

**Comment in Support of Duke University Health System’s Petition
for an Adjusted Need Determination for Acute Care Beds
in the 2022 State Medical Facilities Plan**

COMMENTER

UNC REX Hospital
4420 Lake Boone Trail
Raleigh, NC 27607

Ernie Bovio
President
919-784-1365
Ernie.Bovio@unchealth.unc.edu

AND

UNC Hospitals
101 Manning Drive
Chapel Hill, NC 27514

Janet Hadar
President
984-974-4423
janet.hadar@unchealth.unc.edu

INTRODUCTION

Duke University Health System (“Duke”) filed a petition for an adjusted need determination in the 2020 SMFP relating to inpatient acute care beds in the Wake County and the Durham/Caswell service areas. Rex Hospital, Inc. d/b/a UNC REX Hospital and University of North Carolina Hospitals at Chapel Hill (collectively, “UNC Health”) support the petition and its request for a special adjustment in these service areas.

UNC HEALTH’S REASONS FOR SUPPORT

In addition to the rationale presented in Duke’s petition, UNC Health has particular issues that support the need for a greater number of acute care beds in Wake County. First, similar to Duke, UNC Health serves many patients from Wake County at its hospitals in Orange County. While some of these patients need a level of care only available at an academic medical center, many of these patients can be served in their home county. To that end, UNC Health is continuing to locate physicians in Wake County to meet this need, including UNC Faculty Practice physicians in specialties such as pediatrics, gynecologic oncology, general surgery and GI surgery. The location of these specialists in Wake County will provide better access for patients while minimizing the need to travel to Orange County for care, thereby increasing the need for inpatient capacity at UNC REX.

Next, a considerable number of patients at UNC REX that are not counted as “inpatients” nonetheless require an inpatient bed, as they stay overnight, often up to just short of two midnights, but are classified as outpatients. These are patients that have advanced needs that require hospital resources commensurate with an inpatient stay, and therefore are most effectively housed in an acute care bed on an inpatient unit. However, this volume is not captured in the data used in the *SMFP* to determine the need for additional acute care beds.

Yet another complicating factor for UNC REX is the current situation with diversion status. In the past, when a hospital was experiencing an acute strain on capacity, Wake County Emergency Medical Services (EMS) would divert patients to other hospitals in the county to relieve some of the strain. At present, every Wake County hospital is regularly reporting capacity constraints, and Wake County EMS is unable to accommodate diversions, and with the unfortunate return to an increase in the number of COVID-19 cases requiring hospitalization, this trend is likely to continue for some time. This excessive demand on hospital providers in Wake County results in inpatient backlogs, long wait times for a bed, and more time in the hospital – all of which are detrimental to patient care.

Even the mechanisms currently in place to provide temporary bed overflow capacity are a potential issue. For many years, UNC REX has relied on the provision to temporarily request an increase of 10 percent of its bed capacity when it reaches certain utilization thresholds. More recently, the additional inpatient bed capacity through the COVID-19 waiver allowed UNC REX to further adjust its bed capacity when necessary, and, in fact, some of the volume shown in the *Proposed 2022 SMFP* was accommodated through that provision. However, an important consideration is that the projected bed need is based on an average daily census, which assumes that volume is consistent throughout the year, and does not account for fluctuations in census. In fact, as the SHCC is likely aware, over the past 18 months, the times of peak census have been extraordinary. If the state of emergency subsidies and with it the flexibility to increase bed capacity as has been permitted in the past year is removed, but then another spike in census occurs, UNC REX’s ability to meet the need will be seriously diminished. In other words, the need for additional beds in Wake County shown in the *Proposed 2022 SMFP* is based on the target occupancy rates established for “normal” operations and does not appropriately consider the need for capacity to accommodate patients during the ongoing pandemic.

Finally, UNC REX believes the growth in acute care days in Wake County will only increase in the future, given the number of beds that have been approved that will soon be operational. Most notably, UNC REX Holly Springs Hospital is planned to open next month, adding 50 new acute care beds in Wake County. While the inventory of these beds is included in the *SMFP*, the utilization of the beds is not, and based on surgeries and other planned admissions already scheduled for the fall, UNC REX expects the hospital to be well-utilized, increasing the number of acute care days provided in Wake County facilities.

CONCLUSION

UNC Health supports the standard methodology for acute care beds; however, given the unique circumstances of the past 18 months and the continued growth in utilization in Wake County, the need presented in the *Proposed 2022 SMFP* understates the demand for beds in the service area. UNC Health also recognizes that a number of previous need determinations in the Durham/Caswell service area have yet to be developed, and some are still under review. As such, and with the proposed increase in the number of beds to be allocated in Wake County, UNC Health also supports the removal of the need determination in the Durham/Caswell service area.