



Catharine W. Cummer
Regulatory Counsel, Strategic Planning

May 6, 2020
Via Email

Amy Craddock
North Carolina Division of Health Service Regulation
Medical Facilities Planning Branch
2714 Mail Service Center
Raleigh, NC 27699-2714

Re: Duke University Health System Comments Regarding Behavioral Health and
Substance Abuse Bed Methodologies

Dear Dr. Craddock:

Duke University Health System, Inc. submits these comments regarding potential changes to the bed methodologies for inpatient psychiatric and substance abuse beds. We understand that the North Carolina Healthcare Association has submitted comments advocating for the elimination of the need methodologies for those bed categories, allowing interested parties to apply to develop beds without a need determination.

Duke joins this position, subject to the condition that for inpatient psychiatric beds, any applicants should be required to demonstrate their ability to accept all governmental payors (including Medicaid) and to offer a meaningful financial assistance policy. Until 2019, many facilities operated separately from an acute care hospital were not eligible for Medicaid reimbursement if they operated more than 16 beds, which made such a requirement infeasible. However, that IMD exclusion has been lifted, and there is no bar to such facilities accepting and receiving reimbursement for Medicaid patients. Eliminating the need determination for inpatient psychiatric patients without such a requirement could open the door for facilities to cherry-pick privately insured patients to the detriment of providers who care for uninsured, Medicaid, and other underserved populations. In turn, this could affect the ability of those providers to continue to provide such essential care in the future. Duke does not believe that this requirement is essential for substance abuse bed applications, which could appropriately include projects designed for specific employers or other identified populations.

Please let me know if you have any questions. Thank you for your consideration of these comments.

Sincerely,

/s/ Catharine W. Cummer