



Acute Care Services Committee Minutes

April 9, 2019
10:00 AM – 12:00 PM
Brown Bldg. Room 104

DRAFT

MEMBERS PRESENT: Dr. Sandra Greene; Christina Apperson, Mr. Allen Feezor, Mr. William (Brian) Floyd, Dr. Robert McBride, Dr. Cheryl Haugan, Dr. Christopher Ullrich (<i>ex officio</i> , did not vote on any motions)
MEMBERS ABSENT: Rep. Gale Adcock; Sen. Gladys Robinson, Mr. Ken Lewis
HPCON Staff Present: Dr. Amy Craddock, Elizabeth Brown, Dr. Tom Dickson, Dr. Andrea Emanuel, Ms. Martha Frisone, Ms. Gloria Hale, Ms. Fatimah Wilson, Ms. Melinda Boyette, Ms. Trenesse Michael
Attorney General’s Office: Bethany Burgon

Agenda Items	Discussion/Action	Motions	Recommendations/ Actions
Welcome & Introductions	<p>Dr. Greene welcomed members, staff, and the public to the first Acute Care Services Committee meeting of 2019. Dr. Greene asked Committee members and staff in attendance to introduce themselves. Dr. Greene explained that the meeting was open to the public, but discussions, deliberations and recommendations would be limited to members of the Acute Care Services Committee and staff.</p> <p>Dr. Greene stated that the purpose of this meeting was to review the policies and methodologies for the <i>Proposed 2020 State Medical Facilities Plan (SMFP)</i>.</p>		
Review of Executive Order No. 46 Reauthorizing the State Health Coordinating Council and Executive Order No. 122 Extending the State Health Coordinating Council	<p>Dr. Greene reviewed Executive Orders 46 and 122 with committee members and explained procedures to observe before taking action at the meeting. Dr. Greene inquired whether any member had a conflict of interest or needed to declare that they would derive a financial benefit from any matter on the agenda. She asked if any member intended to recuse himself or herself from voting on any agenda item. There were no recusals.</p>		
Approval of minutes from the September 11, 2018 Meeting	<p>A motion was made and seconded to approve the September 11, 2018 minutes.</p>	<p>Mr. Feezor Ms. Apperson</p>	<p>Minutes approved</p>

Agenda Items	Discussion/Action	Motions	Recommendations/ Actions
Acute Care Hospital Beds – Chapter 5	<p>No petitions or comments were received pertaining to Chapter 5.</p> <p>Dr. Andrea Emanuel provided a review of the four general policies in Chapter 4 that apply to all health services. She then reviewed the policies and methodology specific to acute care beds.</p>		
	<p><u>Committee Recommendation</u> A motion was made and seconded to carry forward the Acute Care Bed policies and need determination methodology without changes.</p>	<p>Ms. Apperson Dr. McBride</p>	<p>Motion approved</p>
Operating Rooms – Chapter 6	<p>There are no OR policies in Chapter 4 of the SMFP. Dr. Emanuel reviewed the OR need determination methodology.</p>		
	<p><u>Committee Recommendation</u> A motion was made and seconded to carry forward the OR need determination methodology without changes.</p>	<p>Dr. Haugan Ms. Apperson</p>	<p>Motion approved</p>
	<p>Two petitions were received for Chapter 6. However, the petition from EmergeOrtho Blue Ridge Division was later withdrawn. Dr. Emanuel summarized the Agency Report for the petition submitted by Appalachian Regional Healthcare System.</p> <p><i>Petitioners: Appalachian Regional Healthcare System</i> Appalachian Regional Healthcare System requests that the 2020 SMFP and subsequent SMFPs reflect an adjustment to service areas “such that the Watauga County Operating Room (OR) Service Area be merged with the Avery County OR Service Area” for the purposes of determining need. There was one comment received in opposition to the petition. During the current part of the SMFP cycle, the SHCC is considering petitions that request changes in basic policies and methodologies. However, during the summer petition process, the SHCC considers petitions requesting adjustments to need projections.</p> <p>In the current petition, Appalachian Regional Healthcare System has not sought to introduce a policy nor to change the methodology as the spring petition process requires. Rather, the petitioner seeks to change the existing service area boundaries, which means the petitioner believes specific attributes of the geographic area are related to differences in resource requirements. This type of petition would be considered in the summer. Thus, the agency recommends</p>		

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	<p>denial of the Petitioner’s request to merge the Watauga County and Avery County OR Service Areas. The Agency believes that it would be appropriate to reconsider this petition in the summer should the petitioner choose to re-submit it.</p> <p><u>Discussion</u> There was a discussion of how staff handles petitions that are not submitted at the appropriate time. If staff is aware that an applicant wishes to submit a petition in the spring, for example, but it is appropriate for the summer, the staff will inform the applicant. However, if the applicant actually submits the petition at the inappropriate time, the Agency must still respond.</p> <p><u>Committee Recommendation</u> A motion was made and seconded to deny the petition from Appalachian Regional Healthcare System.</p>	<p>Dr. McBride Mr. Fulton</p>	<p>Motion approved</p>
<p>Other Acute Care Services - Chapter 7</p>	<p>There were no petitions or comments received regarding the policies and methodology for Chapter 7. Dr. Emanuel reviewed the Acute Care policy pertaining to this chapter and the need determination methodologies for Burn Intensive Care Services and Transplantation Services.</p> <p><u>Committee Recommendation:</u> A motion was made and seconded to carry forward the current methodologies for the Other Acute Care Services.</p>	<p>Dr. Feezor Ms. Apperson</p>	<p>Motion approved</p>
<p>Inpatient Rehabilitation Services – Chapter 8</p>	<p>There were no petitions or comments received for Chapter 8. There are no policies specific to Inpatient Rehabilitation services; Dr. Emanuel reviewed the need determination methodology for these services.</p> <p><u>Committee Recommendation:</u> A motion was made and seconded to carry forward the current methodology for Inpatient Rehabilitation Services.</p>	<p>Dr. Haugan Dr. McBride</p>	<p>Motion approved</p>

Agenda Items	Discussion/Action	Motions	Recommendations/ Actions
End-Stage Renal Disease Dialysis Facilities – Chapter 14	<p>One petition and six comments were received for Chapter 14. There is one policy and two need methodologies specific to End-Stage Renal Disease dialysis facilities; Ms. Elizabeth Brown summarized the Agency Report for the petition submitted by Wake Forest Baptist Health.</p> <p><i>Petitioners: Wake Forest Baptist Health</i> Wake Forest Baptist Health (WFBH) petitioned to change basic policies and methodologies for End-Stage Renal Disease in the Proposed 2020 State Medical Facilities Plan (SFMP). The petitioner’s rationale for these changes was “...to ensure that dialysis facilities will be developed or expanded based on the most up-to-date data available if the SDR is no longer published,” and “...that the need of current and future dialysis patient population in North Carolina will continue to be met.”</p> <p>The Acute Care Committee was in the process of reviewing the current ESRD methodologies. The Agency prepared a comprehensive report to facilitate that process. Because the full committee had not held these discussions, the Agency recommended denial of the petition.</p>		
	<p><u>Committee Recommendation</u> A motion was made and seconded to deny the petition from Wake Forest Baptist Health.</p>	Mr. Feezor Dr. McBride	Motion approved
	<p><i>Presentation of Agency Discussion Paper</i> Dr. Amy Craddock presented a report summarizing the activities that have taken place regarding the transition of the Semiannual Dialysis Report (SDR) to full incorporation of ESRD into the State Medical Facilities Plan (SMFP).</p> <p>To accomplish incorporation of the ESRD process into the SMFP, the agency prepared two options for the Acute Care Services Committee to consider. The first option presented was an adjustment to the existing facility need methodology. The second was policy-based approach for facility needs.</p> <p>Dr. Tom Dickson provided an overview of the model developed by Healthcare Planning. He explained how the tool compares the facility-based needs generated between an annual and semiannual process.</p>		

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	<p><u>Discussion</u> Ms. Lucy Bode was invited to talk about her concerns with the Agency’s model. Ms. Lucy Bode handed out a document containing two examples (Attachment 1). A document was also submitted to Healthcare Planning the day before the meeting (Attachment 2). Ms. Bode walked through two examples where the agency’s model raised a concern</p> <p>Dr. Greene asked the staff to respond. Dr. Craddock said staff is aware of these issues. Staff believes that they have incorporated these issues into the model to the extent possible.</p> <p>Ms. Apperson stressed that is important for the Committee and SHCC to make certain that patients are well served.</p>		
	<p><u>Committee Recommendation</u> A motion was made and seconded to approve the agency-designed methodology including proposed parameters, with the caveat that staff review the special needs of new dialysis facilities and relocated stations/dialysis facilities.</p>	<p>Dr. Haugan Dr. McBride</p>	<p>Motion approved</p>
Other Business	<p>None. Dr. Greene announced that the next meeting of the Committee is Tuesday, May 7, 2019 at 10:00 am and the next SHCC meeting is Wednesday, May 29, 2019. Both meetings will be at 10:00 in Conference Room 104 of the Brown Building.</p>		
Adjournment	<p>Dr. Greene adjourned the meeting.</p>	<p>Ms. Apperson Dr. Haugan</p>	<p>Motion approved</p>

ATTACHMENT 1

FACILITY NEED NOW PLAN		Example A – Facility Transfers Stations	Example B – SMFP's show no growth
		Facility transfers 10 stations and 32 patients to a new location between 12/31/2017 and 12/31/2018.	Impact on a facility showing no change in census for the last two SMFP's that needs stations now.
2019 SMFP – Data as of: 12/31/2017 (NOT APPLICABLE)		20 stations, 64 patients, 80% utilization rate	20 stations, 56 patients, 75% utilization
2020 SMFP – Data as of: 12/31/2018		10 stations, 32 patients, 80% utilization rate	20 stations, 56 patients, 75% utilization
Facility NOW Date The date of the current patient census required in the ESRD CON application (Section C and pro forma Form C		10 stations, 40 patients, 100% utilization rate	20 stations, 80 patients, 100% utilization
a.	Facility utilization as of the NOW date is 80% or more.	Yes	Yes
b.	i. The facility's census NOW date (<i>used in this example</i>) is:	3/1/2020	3/1/2020
	ii. Calculate the number of months between the 2020 SMFP data date (12/31/2018) and the NOW date (3/1/2020):	14 Months	14 Months
iii.	Facility's Number of NOW Patients:	40	80
	ICH patients reported in the 2020 SMFP (12/31/2018)	32	56
	The difference is the net ICH change since 2020 SMFP data was reported. (NOW Census) – 2020 SMFP – Net ICH Change	8	24
iv.	Divide the Net ICH Change in iii. by the number of months in ii., above. (<i>This is the average monthly patient growth</i>)	0.571428571	1.714285714
v.	Multiply the result of iv., by 12 to get the Annual ICH Growth .	6.857142857	20.57142857
vi.	Add the Annual ICH Growth from v., to the facility's NOW patients to determine the projected ICH patients a year from NOW .	$40 + 6.857142857 = \underline{46.857142857}$	$80 + 20.57142857 = \underline{100.57142857}$
		<u>46.857142857</u> Projected Total Patients	<u>100.57142857</u> Projected Total Patients
vii.	Divide the result of vi., by 3.2 (80%) utilization to determine the total stations needed to serve the projected patient population.	$46.857 \text{ Projected Total Patients} \div 3.2 = \underline{14.64 \text{ Projected Stations}}$	$100.571 \text{ Projected Patients} \div 3.2 = \underline{31.42 \text{ Projected Stations}}$
	Subtract from the total stations needed .	14.64 Projected Stations	31.42 Projected Stations
	Subtract the number of stations that are CON-approved, but not certified.	- 10 Certified Existing Stations	- 20 Certified Existing Stations
	The remainder is the number of NEW stations needed. Fractions of 0.500 or greater round to the next higher whole number.	$14.64 - 10 - 0 = \underline{4.64 \text{ NEW stations}}$ The facility requires up to 5 NEW stations to serve its projected patients.	$31.42 - 20 - 0 = \underline{11.42 \text{ NEW stations}}$ The facility requires up to 11 NEW stations to serve its projected patients.
c. viii.	The facility may expand to meet its projected need up to a maximum of 10 stations.	The facility may apply for UP TO 5 MORE STATIONS .	The facility may apply for UP TO 10 MORE STATIONS .

Using **NOW** data and **2020 SMFP published data** to project the facility station need enables providers to keep pace with actual patient needs and future growth.

Agency Plan – Attachment B

	Example A – Facility Transfers Stations	Example B – SMFP's show no growth
	Facility transfers 10 stations and 32 patients to a new location between 12/31/2017 and 12/31/2018.	Impact on a facility showing no change in census for the last two SMFP's that needs stations now.
<u>2019 SMFP</u> – Data as of: <u>12/31/2017</u>	20 stations, 64 patients, 80% utilization rate	20 stations, 56 patients, 75% utilization
<u>2020 SMFP</u> – Data as of: <u>12/31/2018</u>	10 stations, 32 patients, 80% utilization rate	20 stations, 56 patients, 75% utilization
Facility <u>NOW</u> Date – N/A <small>The date of the current patient census required in the ESRD CON application (Section C and pro forma Form C Utilization) marking the end of the "Last Full ON" and the beginning of the first "Transition Year"</small>	10 stations, 40 patients, 100% utilization rate	20 stations, 80 patients, 100% utilization

a. Facility utilization is 3.0 patients per station or greater. (75% utilization)	Yes	Yes
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b. The facility need is reported in an application for a CON

	32	56
Facility Census reported in the <u>2020 SMFP (12/31/2018)</u>	—	—
Facility Census reported in the <u>2019 SMFP (12/31/2017)</u>	64	56
i. The difference is the net ICH change. <u>(2020 SMFP (2018 data) – 2019 SMFP (2017 data) – Net ICH Change</u>	-32	0
Divide the projected net ICH change by the number of ICH patients from the <u>2019 SMFP</u> to determine the projected annual growth rate.	(-32 / 64) = -0.5 or -50%	(0/56) = 0 or 0%
	(-50% Annual Growth)	0% Annual Growth Rate
ii. Multiply the <u>2020 SMFP</u> patients by the <u>Annual Growth Rate</u> to determine a <u>projected number of additional patients</u> Add the <u>projected patient growth</u> to the <u>2020 SMFP</u> patients to determine the <u>Total Projected Patients by 12/31/2019.</u>	32 patients x -50% = -16 patients 32 + (-16) = 16 Total Projected Patients	56 patients x 0% = 0 patients 56 + 0 = 50 Total Projected Patients
Divide the <u>Total Projected Patients</u> from ii. by 2.8 (70% Utilization) to determine the total number of stations required	16 projected total patients ÷ 2.8 = 5.71 Stations	56 projected patients ÷ 2.8 = 20 Stations
iii. Subtract from the <u>total stations needed</u> , the facility's total number of certified stations from the <u>2020 SMFP</u> , and Subtract the number of stations that are CON-approved, but not certified.	5.71 Projected Stations - 10 Certified Existing Stations	20 Projected Stations - 20 Certified Existing Stations
The remainder is the number of <u>NEW</u> stations needed. Fractions of 0.500 or greater round to the next higher whole number.	5.71 - 10 - 0 = -4.29 NEW Stations The facility may add NO NEW Stations	20 - 20 - 0 = 0 NEW Stations The facility may add NO NEW Stations

c. The facility may apply to expand to meet the need established in iii., up to a maximum of 20 stations.	The station relocations occurring between publication of the 2019 SMFP (12/31/2017) and the 2020 SMFP (12/31/2018) make it impossible for the Agency's model to accurately determine the projected annual growth rate.	The applicant may not apply because the facility need generated by this methodology is zero. The Agency's model fails to consider the increase in utilization which occurred after 12/31/2018 during development of the 2020 SMFP.
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ATTACHMENT 2

Agency Plan - Attachment B

	Example A - Facility Transfers Stations	Example B - SMFP's show no growth
	Facility transfers 10 stations and 32 patients to a new location between 12/31/2017 and 12/31/2018.	Impact on a facility showing no change in census for the last two SMFP's that needs stations now.
2019 SMFP - Data as of: <u>12/31/2017</u>	20 stations, 64 patients, 80% utilization rate	20 stations, 56 patients, 75% utilization
2020 SMFP - Data as of: <u>12/31/2018</u>	10 stations, 32 patients, 80% utilization rate	20 stations, 56 patients, 75% utilization
Facility NEW Date - N/A <small>The date of the current patient census required in the ESRD CON application (Section C and pro forma Form C Utilization) marking the end of the "Last Full OY" and the beginning of the first "Transition Year."</small>	10 stations, 40 patients, 100% utilization rate	20 stations, 80 patients, 100% utilization
a. Facility utilization is 3.0 patients per station or greater. (75% utilization)	Yes	Yes
b. The facility need is reported in an application for a CON		
i.	$ \begin{array}{r} 32 \text{ 40} \\ - 64 \text{ 32} \\ \hline -32 \text{ 8} \end{array} $	$ \begin{array}{r} 56 \\ - 56 \\ \hline 0 \end{array} $
i.	The difference is the net ICH change: <u>(2020 SMFP (2018 data) - 2019 SMFP (2017 data) = Net ICH Change</u>	0
i.	Divide the projected net ICH change by the number of ICH patients from the <u>2019 SMFP</u>	(0/56) = 0 or 0%
i.	to determine the projected annual growth rate.	(0/56) = 0 or 0%
ii.	Multiply the <u>2020 SMFP</u> patients by the <u>Annual Growth Rate</u> to determine a projected number of additional patients.	(-50% Annual Growth)
ii.	Add the <u>projected patient growth</u> to the <u>2020 SMFP</u> patients to determine the <u>Total Projected Patients by 12/31/2019</u> .	0% Annual Growth Rate
ii.	Divide the <u>Total Projected Patients</u> from ii., by 2.8 (70% Utilization) to determine the total number of stations required	32 patients x -50% = -16 patients
ii.	Subtract from the <u>total stations needed</u> , the facility's total number of certified stations from the <u>2020 SMFP</u> , and subtract the number of stations that are CON-approved, but not certified.	56 patients x 0% = 0 patients
ii.	The remainder is the number of <u>NEW</u> stations needed.	32 + (-16) = 16 Total Projected Patients
ii.	Fractions of 0.500 or greater round to the next higher whole number.	56 + 0 = 50 Total Projected Patients
ii.	The facility may add NO NEW Stations to serve its projected patients.	16 projected total patients ÷ 2.8 = 5.71 Stations
ii.	The facility may add NO NEW Stations to serve its projected patients.	56 projected patients ÷ 2.8 = 20 Stations
ii.	The facility may add NO NEW Stations to serve its projected patients.	$ \begin{array}{r} 5.71 \text{ Projected Stations} \\ - 10 \text{ Certified Existing Stations} \\ - 0 \text{ CON-Approved Stations} \\ \hline 5.71 - 10 - 0 = \textbf{-4.29 NEW Stations} \end{array} $
ii.	The facility may add NO NEW Stations to serve its projected patients.	$ \begin{array}{r} 20 \text{ Projected Stations} \\ - 20 \text{ Certified Existing Stations} \\ - 0 \text{ CON-Approved Stations} \\ \hline 20 - 20 - 0 = \textbf{0 NEW Stations} \end{array} $
c.	The station relocations occurring between publication of the 2019 SMFP (12/31/2017) and the 2020 SMFP (12/31/2018) make it <u>impossible</u> for the Agency's model to accurately determine the projected annual growth rate.	The facility may add NO NEW Stations to serve its projected patients.
c.	The facility may apply to expand to meet the need established in iii., up to a maximum of 20 stations.	The applicant may not apply because the facility need generated by this methodology is zero. The Agency's model fails to consider the increase in utilization which occurred after 12/31/2018 during development of the 2020 SMFP.