

**Technology and Equipment Committee  
Agency Report  
Petition to Add Need Determination for  
One Unit of Cardiac Catheterization Equipment in Henderson County  
2020 State Medical Facilities Plan**

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**Petitioner:**

Margaret R. Pardee Memorial Hospital  
d/b/a Pardee UNC Health Care  
800 North Justice Street  
Hendersonville, NC 28791

**Contact:**

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President and Chief Executive Officer  
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**Request:**

Margaret R. Pardee Memorial Hospital (Pardee UNC Health Care) requests an adjusted need determination for one additional unit of fixed cardiac catheterization equipment for Henderson County in the *2020 State Medical Facilities Plan (SMFP)*.

**Background Information:**

Chapter Two of the SMFP allows for “[a]nyone who finds that the North Carolina State Medical Facilities Plan policies or methodologies, or the results of their application, are inappropriate may petition for changes or revisions. Such petitions are of two general types: those requesting changes in basic policies and methodologies, and those requesting adjustments to the need projections.” The SMFP annual planning process and timeline allow for submission of petitions for changes to policies and methodologies in the spring and petitions requesting adjustments to need projections in the summer. It should be noted that any person might submit a certificate of need (CON) application for a need determination in the Plan. The CON review could be competitive and there is no guarantee that the petitioner would be the approved applicant.

The standard methodology in the SMFP generates a need for one additional unit of fixed cardiac catheterization equipment when an existing unit of cardiac catheterization is being used at 80% capacity. The capacity of a unit of cardiac catheterization equipment is defined as 1,500 diagnostic equivalent procedures per year, with the trigger of need at 80% of capacity. One interventional cardiac catheterization procedure is valued at 1.75 diagnostic-equivalent procedures. One cardiac catheterization procedure performed on a patient age 14 or younger is valued at 2 diagnostic equivalent procedures. All other procedures are valued at 1 diagnostic-equivalent procedure. The SMFP provides an additional method for obtaining a shared fixed unit of cardiac catheterization equipment. A service area that does not have a fixed unit of cardiac catheterization equipment has

a need if the service area has a mobile unit that exceeds 80% of mobile capacity during the current year for each 8 hours per week the mobile unit is operational at the site. Capacity for a mobile cardiac catheterization unit is 300 procedures, therefore 80% of capacity for a mobile unit is 240 procedures. Application of the methodology to utilization data in the Proposed 2020 SMFP did not generate a need determination for one unit of fixed cardiac catheterization equipment in Henderson County.

Pardee UNC Health Care has submitted a petition against the Proposed 2020 SMFP to adjust the need determination to include one unit of fixed cardiac catheterization equipment in Henderson County stating the following reasons; the availability of the equipment through vendor company, increase in utilization, and the development of more services surrounding the use of cardiac catheterization equipment.

**Analysis/Implications:**

Pardee UNC Health Care is currently operating a cardiac catheterization unit that is owned by Duke LifePoint Partners (DLP Partners). The unit is listed in the SMFP as a fixed unit of cardiac catheterization equipment. The unit was previously a grandfathered mobile unit before it was placed in the hospital. A Settlement Agreement with MedCath, the predecessor of DLP Partners authorized the transfer of mobile units to be listed as fixed units if located on a hospital site. Pardee UNC Health Care has been under contract with DLP Partners for many years to provide a cardiac catheterization unit. Considering this unit is under a vendor contract, the use of the unit is limited to the agreement stated in the contract. Changes in ownership of the company allows for uncertainty of future unit availability and costs.

Over a 4-year span, utilization has increased at a compound annual growth rate (CAGR) of 84.9%. (See Table 1) In addition, the CAGR for diagnostic procedures is increase 74.1%. Pardee UNC Health Care has exceeded the threshold of 240 procedures for the use of a mobile unit for the past 2 years with the expectation to continue to exceed the threshold in the future. Interventional procedures have recently been added to the cardiac catheterization services provided by Pardee UNC Health Care due to the initiation of a part-time STEMI program providing emergency interventions for patients in 2017. As the STEMI program evolves, it will enable Pardee UNC Health Care to develop an elective cardiac catheterization program and recruit necessary staff for operation.

**Table 1: Cardiac Catheterization Procedure Trends, Data Years 2015 - 2018**

	<b>2017 SMFP</b>	<b>2018 SMFP</b>	<b>2019 SMFP</b>	<b>Proposed 2020 SMFP</b>	<b>Compound Annual Growth Rate</b>
Diagnostic	84	124	245	443	<b>74.1%</b>
Interventional	0	0	45	50	<b>0</b>
<b>Weighted Total</b>	<b>84</b>	<b>124</b>	<b>324</b>	<b>531</b>	<b>84.9%</b>

Source: 2016 – 2019 License Renewal Applications

Note: Data in the SMFP is 2 years earlier than the publication year of the SMFP

Along with growth in procedures, the community is seeing a growth in population. Henderson County has experienced a 1.38% CAGR over the past 4 years. (See Table 2) With a projected population increase of 1.32% by the year 2020, Henderson County maintains the population to support cardiac catheterization services.

**Table 2: Annual County Populations Growth, Data Years 2017 - 2020**

	2017	2018	2019	Projected 2020	Compound Annual Growth Rate
Henderson County	115,659	117,312	118,926	120,500	1.38%
Percent of Change		1.43%	1.38%	1.32%	

*Source: NC Office of State Budgeting and Management, Annual County Populations*

Henderson County has a growing senior citizen population. This demographic of the population will require increasing medical services in the future that will include cardiac catheterization services. As a medical provider, Pardee UNC Health Care ensures the availability of emergency interventions as well as diagnostic/interventional cardiac catheterization procedures for the Henderson County community.

**Agency Recommendation:**

The Agency supports the standard methodology for a shared fixed unit of cardiac catheterization equipment in the Proposed 2020 SMFP. However, the unique ownership of equipment, increasing trends in utilization and population growth supports the request for additional equipment. Henderson County’s single unit of cardiac catheterization equipment has been treated as ‘fixed’ in the SMFP; therefore, application of Methodology 1 did not result in a need determination for an additional fixed unit for the County. However, given the unique history and ownership status of the existing equipment, the Agency finds it appropriate to use Methodology 2 to determine need for a unit of shared fixed equipment. This methodology’s criteria regarding procedural volume has been met in Henderson County. Given available information submitted by the August 8, 2019 deadline date for comments on petitions and comments, and in consideration of factors discussed above, the Agency recommends approval of the petition to adjust the need determination for an additional unit of shared fixed catheterization equipment to be developed in Henderson County.