

II. SCOPE OF SERVICES/QUALITY OF CARE

1. **Describe all components of the proposed project. Include a discussion of the proposed beds, equipment to be purchased, and services.**

INTRODUCTION

JMH is proposing to build a hospital-based outpatient medical center in Clayton, North Carolina, near the intersection of I-40 and North Carolina Highway 42. The proposed project represents an innovative health care delivery concept, functioning as a purely outpatient facility. The proposed medical center is similar to the healthplexes and day hospitals showing increased presence throughout the state, which typically contain a freestanding emergency department and provide other outpatient services, such as diagnostic imaging and ambulatory surgery services. This outpatient design represents a truly community-based system of care, often functioning as an arm of an existing "parent" hospital, thereby allowing the hospital to extend its services to areas experiencing significant population growth. Most importantly, facilities such as the one proposed with this project are designed to augment an existing system of care by increasing access to highly utilized patient services: emergency care and outpatient care. As discussed at length in Section III.1.(a), Johnston County, particularly the northwest region that includes Clayton, is experiencing explosive growth and development. Regions experiencing such population growth and demographic profile (i.e., young growing families) are particularly well-suited for the services included in the proposed project. JMH believes that Johnston County, particularly Clayton, is an appropriate location for such a facility.

The proposed site for Clayton Medical Center is on NC Highway 42, close to Interstate 40. If approved, construction of the proposed facility will begin in late 2007, and Clayton Medical Center is scheduled to begin operations in January 2009. Though the project will be licensed as part of JMH, it will be called the Clayton Medical Center to reflect its service to the community in which it will be located.

The proposed Clayton Medical Center will include the following services:

- Freestanding emergency department
- Outpatient surgery
- Outpatient diagnostic imaging services
- Laboratory services

JMH intends to construct a medical office building (MOB) adjacent to the proposed medical center and will file an MOB exemption letter concurrent with this certificate of need application. Construction of the MOB will begin at approximately the same time as the proposed medical center, therefore allowing all services to become operational at one time. JMH intends to lease the space in the medical office building to private physicians. Since the tenants are as yet unknown, the specialties that will operate within the MOB are yet to be determined. However, JMH expects that the physician offices will include primary care and family medicine services, among others.

JMH is committed to providing community based care to its patients in Johnston and southeastern Wake counties. Examples of this commitment are demonstrated by a number of facilities. In 2002, JMH converted an unused textile mill, located across from the main hospital campus, to a Medical Mall, which includes physician offices and a wellness center. JMH also operates four primary care clinics, located in Smithfield, McGee's Crossroads, Kenly, and Garner. In addition, JMH operates two urgent care clinics (QuikMed Urgent Care) located in Garner and Smithfield. JMH's commitment to Johnston County also extends to Clayton. In 2002, JMH developed a medical complex in Clayton, which includes a number of patient services. Summit Rehab Clinic is an outpatient facility offering physical, occupational, and speech therapy. Summit Rehab Medicine extends the rehabilitation services of the Rehab Clinic to include comprehensive physical medicine and rehabilitation. Summit Surgical Center is the third facility within this complex, offering outpatient surgery services. The proposed Clayton Medical Center will

allow JMH to extend more hospital-based services into Clayton, serving this quickly growing population.

The following section further describes the scope of the proposed project and includes the following sections:

- Description of the outpatient medical center concept
- Description of the services at the proposed Clayton Medical Center

OUTPATIENT MEDICAL CENTER

The proposed medical center represents an innovative concept of health care delivery, designed to operate as an extension of the existing system of care by providing local access to highly utilized patient services. Since the proposed medical center is purely outpatient, it does not require the costs associated with developing and building an inpatient acute care facility. Thus, the model also represents a cost-effective solution to extending the capacity of existing health care resources. The following discussion highlights the key components of the outpatient health care delivery model proposed in this application: freestanding emergency department and outpatient services.

Freestanding Emergency Department

A key feature of the proposed outpatient medical center (similar to healthplexes and day hospitals) is the freestanding emergency department. Typically, the freestanding emergency department operates as a department of an existing hospital and can therefore provide local access to much needed emergency care. In high growth communities, especially those dominated by younger populations, inpatient services may not yet be at volumes to support efficient hospital construction, while demand for outpatient and emergency services is significant. The development of a freestanding emergency department allows a hospital to delay the construction of inpatient facilities until there is a large enough population