

August 2, 2010

Mr. John Young, Chair, Facility Energy Efficiency & Sustainability Work Group
North Carolina State Health Coordinating Council
C/o Medical Facilities Planning Section
Division of Health Services Regulation
NC Department of Health and Human Services
2714 Mail Service Center
Raleigh, North Carolina 27699

Re: Proposed 2011 State Medical Facilities Plan- Policy GEN-4

Dear Mr. Young:

Thank you for the opportunity to submit written comments on Policy GEN-4 of the proposed *2011 State Medical Facilities Plan (SMFP)*. We are concerned that, as written, Policy GEN-4 will hinder development of needed health care services in North Carolina.

Overview

In the face of continuous increases in healthcare costs, PDA commends the State Health Coordinating Council (SHCC) for recognizing energy efficiency and sustainable building design factors that can reduce costs. However, policies passed by the SHCC, that promote energy efficiency and sustainable building design in the Certificate of Need (CON) process, should be flexible and broad enough to encourage participation, not discourage it.

As written, Policy GEN-4 will make it difficult for low-cost, low-margin healthcare providers to apply for needed health care services, because it will substantially increase the cost of filing a CON application. The policy would also be logistically difficult to execute. The CON application process is expensive and many times is itself a barrier for applicants. Policy GEN-4 will increase the cost of filing. PDA believes that if minimum requirement 1.(a) and 3 are removed, costs associated with Policy GEN-4 would be more reasonable.

Minimum requirement 1.(a)

Requiring an applicant to provide a detailed narrative of quantified annual percent reduction in energy use and indoor/outdoor potable water use, prior to CON approval, would be difficult. Many times a CON application is submitted with multiple site possibilities. The facility's energy use and indoor/outdoor potable water use could vary by site. A new provider would also have no prior history against which to show reduction.

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Minimum requirement 3

Requiring the applicant, the applicant's project engineer, the applicant's architect, a representative from the Division of Health Service Regulation (DHSR) CON Section, a representative from DHSR Medical Facilities Planning, and a representative from DHSR Construction to attend a pre-filing conference will be expensive and very difficult, if not impossible, to coordinate. Involving all these DHSR agencies in every project could also delay other important decisions.

DHSR CON, Medical Facilities Planning, and Construction Section are usually understaffed. Requiring a representative from each agency Section to attend every pre-filing conference will unnecessarily increase workload and delay other important Agency decisions. Coordinating travel schedules for three different government agencies will be very difficult. DHSR CON, Medical Facilities Planning, and Construction Section staff are required to travel or work outside of the office. Many times travel dates are not set in stone and make it difficult for planning. As it is, travel schedules are also often rearranged to address other competing priorities. For example, deposition dates for a CON appeal are routinely changed or extended. Finally, not all applicants have hired a project architect and engineer at the time a pre-filing conference is held

Conclusion

PDA, Inc. supports the SHCC and its decision to incorporate energy efficiency and sustainable building design in the CON process. However, PDA asks the SHCC to develop policies that are flexible and broad enough to encourage participation.

Thank you again for your attention and consideration. Please feel free to contact me at (919) 754-0303 if you have any questions or concerns.

Sincerely,

Trey Adams

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