

CHAIRMAN'S REPORT

Facility Energy Efficiency and Sustainability (FEES) Policy Development Work Group

October 13, 2010

As you are aware, the Governor's Office established leadership and vision in helping the healthcare segment of the State of North Carolina move towards more Energy Efficiency and Sustainability by presenting the State Health Coordinating Council (SHCC) with a Charge of incorporating Energy Efficiency into the State Health Planning process. Under Chairman Wainwright's leadership and Vice Chair Dr. Pulliam's guidance, and with the support of DHSR Director Drexdal Pratt and his team, the Facility Energy Efficiency and Sustainability Workgroup (FEES) was established.

As per our agreement with the Governor's office, the FEES workgroup is charged with establishing a two phase approach to meeting the Governor's vision, a "foundational policy" to be included in the 2011 State Medical Facilities Plan (SMFP) and a more definitive policy to be included in the 2012 SMFP. The FEES workgroup accomplished the first phase of this charge by developing and recommending to the State Health Coordinating Council (SHCC) Policy Gen-4 for your consideration.

A brief history of the process the FEES workgroup utilized to determine the proposed Policy Gen-4 is as follows:

1. Chairman Wainwright established the FEES Workgroup and membership was selected. The FEES workgroup is made up of expertise from all segments of the healthcare industry, expertise from the CON Section, expertise from the Department of Energy, expertise from the Private Sector and two members of the SHCC..... Mr. Zack Miller and myself, as Chairperson. This Workgroup has been very engaged in the Governor's vision and the significant and varied expertise of the membership has been invaluable to this process.

- a. Members included:

Carey Gurlitz; Renee Hutcheson, Carol Hutchison, Nelson Long, Timothy McDonnell, Laura MacFadden, Zach Miller, Dr. Duncan Yaggy, Pam Houston, Tim Spence; Bill Payne Timothy McDonnell; and John Young.

I thank the FEES Workgroup members for their time and commitment to this process.

- 2. Five FEES meetings have occurred, specifically designed to meet the intent of the Governor's charge of including Energy Efficiency and Sustainability in the CON process through policy inclusion in the State Medical Facilities Plan that drives the CON process.
 3. A draft Policy Gen 4 was crafted, discussed with the Governor's office, and placed in the draft SMFP for public comment through the public hearing process across the State.

4. In addition to the public hearing process, the FEES workgroup collaborated with the North Carolina Hospital association to bring many of the hospital planning executives together to discuss the draft Policy Gen 4.
5. Through the leadership of several of our workgroup members, a polling of hospitals was conducted to get the insight of the professional facility engineers on this topic through the NC Healthcare Engineers Association.
6. Though all of this input and public comment from the various stakeholders, there has been universal support for the Governor's Charge to find "green" solutions in our healthcare segment of the economy; however, the complexity of the issue of including the "green" strategy into the competitive CON process has become clear from almost every stakeholder perspective in the process including:
 - a. large hospitals and healthcare systems,
 - b. small independent hospitals,
 - c. other providers within the healthcare continuum held accountable to the CON process,
 - d. the CON section,
 - e. and the private sector.

This is not to say that there was push back on the vision, but rather recognition that it is a complicated issue with many unintended consequences if Policy Gen 4 is not completely thought through.

7. The FEES workgroup's answer to this caution was to recommend a foundational policy for the 2011 SMFP, presented today for consideration, and to continue to work through the coming year on refining a more definitive Policy to be recommended for the 2012 SMFP.

8. Director Drexdal Pratt, Elizabeth Brown, Steve Lewis, Craig Smith and I met several times with the Governor's office where we presented our final draft version of the 2011 Policy that the Workgroup developed. There was considerable discussion around how we could build upon this proposed 2011 Policy GEN-4 as a foundation for further policy development for inclusion in the 2012 NC SMFP, or even whether the strategy should shift to the Construction Section and Code development, but that is a discussion for another day. There was general support for the proposed foundational 2011 Policy Gen-4.

9. Given the input from all stakeholder segments in the CON process, the FEES workgroup revised the draft of Policy Gen 4 to the Gen-4: Energy Efficiency and Sustainable Design Policy that we present to the SHCC today for consideration.

We thank the Governor for the vision on Energy Efficiency and Sustainability, we thank the Division of Health Services Regulation and the Department of Energy for their support and expertise, we thank the North Carolina Healthcare Industry for their interest and input and we present Policy Gen 4 to you for consideration.

John Young
Chair, FEES Workgroup
State Health Coordinating Council