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**Acute Care Services Committee**  
**Recommendations to the North Carolina State Health Coordinating Council**  
**May 30, 2018**

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The Acute Care Services Committee met twice this year, first on April 3 and again on May 15.

The April 3 meeting included:

- a review of the current Acute Care Services policies and methodologies; and
- discussion of a petition for an exception to the operating room methodology for vascular access ambulatory surgery centers.

Topics reviewed and discussed at the May 15 meeting included:

- preliminary drafts of need projections generated by the standard methodologies in the Acute Care Services chapters; and
- a comparison between hospital licensure and Truven Health Analytics data;

The Committee authorized staff to update narratives, tables, and need determinations for the Proposed 2019 SMFP, as updates are received.

The following is an overview of the Committee's recommendations for Acute Care Services for the Proposed 2019 SMFP.

**Chapter 5: Acute Care Hospital Beds**

- The Committee reviewed and discussed the policies, methodology, and assumptions for acute care beds.
- Licensure and Truven Health Analytics acute days of care were reviewed for discrepancies exceeding  $\pm 5\%$ . Staff will work with the Sheps Center, Truven, and the hospitals during the summer to improve discrepant data. Staff will notify the Committee if need projections change.
- Committee members reviewed draft Tables 5A and 5B. At the time of the meeting, calculations resulted in a need determination of 249 acute care beds:
  - 34 beds in Forsyth County
  - 32 bed in Gaston County
  - 152 beds in Mecklenburg County
  - 31 beds in Moore County
- Carolinas HealthCare System notified the Agency of errors in their Truven data. Based on anticipated corrections to this data, the need determination in Mecklenburg County is likely

to be substantially lower. The agency expects to receive these data corrections before release of the Proposed SMFP.

## Chapter 6: Operating Rooms

- At the April meeting, the Committee reviewed the methodology for operating rooms.
- There was one petition discussed at the April meeting, as well. The Agency received six letters of support for this petition, all of which were from the petitioners. The Agency also received four letters in opposition to the petition

**Petitioners:** The Practices and Azura:

American Access Care of NC  
Eastern Nephrology Associates  
Metrolina Nephrology Associates  
North Carolina Nephrology  
Fresenius Vascular Care, d/b/a Azura Vascular Care

**Request:** The Petitioners proposed a change in the operating room (OR) need methodology such that “dedicated vascular access operating rooms located in single-specialty ambulatory surgical facilities be excluded from the SMFP’s annual operating room inventory.” The Petitioners noted that applicants would still be required to “demonstrate need and comply with the certificate of need standards applicable to operating rooms.”

The Petitioners alternatively proposed an adjusted need determination for a demonstration project to develop a total of 12 ORs, two in each of the six Health Service Areas. The ORs would be located in single-specialty vascular access ambulatory surgical facilities, and would provide vascular access services for patients with chronic kidney disease and end-stage renal disease.

The rationale for the petition was that the system of bundled payments recently implemented by the Centers for Medicare and Medicaid Services (CMS) severely reduced reimbursements for vascular access procedures performed in vascular access centers associated with a physician’s office compared to the same procedures performed in an OR.

**Committee Recommendation:** The OR methodology underwent substantial revision in 2017. The SHCC has typically been reluctant to make changes in a methodology so soon after its implementation. In addition, the 2018 SMFP offers several options for the development of ORs. The primary option is to apply for one or more of the 30 OR need determinations in the 2018 SMFP. The Petitioners also have the option to partner with

existing ASCs that have surplus ORs. Finally, if a practice believes that patients are not being served well in a particular area of the state, submission of an adjusted need determination petition in the summer is another option. The Agency considered the demonstration project alternative, but determined that the proposed demonstration would not be informative. Therefore, the Committee voted unanimously to deny the petition.

- The Committee reviewed Tables 6A, 6B, and 6C. At the time of the May 15 Acute Care Services Committee meeting, the methodology resulted in a **need determination for 24 ORs**:
  - **2 ORs in Cabarrus County**
  - **11 ORs in Mecklenburg County**
  - **6 ORs in New Hanover County**
  - **3 ORs in Orange County**
  - **2 ORs in Wake County**
- The 2018 SMFP capped OR need determinations at six, because this was the first year of implementation of the new OR methodology. The 2018 SMFP noted that the cap would be reviewed as part of the preparation of the Proposed 2019 SMFP. After discussion, the Committee determined that it was not necessary to continue to have a cap on OR need determinations.
- The Committee also reviewed the Endoscopy Room Inventory in Table 6F.
- The Committee received an update on the status of the Dental Single Specialty Demonstration Project. The center in Fayetteville was licensed in April, and the facility in Raleigh is expected to receive its license over the summer.

### **Chapter 7: Other Acute Care Services**

- The Committee reviewed the policy and methodologies for open-heart surgery services, burn intensive care services, and bone marrow and solid organ transplantation services.
- Staff presented draft Tables 7A, 7C, 7E and 7F. There are **no need determinations** for these services at this time.

### **Chapter 8: Inpatient Rehabilitation Services**

- The Committee reviewed the methodology and assumptions for Inpatient Rehabilitation Services, as well as a draft of Table 8A.
- Application of the standard methodology indicated **no need for additional inpatient rehabilitation beds** in the state at this time.

**Committee Recommendation Regarding Acute Care Services:**

The Committee recommends acceptance of the Acute Care Services policies, methodologies and assumptions, and draft tables, with the understanding that staff will make updates as needed. In addition, references to dates will be advanced one year, as appropriate.