

DUKE UNIVERSITY HEALTH SYSTEM'S PUBLIC HEARING COMMENTS
IN SUPPORT OF PETITION TO ADJUST NEED DETERMINATION
FOR INPATIENT REHABILITATION BEDS IN HSA IV

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DFS Health Planning
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Medical Facilities
PLANNING SECTION

Duke proposes that the need for inpatient rehabilitation beds in HSA IV in the 2012 State Medical Facilities Plan be adjusted to 20 beds, to reflect the capacity that will be needed in 2013, which is the earliest that beds could reasonably be developed pursuant to a need established in the 2012 Plan.

Under the existing methodology, the draft need determination reflects the projected days of care in 2011, based on 2010 data. In other HSAs, where utilization has not increased significantly and/or where existing providers have significantly more excess capacity, the resulting need determination appears to be appropriate. In HSA IV, however, the need determination is insufficient to meet the projected need.

Beds developed pursuant to a need determination in the 2012 Plan will not be in service until 2013 or even 2014, based on the time required for applications to be filed and reviewed, potential appeals to be resolved, and the projects to be developed. Based on the projections in the draft Plan, HSA IV will have 55025 projected days of care in 2013. With only 173 beds (including the 14 beds from the 2011 Plan and the 4 beds in the draft 2012 Plan), utilization would be at 87.1%, and all rehabilitation facilities would already face capacity constraints. By 2014, the problem will be worse, with 91.0% projected utilization. Therefore, any new services developed pursuant to the draft need determination would be insufficient to meet the projected need, even immediately after development.

Moreover, under the current methodology, we can reasonably anticipate a need for 4 to 8 additional beds each year for the next several years. It is not cost-efficient to expand or develop new facilities in an incremental or piecemeal fashion.

Duke therefore proposes an adjustment to the need determination to reflect the projected need in 2013, when any beds would be developed. Based on the existing methodology, HSA IV will need 20, not 4, additional beds to meet projected volumes in 2013.