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**Acute Care Services Committee**  
**Recommendations to the North Carolina State Health Coordinating Council**  
**June 7, 2017**

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The Acute Care Services Committee met twice this year, first on April 4 and again on May 2.

Topics reviewed and discussed at the April 4 meeting included:

- Current Acute Care Services policies and methodologies;
- Review of recommendations from the Operating Room Methodology Workgroup;
- A Change to Policy AC-3, based on the recommendation of the Operating Room Methodology Workgroup;
- Adherence to strict deadlines for accepting comments to petitions; and
- A presentation by Triangle Orthopaedics Surgery Center.

Topics reviewed and discussed at the May 2 meeting included:

- Preliminary drafts of need projections generated by the standard methodologies in the Acute Care Services chapters;
- A comparison between Licensure and Truven Health Analytics data;
- Presentation of data pertaining to the new operating room methodology.

Comments were received regarding the revision of the operating room methodology. In addition, there was one petition related to Chapter 6.

The Committee authorized staff to update narratives, tables, and need determinations for the Proposed 2018 SMFP, as updates are received.

The following is an overview of the Committee's recommendations for Acute Care Services (Chapters 5 through 8) for the Proposed 2018 SMFP.

**Chapter 5: Acute Care Hospital Beds**

- The Committee reviewed and discussed the policies, methodology, and assumptions for acute care beds.
- Licensure and Truven Health Analytics acute days of care were reviewed for discrepancies exceeding  $\pm 5\%$ . Staff will work with the Sheps Center, Truven, and the hospitals during the summer to improve discrepant data. Staff will notify the Committee if need projections change.

- Committee members reviewed draft Tables 5A, 5B, and 5C. At the time of the meeting, calculations resulted in a need determination of 93 acute care beds. North Carolina Baptist Hospital notified the Agency of errors in their Truven data. They requested that the Committee substitute days of care from the License Renewal Application in the Proposed 2018 SMFP with the expectation that the refreshed Truven data will be corrected for the final 2018 SMFP. This substitution removed the draft need in Forsyth County originally reported at the May 2 meeting. Since the meeting, data updates and corrections added needs in Moore and Orange Counties and adjusted the need in Mecklenburg County, for a total draft need determination of 90 acute care beds:
  - **32 additional acute care beds in the Mecklenburg County service area**
  - **22 additional acute care beds in the Moore County service area**
  - **36 additional acute care beds in the Orange County service area**

### **Chapter 6: Operating Rooms**

- At last year's meeting in September, the Committee noted that Triangle Orthopaedics Surgery Center was not in compliance with one of the requirements of the Single Specialty Ambulatory Surgery Facility Demonstration Project. The facility did not meet the requirement that at least 7% revenue would be attributed to self-pay and Medicaid patients. As a result, the Agency directed the facility to provide payer mix data more frequently and to describe their activities and plans to achieve the 7% requirement. As requested, Triangle Orthopaedics reported back at the April 2017 meeting. The payer mix reports showed that the facility has been achieving the 7% requirement and that activities designed to achieve and maintain this level are ongoing.
- There was one petition for Chapter 6. The Agency received two letters of support for this petition. The Agency received one comment after the deadline, which the Committee voted not to accept and voted to reiterate adherence to the comment deadlines. The Agency did not consider this comment when preparing its report.

**Petitioner:** J. Arthur Doshier Memorial Hospital

**Request:** The petitioner made two requests. The first request was the addition of Policy AC – 7. This policy would require an applicant for one or more operating rooms in a service area with a critical access hospital to obtain a letter from that hospital stating that the proposed ORs would not have an adverse impact on its ability to provide essential services. The second request was to dispense with the standard rounding of fractional OR deficits in service areas with a critical access hospital unless the critical access hospital reports at least 90% utilization of its OR capacity, based on the new OR methodology assumptions.

**Committee Recommendation:** The Agency's analysis showed that the unique characteristics of Brunswick County made the circumstances described in the petition unlikely to exist anywhere else in the state. Spring petitions are intended to address policies and methodologies with the potential for a statewide impact. The summer petition process would be the appropriate avenue by which to address Doshier Hospital's concerns. The Committee voted to deny the petition; the vote was 3 in favor of denial, 1 opposed.

The Committee approved a motion to have the staff study and review issues surrounding the provision of surgical services in Brunswick County and report back at the next meeting. The staff provided a report at the May 2 meeting that showed the certificates of need issued in rural counties, the pattern of surgical procedures in Brunswick County since 2011, and current need determinations in the Brunswick County service area.

- The Committee reviewed and discussed the changes recommended by the Operating Room Methodology Workgroup and by Healthcare Planning staff. The Committee voted to make the following changes to the methodology and assumptions:
  - Group facilities by the total number of surgical hours derived from data reported on the License Renewal Application.
  - Calculate operating room deficits and surpluses separately for each health system.
  - Base availability and utilization assumptions on the group to which the facility is assigned.
  - Need determination calculations use case times reported by the facility, adjusted for outliers.
  - When a need is calculated, the minimum need determination is two operating rooms. The maximum operating room need determination in a single service area is six. These changes will be evaluated after the first year of implementation of the new methodology.
  - Revise Policy AC-3 to include in the inventory and need determination calculations all operating rooms approved under this policy and their associated procedures, regardless of the date of approval.
- Staff added a table in the methodology section of the narrative to show the average inpatient and ambulatory case times by group. This information is important for the CON application process.
- The Committee reviewed Tables 6A, 6B, and 6C. At the time of the May 2 Acute Care Services Committee meeting, the new methodology resulted in a need determination for 28 ORs. Since that meeting, corrections and updates to the tables resulted in **need determinations for 30 ORs:**
  - **2 ORs in Buncombe County**
  - **4 ORs in Durham County**

- **6 ORs in Forsyth County**
  - **6 ORs in Mecklenburg County**
  - **6 ORs in Orange County**
  - **6 ORs in Wake County**
- Updated Tables 6A, 6B, and 6C have been posted for this meeting.
  - The Committee reviewed the new Table 6E, which lists the four facilities issued Certificates of Need to develop operating rooms for the Dental Single Specialty Ambulatory Surgical Facility Demonstration Project.
  - The Committee also reviewed the Endoscopy Room Inventory in Table 6F. The updated table has been posted for this meeting.

### **Chapter 7: Other Acute Care Services**

- The Committee reviewed the policy and methodologies for open-heart surgery services, burn intensive care services, and bone marrow and solid organ transplantation services.
- Staff presented draft Tables 7A, 7C, 7E and 7F. There are **no need determinations** for these services at this time.

### **Chapter 8: Inpatient Rehabilitation Services**

- The Committee reviewed the methodology and assumptions for Inpatient Rehabilitation Services, as well as a draft of Table 8A.
- Application of the standard methodology indicated **no need for additional inpatient rehabilitation beds** in the state at this time.

### **Committee Recommendation Regarding Acute Care Services:**

The Committee recommends acceptance of the Acute Care Services policies, methodology and assumptions, and draft tables, with the understanding that staff will make updates as needed. In addition, references to dates will be advanced one year, as appropriate.