



COMMENTS RE: CHAPTER 3 (CON REVIEW CATEGORIES AND SCHEDULE) OF THE PROPOSED 2020 SMFP

To: The NC SHCC & NC DHSR Healthcare Planning & Certificate of Need Section:

Thank you in advance for your review and consideration of the following comments. My name is Max Mason and I am the Vice President of Strategic Planning & Operational Support for Principle Long Term Care (“PLTC”). PLTC’s service goals and operational philosophies align very closely with the Basic Principles of the State Medical Facilities Plan (“SMFP”): Safety and Quality; Access (economic and geographic); and Value.

PLTC currently owns/operates/manages forty-three (43) skilled nursing facilities in North Carolina. Our widespread *geographic* footprint, in rural and urban areas, provides access to a large portion of the state’s population. Additionally, we have always been committed to ensuring *economic* access to our services to all individuals. In fact, PLTC typically provides more days of care to Medicaid beneficiaries than any other operator in the state.

As is well known, the Principles governing the SMFP strive to ensure geographic access to healthcare services by reducing time and distance barriers. Policy NH-6 of the SMFP enables nursing home providers to reallocate beds from areas with a bed surplus to those with a bed deficit. This policy allows for periodic rebalancing of nursing home bed need as population dynamics and utilization trends change.

Currently, Certificate of Need (“CON”) applications to relocate beds under Policy NH-6 are regulated by Chapter 3 or the SMFP, which batches such projects into Category B (Nursing and Adult Care Services). The proposed 2020 SMFP, unlike the current 2019 SMFP and prior versions, separates Category B into two subsections: Category B.1 and Category B.2. Each is summarized below:

Category B.1

- new nursing facilities or beds pursuant to a need determination;
- relocation of existing or approved nursing facility beds within the same service area;
- transfer of nursing facility beds from state psychiatric hospitals pursuant to Policy NH-5;
- new adult care home facilities or beds pursuant to a need determination;
- relocation of existing or approved adult care home beds within the same service area; and
- new or existing continuing care retirement communities applying pursuant to Policy NH-2 or Policy LTC-1.

Category B.2 (Relocation of Existing Beds to Another Service Area)

- relocation of existing nursing facility beds to another service area pursuant to Policy NH-6; and

- relocation of existing adult care home beds to a another service area pursuant to Policy LTC-2.

The current review schedule (as it relates to Category B) in the proposed 2020 SMFP is as follows:

Table 3A: 2020 Certificate of Need Review Schedule

CON Beginning Review Date	Category
February 1, 2020	
March 1, 2020	B.1
April 1, 2020	
May 1, 2020	B.2
June 1, 2020	
July 1, 2020	
August 1, 2020	B.1
September 1, 2020	
October 1, 2020	
November 1, 2020	B.1
December 1, 2020	

If the current category and subsequent review schedule are kept this way, it would mean Applicants wanting to relocate existing beds to another service area are only permitted to apply one time per year, whereas applicants that fall into category B.1 have three (3) opportunities to apply.

We feel that the proposed change to review cycle for Category B contravenes the purpose of all three basic principles of the SMFP, but with perhaps an even greater detriment to the Access principle. Therefore, we urge the SHCC to reconsider the changes made to Chapter 3 of the proposed 2020 SMFP. We believe that current structure, with four opportunities to apply throughout the year, best serves the needs of both North Carolinians and operators, who routinely assess need and opportunity to better align need and demand. Please approve the previous SMFP's structure of Category B, which allows for submission of any Nursing and Adult Care service requiring a CON on any of the four review dates.

Again, thank you for your time and review of our comments.

Max Mason