
**Acute Care Services Committee
Recommendations to the NC State Health Coordinating Council
May 31, 2023**

The Acute Care Services Committee met twice this year, on April 4th and May 16th.

Topics reviewed and discussed included:

- policies and methodologies for all acute care chapters;
- petitions regarding End-Stage Renal Disease (ESRD);
- a comparison between hospital licensure and Hospital Industry Data Institute (HIDI) acute care bed days of care data; and
- preliminary drafts of need projections generated by the standard methodologies in the Acute Care Services chapters, based on information currently available.

The following is an overview of the Committee's recommendations for Acute Care Services for the *Proposed 2024 SMFP*.

Chapter 5: Acute Care Hospital Beds

- The Committee received no petitions or comments regarding these beds.
- The Committee reviewed Licensure and HIDI acute days of care for discrepancies exceeding $\pm 5\%$. Staff will work with the Sheps Center, HIDI, and the hospitals during the summer to improve discrepant data. Resolution of discrepant data may change need determinations. Staff will notify the Committee if need projections change.
- Due to the continuing effects of the COVID-19 pandemic on bed need, the Committee approved an adjustment to the growth rate multiplier for the need determination calculations. Specifically, the calculations used the county growth rate multiplier from the 2021 SMFP, which reflects the 2015-2019 pre-pandemic reporting years.
- Committee members reviewed draft tables for acute care beds. At the time of the meeting, calculations resulted in need determinations totaling 346 beds. Specifically,
 - 9 in Anson
 - 26 in the Buncombe/Graham/Madison/Yancey service area
 - 31 in Cabarrus
 - 38 in the Durham/Caswell/Warren service area
 - 46 in Hoke
 - 80 in Mecklenburg
 - 46 in Union
 - 70 in Wake

- The Committee discussed that the calculated need for 46 beds in Hoke County is a mathematical anomaly, and therefore, it voted unanimously to remove the need from the 2024 Proposed SMFP.

Chapter 6: Operating Rooms

- The Committee received no petitions or comments regarding ORs.
- During the May meeting, the Committee reviewed draft tables for ORs. At the time of the meeting, application of the current methodology resulted in a need determination for three ORs in Wake County.

Chapter 7: Other Acute Care Services

- Chapter 7 covers Burn ICU beds, open heart surgery services, bone marrow transplants, and solid organ transplants. The Committee received no petitions or comments regarding these services.
- There are no need determinations for any services covered in Chapter 7.

Chapter 8: Inpatient Rehabilitation Services

- The Committee received no petitions or comments regarding these services.
- Application of the standard methodology indicated no need for additional inpatient rehabilitation beds anywhere in the state.

Chapter 9: End-Stage Renal Disease (ESRD) Dialysis Facilities

- The Agency received three petitions for ESRD facilities.

Liberty Healthcare and Rehabilitation Services petitioned to create a policy to allow the development or expansion of an outpatient dialysis facility at a nursing home. The Agency received five comments in support of the petitions and 13 comments in opposition to the petitions. The Petitioner states there is a statewide need for nursing home facilities to provide dialysis treatment on-site to residents. The Petition is grounded in the view that Policy ESRD-3 sets a precedent for the development of Policy ESRD-4. Policy ESRD-3 allows hospitals to receive reimbursement for outpatient dialysis treatment services they were already providing to patients who did not have “inpatient” status. However, the proposed Policy would allow the development of on-site dialysis treatment facilities at nursing homes statewide without regard to county need and potentially increase county dialysis station surpluses. Also,

dialysis providers who wish to develop dialysis stations at nursing homes are able to obtain CON approval and CMS certification to do so. Therefore, there is no need for a policy to achieve the Petitioner's goal. This petition is very similar to Liberty's petition submitted during Spring 2022. In response to the 2022 summer petition, the SHCC approved a county need determination for six outpatient dialysis stations at a nursing home facility in Mecklenburg County with stipulations. The need determination for the six dialysis stations in Mecklenburg County appear in the 2023 SMFP, and the CON application deadline is September 15. The Committee recognizes the summer petition process is available to achieve the goals of the petition. Therefore, the Committee supported the Agency's recommendation to deny the petition.

Fresenius Medical Care (Fresenius) and DaVita petitioned for changes to the narrative of Chapter 9. Both petitioners proposed that the SMFP explicitly state a need determination is not required to add or expand dialysis stations at home training facilities. The Agency received six comments in support of the petitions and two comments in opposition to the petitions. The need methodologies in the SMFP determine the need for dialysis stations by county and by existing facilities. A dialysis station is not defined by whether it is located in an in-center or home training facility. According to Fresenius, the county and facility methodologies are based on the number of in-center patients served divided by the number of certified stations and do not include home patients and home training stations. Also, Fresenius posited that need determinations do not reflect the need or lack of need for stations in home training facilities. However, the county methodology uses the total patient population including in-center, home hemodialysis (HHD) and Peritoneal (PD) patients in the initial ratios for average rates of use that project total number of patients. DaVita asserted the home dialysis patient population has a higher growth rate than the total dialysis patient population, and if the requested change is not made, patients who currently dialyze at an in-center facility but prefer to dialyze at home will be adversely impacted since there may not be a home training facility in or adjacent to their service area. The Agency's analysis revealed there is capacity for additional HHD patents based on the current number of HHD patients and the number of dialysis stations in home training facilities. Furthermore, the summer petition process presents the opportunity for providers to request an adjustment to county need determinations. Expanding dialysis stations at home training facilities statewide without a county need determination will lead to the duplication of existing services and increase dialysis station surpluses in some counties. The Agency recommended denying both Petitions, and the Committee concurred.

- Application of the county need determination methodology resulted in no need determinations anywhere in the state. The facility need determination methodology calculations showed needs for 457 dialysis stations across 68 dialysis facilities throughout the state.

Committee Recommendation Regarding Acute Care Services

The Committee recommends that the State Health Coordinating Council approve Chapters 5 through 9, Acute Care Facilities and Services, with the understanding that staff is authorized to continue making necessary updates to the narratives, tables, and need determinations.