

**Technology and Equipment Committee
Agency Report
Petition Requesting Removal of the Need Determination for One Unit of Fixed
Cardiac Catherization Equipment in the
New Hanover County Service Area
2023 State Medical Facilities Plan**

Petitioners:

Novant Health New Hanover Regional Medical Center
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Request:

Novant Health New Hanover Regional Medical Center (*NH-New Hanover*) requests the removal of the need determination for one unit of fixed cardiac catheterization equipment for the New Hanover County service area in the *2023 State Medical Facilities Plan (SMFP or "Plan")*.

Background Information:

Chapter Two of the SMFP provides that “[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. Any person may 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; a need determination is triggered at 1,200 diagnostic equivalent procedures. 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. Application of the methodology to utilization data in the Proposed 2023 SMFP generated a need determination for one unit of fixed cardiac catheterization equipment in New Hanover County.

Analysis/Implications:

New Hanover County currently operates five units of fixed cardiac catheterization equipment, with a CON awarded in 2022 for one additional unit. NH- New Hanover is the only provider of cardiac catheterization services in the County. NH- New Hanover reported 7,220 weighted procedures in the Proposed 2023 SMFP. Even though the county experienced a decrease in procedures in the 2022 SMFP, New Hanover County has seen a 10.86% growth in utilization over the past four years (see Table 1). Based on the application of the methodology and an 80% utilization rate, New Hanover County needs an additional unit of fixed cardiac catheterization equipment. The compound annual growth rate (CAGR) shows the same pattern. New Hanover has a 3.49% CAGR in the above-mentioned four-year period.

Table 1: Service Area Trends in Weighted Cardiac Catheterization Procedures, Data Years 2018 – 2021

	2020 SMFP	2021 SMFP	2022 SMFP	Proposed 2023 SMFP	Total % Change	CAGR
New Hanover	6,513	7,549	5,708	7,220	10.86%	3.49%

Source: 2018 – 2021 License Renewal Applications

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

The Petitioner states that patient migration from Brunswick county is the trigger that generated the need for additional cardiac catheterization equipment in Brunswick County. The Petitioner proposes to remove the need determination from New Hanover County and add a need to Brunswick County. Should the Brunswick patients be removed from the utilization, New Hanover will retain a strong utilization of cardiac catheterization services. The Agency has no data on patient origin for cardiac catheterization to enable more specific predictions. Moreover, the need determination generated by the standard methodology is supported by utilization data.

Agency Recommendation:

The Agency supports the standard methodology for fixed cardiac catheterization equipment. The New Hanover County service area does not have unique attributes to support the removal of the need determination. Given available information submitted by the August 10, 2022 deadline, and in consideration of factors discussed above, the Agency recommends denial of the petition to remove the need determination for one unit of fixed cardiac catheterization equipment for the New Hanover County service area in the 2023 SMFP.