Medical Facilities Planning

Acute Care Services Committee Minutes

April 24, 2010

10:00 am – 12 Noon

The Jane S. McKimmon Center

MEMBERS PRESENT: Dr. Sandra Greene; Bill Bedsole; Greg Beier; Dr. Lawrence Cutchin; Dr. Leslie Marshall; Dr. Zane Walsh

MEMBERS ABSENT: Daniel Hoffmann; Dr. Don Bradley

Medical Facilities Planning Section Staff Present: Victoria McClanahan; Carol Potter; Gene DePorter; Kelli Fisk

DHSR Staff Present: Elizabeth Brown; Jeff Horton; Craig Smith

Attorney General's Office: Angel Gray

Topic	Discussion	Motions	Recommendations/ Actions
Welcome & Introductions	Dr. Greene welcomed members, staff and visitors to the meeting. She noted that the meeting is open to the public, but that the meeting did not include a Public Hearing. Therefore, discussion was limited to members of the Committee and staff, unless questions were directed specifically to someone in the audience.		None
Review of Executive Order No. 10: Ethical Standards for the State Health Coordinating Council	Dr. Greene reviewed Executive Order 10: Ethical Standards for the State Health Coordinating Council. Dr. Greene gave an overview on the procedures to observe before taking action at the meeting. Each member of the Committee commented on his or her professional and institutional interest. Mr. Beier stated that he would recuse himself from voting on the Novant Petition. No other member indicated having a financial benefit that would be derived from any matter coming before the Committee for action.		None
Approval of minutes from the September 23, 2009 Meeting	Motion to approve the September 23 2009 minutes.	Mr. Beier Mr. Bedsole	Minutes approved
Acute Care Services Work Group Update	Dr. Greene provided an Acute Care Services Work Group update, noting the following: • Work group first met in early 2009, in response to petitions filed regarding acute care bed need determinations. • Original work group charge was to address the Acute Care Bed Need methodology, specifically the statewide average growth rate, which it was felt did not result in accurate acute care bed need projections. • Work group compared bed need projection scenarios assuming a statewide average growth rate and county specific growth rates. • Work Group has reached consensus on 4 of 5 variables and will review additional scenarios on April 21 2010, with the goal of reaching a consensus on the 5th variable (occupancy rates) and developing an Acute Care Bed Need Projection methodology recommendation for the ACS Committee to consider at the May 5th ACS Committee meeting. • After placing Hoke County in both a Cumberland-Hoke and a Moore-Hoke service area for the 2010 Plan, Work Group's scope was expanded to include reviewing all multi-county acute care bed and operating room service areas for possible changes in the 2011 Plan. • Regarding Acute Care Bed and Operating Room Service Areas, Dr. Greene provided the following recommendations from the work group:		

Topic	Discussion	Motions	Recommendations/ Actions
	Use 35% as the threshold for determining if a county with no hospital/licensed facility with at least 1 OR would be assigned to 2 counties, i.e., use the following decision rules: Acute Care Beds: 1. Counties lacking a licensed acute care hospital are grouped with the single county where the largest proportion of patients received inpatient acute care services, as measured by acute inpatient days, unless; a. Two counties with licensed acute care hospitals each provided inpatient acute care services to at least 35% of the residents who received inpatient acute care services, as measured by acute inpatient days. 2. If 1.a is true, then the county lacking a licensed acute care hospital is grouped with both the counties which provided inpatient acute care services to at least 35% of the residents who received inpatient acute care services, as measured by acute inpatient days. Operating Rooms: 1. Counties with no licensed facility with at least one operating room are grouped with the single county where the largest proportion of patients had surgery, as measured by number of surgical cases, unless; a. Two counties with licensed facilities with at least one operating room, each provided surgical services to at least 35% of the residents who received surgical services, as measured by number of surgical cases. 2. If 1.a is true, then the county with no licensed facility with at least one operating room is grouped with both the counties which provided surgical services to at least 35% of the residents who received surgical services, as measured by number of surgical cases. • With respect to when a county with no hospital/licensed facility with at least 1 OR becomes its own single county service area, the workgroup recognizes that according to Policy Gen-2, the trigger is upon issuance of a CON for acute care beds/ORs. However, the workgroup expressed concerns about the unintended consequences with respect to the generation of continued need (in the paired county) prior to opening of new services, and recommends that the Acute Care Services Committee consider modifying Policy Gen-2 to establish licensure, rather than CON issuance, as the trigger point. • Refer Acute Care bed and Operating Room Service Area recommendations to the Acute Care Services Committee for their review and approval. Discussion: • Work Group recommended using 3 years of combined data to prevent frequent shifting of service areas based on a single year's data. • Rationale for using 35% of patients as decision rule is that using 30% resulted in some counties without hospital/ORs being included in multiple multi-county service areas. • Members discussed "trigger" for when a county in a multi-county service area becomes a single		

Topic	Discussion	Motions	Recommendations/ Actions
	county service area: o Concern about lag time between CON issuance and start of operations – during the lag time, patients in the "CON awarded but no beds/ORs" paired county will continue to utilize services in the county with beds/ORs, which could possibly result in generation of a need for additional beds/ORs in the county with bed/ORs. o To alleviate concern, Work Group recommended using licensure, not CON issuance as the "trigger" for when the paired county becomes its own service area. o Consequence of waiting until licensure is that a county with beds/ORs could move inventory into the "CON awarded but no beds/ORs" paired county. However, in this instance, since beds/ORs are being moved, this would not result in duplication of services but would move services closer to people using them, which is consistent with the Access principle. o Time between licensure and service provision is usually very short. o There is no set period between issuance of a CON and licensure – period varies by type of facility – three years is typical for a hospital, less time for an OR. Average time for a contested CON case is about 18 months o Argument in favor of using licensure is that some CONs are relinquished. • Using combined 2006, 2007 and 2008 patient origin data changes some multi-county acute care bed service areas – dropping 2006 data and adding 2009 data may result in other changes. • Swain County, which has ORs, was included in a multi-county OR service area as a result of approval of a petition. • Including the new multi-county service areas in the Proposed 2011 Plan will provide people the opportunity to comment on the new service areas. Motion to approve the Acute Care Services Work Group recommendations for multi-county Acute Care Bed and Operating Room service areas (using 35% and the recommended decision rules) and to change Policy Gen-2 such that a multi-county service area county lacking acute care beds/ORs becomes a single county service area upon licensure of acute care beds/facility with operating rooms.	Cutchin Walsh	Motion unanimously approved
Acute Care Policies and Acute Care Bed Need Methodology	Ms. McClanahan reviewed the Acute Care Policies and Acute Care Bed Need Methodology.	None	None
Petition 1: Acute Care Bed Petition – Mike Vicario, NCHA	Ms. McClanahan reviewed the Agency report on the petition to revise Policy AC-5, Replacement of Acute Care Bed Capacity. Petitioner requested amending Policy AC-5 to enable Critical Access Hospitals (CAHs) to count acute and swing bed days of care in the formula used to determine needed replacement capacity. The Agency recommended including swing bed days when calculating Policy AC-5 target occupancy rates. However, to ensure clarity and to ensure that swing bed days are counted only for proposals to replace acute care beds in Critical Access Hospitals, the Agency recommends that Policy AC-5 be revised as follows: **DRAFT POLICY AC-5: REPLACEMENT OF ACUTE CARE BED CAPACITY**		

Topic	Discussion	Motions	Recommendations/ Actions
	Proposals for either partial or total replacement of acute care beds (i.e., construction of new space for existing acute care beds) shall be evaluated against the utilization of the total number of acute care beds in the applicant's hospital in relation to utilization targets found below. For hospitals not designated by the Center for Medicare and Medicaid Services as Critical Access Hospitals, in determining utilization of acute care beds, only acute care bed "days of care" shall be counted. For hospitals designated by the Center for Medicare and Medicaid Services as Critical Access Hospitals, in determining utilization of acute care beds, only acute care bed "days of care" **and** swing bed days (i.e., nursing facility days of care) shall be counted in determining utilization of acute care beds. Any hospital proposing replacement of acute care beds must clearly demonstrate the need for maintaining the acute care bed capacity proposed within the application. Additionally, if the hospital is a Critical Access Hospital and swing bed days are proposed to be counted in determining utilization of acute care beds, the hospital shall also propose to remain a Critical Access Hospital and must demonstrate the need for maintaining the swing bed capacity proposed within the application. If the Critical Access Hospital does not propose to remain a Critical Access Hospital, only acute care bed "days of care" shall be counted in determining utilization of acute care beds and the hospital must clearly demonstrate the need for maintaining the acute care bed capacity proposed within the application. Discussion: • Some CAHs listed in the Agency Report have more than 25 beds – clarified that a CAH may only have 25 Medicare certified beds but may have additional beds that are not Medicare certified. • Swing Bed Days are not counted in the nursing home bed need methodology. Motion made to approve the agency recommendation to revise Policy AC-5 as shown above.	Mr. Beier Mr. Young	Motion unanimously approved
Operating Room Need Methodology Review	Ms. McClanahan reviewed the Operating Room Need Methodology	None	None
Petition 2: Operating Room Petition – Barb Freedy, Novant Health	Ms. McClanahan reviewed the Agency report on the petition to adjust the definition and criteria for "Chronically Underutilized ORs in Licensed Facilities" as set forth in Step 4(m), Chapter 6, "Operating Rooms", of the Proposed 2010 SMFP, so that at least 36 full months of actual OR case volume data from the provider's Hospital and Ambulatory Licensure Renewal Application is considered in determining whether the ORs are "operating in licensed facilities at less than 40% utilization." The Agency recommended that the definition of chronically underutilized licensed facilities in Step 4(m), Chapter 6, "Operating Rooms" be revised as follows: (m) "…Chronically underutilized licensed facilities are defined as licensed facilities operating at less than 40 percent utilization for the past two fiscal years, which have been licensed long enough to submit at least ~~two~~ three License Renewal Applications to the Division of Health Service Regulation." Motion made to approve the agency recommendation to change the definition of chronically	Mr. Young	Motion approved

Topic	Discussion	Motions	Recommendations/ Actions
	underutilized licensed facilities as shown above.	Dr. Cutchin Mr. Beier recused himself from voting on this petition.	
Petition 3: Bob Blake – Affordable Healthcare Facilities	Ms. McClanahan reviewed the Agency Report on the petition for a new CON Methodology related to Ambulatory Surgical Operating Rooms based on pilot demonstrations, disclosure, and consumer choice and a request to (i) revise the composition and authority of the SHCC and (ii) establish parameters for more CON's to be issued where increased price competition would be beneficial to consumers to increase quality, access, and value of health care services. In support of Executive Order 139 and the current State Health Coordinating Council, the Agency recommended disapproval of the petition. Motion made to deny the petition because the request is outside the purview of the current regulations governing the State Health Coordinating Council.	Mr. Beier Mr. Bedsole	Motion unanimously approved
Other Acute Care Services	Ms. McClanahan reviewed Policy AC-6 (Heart-Lung Bypass Machines); Open-Heart Surgery Services and Heart-Lung Bypass Machines Methodologies; Burn Intensive Care Services Methodology; and Bone Marrow and Solid Organ Transplantation Services Methodologies.	None	None
Inpatient Rehabilitation Services	• Ms. McClanahan reviewed the Inpatient Rehabilitation Bed Need methodology and the draft proposed last steps to the methodology, which indicate how many additional inpatient rehabilitation beds are needed when need for additional beds is determined. Discussion: • Assuming the HSA as the planning area and an 80% utilization trigger for additional beds are part of the current methodology. • Need for inpatient rehab beds not likely to grow as fast as need for acute care beds so reasonable not to compound growth, as is done with acute care bed need. Motion to approve the proposed last steps to the Inpatient Rehabilitation Methodology.	Dr. Cutchin Dr. Walsh	Motion unanimously approved
	A motion was made to approve all Acute Care policies and methodologies, and any changes to the policies and methodologies made by the Committee today.	Mr. Beier Mr. Young	Motion unanimously approved
Other Business	Question asked about new attendance Executive Order. Mr. Horton noted that the 75% attendance requirement is calculated base on two years of meetings.		Angel Gray (NC AG's Office) to look into this and report back to the Committee.
Adjournment	Dr. Greene adjourned the meeting.		