Recommendations and Related Materials

from the

Acute Care Services Committee

for the

May 28, 2008

State Health Coordinating Council Meeting

Acute Care Services Committee
Draft Recommendations to the North Carolina State Health Coordinating Council

May 28, 2008

The Acute Care Services Committee has met twice since the March Council Meeting. At the meeting on April 2 the Committee reviewed:

- The current Acute Care policies and methodologies.
- Revised wording for step 2 of the Operating Room Need Determination Methodology.
- Three operating room petitions from:
  - Affordable Health Care Facilities, LLC
  - Carolina Ophthalmology
  - Franklin Regional Medical Center
- One operating room comment from Randolph Hospital.

At the meeting on May 8, the Committee reviewed:

- Preliminary drafts of need projections by the standard methodologies.
- Comments from trauma centers related to the trauma center operating room exclusion.
- Data related to separating hospitals into tiers, based on total surgical hours. "Tiering" hospitals was a recommendation from the Operating Room Work Group.
- The Committee made preliminary recommendations with latitude provided for staff to continue updating figures as new or corrected data are received.

The Committee recommends the following for consideration in preparing the Proposed 2009 Plan:

Recommendations Related to Acute Care Beds:

- Acute Care Hospital Policies:

The Committee recommends no changes to the Acute Care Hospital Policies for the Proposed 2009 Plan.

- Acute Care Bed Need Methodology:

The Committee recommends no changes to the Acute Care Bed Need Methodology for the Proposed 2009 Plan.

- Draft Table 5A:

The Committee recommends approval of the preliminary draft Table 5A, which applied the standard Acute Care Bed Need Methodology to updated inventories and to the acute care days provided in FY 2007 as obtained from the Thomson database. Based on available data, the Growth Factor had decreased from.47% annually to 0.01% annually and application of the standard methodology indicated need for 30 additional acute care beds for Mecklenburg county.

However, in consideration of some unresolved data questions, the Committee authorized staff to continue working with The Sheps Center and with the hospitals to improve the data and to recalculate the need projections based on the improved data. The goal is to publish the revised need projections in the Proposed 2009 Plan for review and comment. However, if data issues are not resolved in time for publication in the Proposed 2009 Plan, staff will continue working over the summer on resolving the issues for the Final 2009 Plan. *(See Attachment A for the drafts of Table 5A: Acute Care Bed Need Projections and Table 5B: Acute Care Bed Need Determinations.)*

Recommendations Related to Operating Rooms:

- Step 2 of the Methodology for Projecting Operating Room Need:

The Committee recommends revising the wording of Step 2 of the methodology so that the wording matches the way that the surgical case data are gathered on the revised License Renewal Applications. This revision does not change the methodology. *(See Attachment B for the revised Step 2 wording.)*

- Trauma/Burn Center Exclusion:

The current Operating Room Need Methodology excludes one operating room for each Level I, II, and III Trauma Center and one additional operating room for each designated Burn Intensive Care Unit. The methodology also excludes the cases associated with the excluded operating rooms.

After discussing this exclusion, the Committee recommends gathering data to evaluate continuing to exclude surgical trauma cases from all trauma centers when determining operating room need. Specifically, the Committee recommends:

- Adding a note to the Proposed 2009 Plan asking for comments on this exclusion.

Obtaining data for each Trauma/Burn Center on the number of surgical trauma/burn cases, the total surgical trauma/burn case hours, and the average hours per surgical trauma/burn case. *(See Attachment C for comments regarding the Trauma/Burn Center Operating Room Exclusion.)*

- Petitions:

The Committee reviewed the following three petitions related to Operating Rooms: one from Affordable Health Care Facilities, one from Carolina Ophthalmology and one from Franklin Regional Medical Center.

Affordable Health Care Facilities and Carolina Ophthalmology:

The Affordable Health Care Facilities petition requested that the SHCC change the need methodology for ambulatory surgical operating rooms, which the petitioner asserts will provide more price competition, increased patient access and choice, and transparency of actual service

purchase costs through a managed approach allowing for increased levels of price competition, while accounting for such factors as care for indigent populations and the fragility of rural health care delivery. The Carolina Ophthalmology petition requested that the state issue an exemption to the CON process for ambulatory surgery centers for the discipline of ophthalmology. Given that both petitions propose changes to the Operating Room Need Methodology specific to single specialty operating rooms, the Committee decided to consider the two petitions together.

In its report, the Agency also considered these two petitions together and noted that the Affordable Health Care Facilities petition represented a serious effort to ensure that single specialty ambulatory surgical facilities meet the Basic Principles governing the development of the State Medical Facilities Plan and that adoption of some of the petitioner's criteria into the CON rules had the potential to enhance the CON process. The Agency also noted that it supported submission of innovative ideas, such as the ideas described in the petition. However, the Agency did not support perpetually exempting all single specialty, or only ophthalmology, ambulatory surgical facilities from any operating room need determination limits. Consequently, the Agency had two recommendations. The first recommendation was denial of both of the petitions, as submitted, and the second recommendation was that, as an experiment, one single specialty ambulatory surgery operating room be allocated to each of the following counties: Mecklenburg, Wake, Guilford, Forsyth and Cumberland.

The Committee did not concur with the Agency's recommendations but agreed that the Affordable Health Care Facilities petition raised good points and warranted further study. The Committee recommends forming a work group charged with reviewing the ideas put forth in the Affordable Health Care Facilities petition and with considering single specialty operating rooms. Given the short time frame to the end of this year, the Committee agreed this year to form the work group, (including but not limiting members to Dr. Cutchin and Dr. Greene) to plan the work group's activities and time schedule, and to have the work group report on its status at the last meeting of the year. Work group deliberations will carry into next year and will continue until the work group has developed recommendations, expected to be made early next year. The Committee recognized that the Quality, Access and Value (QAV) work group is in the process of updating and restating the Basic Principles and that the new work group's recommendations would need to be consistent with the restated Basic Principles. Consequently, the QAV work group results will be an important part of the new work group's deliberations. The Committee acknowledged the need to act on the petitions and anticipates doing so by the end of this year's planning cycle.
(See Attachment D for the Agency Report and the Affordable Health Care Facilities petition and the Carolina Ophthalmology petition.)

Franklin Regional Medical Center:
The Franklin Regional Medical Center petition requested a change to the OR need methodology that would apply different thresholds for OR need determinations to service areas based on the number of current ORs in that service area, such that:

- In a service area with five or fewer OR's and a "Projected OR Deficit" greater than or equal to 0.20 and less than or equal to 1.0, the "OR Need Determination" is equal to 1.0.

- In a service area with six to ten OR's and a "Projected OR Deficit" greater than or equal to 0.30 and less than or equal to 1.0, the "OR Need Determination" is equal to the "Projected OR Deficit" rounded to 1.0.
- In a service area with ten or more OR's and a "Projected OR Deficit" greater than or equal to 0.50, the "OR Need Determination" is equal to the "Projected OR Deficit" rounded to the next whole number.
- In all service areas with "Projected OR Deficit" greater than 1.0, the "OR Need Determination" is equal to the "Projected OR Deficit" rounded to the next whole number.

In the Agency report, the Agency noted that review of the petition clearly showed the inequity in the necessary utilization rate per operating room in facilities with a small number of operating rooms compared to facilities with a large number of operating rooms. On this basis, the Agency recommended and the Committee recommends that the petitioner's request to change the rounding thresholds for service areas with one to five and six to ten operating rooms be approved.

Additionally, the Committee recommends that the same rounding factors for service areas with one to five operating rooms and six to ten operating rooms extend to projected operating room needs that are greater than one, such that:

- In a service area with five or fewer ORs and a "Projected OR Deficit" greater than or equal to 1.20 and less than or equal to 2.0, the "OR Need Determination" is equal to 2.0; a "Projected OR Deficit" greater than or equal to 2.20 and less than or equal to 3.0, the "OR Need Determination" is equal to 3.0, etc.

- In a service area with six to ten ORs and a "Projected OR Deficit" greater than or equal to 1.30 and less than or equal to 2.0, the "OR Need Determination" is equal to 2.0; a "Projected OR Deficit" greater than or equal to 2.30 and less than or equal to 3.0, the "OR Need Determination" is equal to 3.0, etc.

However, the Committee does not recommend changing the rounding factors for services areas with more than 10 operating rooms. *(See Attachment E for the Agency Report and the Franklin Regional Medical Center petition.)*

- Comments:

Randolph Hospital submitted a comment pertaining to the Operating Room Need Methodology as it applies to rural counties and providers. The comment is provided for information and the Committee recommends no action be taken on this comment. *(See Attachment E for the Randolph Hospital comment.)*

- Draft Tables 6A, 6B and 6C:

The Committee recommends approval of the preliminary drafts of Tables 6A, 6B and 6C. Application of the standard methodology, including the modified rounding factors as described in the Franklin Regional Medical Center petition, indicated need for:

- 2 additional operating rooms in Carteret County
- 1 additional operating room in Franklin County
- 1 additional operating room in Johnston County
- 1 additional operating room in Union County

(See Attachment F for the most recent drafts of Table 6A: Operating Room Inventory, Table 6B: Projected Operating Room Need for 2011 and Table 6C: Operating Room Need Determinations.)

- Tiering Data:

The Committee reviewed data related to separating hospitals and ambulatory surgical facilities into tiers based on total surgical hours. Developing the capacity to "tier" facilities was a recommendation from last year's Operating Room Work Group. The goal is to replace the current assumption of 9 hours of OR time available per OR per day and the standard case times of 3 hours per inpatient case and 1.5 hours per outpatient case with averages based on actual facility experience.

The Committee recommends providing in the Proposed 2009 Plan a version of Table 6B with the standard OR time availability and case time assumptions replaced with "tiered" averages. This version of Table 6B will be clearly identified in the Proposed Plan as "for discussion only" and "not used for need determinations". *(See Attachment G, Tiering Data, showing tiered facility data.)*

Recommendations Related to Other Acute Care Services

There were no petitions or comments received related to any of the Other Acute Care Services. The Committee recommends no changes to Policy AC-6 (Heart-Lung Bypass Machines for Emergency Coverage) or to the methodologies.

- Open Heart Surgery Services and Heart-Lung Bypass Machines

Based on the updated data shown in Attachment H, the Committee recommends no need for additional Open Heart Surgery Services and no need for additional Heart-Lung Bypass Machines for review in 2009. *(See Attachment H.)*

- Burn Intensive Care Services

Likewise, updated data are presented for Burn Intensive Care Services. Based on these data, the Committee recommends no need for additional burn intensive care services for the Proposed 2009 Plan. *(See Attachment H.)*

- Bone Marrow Transplantation Services and Solid Organ Transplantation Services

Finally, updated data are presented for Bone Marrow Transplantation Services and for Solid Organ Transplantation Services. The reported data did not show sufficient procedures to warrant additional transplantation services. Therefore, the Committee recommends no need for additional bone marrow transplantation services and no need for additional solid organ transplantation services for the Proposed 2009 Plan. *(See Attachment H.)*

Recommendations Related to Inpatient Rehabilitation Beds

- There were no petitions or comments received related to Inpatient Rehabilitation.

- Regarding the current Inpatient Rehabilitation methodology, the Committee recommends carrying the current methodology forward for the Proposed 2009 Plan.

- The average annual utilization rate for each of the six Health Service Areas was below the threshold of 80%. Therefore, the Committee recommends no need for additional inpatient rehabilitation beds for review during 2009. *(See Attachment I for a draft of Table 8A: Inpatient Rehabilitation Bed Inventory and Utilization.)*

The Acute Care Services Committee also authorized staff to make changes in data and narrative as additional information is received. The purpose of this authorization is to make the Proposed 2009 Plan as complete and up-to-date as possible.