Dear Dr. Craddock,

Atrium Health, Inc. (Atrium) appreciates the opportunity to provide additional comments on potential methodology adjustments in the 2022 State Medical Facilities Plan (SMFP) related to the impact of the COVID 19 pandemic on healthcare utilization. Atrium Health, Inc. is a nonprofit corporation that manages and oversees the activities, personnel, shared services, and business facilities of its enterprise including The Charlotte-Mecklenburg Hospital Authority and Wake Forest University Baptist Medical Center.

We have reviewed the acute care bed need adjustment options presented by DHSR Planning Section staff at the February 23, 2021 meeting. We appreciate the efforts of the staff to explore data driven options to determine appropriate adjustment options. The options reviewed include a wide range of need determinations from 1,108 to 314 as shown in the table below copied from the presentation.

Summary of Test Need Determinations

Service Area	Test 1	Test 2	Test 3	Test 4	Test 5
Anson	2	5	2		
Buncombe/Graham/ Madison/ Yancey	105	123	182	73	81
Cabarrus	34	62	49		22
Cumberland	26	46		21	21
Davie		6	13		
Durham/Caswell	90	200	125	67	73
Mecklenburg	155	339	254	67	86
Orange	24	64	23		
Pitt/Greene/Hyde/ Tyrrell	88	182	65	43	57
Wake	72	81	116	43	49
TOTAL	**596**	**1,108**	**829**	**314**	**389**

As we described in our earlier comment letter, Atrium believes it is better to err on the side of conservative adjustments to SMFP methodologies rather than make numerous adjustments to account for the impact of the pandemic. If there are communities and providers with perceived needs that are not addressed by the current methodologies, the petition process still exists to allow special need determinations to meet those needs. However, If the SHCC wishes to make adjustments to the acute care bed need methodology that will produce need determinations in the 2022 SMFP, Atrium would recommend selecting Test 4.

Atrium is more concerned about the longer term impact the pandemic could have on the future year acute care bed need determinations because of the multiyear growth rate used in the methodology. Atrium would support an adjustment similar to what was used in Test 4 to adjust the FFY 2020 acute care days for use in the growth rate calculation.

Atrium appreciates the opportunity to provide feedback on this issue and we look forward to participating in the 2022 SMFP development process later this year.

Greg Bass
Director, Strategic Services Group
Atrium Health

Catharine W. Cummer
Regulatory Counsel, Strategic Planning

April 16, 2021

Via Email to DHSR.SMFP.Petitions-Comments@dhhs.nc.gov

Amy Craddock, PhD
Assistant Chief
Healthcare Planning and Certificate of Need Section
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 2022 Bed Need Methodology

Dear Dr. Craddock:

Duke University Health System, Inc. submits these comments regarding potential changes to the methodology for acute care beds in the 2022 State Medical Facilities Plan, specifically those alternatives presented at the February 23 Interested Parties meeting. DUHS greatly appreciates both the significant work the agency staff invested in developing potential alternatives and the opportunity to comment.

We strongly supports an adjustment to the methodology to account for the unique circumstances of the COVID-19 pandemic rather than relying on the standard methodology. In the spring of 2020, hospitals took extraordinary measures to decrease their census in anticipation of a possible surge of COVID patients and deferred non-emergent encounters in an effort to minimize the risk of contagion. North Carolina was fortunate not to experience the dramatic surge that overwhelmed hospitals in other states, and therefore utilization for this period was significantly lower than hospitals otherwise would have experienced without these actions.

However, while care may have been deferred, the underlying needs of the population have not changed. All of the alternative approaches validate that absent COVID, 2020 utilization would have continued to increase over prior year in many service areas, consistent with population increases and other factors. Duke's experience and expectation is that utilization is returning to levels more consistent with pre-COVID patterns. If the standard methodology is used without adjustment, it may delay the development of needed inpatient bed capacity not only pursuant to the 2022 plan but also in future plans.

Specific recommendations/reactions to Proposed Alternatives

- We believe that tests 1 and 3 most closely approximate what 2020 utilization might otherwise have looked like across the state, and appropriately account for potential effects of seasonality.

- The lack of adjustment for seasonal variation in inpatient utilization (higher utilization during the winter flu season, for example) may be the main contributing factor to the very high need determinations generated by Test 2.

- Tests 4 and 5 use a blend of 2017-2019 data to substitute for the COVID-affected months rather than just the most recent prior year. While this approach might be optimal if inpatient utilization fluctuated unpredictably from year to year, in fact the statewide bed days of care have demonstrated steady positive growth:

Year	Total acute care days	Annual growth
2016 (from 2018 SMFP)	4,342,399	
2017 (from 2019 SMFP)	4,425,601	1.9% growth
2018 (from 2020 SMFP)	4,489,353	1.4% growth
2019 (from 2021 SMFP)	4,631,319	3.2% growth

The counties in which the needs appear as a result of the various alternatives are generally those that are experiencing significant population growth and/or where tertiary care hospitals serving a broader geographic service area are located. All of these counties also had positive county growth rate multipliers reflecting an overall upward 4-year trend, suggesting that any increases in 2019 over prior years were not aberrations. It is reasonable that utilization in those counties was increasing through 2019 as the populations there grew.

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County	April 2010 Estimate Base	July 2020 Projection	Change	% Change	2021 SMFP County growth rate multiplier
Anson	26,929	23,889	-3,040	-11.3	1.2993
Buncombe	238,330	264,408	26,078	10.9	1.0157
Cabarrus	178,121	216,841	38,720	21.7	1.0343
Cumberland	319,431	333,531	14,100	4.4	1.0162
Davie	41,221	43,746	2,525	6.1	1.1932
Durham	270,001	321,261	51,260	19	1.0216
Mecklenburg	919,664	1,118,775	199,111	21.7	1.0325
Orange	133,693	147,907	14,214	10.6	1.0202
Pitt	168,176	183,285	15,109	9	1.0309
Wake	901,052	1,102,782	201,730	22.4	1.0119
North Carolina	**9,535,751**	**10,587,440**	**10,516,89**	**11**	

Using a mix of 2017-2019 data to substitute for the COVID-affected months in 2020 rather than just 2019 data would be contrary to these utilization trends. On the whole, we conclude that Test 1 or Test 3 best approximate the true demand for inpatient services in 2020.

While Duke supports this adjustment to the statewide methodology, we would also encourage the SHCC to carefully consider petitions to adjust the resulting need determinations during the summer petition cycle, as there may be local factors that would make a different adjustment more appropriate in a given service area.

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

Sincerely,

Catharine W. Cummer

Catharine W. Cummer

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