

NORTH CAROLINA STATE HEALTH COORDINATING COUNCIL

**PETITION FOR ADJUSTED NEED DETERMINATION IN MOORE COUNTY
FOR ACUTE CARE BEDS**

Petitioner FirstHealth Moore Regional Hospital (“FMRH”) hereby submits this petition for modification to the need determination of acute care beds in Moore County within the *2019 State Medical Facilities Plan*.

Petitioner:

FirstHealth Moore Regional Hospital
155 Memorial Drive
Pinehurst, NC 28374

Contact: Amy Graham
Vice President – Strategy and Innovation
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Statement of the Requested Adjustment:

FMRH requests that the *2019 State Medical Facilities Plan* identify a need determination for zero (0) acute care beds in Moore County, as reflected in Table 5B.

Background:

Table 5B in the *Draft 2019 State Medical Facilities Plan* identifies a need determination for thirty-one (31) acute care beds in Moore County. This need determination is based on acute care days as reported by Truven Health Analytics. Using the reported “2017 Acute Care Days” and the calculated 4-year “County Growth Rate Multiplier” results in the following Table 5A:

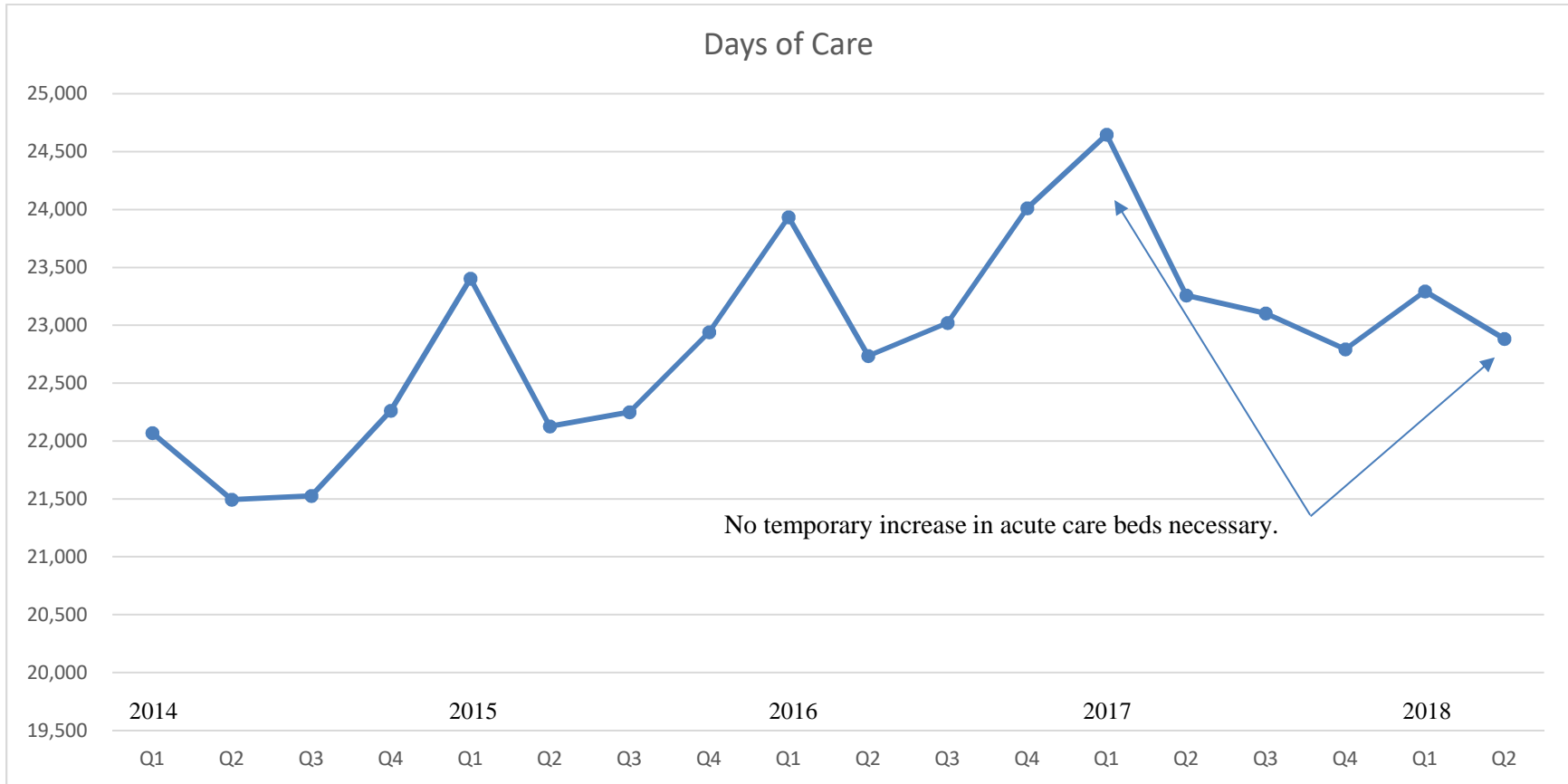
Service Areas	Facility	Licensed Acute Care Beds	Adjustments for CONs/Previous CONs	Truven Health Analytics 2017 Acute Care Days
Moore	FMRH	337	22	97,070

County Growth Rate Multiplier	4 Years Growth Using County Growth Rate	2021 Projected Average Daily Census	2021 Beds Adjusted for Target Occupancy	Projected 2021 Deficit or Surplus	2021 Need Determination
1.0257	107,440	294	390	31	31

Reasons for the Proposed Adjustment:

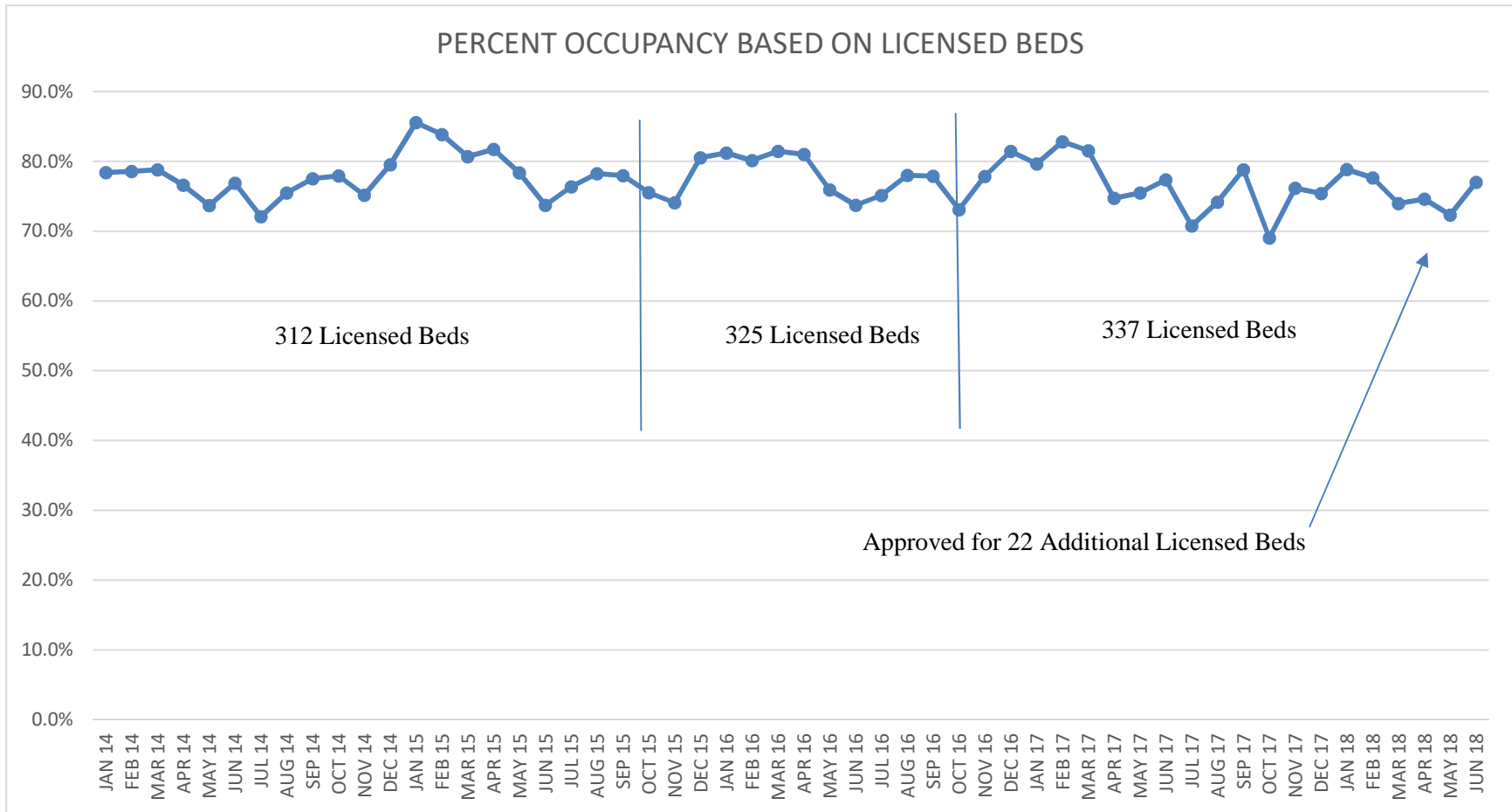
FMRH believes that it is unnecessary to maintain the need determination for thirty-one (31) acute care beds in Moore County for the following reasons:

-) Since January 2016, FMRH has not sought a temporary increase in its licensed acute care bed capacity.

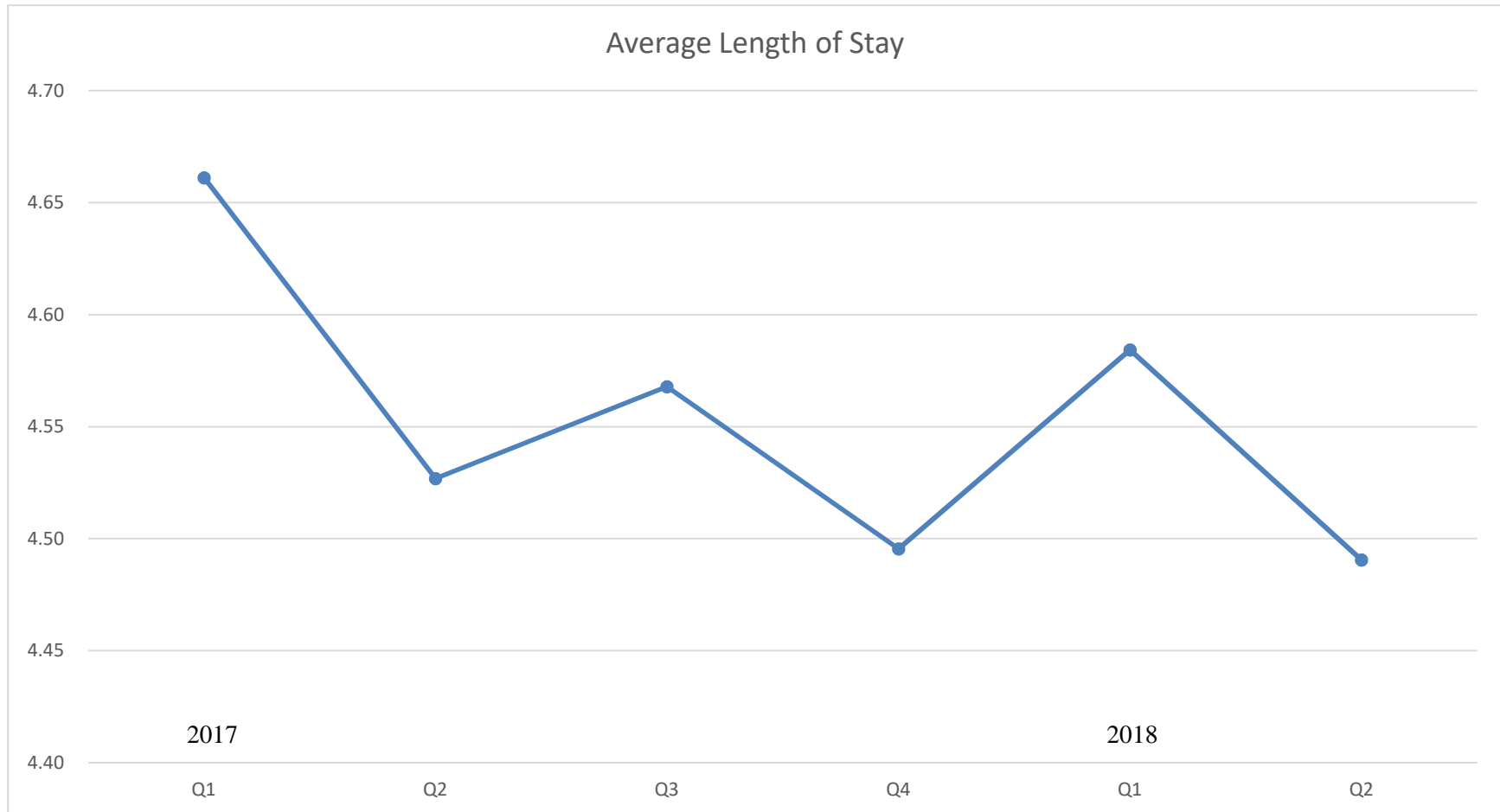


) On May 25, 2018, FMRH was approved to develop twenty-two (22) acute care beds in CON Project I.D. No. H-011459-18 pursuant to the need determination in the 2018 SMFP.

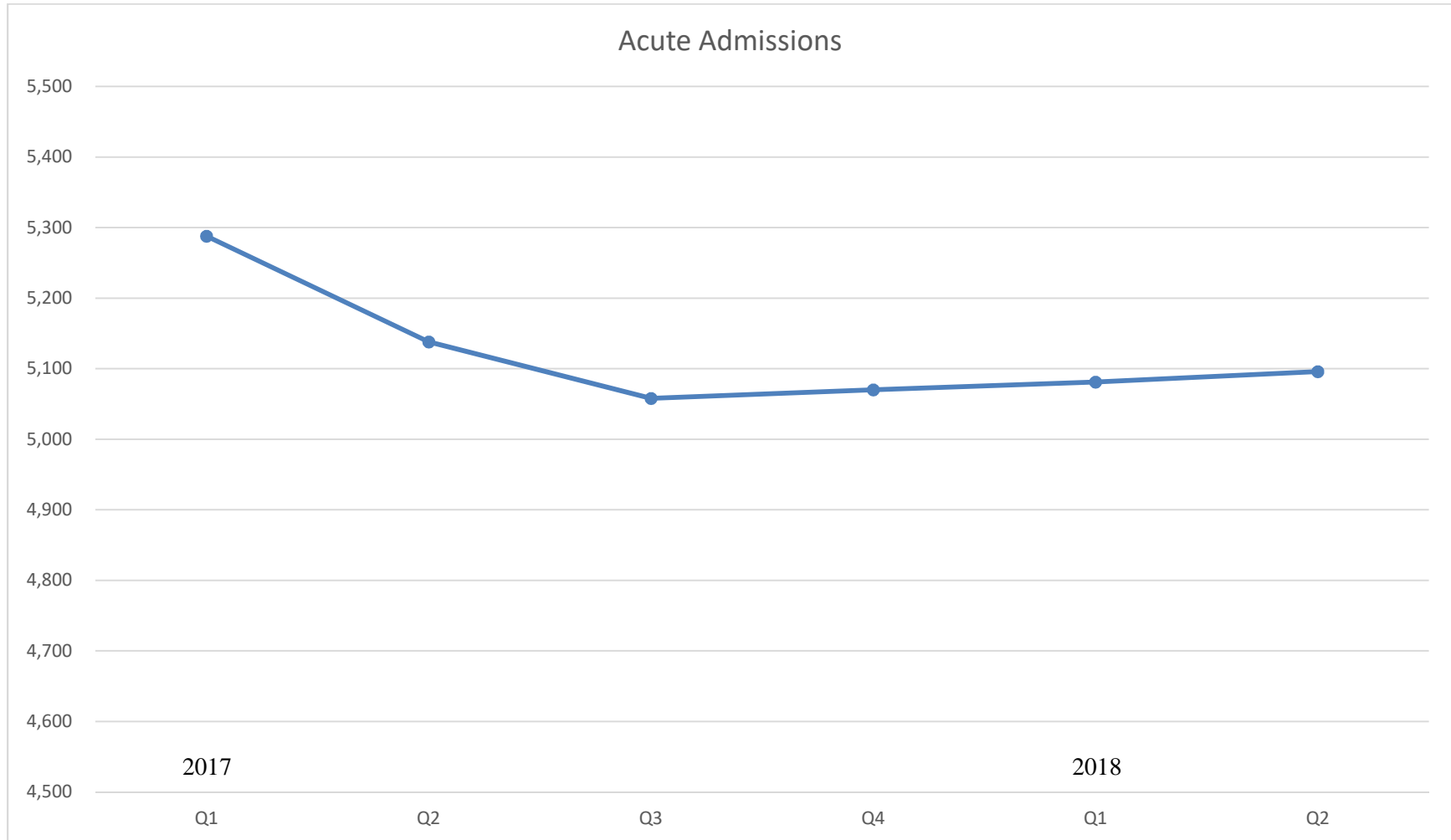
) Since April 2017, FMRH has operated at less than 80.0 percent occupancy, not taking into account the additional twenty-two (22) acute care beds approved in May 2018, which will not become operational before October 2020.



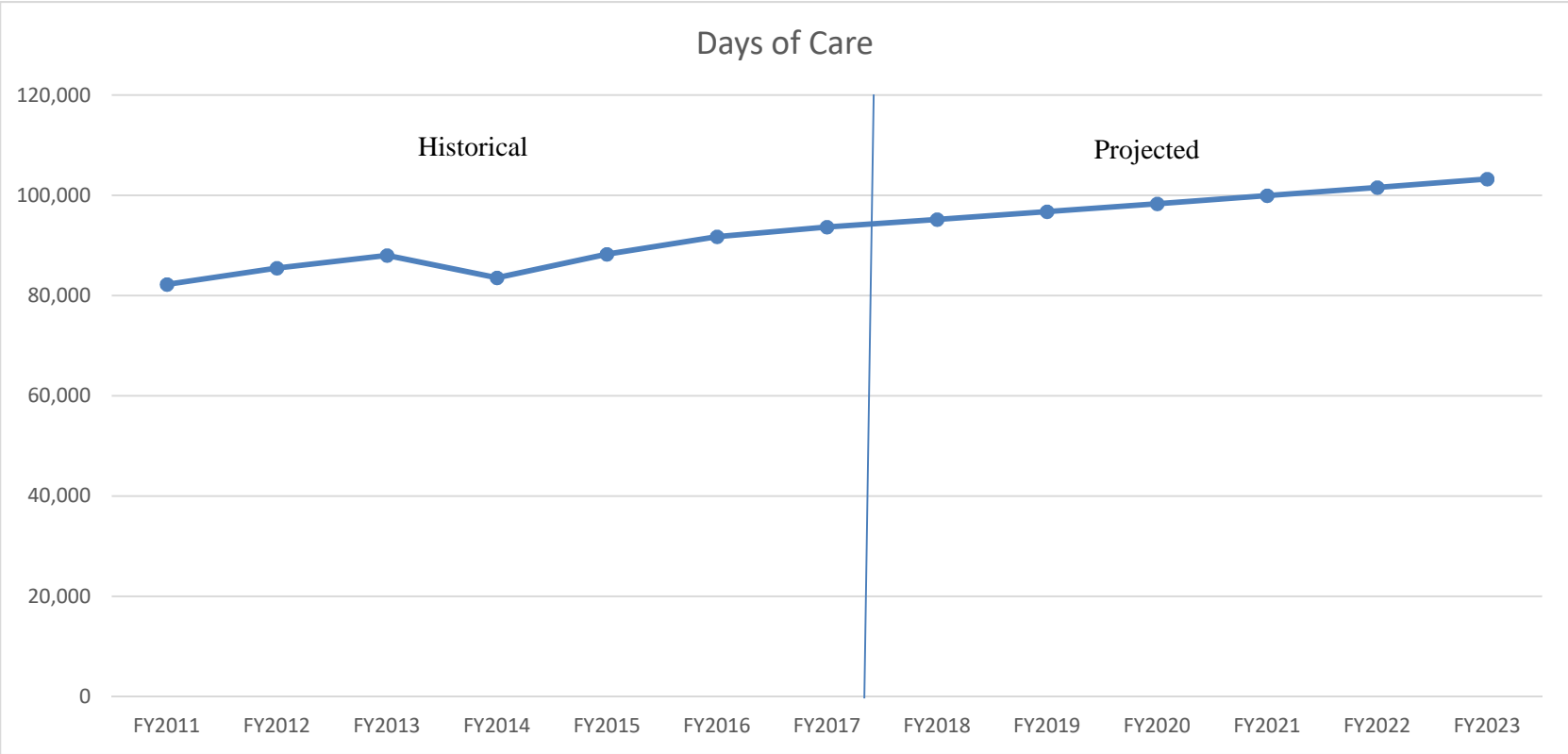
) Since 1st quarter 2017, FMRH has experienced a 3.7 percent decrease in average length of stay from 4.66 days to 4.49 days.



) Similarly, since 1st quarter 2017, FMRH has experienced a 2.4 percent decrease in acute admissions from 5,223 admissions to 5,096 admissions.



J In its recently approved twenty-two (22) bed CON application, FMRH utilized current bed need trends and developed a need methodology that resulted in 103,260 days of care in FY2023. These projected days of care can easily be accommodated by the development of the twenty-two (22) acute care beds approved in May 2018, which would result in an occupancy rate of 78.8 percent $[103,260 / 365 = 282.9 / 359 = 78.8\%]$. An additional thirty-one (31) acute care beds, as proposed in the *Proposed 2019 State Medical Facilities Plan*, would result in an occupancy rate of 72.5 percent $[103,260 / 365 = 282.9 / 390 = 72.5\%]$.



For these reasons, FMRH believes that it can accommodate any short-term future days of care growth utilizing its existing and approved licensed acute care bed inventory.

Adverse effect on providers and consumers without adjustment:

FMRH believes that the proposed acute care bed need determination will have an adverse effect on both providers and consumers if it is not adjusted. FMRH has capacity in its acute care beds considering that twenty-two (22) acute care beds will be under development in the next year and FMRH does not desire to unnecessarily increase acute care beds inventory through the development of thirty-one (31) additional acute care beds. FMRH would like to re-evaluate the need for additional acute care beds after the development and operation of the twenty-two (22) acute care beds approved in May 2018. Preparing and filing a CON application for the thirty-one (31) acute care beds will be time consuming and expensive, and as the data show, there does not appear to be a need for the thirty-one (31) acute care beds. The CON staff will need to spend their time (and the State's resources) reviewing such an application. One of the goals of the CON program is cost control. Another goal is to avoid creating excess capacity. FMRH believes that both goals will be furthered if this Petition is approved.

Alternatives considered:

Because of reasonable capacity in the existing acute care beds at FMRH and the twenty-two (22) acute care beds approved in May 2018, the only logical alternative is to avoid creating an unnecessary need determination for thirty-one (31) acute care beds in Moore County in the *2019 State Medical Facilities Plan*. This alternative resulted in the submission of this petition for an adjusted need determination in Moore County.

Evidence that the proposed adjustment would not result in unnecessary duplication of health services in the area:

Adjusting the need determination for thirty-one (31) acute care beds in Moore County will most assuredly not result in duplication of health services in the area, but rather would avoid the duplication of health services.

Evidence that the requested adjustment is consistent with the Basic Principles of Safety and Quality, Access and Value:

The proposed adjustment is consistent with these basic principles in that safety and quality, access and value, all of which are associated with the existing provision of acute care inpatient services in Moore County, will not be impacted. Based on the existing acute care beds in Moore County, as well as the twenty-two (22) acute care beds approved in May, 2018, adjusting the need determination will eliminate the possible duplication of services, which would eliminate the expenses associated with constructing and operating additional acute care beds in the service area. FMRH maintains high quality, access, and value as demonstrated by the CMS Value-Based Purchasing (“VBP”) results.

	FY2015	FY2016	FY2017	FY2018
CMS VBP Incentive Payment	2.730%	3.189%	3.130%	3.020%

Requested Adjustment:

FMRH requests that the *2019 State Medical Facilities Plan* indicate a need determination for zero (0) acute care beds in Moore County, as to be reflected in Table 5B.