Medical Facilities Planning

Long-Term and Behavioral Health Committee Minutes
April 17, 2013
10:00 – 12 Noon
Brown Bldg. Room 104

MEMBERS PRESENT: Johnnie Farmer, Chair; Dr. T.J. Pulliam, Vice-Chair; Don Beaver, Anthony Foriest, Ted Griffin, Dr. Charles Niemeyer
MEMBERS ABSENT: Zach Miller, Representative Deborah Ross, Pam Tidwell
Medical Facilities Planning Staff Present: Nadine Pfeiffer, Elizabeth Brown, Selena Youmans, Kelli Fisk
DHSR Staff Present: Drexdal Pratt, Martha Frisone, Lisa Pittman
AG's Office: Scott Stroud

Agenda Items	Discussion/Action	Motion/ Seconded	Recommendations/ Actions
Welcome & Announcements	Mr. Farmer welcomed members, staff and guests to the first Long-Term and Behavioral Health (LTBH) Committee meeting of 2013. He stated that the purpose of this meeting was to review the policies, methodologies and petitions requesting changes in basic policies and methodologies for the Proposed 2014 Plan (SMFP), review and vote on seven petitions. Mr. Farmer stated the meeting was open to the public, but deliberations and recommendations were limited to the members of the LTBH Committee and staff, in order to respect the process of the State Health Coordinating Council (SHCC). Mr. Farmer asked the committee members and staff seated at the table to introduce themselves.		
Review of Executive Order No. 10 and 67: Ethical Standards for the State Health Coordinating Council	Mr. Farmer gave an overview of the procedures to observe before taking action at the meeting. Mr. Farmer inquired if anyone had conflicts or if there items or matters on the agenda, they wished to declare that they would derive a benefit from or intended to recuse themselves from voting on the matter. Mr. Farmer asked members to review the agenda and declare any conflicts.		.

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	There were no recusals. Mr. Farmer stated that if a conflict of interest, not on the agenda, came up during the meeting that the member with the conflict would make a declaration of the conflict.		
Approval of September 14, 2012 Minutes	A motion was made and seconded to accept the September 14, 2012 LTBH meeting minutes.	Dr. Niemeyer Dr. Pulliam	Minutes approved
Nursing Care Facilities - Chapter 10	**Policies and Need Methodology Review** Ms. Youmans stated there are eight policies applicable to nursing home facilities. In reviewing, the nursing care facilities methodology, Ms Youmans noted that need is projected by the number of residents by county and age group. Ms. Youmans stated that population data are provided by the North Carolina Office of State Budget and Management (OSBM), and the active military population numbers provided by American Community Survey, and the utilization data was provided from the Nursing Home 2013 Data Supplement to Licensure Renewal Application. **Committee Recommendations** A motion was made and seconded to recommend acceptance of nursing care facilities policies, assumptions and methodology and advancing years by one for inclusion in the Proposed 2014 SMFP.	Mr. Foriest Dr. Niemeyer	Motion approved
Adult Care Homes - Chapter 11	**Policies and Need Methodology Review** Ms. Youmans noted there were two policies relating to Chapter 11; these policies were found in Chapter 4 of the 2013 SMFP. Ms. Youmans reviewed the adult care homes methodology. She noted the sources of data used were similar to the nursing care facilities; with population information from the North Carolina Office of State Budget and Management (OSBM), active military population numbers provided by American Community Survey, and utilization data provided from the Adult Care and Nursing Home 2013 Data Supplement to Licensure Renewal Application and the Nursing Care Supplement from the Hospital 2013 License Renewal Application. **Committee Recommendations** A motion was made and seconded to recommend acceptance of adult care	Mr. Beaver	Motion approved

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	homes policies, assumptions and methodology and to advance years by one for inclusion in the Proposed 2014 SMFP.	Mr. Foriest	
Medicare Certified Home Health Services - Chapter 12	**Policies and Need Methodology Review** Ms. Brown noted there was one policy related to Chapter 12; located in Chapter 4 of the 2013 SMFP. Policy HH-3: Need Determination for Medicare-Certified Home Health Agency in a County. Ms. Brown noted there was one carry over item from last fall. Ms. Brown stated that former Committee Chair Jerry Parks at the Committee's September 14, 2012 meeting made the rounding recommendation in response to a request. Ms. Brown reviewed the Medicare-certified Home Health Services Need Methodology Rounding Recommendation. Step 13 of the Need Methodology would be amended to read as : Step 13: For each county, subtract the "Projected Utilization in 2014" from the "Adjusted Potential Total People Served." The remainder is the projected additional number of home health patients who will need home health services in 2014 (unmet need shows as a negative number of patients, *i.e.*, a "patient deficit"). A remainder including fractions of 0.50 or greater are rounded to the next highest whole number and a remainder including fractions of 0.50 or less are rounded to the next lowest whole number. **Committee Recommendations** Dr. Niemeyer recommended the language state: The remainder including less than .50 should be rounded to the next lowest whole number.		
	A motion was made and seconded to amend the language to read: The remainder including less than .50 will be rounded to the next lowest whole number.	Dr. Pulliam Mr. Foriest	Motion approved
	A motion was made and seconded to recommend acceptance of home health services policy, assumptions and methodology and to advance years by one	Dr. Niemeyer Mr. Foriest	Motion approved

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Hospice Services - Chapter 13	**Policies and Need Methodology Review** Ms. Brown noted general policies were the only policies that applied to this chapter. Ms. Brown stated the Hospice Home Care standard methodology used to project need was a 14-step process. Ms. Brown also mentioned the Hospice Inpatient Bed methodology for new inpatient beds was a 12-step process used to project need by county. Ms. Brown stated there was no need methodology for hospice residential beds. Ms. Brown noted one petition was received this spring for the Hospice chapter. **Petition: Hospice of Wake County, Inc.** Ms. Brown explained that Hospice of Wake County, Inc. requested the following adjustment to Step 7 of the Hospice Inpatient Bed Need Methodology: The hospice inpatient bed need methodology be changed by decreasing the inpatient day percent calculation from 6.0% to 3.5%. In support of its requested change, the Petitioner identified decreasing trends in North Carolina in hospice inpatient days' utilization as a reason for modifying the Hospice Inpatient Bed Need Methodology. Members requested the petitioner to speak regarding the petition. Mr. Thoma stated that four years have passed since the Hospice Methodologies Task Force reviewed and recommended changes to the Hospice Inpatient Bed Need Methodology, noting that one of the recommendations of the Task Force was that the Inpatient Bed Need Methodology would be reviewed after two years. Mr. Thoma believed that it is time to review that Methodology. Mr. Thoma stands by data in the petition that hospice inpatient days were 3.53% of total hospice days in 2011, which is the most recent data available. Mr. Thoma stated that the comments in opposition were provided from hospice agencies in rural counties, acknowledging that use of a statewide average carries a risk for rural counties. Mr. Thoma expressed concern that two hospice inpatient agencies		

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	closed this year due to changes in federal law and reimbursement. Mr. Thoma welcomed the opportunity for a work group to study and make recommendations on the Hospice Inpatient Bed Need Methodology. The Committee recognized Mr. Rogers who observed that Mr. Thoma was one of the foremost data experts on inpatient hospice services, and opined that Mr. Thoma's data was in fact correct. Mr. Rogers acknowledged that there is a split among hospice providers in urban and rural areas regarding the change requested in the petition. Mr. Rogers spoke in favor of a work group to study and make recommendations on the Hospice Inpatient Bed Need Methodology. Ms. Brown pointed out that hospice inpatient days in Table A of the petition are not used in the Hospice Inpatient Bed Need Methodology, and that data does not appear in the SMFP, adding the days in Table A of the Petition are over-inclusive. Ms. Brown explained that the hospice inpatient days in the Agency Report were included in the SMFP, and are used in the Hospice Inpatient Bed Need Methodology. Ms. Brown acknowledged that it is not clear whether the two hospice inpatient agencies closed due to changes in federal law and reimbursement. Ms. Brown cautioned the Committee against assuming that those agencies closed due to lack of profitability. **Committee Recommendations** A motion was made and seconded to deny the petition and to recommend to the SHCC that the Committee, with some additional subject matter experts, study the Hospice Inpatient Bed Need Methodology and make recommendations. A motion was made and seconded to recommend acceptance of hospice services assumptions and methodology and to advance years by one for inclusion in the Proposed 2014 SMFP.	Dr. Pulliam Dr. Niemeyer Dr. Pulliam Mr. Foriest	Motion approved Motion approved

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End-Stage Renal Disease Dialysis Facilities - Chapter 14	**Policies and Need Methodology Review** Ms. Brown noted there was one policy related to Chapter 14; located in Chapter 4 of the 2013 SMFP. Ms. Brown stated there were no changes requested or recommended to Policy ESRD - 2. Ms. Brown reviewed the ESRD Dialysis Facility Need Assumptions and Need Methodologies. There were no petitions received regarding the ESRD Dialysis Facilities Policy, ESRD Dialysis Facilities Assumptions, and ESRD Dialysis Facilities Need Methodologies. Ms. Brown provided an update about the source of data that the Agency is using to prepare the Semi-Annual Dialysis Reports. Ms. Brown explained that data has been provided by the Southeastern Kidney Council for patient county, dialysis provider, and modality (inpatient or in-home). Last fall, the Agency learned that reports would continue to include data by zip code and dialysis provider, but not by modality. The change occurred because CMS began to use a new dialysis reporting system (CROWNWeb) software system. Under the CROWNWeb system, dialysis providers submit dialysis billing data directly to CMS. The CROWNWeb system does not permit dialysis networks to access to raw data. The CROWNWeb vendor is working with the dialysis networks to provide access to data through a customized report that shows patients by modality. Ms. Brown stated until that report is available, the Agency proposed that it would review three years of data for modality, determine a percentage by modality for each county, and apply those percentages by county to the data reported in the upcoming Semi-Annual Dialysis Report(s). At the September 14, 2012 meeting, the Committee approved the use of a three-year trend line proposed by the Agency. The SHCC approved use of a three-year trend line at its October 3, 2012 meeting. Ms. Brown reported that the three-year trend line is becoming stale, adding that it will be some time until the CROWNWeb system produces reliable data for the Semi-Annual Dialysis Report. Ms. Brown asked that the Committee to approve the Agency's use of self-reported data from dialysis providers. Ms. Brown noted that if the Committee approves the request, then the Agency would meet with ESRD Dialysis providers in early May.		

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	The Committee recognized Mr. Hyland from DaVita, one of the three largest dialysis providers in the State. Mr. Hyland said that he met with Ms. Brown several times concerning data submission. Mr. Hyland noted that there is no other state that issues a certificate of need for dialysis services in the manner North Carolina does. Mr. Hyland stated that the only alternative available is a self-reporting system, and looks forward to working with the Agency in order to make data available in order for the July 2013 Semi-Annual Dialysis Report to be prepared in a timely manner. Dr. Pulliam asked if Mr. Hyland has any recommendations about health planning for dialysis services. Mr. Hyland said that he does not expect any problems with data submission. Mr. Hyland stated that at some point, it might be valuable for dialysis providers to talk in detail with the Committee about in-home peritoneal dialysis and a few changes to the ESRD Dialysis Need Methodology in order to take into account new technologies that are not possible under the current ESRD Dialysis Need Methodology. **Committee Recommendations** A motion was made and seconded to allow ESRD Dialysis providers to self-report data to the Agency was made, seconded, and carried A motion was made and seconded to recommend acceptance of End-Stage Renal Disease dialysis policies, assumptions and methodology and to advance years by one for inclusion in the Proposed 2014 SMFP.	Dr. Pulliam Mr. Beaver Mr. Foriest Mr. Griffin	Motion approved Motion approved
Psychiatric Inpatient Services - Chapter 15	**Policies and Need Methodology Review** Ms. Youmans reviewed the policies and methodology for psychiatric inpatient services in Chapter 15. Ms. Youmans explained that the Agency is proposing the addition of clarifying language to the Basic Assumptions of the Methodology, Basic Assumption 1, which would bring the Need Methodology in line with statewide LME-MCO service areas. Ms. Youmans presented a statewide LME-MCO service area map. Ms. Youmans stated the current wording in Chapter 15 of the North Carolina 2013 State Medical Facilities Plan, page 384 *(excerpt only)*:		

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	Basic Assumptions of the Methodology 1. A psychiatric inpatient bed's service area is the catchment area for the local management entity-managed care organization for mental health, developmental disabilities, and substance abuse services in which the bed is located. The counties comprising each of the 16 local management entity-managed care organization catchment areas for mental health, developmental disabilities, and substance abuse services are listed in Table 15B. Ms. Youmans stated that staff proposed the additional clarifying language, which is in bold print: Basic Assumptions of the Methodology A psychiatric inpatient bed's service area is the catchment area for the local management entity-managed care organization **(LME-MCO)** for mental health, developmental disabilities, and substance abuse services in which the bed is located. **Two LME-MCOs are divided into separate service areas for the purposes of inventory and need projections. The Cardinal Innovations LME-MCO appears as two separate LME-MCOs, with the Sandhills Center located between these two service areas. The Smoky Mountain Center LME-MCO also appears as two separate LME-MCOs, with the Western Highland Network located between these two service areas. Additionally, Durham, Wake, Johnston and Cumberland are treated as separate LME-MCOs**. The counties comprising each of the ~~23~~ **16 LME-MCO** ~~local management entity-managed care organization~~ catchment areas for mental health, developmental disabilities, and substance abuse services are listed in Table 15B.		
	Committee Recommendations A motion was made and seconded to accept the clarifying language recommended by the Agency in Basic Assumption of the Methodology 1.	Dr. Niemeyer Dr. Pulliam	Motion approved
	A motion was made and seconded to recommend acceptance of psychiatric inpatient services policies, assumptions and methodology to advance years by one for inclusion in the Proposed 2014 SMFP.	Mr. Griffin Dr. Pulliam	Motion approved

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Substance Abuse/Chemical Dependency - Chapter 16	**Policies and Need Methodology Review** There were no policies applicable to Chemical Dependency, Detoxification, Inpatient and Residential Services. Ms. Youmans reviewed the Chemical Dependency, Detoxification, Inpatient and Residential Services Assumptions and Need Methodology. There were no petitions received regarding the Psychiatric Inpatient Services Assumptions and Psychiatric Inpatient Services Need Methodology Ms. Youmans explained that the Agency is proposing the addition of clarifying language to the Application of the Methodology, which would bring the Need Methodology in line with statewide LME-MCO service areas. Current wording in Chapter 16 of the North Carolina 2013 State Medical Facilities Plan, page 395 *(excerpt only)*: Application of the Methodology A chemical dependency treatment bed's service area is the mental health planning region in which the bed is located. The local management entities-managed care organizations comprising the three mental health planning regions are listed in Table 16B. The counties comprising each of the 23 local management entity-managed care organization catchment areas for mental health, developmental disabilities, and substance abuse services are listed in Table 15B Part 1 & Part 2. Each step explained below is applied individually to the 23 mental health local management entities-managed care organizations, and then bed surpluses/deficits in the local management entities-managed care organizations are combined to arrive at the total surpluses/deficits for the three mental health planning regions. Treatment utilization data from acute care and specialty hospitals and from residential treatment facilities were incorporated into the methodology. Staff proposed the additional clarifying language shown in bold print: Application of the Methodology A chemical dependency treatment bed's service area is the mental planning region in which the bed is located. The local management entities-managed care organizations **(LME-MCOs)** comprising the three mental health planning regions are listed in Table 16B. The counties comprising each of		

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	the ~~23 local management entity-managed care organization~~ **LME-MCO** catchment areas for mental health, developmental disabilities and substance abuse services are listed in Table 15 B Part 1 & Part 2. **Two LME-MCOs are divided into separate service areas for the purposes of inventory and need projections. The Cardinal Innovations LME-MCO appears as two separate LME-MCOs, with the Sandhills Center located between these two service areas. The Smoky Mountain Center LME-MCO also appears as two separate LME-MCOs, with the Western Highland Network located between these two service areas. Additionally, Durham, Wake, Johnston and Cumberland are treated as separate LME-MCOs**. Each step explained below is applied individually to the ~~23~~ 16 mental health ~~local management entities-managed care organizations~~ **LME-MCOs**, and then bed surpluses/deficits in the ~~local management entities-managed care organizations~~ **LME-MCOs** are combined to arrive at the total surpluses/deficits for the three mental health planning regions. Treatment utilization data from acute care and specialty hospitals and from residential treatment facilities were incorporated into the methodology. **Committee Recommendations** A motion was made and seconded to accept the clarifying language recommended by the Agency in the Application of the Methodology. A motion was made and seconded to recommend acceptance of substance abuse/ chemical dependency policy, assumptions and methodology to advance years by one for inclusion in the Proposed 2014 SMFP.	 Dr. Niemeyer Mr. Foriest Mr. Foriest Dr. Niemeyer	 Motion approved Motion approved
Intermediate Care Facilities - Chapter 17	**Policies and Need Methodology Review** Ms. Youmans reviewed the policies and methodology for Chapter 17. Ms. Youmans noted there were two policies in Chapter 17 that could be found in Chapter 4 of the 2013 SMFP. **Petition: Residential Services, Inc.** Ms. Youmans reported one was petition received from Residential Services, Inc., which requested the transfer of vacant Intermediate Care Facility for Individuals with Intellectual Disabilities (ICF/IID) beds from state institutions to existing community facilities who lost slots in the Community Alternatives Program for Individuals with Intellectual and Developmental Disabilities program (CAP I/DD) due to recent Center for		

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	Medicare and Medicaid Services (CMS) policy changes.prohibiting CAP I/DD and ICF/IDD beds from being located on the same service facility campus. **Committee Recommendations** A motion was made and seconded to accept the Agency Recommendation to approve the Petition and to adopt the Agency recommendation for PolicyICF/IID-3: Transfer of ICF/IID beds from state operated developmental centers to community facilities for adults with severe to profound developmental disabilities Ms. Youmans stated that the Agency is proposing the addition of clarifying language to the Need Determination for ICF/IID Beds, which would bring the need methodology in line with statewide LME-MCO service areas. The clarifying language is shown in bold font: Need Determination for ICF/IID Beds The service area for an ICF/IID bed is the catchment area for the LME-MCO for mental health, developmental disabilities, and substance abuse services in which the bed is located. **Two LME-MCOs are divided into separate service areas for the purposes of inventory and need projections. The Cardinal Innovations LME-MCO appears as two separate LME-MCOs, with the Sandhills Center located between these two service areas. The Smoky Mountain Center LME-MCO also appears as two separate LME-MCOs, with the Western Highland Network located between these two service areas. Additionally, Durham, Wake, Johnston and Cumberland are treated as separate LME-MCOs.** LME-MCO catchment areas for mental health, developmental disabilities, and substance abuse services are listed in Table 17A: Inventory of ICF/IID Facilities and Beds. **Committee Recommendations** A motion was made and seconded to accept the clarifying language recommended by the Agency in the need determination for ICF/IID Beds. A motion was made and seconded to recommend acceptance of intermediate care facilities policies, assumptions and methodology to advance years by one	Dr. Pulliam Mr. Griffin Dr. Pulliam Dr. Niemeyer Dr. Niemeyer Mr. Foriest	Motion approved Motion approved Motion approved

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Other Business	Mr. Farmer noted the next meeting is May 17th. He then thanked the members and staff.		
Adjournment	Mr. Farmer adjourned the meeting.		