

**Acute Care Committee Agency Report  
Petition to Remove the Need Determination for  
43 Acute Care Service Beds in the Pender County Service Area  
in the 2025 State Medical Facilities Plan**

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***Petitioner:***

Pender Memorial Hospital d/b/a Novant Health Pender Medical Center  
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***Contact:***

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***Request:***

Novant Health Pender Medical Center (“NH Pender”) requests to remove the need determination for 43 acute care beds for the Pender County service area for the *2025 State Medical Facilities Plan (SMFP or “Plan”)*.

***Background Information:***

Chapter Two of the *SMFP* notes that during the summer, the Agency accepts petitions that “involve requests for adjustments to need determinations in the *Proposed SMFP*. Petitioners may submit a written petition requesting an adjustment to the need determination in the *Proposed SMFP* if they believe that special attributes of a service area or institution give rise to resource requirements that differ from those provided by the standard methodologies and policies.” 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.

Acute bed days of care (DOC) have an integral role in the acute care bed need methodology. Although providers report these data both on their Hospital License Renewal Applications (LRAs) and to the statewide data processor, the Hospital Industry Data Institute (HIDI), the HIDI data are used in the methodology calculations. Five years of the most recent DOC data are used to calculate a Growth Rate Multiplier (GRM) for each service area, which in turn, is used to project DOC four years beyond the current reporting year. For example, in the *2025 SMFP*, the current reporting year is 2023, and DOC are projected for 2027. The projected DOC for each service area is then divided by 365.25. This number is adjusted by an occupancy factor – based on a target occupancy percentage – to project the number of beds needed.

NH Pender is a critical access hospital that currently operates 43 acute care beds in the Pender County acute care service area. According to NH Pender’s LRAs, 10 of these beds have served as swing beds for several years.

**Analysis/Implications:**

In its Petition, NH Pender discloses that it incorrectly submitted data to HIDI for the 2021, 2022 and 2023 data years. Due to the impacts of the COVID-19 pandemic on projection calculations, the State Health Coordinating Council (SHCC) approved the use of the DOC reported over the five years preceding the pandemic (i.e., 2015 – 2019) to calculate the GRMs in the 2023 and 2024 SMFPs. Therefore, the erroneous data had no impact on the need determination calculations for Pender County in those two SMFPs. However, for the *Proposed 2025 SMFP*, the SHCC has approved the use of the pre-pandemic methodology, which requires the use of 2019 – 2023 DOC to calculate the GRM. As shown in Table 1, NH Pender’s HIDI DOC for 2021 – 2023 greatly exceeded both its previously reported DOC and the DOC reported on its LRAs for those three years. Due to the extremely large DOC for 2021, data were interpolated in the *Proposed 2025 SMFP* to adjust for the large change rates between the 2020 and 2021 data years and between the 2021 and 2022 data years. Even with this adjustment, the methodology calculated a projected need for 43 acute care beds for the Pender County service area.

**Table 1: Days of Care Reported by Novant Health Pender, Data Years 2015 – 2023.**

	Data Year								
	2015	2016	2017*	2018	2019	2020	2021*	2022*	2023*/**
DOC Reported to HIDI	1,942	1,873	1,470	1,394	1,276	772	11,372	4,214	4,750
DOC Reported on LRA	1,940	1,873	1,385	1,373	1,229	807	341	447	589
% Discrepancy	0.1	0.0	5.8	1.5	3.7	-4.5	97.0	89.4	87.6

\* Discrepancy in DOC reported to HIDI as compared to DOC reported on LRA was  $\pm >5\%$

\*\* Data has been revised so that the 5% discrepancy no longer occurs

Each spring, if differences in data reported to HIDI and on the LRA result in discrepancies that are  $\pm >5\%$ , providers are strongly encouraged to resubmit their data to bring the discrepancy within 5%. In its Petition, NH Pender states that skilled nursing DOC in swing beds were mistakenly included in their 2021 – 2023 HIDI submissions. However, the Agency notes that the number of skilled nursing DOC in swing beds reported on NH Pender’s 2017 – 2023 LRAs did not exceed 4,570 DOC. This is well under the 11,372 DOC reported for 2021. Thus, Agency staff contacted NH Pender to inquire about the 2021 and 2022 errors and learned that the data inaccuracies reported by the Petitioner and its failure to submit data revisions were due to staff turnover and miscommunication. NH Pender reports that it is now using an electronic health record system that includes codes to avoid contamination of acute care bed DOC data with skilled nursing DOC in swing beds.

NH Pender revised its HIDI data to indicate 582 DOC for the 2023 data year. The revision is more aligned with the downward trend in DOC that NH Pender has experienced since 2015. It is also within the 5% discrepancy threshold for differences between HIDI DOC and LRA DOC.

Typically, Healthcare Planning receives HIDI DOC data revisions around early August, often after Summer petitions are due. Agency staff informed NH Pender of this timing, and the Petitioner

chose to submit this Petition to ensure the need determination would be removed. As shown in Table 2 - and as the Petitioner predicted - when the revised DOC data is included in the need methodology calculations, Pender County no longer shows a projected need determination. Rather, it shows a projected surplus of 35 acute care beds.

**Table 2: Acute Care Bed Need Projection for Pender County with the Revised 2023 DOC**

Facility Name	Licensed Acute Care Beds	Adj. for CONs /Previous Need	2023 Inpatient DOC	GRM	Projected Days of Care	2027 Projected Average Daily Census	2027 Beds Adjusted for Target Occupancy	Projected 2027 Deficit or Surplus (surplus shows as a "-")
NH Pender	43	0	582	1.3552	1,963	5	8	-35

***Agency Recommendation:***

The Petitioner has requested to remove the need determination for 43 acute care beds in the Pender County service area in the *2025 SMFP*. The Agency supports the standard methodology for acute care beds as presented in the *Proposed 2025 SMFP*. When the revised 2023 acute care DOC data is factored into the methodology calculations, there is no need determination for Pender County. Given the available information and comments submitted by the August 7, 2024 deadline, and in consideration of factors discussed above, the Agency recommends denial of the petition because the need determination no longer exists.