

North Carolina State Health Coordinating Council
c/o Certificate of Need and Health Planning Section
Division of Health Service Regulation

**RE: Novant Health/HealthSouth Inpatient Rehabilitation Petition – Adjusted Need
Determination for HSA III in the Proposed 2018 SMFP**

Public Hearing Comments

Good morning. My name is Anita Pendergrast. I am Senior Director of Rehabilitation for Novant Health. In this role, I have operational responsibility for all inpatient and outpatient rehabilitation services at Novant Health. With me today are Dr. Laurie McWilliams, a neuro-intensivist in our new Advanced Stroke Program at NHPMC and Mr. Ed Mowen from HealthSouth. Novant Health and HealthSouth are filing an Adjusted Need Determination Petition for 50 additional inpatient rehabilitation beds in HSA III. As healthcare services move into the future concentrating on population health, leadership at Novant Health and HealthSouth determined that partnering HealthSouth's inpatient rehabilitation expertise with Novant Health's integrated system was an ideal match for the future of inpatient rehabilitation services in HSA III.

Novant Health has a long history of providing excellent rehabilitation services to residents of Winston Salem, Forsyth County and the surrounding counties in HSA II. We also operate The Stanback Center in Rowan County in HSA III, which is a small 10-bed unit that meets the need of residents in Rowan County. Although smaller than most inpatient rehab hospitals, patients receive excellent care at Stanback Rehab. Stanback's quality outcomes meet and often exceed regional and national benchmarks. I am here today to address the need for additional inpatient

rehabilitation beds in HSA III. Inpatient rehabilitation services in HSA III are unique for several reasons.

First, in-migration from out of state is exceedingly high in HSA III. In-migration to HSA III from out of state is more than twice the state average and considerably higher than all other HSAs. This means that at 80% target utilization, there are 23 beds that are not used for HSA III residents, or North Carolina residents.

Second, one inpatient rehabilitation unit is dedicated to children. The 13 inpatient rehabilitation beds at CMC-Levine are very highly utilized and meet the needs of many North Carolina children as well as many children from other states. However, they are not available to the adult population in HSA III.

Third, the inpatient rehabilitation bed to population ratio for HSA III is the highest in the state. A comparison of population per inpatient rehabilitation bed ratios is included in our Petition which illustrates the disparity in access to inpatient rehabilitation services between inpatient rehabilitation services in HSA III and other HSAs.

And finally, the lack of competition in HSA III sets it apart from the other HSAs. One provider owns and operates 95% of total inpatient rehabilitation beds in the HSA. This is not the case in any other HSA and this has impacted continuity of care for our patients.

We are asking for 50 additional inpatient beds based upon our analysis of the HSA III service area. Most importantly, the American Heart Association and the American Stroke Association issued new Guidelines for Adult Stroke Rehabilitation and Recovery in June 2016 which strongly recommend increased use of inpatient rehabilitation for most stroke patients. In June of this year NHPMC was designated by The Joint Commission as an Advanced Comprehensive Stroke Center, the only one in HSA III. This designation, along with the new AHA/ASA Guidelines, will impact inpatient rehabilitation and the need for additional beds in HSA III. Additional details are included in our Petition.

We also analyzed the benefit HealthSouth would bring to patients in HSA III. HealthSouth's expertise provides the opportunity to serve additional patients in HSA III who meet inpatient rehabilitation guidelines but are not currently being referred for inpatient rehabilitation care.

The last analysis performed was based upon the current inpatient rehabilitation methodology included the SMFP. Note that we are not asking to change the methodology; we believe that it doesn't work for HSA III as it would never justify enough additional beds for a new provider in the market. However, tweaking the methodology to project need five years out to take into consideration the planning process, the CON process, and time for development and construction of a new hospital, results in a need for 50 new inpatient rehabilitation beds in HSA III.

All of this information as well as letters of support are included in our Petition. Thank you very much for allowing us to present this information about our Petition today.