

NORTH CAROLINA STATE HEALTH COORDINATING COUNCIL

PETITION FOR ADJUSTMENT TO NEED DETERMINATION FOR ADDITIONAL ACUTE CARE BEDS IN WAKE COUNTY

Petitioner Duke University Health System, Inc. d/b/a Duke Raleigh Hospital (“Duke Raleigh”) hereby submits this petition to adjust the need determination for acute care beds in Wake County in the 2021 State Medical Facilities Plan.

Petitioner

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Statement of the Proposed Change

Duke Raleigh proposes that the need for acute care beds in Chapter 5 of the 2021 State Medical Facilities Plan be adjusted to reflect a need for 20 acute care beds in Wake County.

As one alternative to adjusting the need only in Wake County, Duke University Health System proposes that any adjustment to the need for inpatient acute care beds in Wake County could be offset by an adjustment to the bed need determination in Durham County. See alternatives discussed below.

Reasons for Proposed Change

As set forth in the draft 2021 State Medical Facilities Plan, the inpatient utilization at Duke Raleigh reflects a deficit of 12 beds (with a current inventory of 186 acute care beds) to meet anticipated need. Due to the methodology’s threshold that a need is recognized only if a projected deficient equals the lesser of 20 beds or 10% of the hospital system’s service area inventory, this

DUHS Petition for Adjustment to Need Determination for Inpatient Acute Care Beds in Wake County

deficit is not sufficient to create a recognized need for additional beds under the existing methodology. However, Duke Raleigh Hospital’s deficit is the result of significant ongoing growth, reflecting a need for increased bed capacity in the county.

The hospital’s FY 2019 utilization (reflected in the State Medical Facilities Plan) was 12.6% higher than FY 2018:

Duke Raleigh Hospital	Total days (SMFP)	ADC	% growth
FY 2018	43,805	120.0	
FY 2019	49,334	135.2	12.6%

Duke Raleigh Hospital’s utilization continued to grow significantly in FY 2020, with an average daily census of 141.7 from July 2019 through February 2020. Like hospitals across the state, however, beginning in March 2020 Duke Raleigh Hospital made a concerted effort to decrease its census by deferring non-emergent surgeries and admissions in order to ensure capacity to accommodate potential COVID-19 needs. As those restrictions have eased, Duke Raleigh’s utilization began to increase again, with an average daily census in June 2020 exceeding its FY 2019 average daily census:

FY 2020	FP1	FP2	FP3	FP4	FP5	FP6	FP7	FP8	FP9	FP10	FP11	FP12
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Calendar Days	31	31	30	31	30	31	31	29	31	30	31	30
Total Inpatient Days	4,232	4,415	3,836	4,225	4,177	4,423	4,719	4,557	3,968	2,724	3,533	4,117
ADC	136.5	142.4	127.9	136.3	139.2	142.7	152.2	157.1	128.0	90.8	114.0	137.2

That utilization trend is continuing. The hospital’s average daily census from July 1-19, 2020, was 144.1, higher than its pre-COVID utilization. Duke Raleigh Hospital accordingly anticipates that its utilization will continue to rise in coming years consistent with its historical experience.

The need for additional inpatient bed capacity in Wake County is further underscored by the demonstrated need for additional beds in Durham County in the Draft 2021 SMFP. Durham County shows a net need for 40 additional beds, based on a projected deficit of 79 beds at Duke University Hospital. A significant component of Duke University Hospital’s utilization comes from Wake County patients. As documented in Duke University Hospital’s 2020 license renewal application, 13.5% (5,862/43,485) of inpatients were from Wake County. This is an increase from 2019 (13.3%) and 2018 (12.1%). If 13.5% of Duke University Hospital’s inpatient utilization

comes from Wake County patients, that equates to an average daily census of Wake County patients of more than 100. This growing census of Wake County patients supports the need for additional inpatient capacity in Wake County.

Adverse effect on providers and consumers without change:

Without the requested adjustment to the need determination, patients may be deprived of their choice of provider, as Duke Raleigh Hospital cannot otherwise expand capacity to meet the steadily growing demand for inpatient services. Wake County patients may be required to travel to other counties to obtain needed care.

Due to the short-term COVID-19 capacity measures in the spring of 2020 and resulting decrease in average daily census for three months, it is possible that application of the standard methodology in the 2022 SFMP (based on FY 2020 utilization data) will not generate a need for additional beds, even as Duke Raleigh Hospital continues to experience high utilization and a projected bed deficit. This could delay the ability of providers to create additional capacity for several years, unless an adjustment to the need determination is approved.

Alternatives considered

One alternative to ensure access for Wake County inpatients would be to decrease the need determination in Durham County as the need is increased in Wake County. That is, if the need in Wake County is adjusted to reflect the growing utilization at Duke University Hospital of Wake County patients, then the Durham County need could be adjusted accordingly. For example, if the need for beds in Wake County were adjusted to 20 beds, reflecting the existing 12 bed projected deficit and an additional 8 bed need, then the need in Durham County could be decreased from 40 to 32.

Duke University Health System operates the only hospitals in Durham County eligible to add acute care beds and believes that inpatient bed capacity is more urgently needed in Wake County than in Durham County. Duke University Hospital already has certificate of need approval for 102 additional acute care beds that are still in development to address its growing utilization. Duke would therefore support the adjustment in Wake County even if coupled with a downward adjustment or elimination of need in Durham County.

Evidence that the proposed change would not result in unnecessary duplication of health resources in the area

As set forth above, Duke Raleigh already demonstrates a projected bed deficit based on its historical utilization. Eliminating the utilization from March-May 2020 when state-imposed restrictions and public health considerations drove an intentional decrease in utilization to create bed capacity, the standard methodology would generate a need based on FY 2020 utilization using

the growth rate included in the Draft 2021 SMFP (an average daily census of 140.33 would generate a deficit of 20 beds using the growth assumptions in the methodology).

Given the time that the certificate of need process and subsequent development of bed capacity necessarily entail, recognizing the need now will allow applicants to meet the service area need without delay.

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

The requested change will improve safety and quality, access and value by creating the opportunity for providers to expand capacity to meet patient demand and allow for greater patient choice. As set forth above, patient origin data reflect that significant numbers of Wake County patients are seeking inpatient care in other counties; this proposal may allow Wake County patients who may currently leave the county for services to seek needed care closer to home.