Healthcare Planning & Certificate of Need

Acute Care Services Committee Minutes - Draft

April 12, 2016
10:00 AM – 12:00 PM
Brown Bldg. Room 104

MEMBERS PRESENT: Dr. Sandra Greene; Kenneth Lewis, Dr. Robert McBride, Stephen Lawler, Dr. Christopher Ullrich
MEMBERS ABSENT: Christina Apperson, Dr. Mark Ellis, Representative Donny Lambeth,
HPCON Staff Present: Dr. Amy Craddock, Paige Bennett, Tom Dickson, Elizabeth Brown, Kelli Fisk, Shelley Carraway, Martha Frisone, Lisa Pittman, Fatimah Wilson, Mike McKillip
DHSR Staff Present: Mark Payne
AG's Office: Bethany Burgon

Agenda Items	Discussion/Action	Motions	Recommendations/ Actions
Welcome & Introductions	Dr. Greene welcomed members, staff, and the public to the first Acute Care Services Committee meeting of 2016. Dr. Greene asked Committee members and staff in attendance to introduce themselves. Dr. Greene explained that the meeting was open to the public, but discussions, deliberations and recommendations would be limited to members of the Acute Care Services Committee and staff. Dr. Greene stated that the purpose of this meeting was to review the policies and methodologies for the Proposed 2017 State Medical Facilities Plan (SMFP).		
Review of Executive Order No. 46, Reauthorizing the State Health Coordinating Council	Dr. Greene reviewed Executive Order 46, Reauthorizing the State Health Coordinating Council, with committee members and explained procedures to observe before taking action at the meeting. Dr. Greene inquired whether any member had a conflict of interest or needed to declare that they would derive a financial benefit from any matter on the agenda. She asked if any member intended to recuse himself or herself from voting on any agenda item. There were no recusals. Dr. Greene requested members to make a declaration of the conflict if a conflict of arose for a member during the meeting.		
Approval of minutes from the September 8, 2015 Meeting	A motion was made and seconded to approve the September 8, 2015 minutes.	Mr. Lewis Dr. McBride	Minutes approved

Agenda Items	Discussion/Action	Motions	Recommendations/ Actions
Acute Care Hospital Beds – Chapter 5	**Policies and Need Methodology Review** No petitions or comments were received pertaining to Chapter 5. Dr. Craddock reviewed the GEN policies in Chapter 4 of the SMFP. They apply to all Health Services. Dr. Craddock reviewed Policy AC-1 (Use of Licensed Bed Capacity for Data Planning Purposes), AC-3 (Exemption from Plan Provisions for Certain Academic Medical Center Teaching Hospital Projects), AC-4 (Reconversion to Acute Care) and AC-5 (Replacement of Acute Care Bed Capacity). Dr. Craddock reviewed the methodology for Chapter 5. 1. Determine acute care bed service areas 2. Determine number of beds in inventory (licensed, CONs, prior year need determinations) 3. Enter total inpatient days of care for current reporting, as provided to Truven Health Analytics 4. Calculate the growth rate multiplier by using the average change in days of care over the past four years. 5. Calculate projected census for 2019. 6. Multiply projected census by target occupancy factor. 7. Determine the surplus or deficit of beds for each facility or owner (for facilities under common ownership). 8. Sum the surplusses and deficits for each service area/owner to determine the number of beds needed. **Committee Recommendations** A motion was made and seconded to carry forward the Acute Care Bed policies and need determination methodology without changes.	Dr. McBride Mr. Lewis	Motion approved
Operating Rooms – Chapter 6	**Need Methodology Review** No petitions or comments were received pertaining to Chapter 6.		

Agenda Items	Discussion/Action	Motions	Recommendations/ Actions
	There being no operating room policies in Chapter 4, Dr. Craddock reviewed the operating rooms need determination methodology. 1. Determine operating room (OR) service areas 2. Estimate total surgery hours for previous year, based on standard number of hours for inpatient and ambulatory procedures. 3. Project future OR requirements based on growth of OR hours over past four years. Calculate the growth rate multiplier by using the average change in days of care over the past four years. 4. Determine current adjusted planning inventory for ORs (licensed ORs, ORs approved by CON, ORs from previous need determinations that are pending, exclusions). Exclude ORs from chronically underutilized facilities. 5. Calculate number of ORs needed in the service area. Dr. Craddock noted a clarification of wording in Step 4m of the methodology for the committee's consideration. > Determine the utilization rate for each licensed facility providing surgical services and exclude from Step 5 – "Determination of Need" the operating rooms and corresponding procedures in chronically underutilized licensed facilities located in operating room service areas with more than one licensed facility. Currently, only the ORs in underutilized facilities are excluded from the adjusted planning inventory in the need determination calculations shown in Table 6B. This clarification indicates that both the ORs and the number of procedures conducted in those ORs would be excluded from the need determination calculations. The clarification serves to make explicit the intent of the workgroup that developed the methodology regarding underutilized facilities. **Committee Recommendation:** A motion was made and seconded to approve the wording change in Step 4m of the Chapter 6 (Operating Room) methodology.	Mr. Lewis Dr. McBride	Motion approved

Agenda Items	Discussion/Action	Motions	Recommendations/ Actions
	Committee Recommendation: A motion was made and seconded to carry forward the policies and current methodology (as changed) for Operating Rooms. Dr. Craddock provided the following update regarding the Multi-County Service Areas. Acute care bed and OR service areas are reviewed every three years, and they are up for review this year. The bed service areas also are used in the calculation of MRI need determinations, so the service areas will be reviewed by the Technology and Equipment Committee as well, before going to the full SHCC. The new service areas will be presented at the second Acute Care Services Committee meeting on May 3. There is a somewhat different situation this year. Three counties that had one hospital each in 2014 – and were single county service areas – have closed their hospitals: Alexander, Franklin, and Yadkin. In two of these counties, Alexander and Yadkin, the hospital also was the only surgical facility. In Franklin County, there is a CON to build a new AMSU. As a result, Franklin County would remain a single county OR service area. The methodology states that a single county service area is created when a new facility becomes licensed in a county that had previously been part of a multi-county service area. It does not, however, address how to handle the opposite situation – the closure of a facility when it is the only facility in a county. We need to consider how to include such counties in the delineation of bed and OR service areas. A couple of important points to consider: • None of these facilities in the three counties has relinquished their licenses for either acute care beds or operating rooms. Alexander Hospital, however, has a written agreement with its LME-MCO to convert all of its acute care beds to psychiatric beds. • In 2015, the General Assembly passed SL 2015-288 to define a legacy medical care facility. In essence, this law enables a hospital that has not	Dr. McBride Mr. Lawler	Motion approved

Agenda Items	Discussion/Action	Motions	Recommendations/ Actions
	operated continuously for at least the past six months to give notice that it intends to become operational within 36 months of giving notice. A Certificate of Need is not required to reopen this type of facility. Yadkin Valley Hospital gave official notice to DHSR in January 2016 that that it intends to reopen. The Agency has received no word from Novant Franklin Hospital. **Committee Recommendation:** A motion was made and seconded that Alexander, Franklin, and Yadkin counties remain as single county service areas – for acute care beds and ORs.	Dr. McBride Mr. Lewis	Motion approved
Other Acute Care Services - Chapter 7	**Policies and Need Methodology Review** There were no petitions or comments received regarding the policies and methodology for Chapter 7. Dr. Craddock reviewed the Acute Care policy pertaining to this chapter. **Policy AC-6 Heart-Lung Bypass Machines for Emergency Coverage** A need is determined for one additional heart lung bypass machine whenever a hospital is operating an open heart surgery program with only 1 heart-lung bypass machine. This is to protect cardiac surgery patients who may require emergency procedures while scheduled procedures are underway. A CON for a machine covered under this policy is exempt from the performance standards in 10A NCAC 14C.1703. **Methodology** **Open Heart Surgery Services** This need determination methodology was eliminated beginning with the 2012 SMFP. However, a CON is required to obtain heart-lung bypass equipment. **Burn Intensive Care Services** There will be a need for new burn ICU beds when both of the existing services have an average annual occupancy rate of at least 80% for the immediate two		

Agenda Items	Discussion/Action	Motions	Recommendations/ Actions
	reporting years. If this occurs, then calculations are performed to determine the number of beds needed. To determine need: 1. Calculate 4-year average annual growth rate for burn unit days of care, using the 5 most recent years of data from Table 7C. 2. Add 1.00 to the growth rate from Step 1 to calculate projected days of care for 1 year. 3. Determine the number of beds needed such that the total projected utilization (of existing and CON-approved beds) would be 80%. 4. To arrive at the need determination, subtract the total existing beds from number of beds generated by the projected utilization for 2019. **Transplantation Services** **Bone Marrow Transplantation Services** The need determination is based solely on the number of allogeneic bone marrow transplants performed. These are performed only Academic Medical Center Teaching Hospitals. A need is determined when each of the existing services has performed at least 20 allogeneic bone marrow transplants during the fiscal year just prior to the development of the current SMFP. **Solid Organ Transplantation Services** Solid organ transplantation services are limited to Academic Medical Center Teaching Hospitals and availability of solid organs. There is no mathematically-based methodology for calculating need. **Committee Recommendation:** A motion was made and seconded to carry forward the current methodology for the Other Acute Care Services.	Mr. Lewis Dr. McBride	Motion approved
Inpatient Rehabilitation Services – Chapter 8	**Need Methodology Review** Dr. Craddock reviewed the Inpatient Rehabilitation Services methodology steps, and explained that need determination was calculated by Health Service Area (HSA).		

Agenda Items	Discussion/Action	Motions	Recommendations/ Actions
	1. Calculate 3-year average annual rate of change for inpatient rehabilitation days of care, using the 4 most recent years of data for each HSA. 2. Determine the number of beds needed in 2019 such that the total utilization (of existing and additional beds) would be 80%. 3. To arrive at the need determination, subtract the total existing beds from number of beds generated by the projected utilization for 2019. There were no petitions or comments received regarding the policies and methodology for Chapter 8. **Committee Recommendation:** A motion was made and seconded to carry forward the current methodology for Inpatient Rehabilitation Services.	Dr. McBride Mr. Lewis	Motion approved
Other Business	A motion was made and seconded for staff to make necessary updates and corrections to narratives, tables and need determinations for the Proposed 2017 SMFP as new and updated data is received. There was no other business brought before the Committee. The next meeting of the Committee is Tuesday, May 3, 2016 at 10:00 am.	Mr. Lewis Dr. McBride	Motion approved
Adjournment	Dr. Greene adjourned the meeting.	Mr. Lewis Dr. McBride	