Medical Facilities Planning

State Health Coordinating Council Meeting
Draft Minutes
May 27, 2009
10:00 am – 12:00 Noon
McKimmon Center, Raleigh, North Carolina

MEMBERS PRESENT: Dr. Dan Myers, Chair; Bill Bedsole; Greg Beier; Dr. Don Bradley; Dr. Richard Bruch; Dr. Dennis Clements; Dr. Dana Copeland; Dr. Lawrence Cutchin; Ted Griffin; Charles Hauser; Harold Hart; Laurence Hinsdale; Ken Hodges; Dr. John Holt, Jr.; Frances Mauney; Jack Nichols; Stephen Nuckolls; Jerry Parks; Dr. T.J. Pulliam; Tim Rogers; Dr. Christopher Ullrich; Dr. Zane Walsh
MEMBERS ABSENT: Donald Beaver; Senator Anthony Foriest; Dr. Sandra Greene; Daniel Hoffmann; Dr. William McMillan; Representative William Wainwright
Medical Facilities Planning Section Staff Present: Floyd Cogley; Victoria McClanahan; Carol Potter and Kelli Fisk **DHSR Staff Present**: Jeff Horton; Elizabeth Brown; Lee Hoffman

Standing Agenda	Discussion	Motions	Recommendations/ Actions
Welcome & Introductions	Dr. Myers welcomed Council members, staff and visitors to the second meeting of the planning cycle for the 2010 State Medical Facilities Plan. Dr. Myers indicated that this meeting is open to the public but is not a public hearing. Dr. Myers stated that the public hearings for the summer will be in the month of July and asked members to participate in these public hearings. Dr. Myers stated that he felt that the Council had made great progress this year and that he looked forward to hearing the reports from the committees and work-groups. He said that he wanted to emphasize that one of the most important things the Council had done recently was to review the Basic Principles Governing the Development of the SMFP and to outline steps the Council needed to take to implement the revised the principles. He noted that he regretted that the Council has been unable to proceed with implementing the revised Principles due to budget restrictions. Dr. Myers asked that everyone keep this in mind because implementing the revised Principles was one of the most important things the Council could do for the citizens of North Carolina. He stated that he hoped budgetary constraints would not require delaying implementing the revised Principles much longer.		

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	Dr. Myers announced with regret that Mr. Michael Tarwater had resigned from the Council and that the Governor had accepted his resignation. Dr. Myers thanked Mr. Tarwater for his many years of service. Dr. Myers indicated that Dr. Sandra Greene had agreed to chair the Acute Care Services Committee and Dr. Dana Copeland would serve as vice-chairman. Dr. Myers stated that the Governor had not yet announced Mr. Tarwater's replacement on the Council but that he expected an announcement soon.		
Ms. Kendra Hill Executive Order #10	Dr. Myers introduced Ms. Kendra Hill, legal counsel from the Governor's Office. Ms. Hill addressed the Executive Order. Ms. Hill stated that she was at today's meeting to get feedback and thoughts from the Council and any way Executive Order No. 10 can be improved. At this time Ms. Hill asked for any comments or questions. Dr. Pulliam expressed support for Executive Order No. 10 and said that he felt compliance with the Order is in the best interest of every citizen of the state. Mr. Jerry Parks stated that he would like for the Council and Committees to get to a point where each member does not have to go through the same process at each meeting. Ms. Hill stated that Marc Lodge would seek ways to make the process more efficient. Mr. Beier indicated that he would like to see a written disclosure at the beginning of each meeting. Dr. Myers asked the Governor's Office and the Attorney General's Office to work together to determine a process whereby at the beginning of each year, SHCC members could report all possible conflicts of interest and disclose them in written form. The written forms could then be made part of each Committee meeting, full SHCC meeting and work-group meeting. This would streamline the process at the beginning of each meeting yet ensure that all the requirements of the Order were met. This would mean that the only thing members would need to do at the beginning of each meeting would be to report any items on the agenda with which the member had a conflict of interest. Dr. Myers stated that the Council would need guidance on this before it could be implemented. Dr. Myers recognized Jeff Horton. Mr. Horton stated that due to the state budget crisis we are now e-mailing out all documents and producing fewer hard copies and this will continue into next year. He indicated that the meeting facility had wireless capability. Dr. Myers gave an overview of procedures for Executive Order No. 10 to observe before taking action at the meeting. Dr. Myers asked members to introduce themselves, indicating who they represent. He further asked members to indicate if they had a conflict, if they needed to declare that they would derive a financial benefit from any matter on the agenda, or if they intended to		

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	recuse themselves from voting on a matter. Beginning with Dr. Bradley, members commented on their professional and institutional interests. Dr. Pulliam disclosed that due to his employment with Wake Forest University Baptist Medical Center in Forsyth County, his work with a Wilkes County gastroenterology practice and his wife's employment as a hospice nurse, he would recuse himself from all matters regarding Wilkes County and Hospice Services. Dr. Bruch said that he would recuse himself from votes related to the Single Specialty Operating Room Demonstration Project, because the matters may affect the practice with which he is involved. No other members recused themselves at this point or indicated having a financial benefit that would be derived from any matter coming before the Council for action. Dr. Myers stated that he does not plan to vote today except in case of a tie. However, if he were to vote, he would recuse himself from all lithotripsy votes. Dr. Myers asked members to declare conflicts as agenda items come up.		
Approval of Minutes from March 4, 2009	A motion was made and seconded to approve the minutes of March 4, 2009 as presented.	Mr. Nichols Dr. Clements	The motion was unanimously approved.
Recommendations from the Long-Term & Behavioral Health Com	Dr. Pulliam made a motion that the following recommendations from the Long-Term & Behavioral Health Committee be approved. Dr. Pulliam reviewed the Committee report that had been distributed. Nursing Care Facilities: ● The Committee recommends acceptance of the current nursing facility policies, assumptions and methodology for the Proposed 2010 Plan. For the Proposed 2010 Plan, references to dates would be advanced one year. Draft use rates per 1000 Population were developed and were noted at the bottom of Draft Table 10B which was included with the committee report as Attachment A. Application of the standard methodology to draft use rates and planning inventory would result in two need determinations in the State: 10 beds in Camden County and 70 beds in Johnston County. Adult Care Homes: ● The Committee recommends acceptance of current adult care home policies, assumptions and methodology for the Proposed 2010 Plan. Draft use rates were developed and were noted at the bottom of Draft Table 11B which was Attachment B to the report. Application of the standard methodology to the draft use rates and planning inventory would result in need determinations in three counties for a total of 80 adult care home beds for review during 2010. The counties are: Camden – 10 beds; Dare – 30 beds; and, Gates – 40 beds.	Dr. Pulliam	The motion was unanimously approved. Dr. Pulliam recused from vote regarding hospice.

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<tr><td></td><td>Home Health Services:
• The Committee considered that there would be a need determination in Granville County in the Proposed 2010 Plan based on Policy HH-3. As was done for the Proposed 2009 Plan, the Committee recommends that the need determination for Granville County be removed from the Proposed 2010 Plan. A statement would be included in the Proposed 2010 Plan indicating that while there would have been a need determination for Granville County based on Policy HH-3, there was an adjusted determination of no new need for a Medicare-Certified Home Health Agency or Office in Granville County.
• The Committee recommends that the home health services policy, assumptions and methodology be accepted for the Proposed 2010 Plan. Application of the standard methodology would indicate a need determination for one new Medicare-Certified home health agency or office in Wake County for review during calendar year 2010 as shown on draft Table 12C which was Attachment C to the report.

Hospice Services:
Dr. Pulliam indicated that the State Health Coordinating Council authorized in 2008 the formation of a Hospice Methodologies Task Force to make recommendations for the Proposed 2010 State Medical Facilities Plan. Dr. Pulliam thanked Dr. Myers for his leadership in putting the Task Force together. Dr. Pulliam recognized task force members and resource people.</td><td></td><td></td></tr>
<tr><td>Hospice Methodology Task Force Report</td><td>Dr. Pulliam recognized Timothy Rogers to give the Task Force report. The Task Force presented its recommendations to the Committee which were detailed in Attachment D. The recommendations were outlined in the Committee's report to the Council as follows:

Hospice Home Care Offices:
-Utilize the two year trailing average growth rate in the number of deaths served and in the percent of deaths served.
-No need determinations for counties with three or more hospice home care offices (excludes hospice inpatient and residential only facilities) per 100,000 population.
-The threshold for a need determination would be a deficit of 90 or greater.
-The placeholder for new hospice offices would be based on a threshold of 90.

Hospice Inpatient Beds:
-Utilize projected hospice days of care calculated by multiplying projected hospice admissions by the lower of the statewide median average length of stay or the actual average length of stay for each county.</td><td></td><td></td></tr>
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	-Project hospice admissions by applying the two year trailing average growth rate in the number of admissions served to current admissions. -Inpatient days as a percent of total days of care are determined to be approximately six percent. The Task Force also recommended reviewing the hospice methodologies for the 2012 SMFP in order to determine the effect of all of these changes. Further, with regard to data reporting, The Carolinas Center for Hospice and End of Life Care and the Association for Home & Hospice Care of North Carolina will follow-up with the Division of Health Service Regulation's Acute and Home Care Licensure Section. In response to questions, Mr. Rogers indicated that the occupancy rate used with regard to inpatient hospice facilities is 85 percent and consideration was given to quality and access factors. ● The Committee recommends acceptance of the Hospice Methodologies Task Force recommendations. The Committee recommends acceptance of the hospice services assumptions and methodologies as outlined in the Hospice Methodologies Task Force recommendations for inclusion in the Proposed 2010 Plan with references to years being advanced as appropriate. The Committee authorized staff to work with the Committee Chair and other resource people to refine items as we move forward. Application of the revised hospice home care office methodology using current information would indicate no need for new hospice home care offices for review during calendar year 2010 anywhere in the State, as shown on draft Table 13B which was included in Attachment D of the committee report. Application of the revised hospice inpatient bed methodology using current information would indicate need determinations in Randolph and Sampson counties for six beds each as shown in the last column of draft Table 13C which was included in Attachment D of the committee report. End-Stage Renal Disease Dialysis Services: There were no "carry-over issues" regarding the Dialysis Chapter and no petitions or comments seeking revisions were received this spring. The Committee reviewed the current policy, basic principles, and methodology and recommends no substantive changes for the Proposed 2010 SMFP. Data in the "Summary of Dialysis Station Supply and Utilization" have been updated and references to dates have been advanced by one year, as appropriate. As with the 2009 SMFP, the methodology requires Semiannual Dialysis Reports (SDRs) to be issued in January and July		

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	of 2010. Because the intent is to publish updated patient information twice each year, projected need determinations are not included in the "Proposed SMFP." Psychiatric Inpatient Services: ▪ The Committee recommends that the psychiatric inpatient services policy, assumptions and methodology be accepted for the Proposed 2010 Plan, and that references to dates be advanced one year. The Committee recommends adoption of clarifying language for the Chapter 15 narrative, which would be placed as item one under Basic Assumptions of the Methodology. ▪ Using the standard methodology, data and information available, there were determinations of need in the following LME areas for child/adolescent psychiatric inpatient beds: Smoky Mountain, Piedmont, Durham, Johnston, Onslow–Carteret, Beacon Center, East Carolina Behavioral Health, and Eastpointe. Further, there were determinations of need in the following LME areas for adult psychiatric inpatient beds: Smoky Mountain, Pathways, Mecklenburg, Crossroads, and Johnston. Substance Abuse Inpatient and Residential Services: ▪ The Committee recommends that the Substance Abuse Inpatient and Residential Services assumptions and methodology be accepted for the Proposed 2010 Plan, and that references to dates be advanced one year. The Committee recommends adoption of clarifying language for the Chapter 16 narrative regarding service areas, and providing clarification regarding need determinations for residential chemical dependency treatment beds. The recommendation includes adding the words "Chemical Dependency Treatment Beds" to the title of Chapter 16. ▪ Using the standard methodology, data and information available, there was a determination of need for adult and child/adolescent chemical dependency treatment beds in the South Central Mental Health Planning Region. Intermediate Care Facilities for the Mentally Retarded: ▪ The Committee recommends that the current ICF-MR policies, assumptions and methodology be accepted for the Proposed 2010 Plan, and that references to dates be advanced one year. Using the standard methodology and data available, there was no need determination for additional ICF/MR beds anywhere in the State. Other Action The Committee authorized staff to update narratives, tables and need determinations for the Proposed 2010 Plan as new and corrected data are received.		

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Recommendations from the Acute Care Services Committee	Dr. Dana Copeland recognized Mr. Tarwater, Dr. Sandra Greene, Dr. Cutchin and Charles Hauser for their service to the Acute Care Services Committee. Dr. Copeland made a motion to accept the Acute Care Services Committee recommendations, shown below: Acute Care Beds • Committee recommends no changes to the Acute Care Hospital Policies for the Proposed 2010 Plan. • Committee recommends no changes to the Acute Care Bed Need Methodology for the Proposed 2010 Plan. • Committee concurs with the Acute Care Bed Need Methodology Work Group's recommendation for the work group to reconvene in the fall to review additional data and to consider changing the Acute Care Bed Need methodology in the spring of 2010. The Committee also concurs with the work group consensus that an HSA based growth rate is not appropriate and that a county based growth rate had potential, but that more work was required before a recommendation to change the methodology could be made and that given the current economic climate, now is not a good time to change the acute care bed need methodology such that need for a large number of acute care beds is generated. • Committee recommends approval of the draft Table 5A, showing a three year average Growth Factor of .02% and need for 36 additional acute care beds for Orange county. • Committee noted overall improvement in the Acute Care utilization data compared to past years, but that there are still some hospitals showing discrepancies of five percent or greater between their Licensure data and their Thomson data. Committee authorized staff to work with the Sheps Center and the hospitals during the summer to improve discrepant data and to recalculate the need projections based on the improved data. Operating Rooms • Committee recommends no changes to the Operating Room Need Methodology for the Proposed 2010 Plan. Committee discussed "chronically underutilized facilities" whose OR inventory and utilization data are excluded from need determinations. Such facilities are defined in the OR methodology as: "licensed facilities operating at less than 40% utilization for the past two fiscal years, which have been licensed long enough to submit at least two License Renewal Applications to the Division of Health Service Regulation." Committee asked staff to model increasing the number of License Renewal Applications required from two to three, or to model an increased period based on another suitable factor, and to report results to the Committee.	Dr. Copeland	The motion was approved. Dr. Pulliam (due to employment in health care in Forsyth County), Dr. Bruch and Mr. Hinsdale recused from the vote.

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	• Trauma/Burn Case Reporting: 1. For the Proposed 2010 SMFP, using the current method for excluding trauma cases from the OR methodology, i.e., collecting excluded case data from trauma/burn centers when need is determined in an OR service area with a Trauma/Burn Center; 2. Adding a note to the Proposed 2010 SMFP describing the NC OEMS reporting system and requesting comments on querying the system for trauma case numbers to be excluded from the OR methodology; and 3. After NC OEMS implements the trauma case reporting system, comparing data from the NC OEMS system to data submitted by the trauma centers. Operating Room Petitions: • Committee considered two operating room petitions, one from Affordable Health Care Facilities and one from Southern Surgical Center. Request: Affordable Health Care Facilities: "It is proposed that the SHCC (i) develop a pilot demonstration program and (ii) change the CON methodology for ambulatory surgical operating rooms. Specifically, it is proposed that pilot demonstration facilities apply to the DHSR by submitting proposals that contain specific metrics that can be used to measure a facility's effectiveness in meeting the QAV Basic Principles of the SMFP in order to be granted under a CON under the proposed new need methodology." Request: Southern Surgical Center: "A Freestanding Ambulatory Surgery Center Demonstration Project should be included in the 2010 State Medical Facilities Plan. The demonstration project should include 6 different sites owned and operated separately in 6 different geographic areas of the state - Mecklenburg, Forsyth, Guilford, Wake, Pitt, and New Hanover Counties. Each site will be awarded two operating room and two procedure rooms." • Committee recommends denial of both petitions given that a work group was developing a single Specialty Ambulatory Surgery Demonstration Project and it would be imprudent to recommend approval of any additional ambulatory surgery demonstration projects. Single Specialty Ambulatory Surgery Work Group Recommendations: • Committee reviewed and discussed the recommendations from the Single Specialty Ambulatory Surgery Work Group (recommendation details were included as part of the ACS Recommendations document). Council members discussed ambulatory surgery demonstration projects in other states and no other state was identified as having a similar demonstration project although some states are encouraging development of more ambulatory surgery centers. Appreciation was expressed for work group members' efforts in developing		

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	the demonstration project. The following clarifications were made: Demonstration project data will be public data Data will be collected annually Evaluations will occur annually and after five years • Committee recommends including in the Proposed 2010 SMFP a Single Specialty Ambulatory Surgery demonstration project which complies with all the recommendations made by the Ambulatory Surgery Demonstration Project work group. Additionally, the Committee recommends adding a note to the 2010 Proposed SMFP requesting comments on the demonstration project. • Committee recommends approval of the draft Table 6B, showing need for four additional operating rooms: three in the Wake County OR service area and one in the Watauga County OR service area. Other Acute Care Services: • No changes to Policy AC-6 (Heart-Lung Bypass Machines for Emergency Coverage) or to the methodologies; • Approval of the Chapter 7 preliminary need determination tables, indicating no need for additional other acute care services. Inpatient Rehabilitation Services: • No changes to the current Inpatient Rehabilitation methodology; • Approval of preliminary Table 8A, indicating no need for additional inpatient rehabilitation services. The Acute Care Services Committee also authorized staff to make changes in data and narrative as additional information is received. • Affordable Health Care Facilities License Renewal Application Petition: Request: Affordable Health Care Facilities requested that the SHCC, North Carolina DHHS and DHSR require that prior to submission to DHSR, License Renewal Applications be reviewed and approved by Licensed Certified Public Accountants or be certified in the same way as Medicare Cost Reports are certified. • Committee recommends denial of the petition given that the content, structure and signature requirements for the License Renewal Applications are within the purview of the Division of Health Service Regulation and not within the purview of the State Health Coordinating Council.		
Recommendations from the Technology &	Dr. Christopher Ullrich gave the following report of the Technology and Equipment Committee: At the April 29th meeting, the Committee considered and made recommendations regarding one petition, clarifying language in the Chapter Nine narrative, data tables and need projections.		

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• The petitioner requested inclusion of language in the Proposed 2010 SMFP to permit “the SHCC to establish target utilization recommendations for applicants that could be different from the historical utilization required to generate need determinations.”
• The Committee recommends denial of the petition. The petitioner requested changes to performance standards in CON administrative regulations. The appropriate mechanism for recommending such changes is to submit a petition to the Director of the Division of Health Service Regulation in accordance with 10A NCAC 14A .0101.
Lithotripsy
• The Committee discussed, and recommends adoption of, clarifying narrative language for the Lithotripsy section of the Proposed 2010 SMFP.
• The Committee reviewed draft tables and recommends no need for additional lithotripters for the Proposed 2010 SMFP.
Gamma Knife
• The Committee discussed, and recommends adoption of, clarifying narrative language for the Gamma Knife section of the Proposed 2010 SMFP. The Committee recommends no need for an additional gamma knife for the Proposed 2010 SMFP.
Linear Accelerator
• The Committee discussed, and recommends adoption of, clarifying narrative language for the Linear Accelerator section of the Proposed 2010 SMFP.
• The Committee reviewed draft tables and recommends no need for additional linear accelerators for the Proposed 2010 SMFP.
• The Committee received a summary of suggestions about CPT codes and Equivalent Simple Treatment Visit (ESTV) values made by participants in an April 2008 discussion group. Staff was authorized to continue to gather information regarding the data collection instrument.
Positron Emission Tomography (PET) Scanners
• The Committee discussed, and recommends adoption of, clarifying narrative language for the PET scanner section of the Proposed 2010 SMFP.
• The Committee reviewed draft tables, and recommends no need for additional PET scanners for the Proposed 2010 SMFP.
Magnetic Resonance Imaging (MRI) Scanners
• The Committee discussed, and recommends adoption of, clarifying narrative language for the MRI scanner section of the Proposed 2010 SMFP.
• The Committee recommends that the following additional language be included in the MRI section of the Chapter Nine narrative of the Proposed 2010 SMFP: “There is no need for any additional mobile MRI scanners anywhere in the state.”</td><td></td><td></td></tr>
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	• The standard methodology and data available at the time of the report resulted in need determinations in Wake and Forsyth counties. The Committee recommends no need for additional fixed MRI scanners anywhere else in the state for the Proposed 2010 SMFP. Cardiac Catheterization Equipment • The Committee discussed, and recommends adoption of, clarifying narrative language for the Cardiac Catheterization Equipment section of the Proposed 2010 SMFP. • The Committee reviewed draft tables, and recommends no need for additional cardiac catheterization equipment for the Proposed 2010 SMFP. The Committee authorized staff to make updates and corrections to the data and tables. Dr. Ullrich made a motion to accept the Technology & Equipment Committee recommendations.	Dr. Ullrich	The motion was unanimously approved.
Comments Regarding Public Hearings	Ms. Elizabeth Brown reviewed the summer public hearing schedule and encouraged each member to participate in the public hearings. She indicated that the Proposed 2010 Plan would be published on the web and that the Plan would not be printed.		
Adoption of the Proposed 2010 State Medical Facilities Plan	Dr. Myers asked for a motion to adopt the Proposed 2010 State Medical Facilities Plan, including all recommendations from the three standing committees and authorize staff to update narrative, tables, data changes and results or effects of such changes in the Plan. A motion was made as requested.	Dr. Pulliam Mr. Nuckolls	The motion was unanimously approved.
Adjournment	Dr. Myers asked for recognition of Mr. Tarwater's nineteen years of service to the Council. Those present responded with a round of applause. The meeting was adjourned.		