

Statement of Record/Rebuttal
Pahrump Community Health
Center, LLC
Application for a Certificate of
Need

Introduction

Presidential candidates and other politicians have talked about the rural health crisis in the U.S., but they are not telling rural Americans anything new. Rural Americans know all too well what it feels like to have no hospital and emergency care when they break a leg, go into early labor, or have progressive chronic diseases, such as diabetes and congestive heart failure. This is what the residents of Tonopah experience every day since their hospital closed in 2015.

Nearly one in five Americans live in rural areas and depend on their local hospital for care. Over the past 10 years, 120 hospitals spread across 31 states have closed. As of 2021, another 430 are at risk of closing. Populations served by rural hospitals that have limited access to health care and other services saw mortality rates rise 5.9 percent after a hospital closed. Rural communities struggle to attain primary care and specialty service providers. Studies have proven that the number of doctors further decreased in rural communities that had a hospital closure.

Certificate of Need (CON) laws are state regulatory mechanisms for establishing or expanding health care facilities and services in a given area. CON programs aim to control health care costs by restricting duplicative services and determining whether new capital expenditures meet a community need. Duplication of healthcare services in rural areas can result in health care price inflation. Price inflation can occur when a hospital cannot fill its beds and fixed costs must be met through higher charges for the beds that are used.

There is not sufficient patient case volume to support two surgical facilities in Pahrump, both in terms of (1) providing financial stability to cover overhead and operating expenses and (2) maintaining enough cases to reduce clinical variation and ensure quality outcomes. The Pahrump Community Health Center ASC could seriously affect Desert View Hospital's ability to operate as an ongoing concern by siphoning vital patient cases away from Desert View, leading to potential closure, depriving the citizens of Pahrump vital emergency and other hospital services critical to population health.

ASCs are known to engage in "cream skimming," selectively treating more profitable, less complicated, well-insured patients and leaving hospitals to treat the less profitable, more complicated and uninsured patients. This practice threatens the financial stability of a hospital by taking away their ability to subsidize the costs of complicated patients by revenue from less-complicated patients.

Rural hospital closings increase travel times for patients, and lead to outmigration of health care professionals post-closure, severely dismembering patient access to care and exacerbating social disparities in health outcomes. According to the National Advisory Committee on Rural Health and Human Services, the population in rural counties decreased by 200,000 people from 2010 to 2016, due to recent economic downturns and job losses. This is the first loss the committee has ever recorded. This shrinkage leaves behind populations that are older, sicker, and more reliant on Medicaid and Medicare. Community hospitals are economic anchors; closures of sole community hospitals in rural areas are associated with overall reduced income and increased unemployment.

Workforce

Nursing and Ancillary Staff

The bravery and dedication of America's healthcare workers have been displayed in front-page newspaper stories across the country throughout the COVID-19 pandemic. However, the pandemic has also been a huge strain on nurses and the healthcare system, due in part to limited staff and resources. The nursing shortage facing America began long before the pandemic propelled it into the headlines once again. The nursing shortage has become a plague throughout the United States, and rural communities are hit harder than their urban counterparts. In 2020, Nevada employed 28,400 RNs. This means that there are only 9.2 /RNs per 1,000 population in the state of Nevada.

Rural communities often face higher challenges in maintaining an adequate health workforce, making it difficult to provide needed patient care or to meet staffing requirements for their facilities. Pahrump healthcare businesses such as the hospital, clinics, SNF's, home health agencies already have a difficult time recruiting professionals, and have had to create ways to incentivize healthcare professionals to practice in our area. Adding an ASC that is reporting needing 26+ FTE's will drain the already small labor pool of available healthcare employees that Pahrump has to offer. Maintaining the healthcare workforce is fundamental to providing access to quality healthcare in rural areas. Rural healthcare facilities must employ enough healthcare professionals to meet the needs of the community.

Primary and Specialty Providers

Physician shortages contribute to many rural health difficulties. From 2013 to 2015, the total number of physicians in the United States grew by 16,000, but the number of physicians practicing in rural areas fell by 1,400. Attempts to attract physicians to rural areas have been inadequate to meet the health care needs of rural Americans.

Primary care doctors are stretched thin, and specialists, are a rarity. Many rural physicians find that being one of the only providers in town means they never get a day off. Many providers report that they are deterred from practicing in the rural setting because they heard that their colleagues got burned out too quickly with some even resenting their patients. An ASC cannot correct this issue.

Because of Pahrump's vicinity to Las Vegas, many specialty providers elect to carry out their practice in Las Vegas and require Pahrump residents to commute. This pattern will not change with the introduction of an ASC. An ASC may only provide procedures or services upon the referral or order of another provider. If there is no primary care or specialty provider in town to refer the patients ...the ASC will have no recourse but to steer patients away from Desert View Hospital.

It is hard to manage a physician practice in an area where the patient population has high percentages of patients with lower paying government coverage. Because of this shortage, many patients utilize the services of the physicians associated with the hospital to meet their healthcare

needs. If the hospital ceases to exist – patients will be without emergency medical services. An ASC cannot meet those needs.

Economics

Each time a rural hospital closes, there are tragic consequences for the local community and surrounding county members. While the medical consequences are the most obvious, there is also loss of sales tax revenue, reduction in supporting businesses such as pharmacies and clinics. There are also fewer professionals, including doctors, nurses and pharmacists, and fewer students in local schools.

The closing of a rural hospital often signals the beginning of progressive decline and deterioration of small rural towns and counties. Hospitals often serve as financial and professional anchors as well as source of pride for its small rural community. It also often means loss of other employers or inability to recruit new employers due to lack of nearby health care. When a rural hospital closes its doors, unemployment often rises, and average income drops.

There are not enough nurses, doctors, pharmacists, or ERs to care for local men, women and children who love living and working in America's vast rural regions. Rural communities and rural citizens are often left with no options for routine primary care, maternity care or emergency care. Even basic medical supplies are often hard to find. Residents in communities that suffer hospital closure have had to take their chances living in America's heartland, finding alternative options for basic health care services.

Hospital closures can also have ripple effects and put strains on other local programs, such as emergency medical services (EMS). When a rural hospital closes, EMS may become the main source of healthcare for the area. As a result, demand increases and the EMS staff may spend more time transporting patients to distant hospitals.

In many rural hospitals, losses on patients with private health insurance plans and self-pay patients were greater than losses on Medicare, Medicaid, and uninsured charity care patients combined. Private health plans pay small rural hospitals less than they pay larger hospitals for the same services, and Medicare Advantage plans appear to be among the worst payers at small rural hospitals.

Hospitals are a volume-based business. There is a level of profitability that is essential to be able to survive, as it is with any business. In order for the hospital to be there for the community when they have an urgent need, the community must support it on a routine basis, just like any other business.

Patient Impact

Rural patients often have higher rates of chronic diseases like diabetes, heart failure and COPD, as well as higher mortality rates. The NRHA (National Rural Health Association) reports that mental health is less likely to be treated in rural areas due to a lack of availability of mental health specialists and a higher level of stigma in seeking treatment. Conversely, suicide among rural youth is twice as likely to occur. How can an ASC assist with this prevalent issue that is rampant within our community?

Rural areas have higher occurrences of diabetes and coronary disease. The repercussions are dismal for both patients and providers. Patients must choose between waiting months for appointments at clinics that are hours away or skipping specialty care altogether. Many of these patients seek care from the providers at the local hospital. An ASC cannot help correct this situation. If the hospital ceased to exist, people with chronic conditions and without the resources necessary to seek specialty care in Las Vegas could end up suffering needlessly without medical care. Again, an ASC cannot help correct this situation.

Discrepancies

In reviewing the CON application form for “Pahrump Community Health Center LLC, there are multiple discrepancies in data and content:

2.1 Project Summary, 4.8 Bed Information et.al.

- “17,200 sq. foot – 22 bed facility offering a broad range of medical services.. 4 operating room beds, 2 procedure room beds, 16 recovery room beds...”
- The average size of an ASC in Nevada is three “beds” with less than half of the above listed square footage. Why would an ASC need 16 recovery room beds in a rural area when many of the larger urban surgical hospitals across Nevada do not have that many PACU beds? The statements in the application directly contradict that of a traditional “ASC” and alludes towards more of a “micro-hospital” concept? This application is for an “ASC” and not another “hospital.”

2.1 Project Summary:

- “Provide much more cost-efficient care that focuses on improved patient outcomes..”
- Cost “efficiency” is the ability to use less resources to achieve greater output...you may be paying more for each of those independent resources...but you will use less of them to get the job done. Cost efficiency is actually directly connected to ROI (return on investment). DVH focuses on cost effectiveness – producing high quality patient care and outcomes without raising cost to our patients. DVH has exemplary quality standards. We have had zero CAUTI, CLABSI, and SSI for greater than 4 years.

2.1 Project Summary; 3.1 Project Service Area and Population:

- Several areas mention serving “Pahrump” while others mention serving “Nye county.”

- “The population for Nye County in 2019 was 65,750..... The population is expected to increase by over 10% over the next decade...”
- Throughout the document, various data for population served and numbers of cases traveling across county lines to Las Vegas are comingled and inaccurate. The growth rates for the community are significantly overstated. There are clear differences between the population of Pahrump and the overall population of Nye County. According to the U.S. Census Bureau, Nye County’s estimated 2020 population is 51,591. This is only a 5.9% growth since 2010. In 2020, the population of Pahrump is estimated to be 44,738.

2.1 *Project Summary:*

- “Over a three year period, 15,099 Nye County residents left the county to receive care...due to a lack of high-quality, affordable care...lack of transportation is a primary obstacle...”
- Nye County residents that do not reside in Pahrump must travel great distances to receive any healthcare. Many of them currently travel to either Pahrump or Las Vegas to receive that care. Several struggle with lack of transportation issues. This will not change with the addition of an ASC in Pahrump.

Patients are bound by the constraints of their specific insurance packages. They travel to providers who are deemed “in-network” by their insurance carriers. Many of these providers are located in Las Vegas and are affiliated with already existing ASC’s in Clark County. Nye county residents that have providers who are contracted with their insurance carriers and practice in Pahrump – commute to Pahrump for their care. This practice will in no way change with the addition of an ASC in Pahrump.

3.1 *Project Service Area and Population*

- “The project expects to serve up to 4,900 Pahrump residents per year to fill this unmet need by providing...non-surgical procedures and other patient visits..”
- This application is for a proposed ASC. ASC’s do not routinely perform “non-surgical” procedures or other patient visits?” Again...as previously, mentioned...this does not sound like an “ASC” project? What are these other procedures and patient visits that are referred to in the application and how does that meet the definition of ASC?

3.1 *Project Service Area and Population et. al...*

- “Community Health Development Foundation (CHDF) will serve a projected 3,100 additional residents by providing patient navigation services...and health and wellness education”
- “Navigation services” and “health and wellness education” do not fall under the umbrella of an ASC. Community Health Development Foundation is a “virtual company” that is not based in Nevada. It is based in Oregon. The company markets online platforms that require healthcare providers to log into a generic online network that “matches” patients with “community resources” – this is already a function of several non-profits that exist

in Pahrump and Nye County. All of the information that is included in the application form regarding “Community Health Development Foundation” has been clipped and pasted directly from their website and downloadable materials. The members of the “Board of Directors” listed in the application will not directly have anything to do with the proposed ASC.

- This foundation is the non-profit offshoot of “Community Health Network” which appears to be its own insurance product. Both Pahrump and Nye County residents struggle with insurance products that offer “in-network” services locally. How would this expand their services and what does it directly have to do with a stand alone ASC?

4.5 *Financial Sustainability*

- “The applicant estimates an unmet surgical demand of 4,900 surgeries per year....this figure does not include referrals from surrounding counties...”
- Where does this number come from? Considering the geographical location of “surrounding counties” around Nye – the only county that is close enough to “refer” patients would be Clark County. Why would providers in Las Vegas who are already established with ASC’s in Las Vegas refer patients to another ASC that is outside of their insured network?

Section V. Effect on Costs to Consumer or Payor

- “Surgery centers provide a smaller, more efficient surgical environment which enables reduced health risk and control of infections...”
- ASC’s allow surgeons to be more efficient due to faster room turnover, specialized focuses and designated surgical times that are not impacted by emergent and trauma cases...
- DVH already offers a smaller more efficient surgical environment (2 OR suites and 4 PACU bays) and has sustained zero complications or post-operative infection rates for over 4 years.
- DVH offers surgeons dedicated block time where they have 100% of the staff focusing only on their cases. As a critical access hospital, DVH’s surgical times are not impacted by any emergent or trauma cases or high-risk cases. We already perform the types of cases that are handled at ASC’s in larger urban settings.

5.2 *Effect on Cost*

- “Large hospitals like DVH can profit heavily from high reimbursement rates and prosper regardless of patient outcomes...”
- DVH is a 25-bed rural critical access hospital. It does not meet the definition of “large.” DVH does not “profit heavily from high reimbursement rates.” Critical Access Hospitals are reimbursed based solely on cost not on profit margin. Just like all healthcare

facilities, DVH must provide a high quality product to all patients for a fair price. We take pride in the fact that we have exemplary quality metrics and patient outcomes.

5.2 Effect on Cost

- “It will allow medical providers and community groups to refer patients to existing community services....it will also allow providers to administer the National Association of Community Health Centers’ Protocol for Responding to and Assessing Patients’ Assets, Risks, and Experiences (PRAPARE)”
- This is a primary care metric – this does not align with an ASC. Again, questioning what the purpose of this application is? An ASC or something different?

6.2 Effect on existing costs and quality of care

- The applicant will equip the project with the most advanced equipment available.
- DVH has upgraded all of its current OR equipment – offering the most advanced equipment available.

6.6 Accessibility

- “DVH is one of UHS 178 hospitals and accounts for over \$36 million dollars in annual profit.”
- UHS does not currently own 178 acute care hospitals – this is incorrect data. Desert View Hospital is the only wholly owned Critical Care Hospital that UHS owns. DVH does not earn \$36 million dollars in annual profit. This data is clearly erroneous.

6.6 Accessibility

- “The Project will offer cardiology services”
- “Cardiology Services” are indicative of services performed in mobile cardiac catheterization labs. This application is for an ASC and not a mobile cardiac cath lab? Cardiology services require specialized staff that are specifically trained in cardiac cath policies and procedures not usually found in ASC settings.

6.6 Accessibility

- “The Project will partner with the Nevada State Office of Rural Health.”
- To date – no person connected with “The Project” has connected with any representative from the Nevada State Office of Rural Health.



NYE COMMUNITIES COALITION

COMMUNITY INTERVENTION COALITION

Joining agencies, organizations and individuals in a coordinated & cooperative effort for the provision of services and opportunities in Nye & Esmeralda Counties.

1020 East Wilson Road ☎ Pahrump, Nevada 89048

Ph (775) 727-9970 ☎ FAX (775) 727-9971 ☎ www.nyecc.org

August 13, 2021

Primary Care advisory Council

Re: Application to develop Pahrump Community Health Center

I would ask that careful consideration be given to the development of any medical facilities and the impact this has upon our community. This will include considering the impact on our local hospital's capacity and continuing ability to provide services to our community and all medical providers' access to workforce.

In rural communities the capacity to maintain services is oftentimes overlooked in the initial excitement that new services may offer. There have been numerous times in our community that a service has come into our rural communities, attempted to start new services, found that they were unable to maintain the service and then stopped providing the service. The consequences of that process can be damaging as it disrupts systems, processes and services that are already in place. Others that have been providing the service have disassembled their systems and when the new service goes away we are left with a void. There is the thought that if the service is needed then it will be rebuilt and started anew.

However, in the case of medical care this void can result in significant issues. I would ask that there is consideration for the long term impact to this development.

Please don't hesitate to contact me for clarification.

Sincerely,

Stacy Smith
CEO

Gregory T. Hafen II
5250 S. Hafen Ranch Road
Pahrump, NV 89061
Phone (775) 727-1629 Fax (775) 727-9666

August 13, 2021

Richard Whitley,
Director
Department of Health and Human Services
4126 Technology Way, Suite 100
Carson City, Nevada 89706-2009

RE: Certificate of Need Application - Pahrump Community Health Center, LLC

Dear Director Whitley;

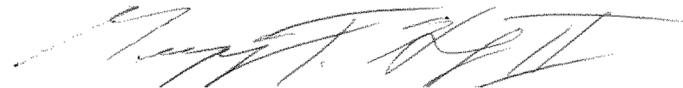
I am writing as Chairman of Desert View Hospital's Community Board to respectfully express my concerns regarding the Certificate of Need Application by Pahrump Community Health Center, LLC for an Ambulatory Surgical Center (ASC).

During the COVID pandemic, the State's shortage of nurses, doctors, and medical professionals has only grown. This is especially true in rural Nevada, where it has historically been difficult to recruit and retain medical professionals to fill the need. With the proposed ASC being the largest in the State, with 22 rooms, I am concerned that it will dilute the pool of nurses and medical staff while also duplicating services that already exist at Desert View Hospital.

Historically, Certificate of Need (CON) programs aim to regulate health care by restricting duplicative services and determining whether new medical facilities meet a community's need. Though Nye County needs additional primary care and specialty medical providers across the entire County, the ASC proposal of duplicating surgical services in Pahrump does not help address these needs.

I respectfully ask that while you review this CON Application, that you consider my concerns and those in the Statement of Record submitted by Desert View Hospital.

Sincerely,



Gregory T. Hafen II
Chairman, DVH Community Board

August 15, 2021

NV Dept. of Health and Human Services

Primary Care Office

4150 Technology Way, Suite 300

Carson City, NV 89706

Dear Sir(s) and Madams (s):

RE: CON Pahrump Community Health Center LLC

I am writing this letter to voice my extreme concern as to the above referenced application received by your office. Where do I start?

Firstly, I have tremendous concern if this project were to be approved, for the continued economic viability of our local rural hospital--- Desert View Hospital (DVH). As a Pahrump resident for in excess of 15 years, as well as Las Vegas for the previous 15 years, it was common knowledge that the Pahrump community was in desperate need of a local hospital. It was a blessing that the hospital was built at long last in 2006. The thought that its very existence could be at stake is frightening to myself and the community.

As a practicing CPA for in excess of 40 years, as well as an Advisory Board Member for DVH, I will initially try to air my concerns on the financial side of things. It is clear that a local rural hospital survives on many revenue sources. However, I believe that a most profitable portion of such revenues are the very services that the applicant intends to focus on solely. What this means to our local hospital is the loss of significant high profit margin surgeries. Obviously, this will put significant strain on an already low margin hospital. Rural hospitals of course can never turn away indigent patients, one would think that is not the case of the applicant. It is true that DVH was acquired by UHS several years ago—this only concerns me further. As a CPA, I understand large publicly traded companies are behold to shareholders as they should be. What this means is that loss operations can easily be shuttered—the thought of this for our local still growing hospital is not a pleasant thought.

An additional financial concern I have is the obvious financial strain caused by labor shortages that will be exacerbated by this applicant. DVH already has experienced significant difficulties in attracting professional and other positions. This would likely further add to increased costs due to the current inflationary pressures in all areas of our economy—thus putting additional profit margin pressures on DVH.

I have also reviewed the financial components of the applicant. I find them to be somewhat pie in the sky. If in fact 2023 will result in net cash flow of nearly \$ 10 million, this would merely reinforce my point as to “margin shopping” the local revenues streams.

That aside, the applicant has a heavy debt load projected. There is projected to be nearly \$ 3 million in equipment financing. In has been my experience that you utilize equipment financing in many cases, when other long- term financings are not available. They typically have shorter maturity terms and a higher net effective interest rate. In addition, I see a large portion of the capital project from New Markets Tax Credits. It has been my experience as well that often the cost of capital for these loans are above conventional, including upfront costs. In summary, a high degree of leverage can often derail a set of projections. I also wonder about the inflationary costs of building materials and scarcity of the same.

I also wish to address some non- financial issues. It notes in the application, that there will be 16 recovery rooms. That sounds like a hospital setting--- last I looked we had a rural hospital. I realize that many Pahrump residents have chosen to or been forced to travel to Las Vegas to receive certain surgeries. This is not for lack of trying to keep those folks in town by DVH. As a local resident I understand directly the metropolitan bias as to rural towns. As a New York transplant 30 years ago, I first lived in Las Vegas for 15 years as well. This significantly limits the establishment of full- time medical practices in Pahrump. Most local medical offices have limited weekly days and hours. I fail to understand how the applicant would not have similar issues and in fact again exacerbate the problem. If physicians have a preference to perform most surgeries in Las Vegas, there must be a reason whether valid or not. Of course, as a resident I would prefer not to travel to Las Vegas. As a Board Member we concentrate on this continually. It takes time to for this transition to happen. However, I believe that Pahrump is on its way to becoming a suburb of Las Vegas in the not to distant future, and as such this problem may solve its self.

Finally, I feel the need to emphasize the recent turmoil of a hospital closing in Tonopah, a Nye County area town. This has been a tragic example of the lack of financial revenues to support a local hospital. Is that what we want here in Pahrump? I think not. Thank you for taking the time to read my letter in this serious issue.

Sincerely yours,

Paul M. Healey, CPA

August 15, 2021

NV Department of Health and Human Services
Primary Care Office
4100 Technology Way, Suite 300
Carson City, NV 89706

Re: Opposition to the Pahrump Community Health Center Project

To Whom It May Concern:

This letter is in response to the Pahrump Community Health Center Project. I am greatly concerned of the impact this center could have on our local community hospital, Desert View Hospital. An Ambulatory Surgical Center (ASC) is a far cry from a hospital and the hospital is critical to our rural community. Although the ASC states it will be serving "Nye County", with it being located in Pahrump, its effect will hit Pahrump in many ways.

Presently, all of Pahrump is having a shortage of labor, and skilled labor is hit the hardest. The appearance of creating new skilled jobs in Pahrump sounds fabulous, the reality is that skilled nursing facilities, home healthcare, the hospital, all are having trouble finding qualified applicants. When you are lucky enough to find an applicant, it does not take long for them to learn that wages in Las Vegas are much higher (due to the fact they serve considerably more people in Las Vegas) and quit to take a job there (they too, are having trouble in this job market).

It appears to me, that this entity is wanting to replace the current hospital, with 22 beds; our local hospital only has 25 beds. Is this a bait and switch where they initially ask for one thing, and then come back later asking for another? Desert View Hospital does a great job in this community and at rates that are as affordable as a rural hospital can be. One should look very carefully into the ASC as if they siphon enough money away from the hospital, our community will be left with an ASC that only does elective surgeries as Desert View Hospital will close up and leave like hundreds of other hospitals in rural communities.

The largest problem is that they really do not discuss is the specialty doctor shortage that we have in Pahrump and in Nye County as a whole. I recently used the hospital due to a horse-riding accident and tore the muscle in the top of my shoulder. It is the first time I have been in an emergency room in the last 45 yrs. The experience was a great experience, despite the circumstance. I received x-rays that confirmed that my shoulder was not dislocated and the muscle in my shoulder was in fact torn. The ER doctor referred me to an orthopedic doctor and to follow up on Monday (was over the weekend), and put me in an immobilizing sling. I called on Monday to find that the doctor referred to does not do shoulders, there was currently no one in Pahrump to do shoulders, and referred me then to another group due in Las Vegas due to the fact that they did not take my health insurance (United Healthcare). Just because there is a facility in the community that can provide ASC services, does not necessarily mean that we will have the doctors to support it. Nowhere in the document do they discuss how they are going to get additional specialty doctors here. Today, specialty doctors visit Pahrump once every week or two. Some, like colonoscopies, are done by Las Vegas doctors at Desert View Hospital, who is acting as an ASC. Others, will do the surgeries at an ASC but one that is located where their offices are, in Las Vegas.

Below are areas that I found of concern in the application:

2.1 17,200 sq ft facility with 22 beds; 4 operating, 2 procedural and 16 recovery beds. At 365 days per year x 6 operating/procedure rooms, that is 2,190 patients. To reach 4,900 patients, that means that each procedure and operating room will have to have more than 2 people in each room, every day of the year, to make their projections. In checking with Desert View Hospital, they have available space, at all times, for outpatient surgeries (wouldn't that also be duplicative services). And again, where are they going to find the specialty doctors to treat these additional 4,900 patients.?

1. General Review of unmet surgical demands: In Table 3, on the breakdown of projected OP surgeries, the top 5 total 4,898; The Project states that it will not be doing plastics, which is 1,200 surgeries in that number. To meet their projections, where do they plan on making up those additional 1,200 surgeries? Also, in researching ASC's (www.ascassociation.org), none of them mentioned doing any cardiovascular work. Is the Project doing something new in ASCs or are they overstating? There is also the discussion that it is 6,100 unmet surgeries per year (18,300 per year), but in the beginning of the application states there are 15,099 unmet surgeries over 3 years; that is over a 20% discrepancy. So, which is it? Whichever, it would still be a duplication of services.

3.2 The Project states it will create a "convenient, local option at which Nye County residents can obtain specialty care without driving long distances". Does the creator of the Project realize that Nye County is comprised of over 18,000 sq miles and that our county seat is located 3 hrs from Pahrump? Have they thought of putting this ASC in Tonopah where there is not a hospital and no duplication of services? The need in Tonopah is great.

4.1 Capital Expenditure Table: In adding up the numbers on the capital expenditure table, the total should be \$17,360,927; a discrepancy of \$950,000, almost 5% of budget. It appears that the amount could represent other equipment and furnishings. Are these being donated? Nowhere in the application does it discuss where this money will come from. Even under section 4.4 Financing, it does not include those funds and how they will pay for them.

4.5 The Project discusses getting referral patients from "surrounding counties". I feel this statement is reaching. To our north is Esmeralda County who utilizes either the hospital in Bishop CA for Tonopah and Goldfield finds themselves almost equal distance from Pahrump or Las Vegas, and normally they go to Las Vegas. Those counties to our west are California and most of them utilize Californian hospitals. Those to the south have to go through Las Vegas to get to us and then you have Las Vegas to our east and that would be just silly. I think this was not a thought through statement or else a statement that was made by someone who does not understand our rural area.

4.5f The application depicts a graph comparing charges between an ASC and a hospital. Interesting enough, under Appendix J – Pro Forma and Charges, they state that the average charge for an ortho surgery for an ASC is 2 – 4 times LESS than what they are charging. Although I am sure there are other charges, I would expect the project manager to depict charges closer to the range in which they will be charging.

5.1c The Project states that they will not operate on high surgical risk patients. But in Section 7c it states that Nye County has high risk patients in comparison to the rest of the US.

- 5.2. The project is supposed to be a smaller outpatient facility, even though it almost has the same bed count as Desert View Hospital. The Project also states that there will be 17 part-time doctors. Have those doctors been brought on yet or contracted with? The doctors are not here in Pahrump, and just because you build an ASC (which we already have in the hospital), does not mean they will come. I find it interesting that in the project in Ely, they are still looking for an Operating Room Nurse (listed as being a remote location) for 3 months. They may experience exactly what we are seeing in Pahrump; the reluctance of moving to a rural area and to be paid less than the major cities.
- 5.2c. Education: Today, Nye Communities Coalition provides education to our communities in Tonopah and Pahrump, funded through grants, for heart-healthy eating, seeking alternatives to opioids and diabetes risk management. The Project very well could displace not only the grants, but the employees that support these local programs.
- 6.3 Reduction of an existing healthcare facility: It is in my opinion that this ASC is intended to replace services that our existing hospital, Desert View Hospital, is performing today. The only reason their beds are not full is we do not have the population to attract high-end specialty doctors. Orthopedic doctors make an average of \$511,000/yr, Cardiologists make an average \$459,000/yr; how do we think that a small population like Pahrump can support this caliber of doctor? I believe this should have been listed on the application, the reduction in our existing facility.
- 6.6a The Project discusses how patients will have the choice to receive care at a hospital, the Project or at other outside locations. They are an ASC, not a hospital, so not all can choose to go to an ASC, especially when they have already stated there are some surgeries they will not be performing (ie plastics). This statement would only be true if they were building a hospital.
- 7.0 The application states that 77% of patients leave Nye County. Not all patients are in Pahrump. Many are distributed across the vast 18,000 sq miles that represents Nye County. Of course, with the expanse of miles and with only one hospital in the southern end of the county, located in Pahrump, of course many will have to leave.
- 7.0g The application states that this is more than just an ASC (I think this needs to be further investigated) that the Project will also treat mental health and substance abuse. This is a far cry from what an ASC's normal course of business is. Does this mean they will bring in specialty doctors within this field? Psychiatrists and psychologists? A detox facility within the ASC? Mental health assessments as well as 72 hr psychiatric holds? I think this language should be looked into and greatly expounded upon as these are services that are needed in Nye County that would not be duplicative.

Appendix H – Pro Forma Revenue/Expenses Statement

Unless Healthcare does their Revenue and Expenses differently than the rest of the business world, the items under the Expenses have not been added correctly. Expenses total \$5,193,801.69 versus \$1,318,565.57. Thus, Income and expenses are as follows:

Income	\$12,154,000.00
Expenses	\$ 5,193,801.69
Net Income	\$ 6,960,198.31
Debt Service	\$ 1,050,000.00
Total Distributable Cash	\$ 5,910,198.31. Roughly 60% less than what they projected

I appreciate the opportunity to express my concerns and I hope the Committee that reviews weighs their decisions carefully.

Regards,



Kathie McKenna
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August 12, 2021

Mr Richard Whitely, Director
NV Department of Health and Human Services
Primary Care Office
4150 Technology Way Ste 300
Carson City, NV 89706

Dear Mr Whitely,

This letter is being submitted in regards to Pahrump Community Health LLC's request for an Ambulatory Surgery Center in Pahrump. My name is Dave Uthoff and I am opposed to the request.

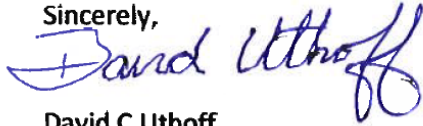
I have served on the Community Board of Desert View Hospital since it opened over 12 years ago and I have seen all the struggles of our rural hospital over the years from: from hiring and keeping good employees; getting local physicians to support the hospital; and finding good physicians and specialists to work at the hospital. My heart is in this hospital and I would hate to see anything happen that would put the hospital in jeopardy. It would deprive residents from much needed 24 hour healthcare.

Having a surgical center in Pahrump seems to me like a duplication of services for a town of approximately 38,000. The town is already serviced by Desert View Hospital and Intermountain Healthcare which both offer many medical procedures. Pahrump is a unique town in that it is only 60 miles away from a major metropolitan area (Las Vegas). One of Desert View Hospital's biggest challenges over the years has been getting specialists to come out to Pahrump and perform procedures. Due to the close proximity to Las Vegas specialists feel that they can get Pahrump residents to come to Las Vegas for their procedures. I would be really surprised if an ambulatory surgery center has a lot of success here.

As I mentioned earlier one other biggest challenges to Desert View has been the hiring and retaining of employees. Most of the employees are local residents so all the local healthcare providers are drawing from a local residents. Having another provider would only thin out the existing pool of potential employees.

In conclusion, I would have to say "no" to the request from Pahrump Community Health LLC for a proposed ambulatory surgery center.

Sincerely,

A handwritten signature in blue ink that reads "David Uthoff". The signature is written in a cursive style with a large, stylized "D" and "U".

David C Uthoff