

**Technology and Equipment Committee  
Agency Report  
Petition for Adjusted Need Determination for  
One Unit of Shared Fixed Cardiac Catheterization Equipment  
in Burke County  
2023 State Medical Facilities Plan**

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**Petitioner:**

Blue Ridge HealthCare Hospital, Inc.  
d/b/a UNC Health Blue Ridge  
2201 South Sterling Street  
Morganton, NC 28665

**Contact:**

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President and Chief Executive Officer  
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**Request:**

Blue Ridge Health Care Hospital, Inc. d/b/a UNC Health Blue Ridge (Blue Ridge) requests an adjusted need determination for one additional unit of fixed cardiac catheterization equipment for Burke County in the *2023 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 aged 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.

**Analysis/Implications:**

Blue Ridge is currently operating a cardiac catheterization unit that is owned by Duke LifePoint Partners (DLP Partners). The unit was previously a legacy mobile unit before it was placed in the hospital and is listed in the SMFP as a fixed unit. 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.

Blue Ridge has been under contract with DLP Partners to operate the unit for many years. Accordingly, Blue Ridge’s use of the unit is limited to the terms within the vendor contract. The Petition states that changes in DLP Partners’ ownership have created uncertainty regarding future unit availability and costs once the current contract period ends.

The Petitioner seeks a more sustainable model for providing cardiac catheterization services in Burke County. Considering the aforementioned facts regarding the machine at Blue Ridge, the Agency agrees with the Petitioner’s position that the equipment is not fully under the control of the hospital and could be removed by the owner and installed elsewhere. As such, it does not constitute a true fixed machine, but would be considered a mobile unit. Therefore, Methodology 2 should be applied to determine need for a shared fixed machine in the County.

Weighted utilization has decreased at a compound annual growth rate (CAGR) of -3.42% between 2018 and 2021(See Table 1). In addition, the CAGR for diagnostic procedures has decreased by 1.36% and interventional procedures decreased by 7.64%. Reported procedures from Blue Ridge showed a decline during the COVID-19 pandemic but now appear to be reaching pre-pandemic numbers. Moreover, utilization meets the threshold for a need for a shared fixed unit under Methodology 2.

**Table 1: Burke County Cardiac Catheterization Procedure Trends, Data Years 2018 - 2021**

	<b>2020 SMFP</b>	<b>2021 SMFP</b>	<b>2022 SMFP</b>	<b>Proposed 2023 SMFP</b>	<b>Compound Annual Growth Rate</b>
Diagnostic	548	402	386	526	<b>-1.36%</b>
Interventional	165	134	136	130	<b>-7.64%</b>
<b>Weighted Total</b>	<b>837</b>	<b>637</b>	<b>624</b>	<b>754</b>	<b>-3.42%</b>

*Source: 2019 – 2022 License Renewal Applications*

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

Along with a decline in procedures, the population within the community is also declining. Burke County has experienced a -2.14% CAGR over the past 4 years (See Table 2). However, Burke

County has a growing senior citizen population. This demographic of the population will require increased medical services in the future including cardiac catheterization services. As a medical provider, Blue Ridge ensures the availability of emergency interventions as well as diagnostic/interventional cardiac catheterization procedures for the Burke County community.

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

	2019	2020	2021	Proposed 2022	Compound Annual Growth Rate
Burke County	92,156	91,934	91,538	86,355	-2.14%
Percent of Change		-0.24%	-0.43%	-5.66%	

Source: 2020 – 2023 Proposed SMFP

Note: The data in the SMFP is two years earlier than the publication year of the SMFP.

UNC Blue Ridge is taking steps to expand their cardiology services to the residents of Burke County. According to the 2022 Acute Care Patient Origin Reports 32.77% of patients served in Burke County come from other counties. The Petitioner referenced the rising aging population in Burke, Caldwell and McDowell counties. While population has slightly decreased the population of residents 65 years of age and older are projected to increase. This growing senior population are the main benefactors of cardiology services.

Finally, the Petitioner cites two previous petitions for shared fixed cardiac catheterization equipment that concerned facilities in situations almost identical to the current one: Caldwell UNC Health Care petitioned for the 2018 SMFP and Pardee UNC Health petitioned for the 2020 SMFP. Both petitions were approved based on the recognition that DLP could opt to relocate its equipment.

**Agency Recommendation:**

The Agency supports the standard methodology for a shared fixed unit of cardiac catheterization equipment in the Proposed 2023 SMFP. Burke 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 criterion regarding procedural volume has been met in Burke County. Given available information submitted by the August 10, 2022 deadline, and in consideration of factors discussed above, the Agency recommends approval of the petition for an adjusted need determination for one unit of shared fixed catheterization equipment in Burke County.