged from a low of 120 minutes to a high of 143 minutes for January to November 2012. The applicant contends that the ED volume increases of 2012 have directly affected its increases in arrival-to-provider greet times. In January 2012, Doctors averaged 118 ED patients per day. As of December 2012, Doctors' ED was averaging 155 patients daily. The applicant indicates that the continued growth in its ED volume is causing stress to its existing physical capacity. While the applicant indicates that Doctors has not had to go on diversion in the past two years, at times the hospital has had to utilize all rooms, place beds in hallways and overflow some patients in radiology holding areas to handle surges in volume. According to the applicant, the potential for redirecting patients to the satellite ED would allow Doctors Hospital to address the demands of its on-campus ED within the existing footprint of the main facility.

**Department's Finding**

Emergency services are an important component of the healthcare delivery system. However, upon careful review and consideration of the arguments presented, the Department finds that the applicant has not demonstrated a need for a satellite emergency department in Columbia County. First, throughout the application and in letters of support submitted to the Department, the applicant discusses quite extensively the lack of a hospital or twenty-four hour emergency service within Columbia County as an issue, particularly in light of the size of the county's population. No evidence, however, was provided to document that this population has limited access to emergency services. The non-existence of an emergency service provider within Columbia County does not in and of itself render these services inaccessible to residents. Absent evidence to the contrary, residents of Columbia County and SSDR 7, overall, appear to have reasonable access to emergency services as supported by the historical utilization of Doctors' emergency services by these residents. Furthermore, there are several hospital providers of emergency services located in counties adjoining the applicant's proposed service area. Doctors failed to show that residents of the proposed service area have an issue accessing the emergency services currently available in the region. As such, the need for emergency services that generally exists in the proposed service area appears to be met by the existing providers of emergency services in the region.
Next, the applicant discusses the role of emergency departments in serving as a safety net provider of medical services for low income and uninsured residents to support need for the project. The historical use of emergency departments as the provider of last resort, however, cannot reasonably be used to justify need for the proposed project. Among the core tenets of the Department's health planning function is to contain health care costs and reduce unnecessary duplication. Proliferation of emergency departments with the goal of increasing access for low income and uninsured populations for whom an access issue has not been demonstrated is the very dynamic the Department is charged with safeguarding against. The applicant has not demonstrated that low income or uninsured residents of the proposed service area do not have ready access to emergency services in the region as they currently exist.

Additionally, the Department finds the applicant’s further reliance on ED capacity issues purported to exist on the main campus to be misplaced in the context of its proposal to develop a satellite emergency department 6.2 miles away from the hospital’s defined location. The proposed placement of an emergency department at a location beyond the defined location of the campus of Doctors Hospital should be predicated on a demonstration that the specific patient population to be served at the secondary location, Columbia County and surrounding areas, currently have an unmet need for these services, the burden of which has not been met by the applicant. Any current capacity constraints purported to exist or anticipated at the main campus cannot reasonably be used to justify a new service six miles from the main campus in another county. Further, the Department finds the ability of the applicant to “redirect” patient volume from its main campus to the satellite ED in an attempt to alleviate the stated capacity issues to be speculative given the unpredictable nature of ED services in terms of the needs of service area patients presenting for care and the uncertainty about the appropriateness of these patients for redirection. Further, emergency services, unlike referral based or pre-scheduled services, are consumer driven in that the consumer may determine the provider and location they will access. Consequently, it is not clear precisely how the applicant intends to divert emergency volume from the hospital to the satellite.

The Department finds that the applicant has not adequately demonstrated a need for the proposed project.

University
The primary service area for the proposed satellite ED is Columbia County. For its secondary/tertiary service area, the applicant collectively identifies Lincoln County as well as zip codes associated with Richmond and McDuffie Counties. Given its proximity to South Carolina, the applicant also includes Edgefield County, South Carolina in its secondary/tertiary service area. The Department’s analysis of the service area population in support of need for this project is limited to data projections for service area counties in Georgia. Data from the Governor’s Office of Planning and Budget ("OPB") indicate that the total population within the applicant’s projected service area is expected to increase 7.8 percent between 2012 and 2017, the five year horizon period for the proposed project pursuant to Rule 111-2-2-.09(1)(b)3 of the Certificate of Need rules and regulations. Columbia County is projected to account for the most growth in the service area across all age groups.

<table>
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<td>Columbia</td>
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</tr>
<tr>
<td>Secondary Service Area (&quot;SSA&quot;)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lincoln</td>
<td>8,626</td>
<td>9,334</td>
<td>8.2%</td>
</tr>
</tbody>
</table>

Exhibit Four. Service Area Population Projections, All Ages
To support need for the project, the applicant includes an analysis of the 65 and older population. As reflected in Exhibit Five, this population is projected to increase by 21.2 percent by the horizon year. According to the applicant, the growth in the senior population is significant because seniors have higher use rates for emergency services. University references data from the Agency for Healthcare Research and Quality that indicates that rates of ED visits were twenty-four percent (24%) higher for Americans age 65 and older compared to those ages 18 to 44. Like the total population, the largest growth in the senior population is projected for Columbia County.

Exhibit Five. Service Area Population Projections, 65 and Up

<table>
<thead>
<tr>
<th>County</th>
<th>2012</th>
<th>2017</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Service Area (&quot;PSA&quot;)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Columbia</td>
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<td>18,074</td>
<td>35.1%</td>
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<tr>
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<td>35.1%</td>
</tr>
<tr>
<td>Secondary Service Area (&quot;SSA&quot;)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lincoln</td>
<td>1,549</td>
<td>1,979</td>
<td>27.8%</td>
</tr>
<tr>
<td>McDuffie</td>
<td>3,334</td>
<td>4,131</td>
<td>23.9%</td>
</tr>
<tr>
<td>Richmond</td>
<td>25,724</td>
<td>29,117</td>
<td>13.2%</td>
</tr>
<tr>
<td>Total SSA</td>
<td>30,607</td>
<td>35,227</td>
<td>15.1%</td>
</tr>
<tr>
<td>Total Service Area</td>
<td>43,984</td>
<td>53,301</td>
<td>21.2%</td>
</tr>
</tbody>
</table>

In addition to the service area population projections, discussions relative to utilization statistics, the availability of existing services to meet the need of the population and the accrued benefits of the proposed project are embedded in the applicant’s need argument. Improved geographical access to ED services for patients in the proposed service area and the resulting decompression of University’s on-campus emergency services, however, are identified as the driving forces for need for the proposed satellite ED.

According to the applicant, the proposed project is expected to improve the geographic accessibility issues purported to exist for ED services in the service area. The applicant suggests that the lack of emergency services located within Columbia County, given the size of its population, is an anomaly among Georgia counties. According to the applicant, the population base of Columbia County is more than sufficient to support a local ED and is in need of an ED that is more geographically accessible. The applicant references the potential difficulty and/or reluctance residents aged 65 and older, as a large and growing segment of Columbia County, may have in driving to another county to access emergency services. Largely a derivative of its geographic access argument, the applicant contends that a financial access issue to emergency services exists for the proposed service area. Claims of a financial access issue are based on the number of patients with limited financial resources, including the elderly and self pay patients—the patient category, which includes the majority of indigent/charity care patients from the service area that currently receive emergency care at University Hospital. The applicant contends that

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January 25, 2013
Page 7
the older and lower income populations of the service area would benefit from having University's satellite ED located within Columbia County given the hospital's historical service to them.

Additionally, the applicant indicates that the proposed project is needed to address the current capacity constraints of its on-campus ED. According to the applicant, University's on-campus ED has experienced significant increases in volume since 2008. Exhibit Six reflects the utilization of University's ED by triage level. The applicant suggests that the impact of increases in ED volume is magnified by the fact that much of this increase is attributed to increases in patients classified as "critical" or "emergent", where patient volumes increased twenty three percent (23%) and eleven percent (11%), respectively. Critical and Emergent patients typically require more resources, including longer lengths of stay within the treatment area, than their less acute counterparts. Conversely, the number of urgent, semi-urgent and non-urgent patient visits decreased between 2010 and 2012, annualized. While the applicant suggests that the decline in these triage categories indicates a more appropriate utilization of University's ED by "true emergency" patients, these patients have longer lengths of stay and may increase wait times for new patients presenting at the ED.

Exhibit Six. University Hospital Emergency Department Patient Visits by Triage Level, 2008- Annualized 2012

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5/Critical</td>
<td>11,737</td>
<td>12,715</td>
<td>14,444</td>
<td>23%</td>
<td>14%</td>
</tr>
<tr>
<td>4/Emergent</td>
<td>15,065</td>
<td>15,681</td>
<td>16,776</td>
<td>11%</td>
<td>7%</td>
</tr>
<tr>
<td>3/ Urgent</td>
<td>30,171</td>
<td>34,481</td>
<td>33,785</td>
<td>12%</td>
<td>-2%</td>
</tr>
<tr>
<td>2/Semi-Urgent</td>
<td>6,716</td>
<td>9,837</td>
<td>9,404</td>
<td>40%</td>
<td>-4%</td>
</tr>
<tr>
<td>1/ Non-Urgent</td>
<td>158</td>
<td>232</td>
<td>208</td>
<td>31%</td>
<td>-11%</td>
</tr>
<tr>
<td>Total</td>
<td>63,847</td>
<td>72,946</td>
<td>74,617</td>
<td>17%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: GA2012-047

Of important note, the data presented by the applicant and reflected in Exhibit Six does not include visits of patients who left without being seen, eloped and left against medical advice and medical screening exam only visits.

Exhibit Seven reflects the historical volume of University's main campus ED as reported to the Department on the Annual Hospital Questionnaire, which presumably accounts for all patient visits to the ED. The applicant suggests that University Hospital is currently straining to keep up with increases in ED volume, which has persisted over the past several years. The applicant references several expansion options that were considered to address the ED capacity issues on the campus, which the applicant now excludes as feasible. Increasing ED capacity off-site is expected to allow University to decompress its on-campus ED through a redirection of patients. During calendar year 2011, approximately 17.8 percent of University's total ED volume originated from the proposed service area. The applicant anticipates that a majority of these patients will be redirected to the proposed satellite ED, which is expected to provide relief in terms of reducing patient wait times for less acute patients. Patients who utilize freestanding EDs are generally of lower acuity. Thus, University expects that the redirected patients anticipated could be seen in a more timely manner at the satellite ED.
To further support need for additional ED capacity at the hospital, University provides discussion about the increase in the number of patients who leave the emergency department without being seen. Through the time of submission of additional information to the Department, the applicant identified 4.9 percent of all patient registrations who left without being seen. This year-to-date 2012 percentage exceeds the calendar year 2011 percentage of 3.4 percent. The applicant suggests that regardless of the cause for patients leaving without being seen, patients who leave the ED without being seen signal that access-to-care issues are prevalent.

The applicant also provides a quantitative need analysis to project the number of service area residents who would obtain ED care at University by 2016. The applicant indicates that while this ED volume is currently being served through the emergency services available on the hospital’s campus, the ability of University to treat this growing service area ED volume as well as the patient volume originating from the hospital’s overall multi-county service area will be significantly enhanced by the development of satellite ED capacity.

**Department’s Findings**

In consideration of the argument presented by the applicant in support of need for the project, the Department finds that the applicant has not demonstrated a need for a satellite emergency department in Columbia County. First, the applicant’s contention that the lack of emergency services within Columbia County renders these services geographically inaccessible has not been supported. No evidence was provided to document that residents of Columbia County, as the proposed primary service area, has limited access to emergency services by virtue of the current distribution of emergency services in the region. Instead, the applicant generally references the potential difficulty residents aged 65 and older may have in accessing these services in an adjoining county. The non-existence of an emergency service provider within Columbia County does not in and of itself render these services inaccessible to residents. Absent evidence to the contrary, residents of Columbia County and SSDR 7, overall, appear to have reasonable access to the emergency services as supported by the historical utilization of University’s emergency services by these residents. Furthermore, there are several hospital providers of emergency services located in the counties adjoining the applicant’s proposed service area, with the nearest provider approximately six miles away from the proposed satellite location. University failed to adequately show that residents of the proposed service area have an issue accessing the emergency services currently available in the region. As such, the need for emergency services that generally exists in the proposed service area appears to be met by the existing providers of emergency services in the region. Similarly, the applicant’s financial access argument falls short of demonstrating an access issue for low income and indigent patients including the elderly. Instead, the applicant contends that the elderly and low income...
populations would benefit from the proposed satellite ED in Columbia County given University's historical service to these populations. An applicant's historical provision of emergency services to the low income and/or indigent populations, including the elderly, cannot reasonably be used to justify need for the proposed project. Clearly, these patient populations are not experiencing an access issue to emergency services as they are currently receiving emergency services at University Hospital. Among the core tenets of the Department's health planning function is to contain health care costs and reduce unnecessary duplication. Proliferation of emergency departments with the goal of increasing access for low income and indigent populations for whom an access issue has not been demonstrated is the very dynamic the Department is charged with safeguarding against. The applicant has not demonstrated that low income or indigent residents of the proposed service area do not have ready access to emergency services in the region as they currently exist and thus claims of a geographic access or a financial access issue related to emergency services in the proposed service have not been justified.

Next, the Department finds the applicant's reliance on ED capacity issues purported to exist on the main campus to be misplaced in the context of its proposal to develop a satellite emergency department approximately eleven miles away from the hospital's defined location. The proposed placement of an emergency department at a location away from the campus of University Hospital should be predicated on a demonstration that the specific patient population to be served at the secondary location, Columbia County and surrounding areas, currently have an unmet need for these services, the burden of which has not been met by the applicant. Any current capacity constraints purported to exist at the main campus cannot reasonably be used to justify a new service approximately eleven miles from the main campus in another county. Additionally, consistent with the applicant's stated policy to avoid going on diversion, that is, being unable to accept additional emergency patient cases because of patient volume, University discusses its use of four beds, as patient volume requires, to accommodate patients who must wait for an available treatment room. According to the applicant, these particular beds are used on occasion. Further, the Department finds the ability of the applicant to "redirect" patient volume from its main campus to the satellite ED in an attempt to alleviate the stated capacity issues to be speculative given the unpredictable nature of ED services in terms of the needs of service area patients presenting for care and the uncertainty about the appropriateness of these patients for redirection. Further, emergency services, unlike referral based or pre-scheduled services are consumer driven in that the consumer may determine the provider and location they will access. Thus, it is not clear precisely how the applicant intends to divert emergency volume from the hospital to the satellite. In additional information submitted to the Department, the applicant indicates that fifty percent of visits at the proposed satellite ED is expected to be redirected from University's existing ED. The remaining fifty percent of the satellite ED volume is expected to be new patients originating from the proposed service area and new patients associated with population growth within the service area. According to the applicant "with only 12% of all ED visits nationally associated with Immediate or Emergent triage status that may require the full backup of the hospital's infrastructure, there remain a majority of patients that are categorized as Urgent, Semi-Urgent or NonUrgent—all which would be clinically appropriate to be treated at the freestanding ED".2 Aside from using a national statistic to justify its local projection, the applicant did not provide evidence specific to the service area residents currently accessing emergency services at University to reasonably suggest that these particular patients could be appropriately diverted to the proposed satellite ED. This is a significant consideration in light of the applicant's stated increase in the number of high acuity ED cases (patients classified as "critical" or "emergent") and decrease in the number of lower acuity patients (patients classified as "urgent", "semi-urgent" and "non-urgent"), who would potentially be most appropriate to use the satellite ED, according to the applicant. As discussed, freestanding emergency departments generally serve lower acuity patients. The relationship between the higher acuity level of University's ED patient mix and the residents of the proposed service area who currently access emergency services at University or some similarly instructive consideration relative to the service area was not discussed in support of the applicant's prospect for diverting these patients. Further

compounding the issue is the fact that Columbia County residents, including the elderly, currently bypass a closer provider of emergency services to access these services at University Hospital. In light of the foregoing and given the unpredictable nature of ED services in terms of the needs of patients presenting for care, it is unclear how a satellite ED eleven miles away from the applicant's defined location will remedy the service issues described on the campus of University Hospital.

Additionally, without further information to clearly support its position, the applicant's implication that issues of patient elopement are determinative of "access to care issues", resulting from ED wait times at University is premature. Patient decisions to leave the emergency department without being seen by a physician may be due to a variety of factors. Consideration of the appropriateness of the emergency department for patients who are physically and functionally able to leave broadens the scope of what increases in the number of patient elopement may indicate. Based on the limited information provided by the applicant there is no data to reasonably attribute University's recent experience with patients leaving without being seen to an access to care issue in the context of the utilization of its emergency department.

The Department finds that the applicant has not adequately demonstrated a need for the proposed project.

The criteria of this rule are not met by the proposed projects.

**Rule 111-2-2-.09(1)(c):** Existing alternatives for providing services in the service area the same as the new institutional health service proposed are neither currently available, implemented, similarly utilized, nor capable of providing a less costly alternative, or no Certificate-of-Need to provide such alternative services has been issued by the planning agency and is currently valid.

**Doctors**

There are four providers of hospital emergency services in the service area proposed by the applicant, including Doctors. As discussed in the evaluation of **Rule 111-2-2-.09(1)(b),** the Department found that Doctors did not adequately justify a need for the proposed project. With no sufficient demonstration of need, the Department has determined that the providers of emergency services in the proposed service area, and in SSDR 7 overall, as they currently exist are sufficient to meet the needs of the service area and the project, as proposed, would constitute an unnecessary duplication of services that are currently available.

**University**

There are five providers of hospital emergency services in the county level service area proposed by the applicant, including University. As discussed in the evaluation of **Rule 111-2-2-.09(1)(b),** the Department found that University did not adequately justify a need for the proposed project. With no sufficient demonstration of need, the Department has determined that the providers of emergency services in the proposed service area, and in SSDR 7 overall, as they currently exist are sufficient to meet the needs of the service area and the project, as proposed, would constitute an unnecessary duplication of services that are currently available.

The criteria of this rule are not met by the proposed projects.

**Rule 111-2-2-.09(1)(d):** The project can be adequately financed and is, in the intermediate and long-term, financially feasible.

**Doctors**

The total estimated cost of the proposed project is $9,822,715. Keith M. Giger, Vice President-Finance of HCA, Inc. indicates that HCA will fund the proposed project. A copy of the consolidated financial statements for HCA Holdings, Inc. was provided as evidence of the availability of funds.
The estimated completion date for the proposed relocation project is March 2015. Implementation of the satellite ED is expected to require 29.73 full-time equivalents staff, including 12.6 registered nurses, 0.33 pharmacists, 4.5 radiological technicians, 4.5 medical laboratory technologists and 7.8 staff members designated as "other". The applicant does not anticipate any difficulty securing the necessary personnel to implement the project. Doctors' recruitment program includes education and training programs in partnership with technical colleges, state universities and county programs. Additionally, the applicant recruits staff through advertising in local and regional newspapers and at career fairs.

A pro forma specific to the proposed satellite ED was provided for the first two years of operation. Utilization of the satellite ED is expected to increase from 8,300 visits in Year One to 8,549 visits in Year Two. The pro forma projections seem reasonable based on the assumptions provided.

University
The total estimated cost of the proposed project is $9,581,506. The project will be funded through current cash reserves. David A. Belkoski, Executive Vice President and Chief Financial Officer of University Health Care System, submitted a letter of commitment to fund the project. Additionally, the applicant provides the most recent consolidated audited financial statement for University Health Services, Inc. as well as an unaudited balance sheet dated October 31, 2012 to document the current availability of adequate reserves to fund the project.

The estimated completion date for the proposed project is October 2014. Implementation will require 23.4 full time staff members, including 9.4 registered nurses, 3.1 patient care associates, 0.9 pharmacists, 4.7 radiological technicians, 4.7 medical laboratory technologists and 0.6 staff members designated as "other". The applicant does not anticipate any difficulty securing the necessary personnel to implement the project. Staff recruitment at University Hospital is accomplished through advertising in local and regional newspapers, recruiting at career fairs and through contacts with local colleges, universities and nursing programs and technical programs. University's recruitment and retention strategy also includes working with a number of area schools to provide clinical training opportunities and educational partnerships with several health professional programs. Additionally, the applicant contracts with ApolloMD to provide ED medical services and care. ApolloMD is a privately held physician practice that specializes in emergency medicine, anesthesia and radiology services.

A pro forma specific to the proposed satellite ED was provided for the first two years of operation. Utilization of the satellite ED is expected to increase from 10,000 visits in Year One to 10,300 visits in Year Two. The pro forma projections seem reasonable based on the assumptions provided.

The criteria of this rule are met by the proposed projects.

Rule 111-2-2-.09(1)(e): The effects of the new institutional health service on payors for health services, including governmental payors, are not unreasonable.

Doctors
Doctors Hospital anticipates that the satellite ED will have lower acuity patients, which will result in somewhat lower charges than its on-campus emergency services. Exhibit Eight reflects the historical average charge per emergency room visit and the projected charges for the satellite facility.

As discussed in the evaluation of Rule 111-2-2-.09(1)(b), the Department determined that the applicant failed to identify need for the development of emergency services in Columbia County. Furthermore, as discussed in the evaluation of Rule 111-2-2-.09(1)(c), the Department determined that in the absence of documented need, the project as proposed would constitute an unnecessary duplication of services that are currently available to the service area. In light of the higher costs associated with emergency
As the effect of the development of an additional emergency department in the region on payors for health services, including governmental payors is expected to be unreasonable in the absence of a demonstration of need for such services in the proposed service area.

Exhibit Eight. Average Charge per Emergency Visit, Doctors Hospital

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$1,964</td>
</tr>
<tr>
<td>2010</td>
<td>$2,014</td>
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<td>2011</td>
<td>$2,275</td>
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<tr>
<td>Year 1</td>
<td>$1,812</td>
</tr>
<tr>
<td>Year 2</td>
<td>$1,957</td>
</tr>
</tbody>
</table>

Source: GA2012-043

University Hospital

As emergency departments of University Hospital, the applicant indicates that the existing on-campus and proposed satellite EDs will have identical charges. Exhibit Nine reflects the historical average charge per emergency room visit and the projected charges for the satellite facility. University also provides the hospital’s ED charges by Level of Care as reflected in Exhibit Ten.

As discussed in the evaluation of Rule 111-2-2-.09(1)(b), the Department determined that the applicant failed to identify need for the development of emergency services in Columbia County. Furthermore, as discussed in the evaluation of Rule 111-2-2-.09(1)(c), the Department determined that in the absence of documented need, the project as proposed would constitute an unnecessary duplication of services that are currently available to the service area. In light of the higher costs associated with emergency services, the effect of the development of an additional emergency department in the region on payors for health services, including governmental payors is expected to be unreasonable in the absence of a demonstration of need for such services in the proposed service area.

Exhibit Nine. Average Charge per Emergency Visit, University Hospital

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$1,480</td>
</tr>
<tr>
<td>2010</td>
<td>$1,538</td>
</tr>
<tr>
<td>2011</td>
<td>$1,738</td>
</tr>
<tr>
<td>Year 1</td>
<td>$1,632</td>
</tr>
<tr>
<td>Year 2</td>
<td>$1,713</td>
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</tbody>
</table>

Source: GA2012-047

Exhibit Ten. University Hospital ED Charges by Level of Care

<table>
<thead>
<tr>
<th>University Level of Care</th>
<th>Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>ER Level Limited</td>
<td>$71</td>
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<tr>
<td>ER Level 1</td>
<td>$197</td>
</tr>
<tr>
<td>ER Level 2</td>
<td>$236</td>
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<tr>
<td>ER Level 3</td>
<td>$345</td>
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<td>$723</td>
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<tr>
<td>ER Level 5</td>
<td>$947</td>
</tr>
<tr>
<td>ER Complex</td>
<td>$1,243</td>
</tr>
</tbody>
</table>

Source: GA2012-047 Additional Information

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Joined Project GA2012-043 and GA2012-047

Project Evaluation

January 25, 2013

Page 13
The criteria of this rule are not met by the proposed projects.

**Rule 111-2-2-09(1)(f):** The costs and methods of a proposed construction project, including the costs and methods of energy provision and conservation, are reasonable and adequate for quality health care.

**Doctors**
The proposed project involves 10,992 square feet of construction for a total construction cost of $3,515,000. There is no evidence that construction methods and costs associated with this project, as documented by Steven G. Lyman, AIA, CCS, with Lyman, Davidson, Dooley, Inc. are unreasonable or inadequate for the provision of quality health care.

**University**
The proposed project involves 17,500 square feet of construction for a total construction cost of $6,110,000. There is no evidence that construction methods and costs associated with this project, as documented by Jenna Beth Walker, AIA, with Batson Associates, Inc. are unreasonable or inadequate for the provision of quality health care.

The criteria of this rule are met by the proposed projects.

**Rule 111-2-2-09(1)(g):** The new institutional health service proposed is reasonably financially and physically accessible to the residents of the proposed service area and the applicant assures there will be no discrimination by virtue of race, age, sex, handicap, color, creed, or ethnic affiliation.

The following rules more clearly define the standards for financial accessibility by which the applicant is evaluated:

**Rule 111-2-2-09(1)(g)i:** In accordance with the provision found in O.C.G.A. § 31-6-42(7), the Department will evaluate the extent to which each applicant applying for a Certificate of Need participates in a reasonable share of the total community burden of care for those unable to pay. This provision shall not apply to applicants for continuing care retirement communities, skilled nursing facilities or units, and to projects that are reviewed by the Department on an expedited basis in accordance with 111-2-2-07(1)(l). In all other instances, the following indicators will be evaluated:

i. administrative policies and directives related to acceptance of indigent, medically indigent, and Medicaid patients for necessary hospitalization;

ii. policies relating medical staff privileges to reasonable acceptance of emergency referrals of Medicaid patients and all other patients who are unable to pay all or a portion of the cost of care;

iii. evidence of specific informational efforts targeted toward patients regarding arrangements for satisfying hospital charges;

iv. documented records of refunds received from the county, city, philanthropic agencies, donations, and any other source of funds other than from direct operations;

v. the applicant’s commitment to participate in the Medicare/Medicaid program; to provide legitimate emergency care regardless of ability to pay; and to provide charity care;

vi. documented records of care provided to patients unable to pay, Medicare and Medicaid contractual adjustment, Hill-Burton
payments, other indigent care, and other itemized deductions from revenue including bad debt. Such records shall demonstrate that the levels of care provided correspond to a reasonable proportion of those persons who are medically or financially indigent and those who are eligible for Medicare or Medicaid with the service area.

The Department is required to evaluate the extent to which an applicant is financially accessible to the residents of its service area. Included in this evaluation are the applicant’s plans for the provision of services to Medicare and Medicaid recipients, low income, and medically indigent patients. In addition, the Department’s evaluation of financial accessibility involves an analysis of the applicant’s compliance with existing commitments, if any; Medicare and Medicaid utilization levels in comparison to SSDR and statewide levels; and community outreach efforts.

Doctors

The applicant includes a copy of its Patients Rights and Responsibilities Policy, which prohibits discrimination based on “race, ethnicity, religion, culture, language, physical or mental disability, socioeconomic status, sex, sexual orientation, and gender identity or expression”. The applicant’s Discount Charity Policy for Georgia Patients outlines the process for providing financial relief to patients who have received non-elective care, meet certain income requirements, do not qualify for state or federal assistance and are unable to establish partial payments or pay their balance. The policy also establishes protocols for requesting and processing the Financial Assistance application and defining the supporting income validation documentation requirements. According to the applicant, patients are informed of the hospital’s financial policies and arrangements for satisfying incurred charges during the admissions process.

To assist Doctors Hospital in fulfilling its responsibilities for providing emergency and charitable care, the “Emergency Services-Care of Patients” Section of the Medical Staff Bylaws prohibit the arbitrary transfer of patients for several reasons, including their ability to pay or method of payment.

According to the 2011 Annual Hospital Financial Survey, the most recent data available, Doctors Hospital did not receive funds from any source other than from direct operations for the provision of services to indigent, Medicaid and PeachCare patients.

The applicant referred to the historical participation of Doctors Hospital in the Medicare, Medicaid and PeachCare programs as evidence of its commitment to maintaining a financially accessible service. Exhibit Eleven reflects the applicant’s 2011 performance in comparison to regional and statewide levels. In 2011, 36.9 percent of hospital admissions at Doctors were Medicare patients while 19.8 percent were Medicaid and PeachCare patients. Of all the hospitals in SSDR 7 that have reported data to the Department for 2011, 43.4 percent of admissions were Medicare patients and 18.1 percent were Medicaid and PeachCare patients. Similarly, of all the hospitals in Georgia, 41.9 percent of the admissions were Medicare patients and 18.1 percent were Medicaid and PeachCare patients.
In evaluating financial accessibility, the Department evaluates an applicant’s level of indigent and charity care for the previous three (3) years. According to the Annual Hospital Financial Surveys, Doctors Hospital provided 5.71 percent of its adjusted gross revenue ("AGR") to indigent and charity care in 2011, the most recent data available. Additionally, Doctors provided 9.62 percent and 3.44 percent of its AGR to indigent and charity care in 2010 and 2009, respectively. According to the Department’s data, Doctors Hospital has several existing indigent and charity care commitments, each of which is in compliance with. The applicant is not making an indigent and charity commitment with this project.

Based on the applicant’s policies regarding the provision of services in a non-discriminatory manner, Medicare and Medicaid utilization, and the provision of indigent and charity care of Doctors Hospital, the Department finds that the proposed project would be reasonably financially accessible to the service area.

University
The Corporate Compliance Program of the University Health Care System ("UHCS"), which is anchored by University Hospital, indicates that UHCS makes “no distinction in the admission, transfer or discharge of patients or in the care we provide based on age, gender, disability, race, color, religion, or national origin”. In terms of consideration of a patient’s ability to pay, the Corporate Compliance Program indicates that “clinical care is based on identified patient healthcare needs, not on patient or organizational economics”. The applicant’s Indigent/Charity Care Policy and Catastrophic Indigent/Charity Care Policy outline the process for providing financial assistance to patients. According to the applicant, information regarding the availability of financial assistance is posted in the ED, patient registration areas throughout the hospital as well as on the UHCS website.

Physician compliance with the hospital’s policies for the acceptance of all patients is assured through the medical staff bylaws. Included in the functions and responsibilities of the active medical staff is the acceptance of emergency care assignments, when required. The applicant submitted a copy of The Medical Staff Bylaws as evidence.

According to the 2011 Annual Hospital Financial Survey, the most recent data available, University Hospital did not receive funds from any source other than from direct operations for the provision of services to indigent, Medicaid and PeachCare patients.

The applicant referred to the historical participation of University Hospital in the Medicare, Medicaid and PeachCare programs as evidence of its commitment to maintaining a financially accessible service. Exhibit Twelve reflects the applicant’s 2011 performance in comparison to regional and statewide levels.
In 2011, 51.8 percent of hospital admissions at University were Medicare patients while 13.8 percent were Medicaid and PeachCare patients. Of all the hospitals in SSDR 7 that have reported data to the Department for 2011, 43.4 percent of admissions were Medicare patients and 18.1 percent were Medicaid and PeachCare patients. Similarly, of all the hospitals in Georgia, 41.9 percent of the admissions were Medicare patients and 18.1 percent were Medicaid and PeachCare patients.

Exhibit Twelve. 2011 Medicare and Medicaid Utilization

<table>
<thead>
<tr>
<th></th>
<th>University Hospital</th>
<th>SSDR 7</th>
<th>State of Georgia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medicare</td>
<td>51.8%</td>
<td>43.4%</td>
<td>41.9%</td>
</tr>
<tr>
<td>Medicaid and PeachCare</td>
<td>13.8%</td>
<td>18.1%</td>
<td>18.1%</td>
</tr>
</tbody>
</table>

Source: 2011 Annual Hospital Questionnaire, OHP

In evaluating financial accessibility, the Department evaluates an applicant’s level of indigent and charity care for the previous three (3) years. According to the Annual Hospital Financial Surveys, University Hospital provided 10.82 percent of its adjusted gross revenue ("AGR") to indigent and charity care in 2011, the most recent data available. Additionally, University provided 6.81 percent and 5.42 percent of its AGR to indigent and charity care in 2010 and 2009, respectively. According to the Department’s data, University Hospital has an existing three percent hospital-wide indigent and charity care commitment with which it is in compliance. The applicant is making a three percent hospital-wide indigent and charity care commitment with this project, which will effectively be consolidated into the three percent indigent and charity commitment currently associated with the hospital.

The criteria of this rule are met by the proposed projects.

Rule 111-2-2-09(1)(h): The proposed new institutional health service has a positive relationship to the existing health care delivery system in the service area.

Emergency services are a critical component of healthcare delivery system and the ability of a community to access these services is of tantamount importance.

Doctors
As discussed in the evaluation of Rule 111-2-2-09(1)(h), the Department determined that the applicant did not document need for the development of emergency services in Columbia County. Absent such showing by the applicant, the Department cannot reasonably expect that the project would be an appropriate complement to the existing services in the region nor have an overall positive relationship to the health care delivery system. The project, instead, would unnecessarily duplicate services that are currently available to the proposed service area.

Further, in additional information submitted to the Department, the applicant projects that sixty eight percent of the patient visits at the proposed satellite ED will be redirected from Doctors’ existing ED. Presumably, the remaining thirty two percent of the satellite ED volume will be new patients originating from the proposed service area. Since the applicant failed to adequately show that service area residents
currently have limited access to these services, the new service area patients the applicant intends to capture appear, in part, to be currently served by existing providers of emergency services to the region.

**University**

As discussed in the evaluation of *Rule 111-2-2-.09(1)(b)*, the Department found that the applicant did not document need for the development of emergency services in Columbia County. Absent such showing by the applicant, the Department cannot reasonably expect that the project would be an appropriate complement to the existing services in the region nor have an overall positive relationship to the health care delivery system. The project, instead, would unnecessarily duplicate services that are currently available to the proposed service area.

Further, in additional information submitted to the Department, the applicant projects that fifty percent of the patient visits at the proposed satellite ED will be redirected from University’s existing ED. The remaining fifty percent of the satellite ED volume is expected to be new patients originating from the proposed service area. Since the applicant failed to adequately show that service area residents currently have limited access to these services, the new service area patients the applicant intends to capture appear, in part, to be currently served by existing providers of emergency services to the region.

The criteria of this rule are not met by the proposed projects.

**Rule 111-2-2-.09(1)(i):** The proposed new institutional health service encourages more efficient utilization of the health care facility proposing such service.

**Doctors**

The applicant projects that approximately fifty percent (50%) of its ED patient volume from Columbia County and eighteen percent (18%) of its ED patient volume from Richmond, Lincoln, Warren and Edgefield, SC would be redirected from the main campus to the satellite ED or a total of 7.5 percent of Doctors’ total emergency visits. As discussed in the evaluation of *Rule 111-2-2-.09(1)(b)*, the applicant failed to document an unmet need for emergency services in the proposed service area. Additionally, the applicant's ability to divert ED patient volume from the main campus is speculative given the unpredictable nature of emergency service in terms of the acuity level of patients and the limited control hospitals have in directing patient selection of an emergency (non-referred, unscheduled) service provider. Furthermore, the Department finds that the applicant has not adequately supported claims that the proposed development of a satellite emergency department 6.2 miles from the defined location of the hospital would reasonably alleviate any service capacity issues purported to exist at the hospital. To this end, there is no evidence that the proposed project would encourage efficient utilization of the emergency services at Doctors Hospital.

**University**

Through the proposed project, University intends to shift the majority of service area patients utilizing the on-campus ED to the satellite ED. As discussed in the evaluation of *Rule 111-2-2-.09(1)(b)*, the applicant failed to document an unmet need for emergency services in the proposed service area. Additionally, the applicant’s ability to divert ED patient volume from the main campus is speculative given the unpredictable nature of emergency service in terms of the acuity level of patients and the limited control hospitals have in directing patient selection of an emergency (non-referred, unscheduled) service provider. Furthermore, the Department finds that the applicant has not adequately supported claims that the proposed development of a satellite emergency department eleven miles from the defined location of the hospital would reasonably alleviate any service capacity issues purported to exist at the hospital. To this end, there is no evidence that the proposed project would encourage efficient utilization of the emergency services at University Hospital.

The criteria of this rule are not met by the proposed projects.
Rule 111-2-2-.09(1)(j): The proposed new institutional health service provides, or would provide, a substantial portion of its services to individuals not residing in its defined service area or the adjacent service area.

Doctors
The applicant projects that the majority of patients utilizing the proposed services will originate from the defined service area.

University
The applicant anticipates that the majority of patients utilizing the proposed services will originate from the defined service area.

The criteria of this rule are not applicable to the proposed projects.

Rule 111-2-2-.09(1)(k): The proposed new institutional health service conducts biomedical or behavioral research projects or a new service development, which is designed to meet a national, regional, or a statewide need.

Doctors
The applicant does not anticipate that any biomedical or behavioral research projects or new service development will be designed to meet a national, regional or statewide need.

University
The applicant indicates that the proposed project will not include research projects or develop new services that will meet a national, regional or statewide need.

The criteria of this rule are not applicable to the proposed projects.

Rule 111-2-2-.09(1)(l): The proposed new institutional health service meets the clinical needs of health professional programs which request assistance.

Doctors
Doctors Hospital indicates its support and intent to continue to work with health professional training programs in the state, when requested.

University
University Hospital indicates its support and intent to continue to work with health professional training programs in the state, when requested.

The criteria of this rule are met by the proposed projects.

Rule 111-2-2-.09(1)(m): The proposed new institutional health service fosters improvements or innovations in the financing or delivery of health services, promotes health care quality assurance or cost effectiveness, or fosters competition that is shown to result in lower patient costs without a loss in the quality of care.

The concept of operating a freestanding emergency department is novel in the State of Georgia. However, without demonstration of an access issue by either applicant, as a preliminary matter, there is no evidence that the delivery of emergency services in Columbia County will be improved by virtue of a proposed satellite ED project. There is no evidence that the proposed projects will foster improvements
or innovations in the financing or delivery of emergency services, promote health care quality assurance or cost effectiveness, or foster competition that is shown to result in lower patient costs without a loss in the quality of care.

The criteria of this rule are not met by the proposed projects.

**Rule 111-2-2-.09(1)(n):** The proposed new institutional health service fosters the special needs and circumstances of health maintenance organizations.

The criteria of this rule are not applicable to the proposed projects.

**Rule 111-2-2-.09(1)(o):** The proposed new institutional health service meets the department's minimum quality standards, including, but not limited to, standards relating to accreditation, minimum volumes, quality improvements, assurance practices, and utilization review procedures;

The Department is fully committed to ensuring that providers offer the highest possible quality of patient care. Both applicants have documented their full accreditation status with The Joint Commission as evidence of their ability to meet the recognized performance standards in the provision of services.

The criteria of this rule are met by the proposed projects.

**Rule 111-2-2-.09(1)(p):** The proposed new institutional health service can obtain the necessary resources, including health care management personnel; and

As discussed in the evaluation of **Rule 111-2-2-.09(1)(d),** the Department determined that both applicants have adequately demonstrated their ability to obtain the resources necessary for implementation of their respective projects.

The criteria of this rule are met by the proposed projects.

**Rule 111-2-2-.09(1)(q):** The proposed new institutional health service is an underrepresented health service, as determined annually by the department. The department shall, by rule, provide for an advantage to equally qualified applicants that agree to provide an underrepresented service in addition to the services for which the application was originally submitted.

The criteria of this rule are not applicable to the proposed projects.

**Rule 111-2-2-.09(1)(a):** The proposed new institutional health services are reasonably consistent with the relevant general goals and objectives of the State Health Plan.

**Doctors**

The State Health Plan establishes overriding goals related to accessibility, quality, and cost-efficiency in the delivery of health care services. The Department determined in its evaluation of **Rule 111-2-2-.40(3)(b) that the applicant did not adequately demonstrate need for the project as proposed. Based on this finding, the Department has concluded that the proposal by Doctors Hospital is inconsistent with **Rule 111-2-2-.09(1)(c), Rule 111-2-2-.09(1)(e), Rule 111-2-2-.09(1)(h), Rule 111-2-2-.09(1)(i) and Rule 111-2-2-.09(1)(m), and is therefore inconsistent with the goals and objectives of the State Health Plan.**

**University**

The State Health Plan establishes overriding goals related to accessibility, quality, and cost-efficiency in the delivery of health care services. The Department determined in its evaluation of **Rule 111-2-2-.40(3)(b) that the applicant did not adequately demonstrate need for the project as proposed. Based on this
finding, the Department has concluded that the proposal by University Hospital is inconsistent with Rule 111-2-2-09(1)(c), Rule 111-2-2-09(1)(e), Rule 111-2-2-09(1)(h), Rule 111-2-2-09(1)(i) and Rule 111-2-2-09(1)(m), and is therefore inconsistent with the goals and objectives of the State Health Plan.

The criteria of this rule are not met by the proposed projects.
CONCLUSION

Based on the evaluation findings of the Certificate of Need Rules relevant to the proposed project, it is the decision of the Georgia Department of Community Health to DENY a Certificate of Need to Doctors Hospital of Augusta, LLC. for the development of a hospital based, satellite emergency department in Evans, Columbia County, Georgia.

Based on the evaluation findings of the Certificate of Need Rules relevant to the proposed project, it is the decision of the Georgia Department of Community Health to DENY a Certificate of Need to University Health Services, Inc. for the development of a hospital based, satellite emergency department in Evans, Columbia County, Georgia.