

Inpatient Rehabilitation

Agency Report:

Inpatient Rehabilitation Petition: Rex Hospital

AGENCY REPORT

Inpatient Rehabilitation Beds Petition: Rex Hospital

Petitioner

Rex Hospital
4420 Lake Boone Trail
Raleigh, NC 27607

Request

Rex Hospital petitions the State Health Coordinating Council ("SHCC") to adjust the need determination in Health Service Area IV ("HSA IV") to show a projected need for 16 Inpatient rehabilitation beds in the 2009 State Medical Facilities Plan ("SMFP").

Background Information

The Inpatient Rehabilitation Bed Need Projection Methodology in the annual State Medical Facilities Plan is based on overall average utilization by the six Health Service Areas (HSAs). In order to be eligible for additional inpatient rehabilitation beds, the standard methodology requires an HSA to achieve "...an overall average, annual occupancy rate of 80% or above during the two fiscal years prior to developing the Proposed State Medical Facilities Plan" (*emphasis added*). No Health Service Area has achieved this level of average utilization in recent years.

Analysis/Implications

Inpatient rehabilitation bed **inventory** data for HSA IV from 2003 – 2007 are shown in the table below (data from State Medical Facilities Plans; years refer to data years):

FACILITY	2003	2004	2005	2006	2007
Duke University Hospital (Beds delicensed in September 2006)	24	24	24		
Durham Regional Hospital	30	30	30	30	30
University of North Carolina Hospitals	30	30	30	30	30
WakeMed	68	68	68	68	78
Maria Parham Hospital	11	11	11	11	11
Adjusted Need Determination				16*	6
HSA IV Total Planning Inventory	163	163	179	155	155

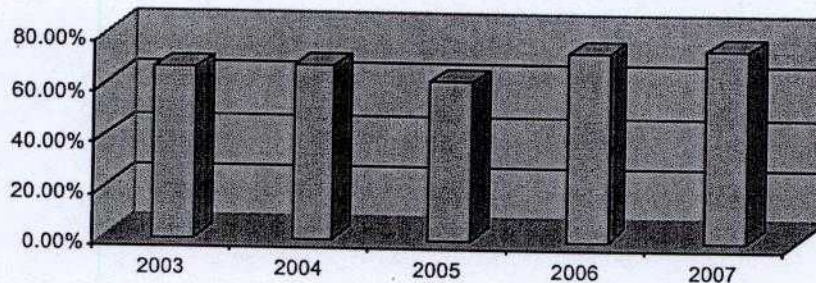
*An Adjusted Need Determination for 16 beds was included in the 2006 SMFP in response to two petitions submitted in 2005. The CON for the 16 additional rehabilitation beds was issued to WakeMed on March 22, 2007.

Inpatient rehabilitation bed **utilization** for HSA IV from 2003 – 2007 are shown in the table and graph below (data from State Medical Facilities Plans; years refer to data years):

<i>HSA IV Inpatient Rehabilitation Utilization: 2003-2007</i>					
FACILITY	2003	2004	2005	2006	2007
Duke University Hospital (Beds delicensed in September 2006)	0.0%	0.0%	0.0%		
Durham Regional Hospital	71.9%	67.1%	61.9%	62.7%	61.7%
University of North Carolina Hospitals	58.5%	61.4%	73.1%	77.0%	83.0%
WakeMed	93.4%	96.2%	94.2%	78.4%*	78.3%*
Maria Parham Hospital	55.4%	57.9%	60.5%	51.9%	64.5%
HSA IV Overall Utilization	66.7%	67.7%	62.1%	73.2%	75.0%

*Utilization calculations for WakeMed are based on a total of 82 beds which includes 68 licensed beds and 16 beds that were under development at the time.

HSA IV Overall Inpatient Rehabilitation Utilization: 2003-2007



Regarding the petition, the Agency highlights the following points:

- Overall Inpatient Rehabilitation Bed utilization is increasing in HSA IV and data from 2006 and 2007 show overall utilization of 73.2% and 75.0% respectively. Review of facility data shows only UNC Hospitals above 80% utilization for 2007.
- According to the petitioner, “the capacity for inpatient rehabilitation has been overstated for HSA IV” due to counting licensed beds, not staffed beds and to counting CON approved beds. Specifically, on recent License Renewal Applications, Durham Regional Hospital reported 1-13 licensed beds were not staffed and on the 2007 License Renewal Application Maria Parham Hospital reported 4 licensed beds were not staffed. Further, in 2007 WakeMed became licensed for 10 of the 16 beds for which it was approved. In determining need for additional beds, the Inpatient Rehabilitation Bed Need methodology uses the “total number of licensed and CON approved rehabilitation beds”, not staffed beds.

- The petitioner provides Bed to Population Ratio data for each HSA and for the State and contends that additional beds should be added to HSA IV's inventory in order to "reach the state average of population to beds". However, review of 2006 and 2007 utilization rates for each of the HSAs shows the following:

<i>Average Annual Utilization Rate</i>			
<i>HSA</i>	<i>2006</i>	<i>2007</i>	<i>Beds Needed</i>
I Total	47.5%	45.2%	0
II Total	51.0%	51.6%	0
III Total	65.9%	62.4%	0
IV Total	73.2%	75.0%	0
V Total	60.9%	59.6%	0
VI Total	56.5%	59.6%	0
Grand Total	59.5%	59.2%	0

Given that the 2006 and 2007 utilization rates for each HSA except HSA IV are well below 80%, it appears there is a surplus of rehabilitation beds in the other HSAs. Thus, the bed to population ratios in those HSAs are not reliable indicators of need. Therefore, the Agency does not agree that the higher bed to population ratios in the other HSAs are indicators of a need for additional beds in HSA IV.

Agency Recommendation

In consideration of the above and in support of the standard methodology for determining need for Inpatient Rehabilitation Beds, the Agency does not find compelling evidence of the need for an adjusted need determination for inpatient rehabilitation beds in HSA IV and recommends denial of the petition.