

Petition for Adjustment to Need Determination in Chapter 5 of the Proposed 2022 SMFP

Petitioner Contact Information

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Statement of Requested Adjustment

Chapter Five of the Proposed 2022 State Medical Facilities Plan (SMFP) shows zero (0) days of care in FY 2020 for Novant Health Mint Hill Medical Center, due to the lack of three full years of past data on which to make a COVID adjustment. Novant Health proposes that the COVID-adjusted need methodology for acute care beds in Chapter Five of the Proposed 2022 SMFP be revised to include actual FY 2020 acute care days for new hospitals when three years of past data are not available to make a COVID-adjustment to FY 2020 days of care.

The Proposed 2022 SMFP inadequately estimates the need for additional access to acute care beds, in light of the COVID-19 Pandemic

Annual acute inpatient days of care (DOC) come from Hospital Industry Data Institute (HIDI), a collector of hospital patient discharge information. Hospitals report to HIDI using the UB04 form. HIDI provides general acute care DOC by facility and data on patients' county of residence to the Cecil G. Sheps Center for Health Services Research at the University of North Carolina at Chapel Hill. The Sheps Center provides the Agency with aggregate data from the patient records that have been categorized as an "acute care/general discharge."¹

Due to the COVID-19 pandemic, and lower than expected days of care in March – June of FY 2020 statewide, the SHCC decided to adjust calculations for determining acute care bed need in the 2022 SMFP. In Steps 2 - 4 of the Proposed 2022 SMFP Acute Care Bed Need Methodology, 2020 Days of Care (DOC) were adjusted for each facility as follows:²

Step 2: Adjust the 2020 DOC for the months of March, April, May and June for each facility.

a. Calculate the average DOC weight for each month based on DOC across the previous three years (e.g., March 2017 Weight = March 2017 DOC / (2017 March DOC + 2018 March DOC + 2019 March DOC).

¹ Proposed 2022 SMFP, Page 34

² Proposed 2022 SMFP, Acute Care Bed Need Methodology, Steps 2-4 (Pages 35-36)

b. Multiply each weight by the actual DOC of the respective month/year (e.g., March 2017 Adjusted DOC = March 2017 Weight x March 2017 DOC).

c. Obtain the 2020 Adjusted DOC for each month by adding together the products for each of the respective months of the previous three years (e.g., March 2020 Adjusted DOC = March 2017 Adjusted DOC + March 2018 Adjusted DOC + March 2019 Adjusted DOC).

Step 3: *Apply the total adjusted number of inpatient DOC.*

a. Add together the DOC for the months of October 2019 – February 2020 and July – September 2020 as reported by each hospital and the Adjusted DOC for the months of March, April, May and June 2020 as calculated in Step 2.

b. Enter the total adjusted number of inpatient DOC provided by each hospital for the reporting year (Column F).

Step 4: *Calculate the projected inpatient DOC for each service area for the projection year as follows:*

a. Determine the total number of inpatient DOC during each of the last five reporting years.

b. Calculate the difference in the number of inpatient DOC provided from year to year.

c. For each of the last four reporting years, determine the percentage change from the previous reporting year by dividing the calculated difference in inpatient DOC by the total number of inpatient days provided during the previous reporting year $\left[\frac{\{\text{current reporting year} - \text{previous reporting year}\}}{\text{previous reporting year}}\right]$.

On October 1, 2018 Novant Health Mint Hill Medical Center (NH Mint Hill) opened in Mecklenburg County. Because data were unavailable for March, April, May, and June of 2017 and 2018, an adjustment could not be made for NH Mint Hill, and therefore the Proposed 2022 SMFP shows zero (0) acute care DOC for NH Mint Hill in FY 2020. According to NH Mint Hill's 2021 License Renewal Application, NH Mint Hill provided 7,508 acute care DOC in FY 2020. Novant Health has not identified any other hospitals that served patients in FY 2020 and submitted inpatient data to HIDI that were not recognized for having any acute care DOC in that year. Using zero (0) acute care DOC for NH Mint Hill in FY 2020, the Proposed 2022 SMFP methodology projects zero (0) acute care DOC for NH Mint Hill in FY 2023, which underestimates the need for inpatient beds in the service area. Because NH Mint Hill was open in FY 2018, acute care DOC for NH Mint Hill are recognized in the County Growth Rate Multiplier (CGRM) for FY 2018, but not in FY 2019, which artificially lowers the Mecklenburg County CGRM.

Novant Health proposes actual FY 2020 acute care DOC for NH Mint Hill be recognized in the Final 2022 SMFP instead of zero (0). While NH Mint Hill experienced a decline in acute care days of care in March - June of 2020 compared to the previous year, using NH Mint Hill's actual FY 2020 days of care is a more accurate reflection of acute care utilization in Mecklenburg County than omitting NH Mint Hill's FY 2020 DOC from the need determination calculation.

Alternatives Considered

The only alternative Novant Health considered was not filing a petition. However, the proposed revision above is reasonable and recognizes all hospitals in the state providing acute care DOC in FY 2020. The proposed revision more accurately reflects current and projected acute care utilization in North Carolina.