



Atrium Health

February 15, 2021

Amy Craddock, PhD
Assistant Chief, Healthcare Planning
Division of Health Service Regulation
DHSR.SMFP.Petitions-Comments@dhhs.nc.gov

Re: **Atrium Health Comments on COVID Data Addendum and SMFP Methodology Adjustments**

Dear Dr. Craddock,

Atrium Health, Inc. (Atrium) appreciates the opportunity to provide comments on potential methodology adjustments in the 2022 State Medical Facilities Plan (SMFP) related to the impact of the COVID 19 pandemic on healthcare utilization. Atrium Health, Inc. is a nonprofit corporation that manages and oversees the activities, personnel, shared services, and business facilities of its enterprise including The Charlotte-Mecklenburg Hospital Authority and Wake Forest University Baptist Medical Center.

The COVID 19 pandemic has dramatically impacted the delivery of healthcare services over the last year. There were voluntary suspension of elective admissions and surgeries. Providers have changed how care is delivered using technology to allow virtual and at home care. Patients have delayed seeking care for many conditions and have different expectations for how care should be delivered.

The DHSR planning staff wisely anticipated the need to consider methodology impacts of the pandemic and created the COVID addendum for the 2021 Hospital License Renewal Application (HLRA). Atrium has collected and reviewed the data for its hospitals for the both the full Federal Fiscal Year (FFY) and the COVID adjustment period of April 1, 2020 to September 30, 2020. While this data will provide insight into volumes post-COVID service suspensions, data was not requested for the same historical pre-COVID period(s). Without the pre-COVID comparison, it makes it difficult to assess the COVID pandemic's impact on the utilization of these services. Atrium compared the 2021 HLRA COVID addendum data to the same period from the prior year for our facilities in the Greater Charlotte Region (GCR) and has summarized our observations below.

As the data below will demonstrate, there does not appear to be a simple, across-the-board adjustment to address the impact the COVID 19 pandemic on utilization of the healthcare services included in the SMFP. Atrium has observed some services experienced a uniform decline in service due to suspension of service and changes in how patients seek care. However, some other services saw no significant impact

due to COVID and reported similar volume levels to the prior year. Each section of the COVID addendum is addressed below.

Acute Care Patient Days

The patient days attributed to caring for COVID patients did not exceed the overall reduction in days associated with the suspension of elective surgeries and admissions. Even with the impact of additional patient days treating COVID patients, total acute care days provided in FFY 2020 were down 2.9 percent from the prior year.

Surgical Cases and Case Times

Surgery was the area most significantly impacted by the pandemic and subsequent suspension in service. Across all our facilities both inpatient and ambulatory surgery were down, 7.2 percent and 20.6 percent respectively for the FFY. Total surgeries were down an average of 15.1 percent. The case totals at facilities in the GCR for the April to September period in 2020 compared with the prior year were impacted more significantly. Inpatient cases were down 12.5 percent and ambulatory cases were down 25.3 percent.

Due to Centers for Disease Control and Prevention (CDC) recommendations to allow for more air exchanges in operating rooms, surgical providers were required to add 15 minutes to the operating room turnover time. There was a wide range of impacts on both inpatient and outpatient case times from double-digit increases to declines of over 20 percent for the FFY. The case times for all facilities increased by an average of 6.2 percent for inpatient and 6.6 percent for ambulatory.

MRI Scanners

MRI services were not suspended at all facilities, but the volumes reflect a sizable reduction in scans. Most of our facilities in the GCR suspended outpatient MRIs from March to June. For the April to September reporting period, outpatient scans were down 21.8 percent compared to the prior year period. The annual total MRI scans across all our facilities were down 7.9 percent.

PET Scanners

The pandemic had a much smaller impact on fixed PET services. Atrium's largest hospitals in the GCR did not suspend PET services. The total number of PET scans provided by all Atrium facilities actually increased by 0.9 percent for the year.

Cardiac Cath

Cardiac cath procedure volumes were significantly impacted by COVID. For the April to September period diagnostic and interventional procedures in the GCR were down 26.2 percent and 22.8 percent respectively compared to the prior year period. For the FFY across all facilities diagnostic caths were down 14.3 percent and interventional caths were down 31.8 percent.

LINAC

Linac procedures were less significantly impacted by the pandemic. Most of Atrium's urban referral hospitals saw increases in linac procedures while our suburban facilities saw a decline. For the year the total procedure volume across all facilities was down 2.5 percent over the previous year.

Impact on SMFP Methodologies and Proposed Adjustments

As a result of the suspension of services and declines in patient volumes described above, it is unlikely the standard methodologies will generate much need for these services in the 2022 SMFP. The data demonstrate the wide range of impacts the pandemic had on the listed services. As such, it is difficult to develop a single solution to adjust or normalize the methodologies in the 2022 SMFP. Additionally, the impact of COVID on the healthcare industry was even more significant after the end of the FFY 2020 reporting period. Atrium expects the most recent surge in cases and inpatient admissions will impact need determinations in the 2023 SMFP.

Acute Care Bed Methodology

One adjustment the SHCC may wish to consider relates to selected methodologies, such as the acute care bed methodology, that use multiyear growth rates. For those services the impacts of the pandemic could be felt for several years into the future. For the 2022 and 2023 SMFPs the SHCC should consider these impacts and potentially normalize or adjust FFY 2020 and 2021 to minimize the long-term impact.

Operating Room Methodology

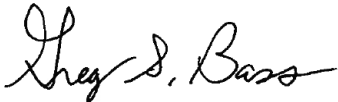
Another adjustment to consider relates to case times in the operating room methodology. Given that the SMFP OR methodology relies on actual case length data (which includes room set-up and clean-up) as reported in the annual license renewal applications, this data will include any extended room downtime between cases per CDC COVID guidelines. Longer surgical cases resulting from COVID guidelines will be accounted for in this data.

The SHCC may need to consider temporarily suspending the provision in the methodology that prohibits case lengths from increasing more than 10% from the previous year. However, before a decision is made to temporarily remove this provision, Atrium recommends a review of the case length data to understand which, and how many, hospitals have seen a greater than 10% increase in case lengths, presumably due to COVID guidelines on room downtime. If it is decided to temporarily remove this provision, the SHCC may also need to consider a temporary suspension of the provision that prohibits cases lengths from decreasing by more than 20% in the 2023 SMFP, as an offsetting decrease in case lengths may occur in the subsequent year depending on the course of the pandemic.

Aside from the two potential adjustments listed above, Atrium believes it is better to err on the side of conservative adjustments to SMFP methodologies rather than make numerous adjustments to account for the impact of the pandemic. If there are communities and providers with perceived needs that are not addressed by the current methodologies, the petition process still exists to allow special need determinations to meet those needs. Another reason to take a cautious approach is the financial impact the pandemic has had on healthcare providers and health systems. In some communities the existing providers may not have capital funds to develop new projects and SMFP need determinations may not result in CON applications to develop projects in the immediate future.

Atrium appreciates the opportunity to provide feedback on this issue and we look forward to participating in the 2022 SMFP development process later this year.

Sincerely,

A handwritten signature in black ink that reads "Greg S. Bass". The signature is written in a cursive, flowing style.

Greg S. Bass
Director, Strategic Services Group
Atrium Health