

Mission Hospital
Petition for Adjustment to Acute Care Bed Need Determination
for 51 Acute Care Beds in Buncombe County, North Carolina.

Mission Hospital will be submitting a petition for an adjusted bed need determination for Buncombe County on August 2nd. The adjustment will be to decrease the bed need in Buncombe, Yancey and Madison Counties from 69 acute care beds, as reflected in the Proposed 2011 SMFP to **51** acute care beds for Buncombe, Yancey and Madison Counties. As you know the bed need determination currently in the Proposed 2011 SMFP was determined using the new acute care bed need methodology approved by The State Health Coordinating Council (SHCC) during the meeting held May 26, 2010 which utilizes a 78% target planning occupancy rate. Mission Hospital is asking that that the bed need determination be reduced in Buncombe, Madison, and Yancey Counties from 69 acute care beds to **51** acute care beds based upon the use of an 80% target planning occupancy rate.

A more conservative planning approach using an 80% occupancy rate for hospitals with greater than 400 beds was considered by the Acute Care Work Group. This is the ~~new~~ ^{revised} ~~methodology~~ ^{mission hospital} ~~advocated~~ ^{advocated} for as the new revised acute care bed need methodology. Total utilization of the 673 acute care beds at Mission currently run at slightly less than 80% occupancy. As with all acute care hospitals utilization by day of the week varies and many days utilization of the existing acute care beds will exceed 80%. However, as hospitals strive to meet the challenges of healthcare reform Mission believes a more conservative target growth rate to be more appropriate for acute care services in Buncombe County.

In addition, Mission Hospital uses an 80% target planning occupancy rate for its ongoing internal strategic planning efforts. The use of an 80% planning threshold is commonly used in the strategic planning process by acute care hospitals to encourage efficiency of operation and reasonable planning. Mission supports the use of an 80% target planning occupancy rate to determine future acute care bed need in Buncombe, Mitchell and Yancey Counties.

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Medical Facilities
PLANNING SECTION

Mission Hospital is the tertiary care provider for Western North Carolina and is the largest provider of inpatient hospital care in its 18 county service area. The average total combined occupancy rate of all hospitals in Mission Hospital's service area is only 49.5% and Mission does not want to add acute care beds we do not believe are needed, in a region that is already over bedded.

As will be discussed in our Petition, it is not expected that Healthcare reform law concerning readmission rates will have a significant impact on Mission Hospital's utilization. Mission Hospital's readmission rates are below national averages and are in the NC state 75th % quartile, which puts Mission in the top, most favorable quartile.

In addition, as a result of the positive impact of providing coverage to the uninsured through Project Access and other Safety Net Systems in Buncombe County, The Patient Protection and Affordable Care Act of 2010 will have little impact on inpatient care provided by Mission Hospital. Counties, like Buncombe County, that have set up safety nets to deliver a significant level of healthcare to the uninsured, Medicaid, and other vulnerable patients will not be negatively impacted by this provision of health care reform.

Mission Hospital utilization for FFY 2010 YTD is 77.3%. If the CON Application for nine additional acute care beds is approved utilization for 2010 YTD will be 76.2%. The proposed bed need adjustment for additional acute care beds in Buncombe County in our Petition is based upon actual historical experience in patient origin, patient discharges, and reasonable assumptions and our ongoing internal strategic planning efforts. Mission supports the use of an 80% target planning occupancy rate to determine future acute care bed need in Buncombe County.

Our Petition requests that the State Health Coordinating Council decrease the need determination in Buncombe, Mitchell and Yancey Counties to 51 acute care beds to allow Mission to continue to meet the increasing health care needs of the community without providing excess acute care bed inventory.