

# Acute Care Services Committee

## Recommendations to the North Carolina State Health Coordinating Council

October 13, 2010

The Acute Care Services (ACS) Committee met on September 15, 2010 to consider petitions and comments received in response to Chapters 5 through 8 of the Proposed 2011 North Carolina State Medical Facilities Plan (N.C. SMFP). Materials related to this report, such as agency reports on petitions, petitions and comments and other documents referred to in this report are included in the material that has been posted to the North Carolina Division of Health Service Regulation's web site for the October 13, 2010 Council Meeting.

Following is an overview of the September 15 Acute Care Services Committee meeting and the Committee's recommendations for the Acute Care Services chapters of the 2011 N.C. SMFP. The report is organized by Chapter of the N.C. SMFP.

### **Chapter 5: Acute Care Beds**

#### *Acute Care Days Data:*

Committee members reviewed a listing of the hospitals with discrepancies between the 2009 Thomson Reuters acute care data and the License Renewal Application acute care data of greater than five percent. The table indicated which data, Thomson Reuters or Licensure, was corrected to reconcile the discrepancy. Twelve hospitals resubmitted their Thomson Reuters data, two hospitals corrected their licensure data and three hospitals, Chatham Hospital, Washington Hospital and Yadkin Valley Community Hospital (previously Hoots Memorial) have not been able to reconcile their data. At the time of the Committee meeting, the Sheps Center was processing the resubmitted Thomson data. Once the processing is complete, the resubmitted data will be forwarded to the Planning Section for inclusion in the 2011 N.C. SMFP.

Committee Recommendation Regarding Acute Care Days Data: If Chatham Hospital, Washington Hospital and Yadkin Valley Community Hospital are unable to reconcile their data, a note should be placed in the 2011 N.C. SMFP indicating that their data were not reconciled.

#### *Petitions:*

Three Acute Care Bed petitions were received during the public comment period. The petitioners' requests and the Committee recommendations are summarized below:

1. Petitioner: Novant Health, Inc.

Request: The petitioner requests that the State Health Coordinating Council repeal or revise Policy AC-3 Exemption from Plan Provisions for Certain Academic Medical Center Teaching Hospital Projects. The proposed revisions to Policy AC-3 would prohibit the addition of beds, operating rooms or equipment in counties with surpluses, and would require annual reports, development of special rules, and inclusion of provider written statements in applications.

Committee Recommendation: Given that the petition seeks changes in Policy AC-3 that would have a statewide effect, and the deadline for submission of such petitions for the 2011 N.C. SMFP has passed, the Committee recommends denial of the petition.

2. Petitioner: Cape Fear Valley–Bladen County Hospital and Cape Fear Valley Health System

Request: The petitioner requests that (1) language be inserted into Chapter Five narrative stating that “there is a need for a total of 25 acute care beds to be located in a critical access hospital in Bladen County”; (2) Policy AC-5 not apply “to the replacement of an existing critical access hospital in Bladen County”; and (3) observation days, respite care days, and other services provided in a licensed acute care bed be used in determining utilization of acute care beds.

Committee Recommendation: In response to a Spring petition, changes to Policy AC-5 regarding Critical Access Hospitals are under review. The petitioner is asking for additional changes that would have a statewide impact. Furthermore, the requested adjustment in beds would continue to result in a need determination of no need for additional acute care beds in Bladen County. Therefore, the Committee recommends the petition be denied.

3. Petitioner: Mission Hospital

Request: Mission Hospital requests that the need determination for Acute Care Beds in the Buncombe-Yancey-Madison service area be reduced from 69 to 51 acute care beds, which is consistent with an 80% target occupancy rate for the service area.

Committee Recommendation: The Acute Care Services work group and the Committee recommended changes to the acute care bed need methodology, including changes in target occupancy rates. In recognition of the service area’s unique circumstances, the Committee recommends approval of the petition to reduce the need determination in the Buncombe-Yancey-Madison service area from 69 to 51 acute care beds in the 2011 N.C. SMFP.

*Comments Regarding Proposed Policy AC-5.*

The Proposed SMFP included proposed changes to Policy AC-5 to allow swing bed use to be counted as acute care bed utilization for Critical Access Hospitals. The Council received three comments, two in favor and one requesting additions to the policy. The Committee recommends that Proposed Policy AC-5, as published in the Proposed 2011 N.C. SMFP, be included in the 2011 N.C. SMFP.

Additional Committee Recommendation, Chapter 5:

Approve Chapter 5, Acute Care Beds, including updates and corrections to Chapter 5 tables and narrative, as needed.

**Chapter 6: Operating Rooms**

*Petitions:*

Five Operating Room (OR) petitions were received during the public comment period. The petitioners’ requests and the Committee recommendations are summarized below:

1. Petitioner: Blue Ridge Bone and Joint Clinic

Request: The petitioner requests that the 2011 N.C. SMFP include a demonstration project for a single specialty, two operating room, orthopedic ambulatory surgical facility in the Buncombe-Madison-Yancey operating room service area.

Committee Recommendation: The Committee supports the criteria established last year for the Single Specialty Ambulatory Surgery Facility Demonstration Project, as well as the decisions to limit the demonstration project to three sites and to consider expanding the project only if the facilities are meeting or exceeding all program evaluation criteria. The Committee, therefore, recommends denial of the petition.

2. Petitioner: Columbus Regional Healthcare System

Request: The petitioner requests that its number of inpatient and ambulatory cases in the operating room need inventory be corrected and that the need determination for an operating room in Columbus County be eliminated, as indicated by the standard methodology when using the corrected data.

Committee Recommendation: The Committee recommends that the petition be approved, and that Tables 6A, 6B and 6C in the 2011 N.C. SMFP reflect the changes accordingly.

3. Petitioner: Graystone Eye Surgery Center, LLC

Request: Graystone Eye Surgery Center requests an adjusted need determination to include a need for one additional surgical operating room in Catawba County in the 2011 N.C. SMFP.

Committee Recommendation: The Committee considered several factors, including that three of the four surgical services providers in the service area have recent utilization rates approaching or exceeding 80 percent. Two providers, including Graystone, exceeded 80 percent utilization for the past three years. The Committee concluded that the petitioner sufficiently demonstrated unique or special circumstances, and recommends approval of the petition.

4. Petitioner: Novant Health, Inc.

Request: Novant Health and Rowan Regional Medical Center (RRMC) request an adjusted need determination to remove the need for one additional surgical operating room in Rowan County shown in the Proposed 2011 N.C. SMFP.

Committee Recommendation: The Committee acknowledged that RRMC currently is the only provider of surgical services in Rowan County. The petitioners reported that annualized surgical operating room utilization decreased in 2010, and that the actual time per surgery case was less than assumed in the standard methodology. The Committee recommends approval of the petition to change the need determination for an additional operating room to zero in Rowan County in the 2011 N.C. SMFP.

5. Petitioner: WakeMed Health and Hospitals

Request: WakeMed Health and Hospitals requests an adjusted need determination in the 2011 N.C. SMFP for four additional specialized operating rooms dedicated to pediatric surgery and exempt from inclusion in the inventory of ORs in the 2011 N.C. SMFP.

Committee Recommendation: The Committee considered the information submitted in the petition, including description of surgery-related needs unique to pediatric patients, and differences between operating room set-ups for children and adults. The current methodology does not distinguish between pediatric and adult ORs. Furthermore, the petitioner's request to

exclude the pediatric ORs from the regular inventory would require a methodology change. In view of this, and in support of the standard methodology, the Committee recommends denial of the petition.

Additional Committee Recommendation, Chapter 6:

Approve Chapter 6, Operating Rooms, including updates and corrections to Chapter 6 tables and narrative, as needed.

**Chapter 7: Other Acute Care Services**

Committee Recommendation, Chapter 7:

Approve Chapter 7, Other Acute Care Services, including updates and corrections to Chapter 7 tables and narrative, as needed.

**Chapter 8: Inpatient Rehabilitation Services**

Committee Recommendation, Chapter 8:

Approve Chapter 8, Inpatient Rehabilitation Services, including updates and corrections to Chapter 8 tables and narrative, as needed.