
Acute Care Services Committee

Recommendations to the North Carolina State Health Coordinating Council

October 7, 2019

The Acute Care Services Committee held its final meeting of the year on September 15. In preparation for this meeting, staff updated data tables to reflect any changes in inventories, utilization, and need determinations since release of the Proposed SMFP. Data presented here is current as of that meeting.

Following is an overview of the Committee's recommendations for Acute Care Services, Chapters 5-9, of the *2021 SMFP*.

Chapter 5: Acute Care Hospital Beds

The Agency received two petitions for this chapter.

Petition 1: Cape Fear Valley Health System petitioned to remove the 53-bed acute care need determination in the *2021 SMFP*. The Agency received no comments on this Petition.

Committee Recommendation: Cape Fear Valley Medical Center has 524 licensed acute care beds and is in the process of developing a campus in northern Cumberland County with 65 new beds. The methodology uses a growth rate multiplier consisting of days of care from the past five years to project need. Between 2016 and 2018 Cape Fear incrementally licensed 34 additional acute care beds from previous need determinations. This caused a spike in the growth rate multiplier, which was found to be an artifact of its calculation rather than an indicator of actual growth in utilization. Therefore, the Petitioner viewed the 2021 need determination to be anomalous. The Petitioner also cited the effects of COVID-19 on utilization and on the financial health of the system as reasons that the development of additional beds would not

be prudent at this time. The Acute Care Services Committee approved the Petition.

Petition 2: Duke University Health System requested an adjusted need determination for 20 acute care beds in Wake County in the *2021 SMFP*. The Agency received two comments in opposition to this Petition.

Committee Recommendation: The request is based on the current 12-bed deficit at Duke Raleigh Hospital. The Petitioner days of care increased at Duke Raleigh from October 2019 through February 2020. However, from March through May of 2020, the COVID-19 pandemic temporarily depressed utilization. Duke reports that days of care began rebounding in June. The Petitioner expressed concern that the normal growth Duke Raleigh was experiencing will not be adequately reflected in the *2022 SMFP* due to the interruption in normal operations and utilization in 2020. The Agency applied the standard need determination methodology, and contrary to the Petitioner's claim, projected that Wake County would show a need for 23 beds in the *2022 SMFP*. Given this result, the Agency found that the Petitioner would achieve the expected need determination without placing an adjusted need determination in the *2021 SMFP*. The Acute Care Services Committee denied the Petition.

Data Discrepancy Report

Staff compared IBM Watson Health Analytics data for 2019 to data from the License Renewal Applications. The Committee originally reviewed a list of 22 hospitals with acute days of care discrepancies between the two data sources that exceed plus-or-minus 5%. Healthcare Planning received the refreshed IBM Watson Health data from the Sheps Center in August. Now that the data has been refreshed, the report includes 13 hospitals that have a greater than 5% discrepancy. These discrepancies did not affect need determinations.

Data Updates

Data updates since the publication of the Proposed Plan resulted in a few changes to need determinations. Application of the methodology currently results in need determinations for a total of 289 acute care beds. They are:

- 22 in Cabarrus County
- 53 in Cumberland County
- 40 in Durham/Caswell Service Area
- 76 in Mecklenburg County
- 35 in New Hanover County
- 63 in Pitt/Greene/Hyde/Tyrrell Service Area

Chapter 6: Operating Rooms

The Agency received no petitions for this chapter.

Dental Single Specialty Ambulatory Surgery Demonstration Project

The 2016 SMFP included a demonstration project to examine the feasibility of single-specialty ambulatory surgical facilities dedicated to dental and oral surgery. There are now four facilities across the state designed to serve patients requiring sedation for dental and oral surgical procedures. Each one has 2 operating rooms. The facilities are:

- Valleygate Dental Surgery Center (in Fayetteville)
- Valleygate Dental Surgery Center of the Triad (in Greensboro)
- Valleygate Dental Surgery Center of Charlotte
- Surgical Center for Dental Professionals (in Raleigh)

This year marks the first year that any of the facilities have been in operation for at least one full federal fiscal year and required to submit annual reports.

Currently three facilities have submitted annual reports. Valleygate in Charlotte has not yet been in operation long enough to submit a report.

Before this demonstration project, dental and oral surgeries often were performed in hospitals, which carried high costs and scheduling challenges. An important goal of the demonstration is to show that ambulatory surgical facilities can serve patients more cost-effectively than hospitals and in a more appropriate surgical setting. In particular, a goal was for the facilities to demonstrate that they can serve patients from underserved segments of the population. A primary requirement of the demonstration is that at least of 3% of the patients served each year must be charity care and at least 30% must be Medicaid recipients. In each case, the facilities exceeded these payer mix goals. The proportion of charity care patients ranged from 3.8% to 14.7% and the percentage of Medicaid patients ranged from 58% to 80%. In addition, at its June meeting, the SHCC approved a policy for the *2021 SMFP* that provides a pathway for otolaryngologists (ENTs) to perform procedures when necessary as part of dental or oral surgery procedure. Doing so provides the advantage of one visit to the OR and one administration of general anesthesia.

Data Updates

Based on data and information currently available, application of the methodology results in draft need determinations for 12 operating rooms in the following service areas:

- 2 in Brunswick County
- 4 in Durham County
- 3 in Orange County
- 3 in Wake County

Chapter 7: Other Acute Care Services

The Agency received one petition related to this chapter.

Petition: *Mission Health* petitioned for an eight-bed burn intensive care unit in the Health Service Area I, which is the western region of the state. The Agency received three comments in opposition to this Petition.

Committee Recommendation: The state currently has two burn ICUs, at NC Baptist Hospital in Winston-Salem (eight beds) and UNC Hospital in Chapel Hill (21 beds). Each facility has a certificate of need to add four beds, but they have not yet been developed. The state has not had a need determination in this area since 2012. Over the past several reporting years, UNC Hospital's occupancy rate has ranged from 78% to 89% while Baptist Hospital's has ranged between 30% and 42%; the 2021 SMFP shows an overall occupancy rate of 73%. This rate calculation includes the eight approved beds. A need determination exists when the combined utilization is at least 80%. The Petitioner expects that a burn unit at Mission will primarily serve patients who currently would have to travel over 100 miles to a burn unit, either from North Carolina or surrounding states. While the Agency recognizes the needs of North Carolina residents to be paramount, it acknowledges that all health services also serve non-residents. Likewise, North Carolina residents also receive services in other states. According to patient origin data provided by the Petitioner, from 2017 – 2019, over 400 patients each year from Kentucky, South Carolina, Tennessee, and Virginia traveled more than 100 miles for burn services. During that same period, between 20 and 29 patients from HSA I sought burn care outside of NC annually. HCA recently acquired Mission Health. This system has several burn units, the closest of which is in Augusta, Georgia (about 180 miles from Asheville). The Petitioner provided data to show that about 27 HSA I residents traveled to this facility. The Agency recognizes that although utilization would not suggest a need for additional burn ICU beds, lengthy travel times present strains on health resources, family support efforts, and follow-up care. In addition, recent research has shown that in the South, the percentage of residents who need to travel more than two hours to

access burn centers is much higher than the national average. The Acute Care Services Committee approved the Petition by a vote of four to three.

There is no need in the *2021 SMFP* for other acute care services.

Chapter 8: Inpatient Rehabilitation

The Agency received no petitions or comments for this chapter. Based on data and information currently available, application of the methodology results in no draft need determinations.

Chapter 9: End Stage Renal Disease Dialysis Facilities

The Agency received one petition for this chapter.

Petition: Solomon and Marissa Dunston petitioned for a 10-station dialysis facility in Franklin County. One comment was received in opposition to this petition.

Committee Recommendation: The SMFP includes a need determination when each of the facilities in a county has at least 80% utilization. The threshold for a need determination is a projected deficit of 10 stations. Franklin County currently has a four-station surplus. One principle of the methodology is that patients should not have to travel more than 30 miles for dialysis treatment. In 2019, 32 of Franklin County's 125 dialysis patients traveled outside of the county to receive treatment. Of these, 25 received dialysis in Wake County. The Petitioner proposed to place a facility near the Wake County line in Youngsville to reduce the number of patients driving to facilities in Wake County. The two existing Franklin County facilities are in Louisburg. While a facility in Youngsville may seem like a solution, neither the Petitioner nor the Agency has information on why patients travel to Wake County for dialysis, nor how far they travel in Franklin County or to

another county. Driving time is likely to be only one factor. Patient and physician preference, among other factors, also contribute. Moreover, the dialysis facilities in Louisburg are no more than 30 minutes driving time to any of the four corners of Franklin County. All distances are likewise less than 30 miles. Therefore, Franklin County residents appear to be well-served by the existing facilities. The Acute Care Services Committee voted to deny the Petition.

Data Updates

Application of the county need methodology results in no need determinations. Application of the facility need methodology results in a need for 858 stations.

Recommendations Related to All Chapters

The Committee recommends to the State Health Coordinating Council approval of Chapters 5 through 9, Acute Care Facilities and Services, with the understanding that staff is authorized to continue making necessary updates to the narratives, tables, and need determinations.