Medical Facilities Planning

State Health Coordinating Council Meeting
Minutes
May 26, 2010
10:00 am – 12:00 Noon
Holiday Inn Brownstone, Raleigh, North Carolina

MEMBERS PRESENT: William Wainwright, Chair; Bill Bedsole; Greg Beier; Dr. Don Bradley (via phone); Dr. Richard Bruch; Dr. Dennis Clements; Dr. Lawrence Cutchin; Dr. Sandra Greene; Ted Griffin; Harold Hart; Laurence Hinsdale; Daniel Hoffmann; Frances Mauney; Jerry Parks; Dr. T.J. Pulliam; Dr. Zane Walsh
MEMBERS ABSENT: Don Beaver; Dr. John Holt, Jr.; Dr. William McMillan; Senator Anthony Foriest; Dr. Christopher Ullrich
Medical Facilities Planning Section Staff Present: Patrick Baker; Victoria McClanahan; Gene DePorter; Carol Potter and Kelli Fisk **DHSR Staff Present**: Elizabeth Brown; Jeff Horton; Craig Smith

Standing Agenda	Discussion	Motions	Recommendations/ Actions
Welcome & Announcements **Review of Executive Order No. 10**	Speaker Pro Tempore Wainwright welcomed Council members, staff and visitors to the second meeting of the planning cycle for the 2011 State Medical Facilities Plan. He indicated that this meeting is open to the public but it is not a public hearing. Speaker Pro Tempore Wainwright stated that the public hearings for the summer will be held in the months of July and August and asked members to participate in these public hearings. He stated that information about public hearing dates and locations was available in the back of the meeting room and encouraged everyone to get a copy before they left the meeting today. Speaker Pro Tempore Wainwright gave an overview of the procedures to observe before taking action at the meeting. Speaker Pro Tempore Wainwright inquired if anyone had a conflict or needed to declare that they would derive a benefit from any matter on the agenda or intended to recuse themselves from voting on the matter. Speaker Pro Tempore Wainwright asked members to declare conflicts as agenda items come up. There were no recusals.		
Introductions	Speaker Pro Tempore Wainwright asked members to introduce themselves at this time; all members gave information about themselves. Dr. Pulliam took a moment to introduce himself to all the new SHCC members and spoke of the important role this Council holds. Dr. Pulliam encouraged each member to stay in contact with him throughout the year.		
Approval of Minutes from March 24, 2010	A motion made and seconded to approve the minutes of March 24, 2010 as presented.	Dr. Pulliam Dr. Marshall	Motion approved

<table>
<tr><th>Standing Agenda</th><th>Discussion</th><th>Motions</th><th>Recommendations/ Actions</th></tr>
<tr><td>Recommendations from the Acute Care Services Committee</td><td>
Dr. Sandra Greene reviewed the recommendations from the Acute Care Services Committee.

A motion was made to vote separately on the following recommendation:
• To place a moratorium on new acute care beds and to require that in order for any AC Bed need determination to be brought forward to the Final 2011 Plan, a Special Need petition must be filed for that AC Bed Need determination. Petitioners will be asked to demonstrate what beds, if any, shown in the Proposed 2011 SMFP need determinations, are still needed after removing AC Days due to avoidable readmissions, operating larger hospitals, i.e. hospitals with ADC>400, at an efficient occupancy rate of at least 85%, and including expected utilization declines when the medical home concept has been implemented. Petitioners may also include any other information they believe to be relevant to the need determination for their specific county.
A motion made and seconded to accept the remaining Committee recommendations.

Petition from Mike Vicario, NCHA, requesting the following:
• “NCHA petitions ... to amend Policy AC-5 to enable Critical Access Hospitals to count acute and swing bed days of care in the formula used to determine needed replacement capacity.”
In response to the petition, the Committee recommends revising Policy AC-5 as described on page two of the 5/26/2010 Acute Care Services Committee report to the SHCC.

Acute Care Bed Need Methodology Recommendations:
1. Change the definition of the Acute Care Bed Service Areas to the language described on pages three and four of the 5/26/2010 Acute Care Services Committee report to the SHCC.
2. Revise the Acute Care Bed Need Projection Methodology as described on page four of the Committee report.
3. Approve draft tables 5A and 5B, showing the following Acute Care Bed Need Determinations:
<table>
<tr><th>Service Area</th><th>Acute Care Bed Need Determination</th></tr>
<tr><td>Bertie</td><td>3</td></tr>
<tr><td>Buncombe-Madison-Yancey</td><td>69</td></tr>
<tr><td>Cumberland-Hoke</td><td>63</td></tr>
<tr><td>Pitt-Greene</td><td>48</td></tr>
<tr><td>Mecklenburg</td><td>101</td></tr>
<tr><td>Wake</td><td>102</td></tr>
<tr><td>Statewide Total</td><td>386</td></tr>
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Operating Room Recommendations:
1. Change the definition of the Operating Room Service Areas to the language described on pages three and four of the 5/26/2010 Acute Care Services Committee report to the SHCC.
2. Petition from Barb Freedy, Novant Health, requesting the following:
• revise the definition and criteria for “Chronically Underutilized ORs in Licensed Facilities”
The Committee agrees with increasing the period necessary for a facility to be licensed before the facility is considered underutilized, and recommends the definition for underutilized operating
</td><td>Mr. Beier
Dr. Pulliam

Dr. Pulliam
Dr. Marshall</td><td>Motion approved

Motion approved</td></tr>
</table>

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	rooms as shown on page 8 of the Committee report to the SHCC. 3. Petition from Bob Blake, Affordable Health Care Facilities, labeled as an operating room petition and requesting the following: • "revising the composition and authority of the SHCC and establishing parameters for more CONs to be issued where increased price competition would be beneficial to consumers to increase quality, access, and value of health care services." The Committee recommends denial of the petition because it is outside the purview of the current regulations governing the State Health Coordinating Council. 4. Approve draft tables 6B and 6C showing need for two additional operating rooms: one operating room in the Columbus County OR service area and one operating room in the Rowan County OR service area. Other Acute Care Services Recommendations: 1. No changes to Policy AC-6 (Heart-Lung Bypass Machines for Emergency Coverage) or to the methodologies; 2. Approval of the Chapter 7 preliminary need determination tables, indicating no need for additional other acute care services. Inpatient Rehabilitation Services: 1. Add steps to the Inpatient Rehabilitation Bed Need Methodology as shown on page 9 of the Committee report. 2. Approve Table 8A, indicating need for 14 additional inpatient rehabilitation beds in HSA IV. The Acute Care Services Committee also recommends authorizing staff to make changes in data and narrative as additional information is received. Greg Beier made the following motion: The Committee concurs with the Acute Care Service Work Group's recommendations for revising the Acute Care Bed Need methodology. The committee recommends showing the proposed need determinations generated by the Acute Care Bed Need Methodology, as revised by the ACS Work Group, in the 2011 Proposed Plan, but also recommends a need for no new acute care beds in the Proposed 2011 SMFP to allow for public comment on and further consideration of any potential impact of the recently enacted national health reform, and other relevant effects on bed utilization, prior to implementation for the methodology. In order for any AC Bed Need determination to be brought forward to the Final 2011 Plan, a petition requesting an adjustment must be filed for that AC Bed Need determination. All such petitions and comments from the public hearings will be fully considered by the ACS committee in its fall meeting. Based on this information, the ACS committee will recommend a final bed need, if any, to the SHCC for inclusion in the 2011 SMFP. Petitioners will be asked to demonstrate what new acute beds are needed in a county or acute bed need service area based on either the revised need methodology or, if other than the need shown in the revised methodology, by the criteria set forth on page 12 of the 2010 SMFP for "Petitions for Adjustments to the Need Determinations" and taking into consideration any impact on utilization and other relevant effect of the recently enacted national health reform. Discussion of Mr. Beier's motion:	Mr. Beier Mr. Bedsole	Motion failed by a vote of 13 – 5

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	• AC Bed need determinations based on past utilization; don't consider healthcare reform • If motion not approved, $1B in cost will be added to the healthcare system in North Carolina. • Motion will be difficult for DHSR staff to implement. • Healthcare reform includes increasing number of insured; this may increase demand. • If motion not approved, petitioners may petition to decrease need determinations. • If motion not approved, a large number of beds are being added to the healthcare system in a time of change due to healthcare reform. • There are areas of North Carolina which currently need additional acute care beds. • We need to help the federal government provide healthcare to veterans. • SHCC should respect and follow the need determination process currently in place. • If approved, motion would change recommendation of the AC Services work group. Motion to accept the AC Bed need determination tables presented today and to **not** require approval of special need determination petitions to carry AC Bed Need determinations forward.	Dr. Pulliam Dr. Bruch	Motion approved
Recommendations from the Technology & Equipment Committee	Dr. Dennis Clements gave the following report of the Technology and Equipment Committee: The Technology and Equipment Committee met on May 12, and reviewed and discussed standard methodologies for equipment covered in Chapter Nine of the 2011 SMFP, draft tables for equipment types, and preliminary drafts of need projections resulting from the standard methodologies and data and information available at the time. The Committee received one petition, which was withdrawn prior to the Committee meeting, and no comments. Lithotripsy • The Committee reviewed and discussed the Lithotripsy section for the Proposed 2011 SMFP, as well as draft tables, noting that there is no need at this time for additional lithotripters anywhere in the state. • Committee recommends acceptance of lithotripsy assumptions, methodologies and need projections for the Proposed 2011 SMFP, and to advance references to years by one as appropriate. Gamma Knife • The Committee reviewed and discussed the Gamma Knife section for the Proposed 2011 SMFP, noting that there is no need at this time for an additional gamma knife anywhere in the state. • The Committee recommends acceptance of gamma knife assumptions, methodologies and need projections for the Proposed 2011 SMFP, and to advance references to years by one as appropriate. Linear Accelerator • The Committee reviewed and discussed the Linear Accelerator section for the Proposed 2011 SMFP, including draft tables, noting that there is no need at this time for additional linear accelerators anywhere in the state. • The Committee recommends acceptance of the linear accelerator assumptions, methodologies and need projections for the Proposed 2011 SMFP, and to advance references to years by one as appropriate.		

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	Positron Emission Tomography (PET) Scanners • The Committee reviewed and discussed the PET scanners section for the Proposed 2011 SMFP, including draft tables, noting that there is no need at this time for additional PET scanners anywhere in the state. • The Committee recommends acceptance of the PET scanners assumptions, methodologies and need projections for the Proposed 2011 SMFP, and to advance references to years by one as appropriate. Magnetic Resonance Imaging (MRI) Scanners • The Committee recommends the continued use of the Acute Care Bed Service Areas for MRI scanners and cardiac catheterization equipment. The Committee further recommends that the following language be added at the end of Step 4 of the MRI methodology in the Proposed 2011 SMFP: "If procedures are provided in a county that is part of more than one MRI Service Area, the procedures will be divided equally between the Service Areas." • The Committee reviewed and discussed the MRI section, including draft tables, for the Proposed 2011 SMFP. The standard methodology and data available at the time of the Committee meeting resulted in need determinations for fixed MRI scanners in Gaston, Mecklenburg and Pitt/Greene/Hyde service areas. There is no need for additional fixed MRI scanners anywhere else in the state for the Proposed 2011 SMFP. There is no need for additional mobile MRI scanners anywhere in the state for the Proposed 2011 SMFP. • The Committee recommends acceptance of the MRI assumptions, methodologies and need projections for the Proposed 2011 SMFP, and to advance references to years by one as appropriate. Cardiac Catheterization Equipment • As noted above in the MRI section, the Committee recommends the continued use of Acute Care Bed Service Areas for cardiac catheterization equipment. The Committee further recommends that the following language be added at the end of Step 2 of the cardiac catheterization equipment methodology in the Proposed 2011 SMFP: "If procedures are provided in a county that is part of more than one Cardiac Catheterization Equipment Service Area, the procedures will be divided equally between the Service Areas." • The Committee reviewed and discussed the Cardiac Catheterization Equipment section for the Proposed 2011 SMFP, including draft tables, noting that there is no need at this time for additional Cardiac Catheterization Equipment anywhere in the state. • The Committee recommends acceptance of the Cardiac Catheterization Equipment assumptions, methodologies and need projections for the Proposed 2011 SMFP, and to advance references to years by one as appropriate. In other business, the Committee authorized staff to update narratives, tables and need determinations for the Proposed 2011 SMFP as new and updated data is received. A motion made and seconded to accept the Technology and Equipment Committee recommendations.	Dr. Pulliam Dr. Greene	Motion approved

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Recommendations from the Long-Term & Behavioral Health Committee	Mr. Jerry Parks, Vice-Chair, reported on behalf of Dr. Pulliam, Chair. Mr. Parks stated the report he was presenting was posted in it's entirety on line and reflected the LTBH Committee Meeting held on May 14, 2010, and recommendations by the Committee for the development of the 2011 State Medical Facilities Plan. **Nursing Care Facilities**: Mr. Parks stated one petition was filed – (Craig Souza – NC Health Care Facilities Association and Dawn Carter – Health Planning Source) to convene a Work Group for the purpose to review the methodology concerning Nursing Care Facility Bed Need. Mr. Parks stated the Committee's first recommendation, based on staff recommendations and review by Committee Members, is to approve the petition of establishing the Work Group was appropriate, since the methodology had not been reviewed in some time. Mr. Parks stated the Committee recommends acceptance of the current Nursing Facility policies, assumptions and methodology for the Proposed 2011 Plan. Mr. Parks stated based on the methodology, there was a preliminary need of 10 beds in Camden County. **Adult Care Homes**: Mr. Parks stated no petitions or comments were filed for this chapter. Mr. Parks stated the Committee recommends acceptance of current Adult Care Home policies, assumptions and methodology for the Proposed 2011 Plan. Mr. Parks stated based on the methodology, there was a preliminary need in four counties for 150 beds. The four counties were Cherokee – 60 beds; Perquimans – 20 beds; Gates – 40 beds and, Jones – 30 beds and to refer to Draft Table 11B for a bed need analysis by county. **Home Health Services**: Mr. Parks stated no petitions or comments were filed for this chapter. Mr. Parks stated the Committee recommends that the home health services policy, assumptions and methodology be accepted for the Proposed 2011 Plan. Mr. Parks stated based on the methodology there was no preliminary need determination for any Medicare-Certified home health agencies in the State. **Hospice Services**: Mr. Parks stated one petition was filed – (Dawn Carter – Health Planning Source) to consider a potential modification to the hospice methodology for the 2011 Plan. Committee noted after discussion and staff recommendations in recognizing the methodology was recently modified for application in the 2010 Plan, the Committee recommends the petition be denied.		

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	Mr. Parks stated the Committee recommends that the current hospice services assumptions and methodology be accepted for the Proposed 2011 Plan. **End-Stage Renal Disease Dialysis Services**: Mr. Parks stated no petitions or comments were filed for this chapter. Mr. Parks stated the Committee recommends the current policy, principles, and methodology be accepted for the Proposed 2011 Plan. **Psychiatric Inpatient Services**: Mr. Parks stated no petitions or comments were filed for this chapter. Mr. Parks stated the Committee recommends that the psychiatric inpatient services policy, assumptions and methodology be accepted for the Proposed 2011 Plan. Mr. Parks stated based on the methodology there would be preliminary need for 44 beds for child/adolescent psychiatric inpatient beds and for 101 beds adult psychiatric inpatient beds. Mr. Parks referred to the Committee's report online for an area breakdown of where the preliminary need is defined for these services, by LME area. **Substance Abuse (Chemical Dependency) Inpatient and Residential Services**: Mr. Parks stated no petitions or comments were filed for this chapter. Mr. Parks stated the Committee recommends that the Substance Abuse Inpatient and Residential Services policy, assumptions and methodology be accepted for the Proposed 2011 Plan. Mr. Parks stated based on the standard methodology there would be a preliminary need determination for 11 beds for the Western Mental Health Planning Region for child/adolescent chemical dependency treatment beds. **Intermediate Care Facilities for the Mentally Retarded**: Mr. Parks stated no petitions or comments were filed for this chapter. Mr. Parks stated the Committee recommends that the current ICF-MR policies, assumptions and methodology be accepted for the Proposed 2011 Plan. Mr. Parks stated the methodology displayed there was no preliminary need determination for additional ICF/MR beds anywhere in the State. **Other Action**: Mr. Parks stated the Long Term – Behavioral Health Committee recognized the data changes and is asking the State Health Coordinating Council to authorize staff to update narratives, tables		

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	and need determinations for the Proposed 2011 Plan as new and corrected data are received and when appropriate, references to dates would be advanced one year. Speaker Pro Tempore Wainwright entertained a motion to accept the Long-Term and Behavioral Health Committee recommendations. Speaker Pro Tempore Wainwright entertained a motion to establish a workgroup to review and recommend changes to the Chapter 10 Nursing Care Facility Methodology that would include SHCC members and non-SHCC members. Speaker Pro Tempore Wainwright selected Mr. Parks to chair the work group. Speaker Pro Tempore Wainwright will appoint members to this Work Group by the end of the week.	Mr. Griffin Dr. Cutchin Dr. Pulliam Mr. Parks	Motion approved Motion approved
Updates from the Quality, Access and Value Committee	Ms. Fran Mauney gave the report of the QAV Committee. Ms. Mauney stated that the QAV had their first meeting on May 13, 2010. At this meeting the Committee established the following objective statement; "Promoting high quality, safe health care services measured by outcomes and satisfaction, equitable access to health care services for all North Carolina's people, and high value practices that will maximize the health care benefit gained for resources expended." A motion made and seconded to accept the QAV update.	Dr. Pulliam Dr. Patel	Motion approved
Updates from the Facility Energy Efficiency & Sustainability Work Group	Mr. John Young gave the report for the Facility Energy Efficiency & Sustainability Work Group. Mr. Young stated that the work group had their first meeting May 20, 2010. Mr. Young stated the work group objective statement is: Establish policy guidelines to assure the development of energy efficient and sustainable design and construction for healthcare facilities applying to Certificate of Need for approval of replacement or new construction of healthcare facilities in North Carolina.		
Comments Regarding the Public Hearings and Next SHCC Meeting	Ms. Elizabeth Brown reviewed the six public hearings and locations that will take place beginning July 16 with the final public hearing on August 2, 2010. Ms. Brown encouraged members along with the public to attend these public hearings. Ms. Brown also announced the next SHCC meeting is October 6, 2010. This meeting will take place at the Holiday Inn Brownstone.		
Adoption of the Proposed 2011 State Medical	Speaker Pro Tempore Wainwright asked for a motion to adopt the Proposed 2011 State Medical Facilities Plan, including all recommendations from the four standing committees and authorize staff to update narrative, tables, data changes and results or effects of such changes in the Plan. A motion made and seconded.	Dr. Clements Dr. Greene	Motion approved
Adjournment	There being no further business, the meeting adjourned.		