



Medical Facilities Planning

Long-Term and Behavioral Health Committee Minutes

Friday, April 13, 2012, 10:00 a. m.
Brown Building, 801 Biggs Drive, Conference Room 104
Dorothea Dix Campus, Raleigh, NC

MEMBERS PRESENT: Jerry Parks – Chair, Dr. T.J. Pulliam -Vice-Chair (via phone), Don Beaver, Anthony Foriest, Ted Griffin, Pam Tidwell

MEMBERS ABSENT: Johnnie Farmer, Zach Miller

STAFF PRESENT: Nadine Pfeiffer, Elizabeth Brown, Tom Elkins, Erin Glendening, Jim Keene, Selena Youmans, Kelli Fisk

DHSR STAFF PRESENT: Drexal Pratt, Craig Smith, Martha Frisone, Shelley Carraway

AG's Office: Scott Stroud

Agenda Items	Discussion/Action	Motion/ Seconded	Recommendations/ Actions
Welcome & Announcements	Mr. Parks welcomed members, staff and guests to the first Long-Term and Behavioral Health (LTBH) Committee of 2012. He stated that the purpose of this meeting was to review the policies, methodologies and need changes for the Proposed 2013 State Medical Facilities Plan (SMFP), review and vote on seven petitions. Mr. Parks stated the meeting was open to the public, but deliberations and recommendations were limited to the members of the LTBH Committee and staff, in order to respect the process of the State Health Coordinating Council (SHCC).		
Introductions	Mr. Parks asked the committee members and staff seated at the table to introduce themselves.		
Review of Executive Order No. 10 and 67: Ethical Standards for the State Health Coordinating Council	Mr. Parks gave an overview of the procedures to observe before taking action at the meeting. Mr. Parks inquired if anyone had a conflict or needed to declare that they would derive a benefit from any matter on the agenda or intended to recuse themselves from voting on the matter. Mr. Parks asked members to review the agenda and declare any conflicts on today's agenda. Three recusals were made. Mr. Foriest stated that in the nature of full disclosure, he is a candidate for the U.S. Congress. Dr. Pulliam recused himself from the Carolinas Health Care petition and		.

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	Mr. Beaver recused himself from the Meridian – Alexander County petition. Mr. Parks stated that if a conflict of interest, not on the agenda, came up during the meeting that the member with the conflict of interest would make a declaration of the conflict.		
Approval of September 16, 2011 Minutes	A motion was made and seconded to accept the September 16, 2011 LTBH meeting minutes.	Ms. Tidwell Mr. Foriest	Approved unanimously
Nursing Care Facilities - Chapter 10 Policies and Need Methodology Review Recommendation	Ms. Youmans reviewed the policies, which are located in Chapter 4 of the 2012 SMFP. Ms. Youmans stated there are eight policies applicable to nursing home facilities. In reviewing the nursing care facilities methodology, Ms Youmans noted the data sources are projected by the number of residents by county and age group. Ms. Youmans stated the North Carolina Office of State Budget and Management (OSBM), and the active military population numbers provided by American Community Survey, provided this information and the utilization data was provided from the Nursing Home 2012 Data Supplement to Licensure Renewal Application. A motion was made and seconded to recommend acceptance of nursing care facilities policies, assumptions and methodology and advancing years by one for inclusion in the Proposed 2013 SMFP.	Mr. Griffin Dr. Pulliam	Motion approved
Adult Care Homes - Chapter 11 Policies and Need Methodology Review	Ms. Youmans reviewed the policies and need methodology for Chapter 11. Ms. Youmans noted there were two policies relating to Chapter 11; these policies were found in Chapter 4 of the 2012 SMFP. <i>Policy LTC-1: Plan Exemption For Continuing Care Retirement Communities</i> <i>Policy LTC-2: Relocation Of Adult Care Home Beds</i> Ms. Youmans reviewed the adult care homes methodology. She noted the sources of data used were similar to the nursing care facilities; with population information from the North Carolina Office of State Budget and Management (OSBM), active military population numbers provided by American Community Survey, and utilization data provided from the Adult Care and Nursing Home 2012 Data Supplement to Licensure Renewal		

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Medicare Certified Home Health Services - Chapter 12 Policy and Need Methodology Review Petition 3: Modify the Home Health Methodology	Ms. Brown noted there is one policy related to Chapter 12; located in Chapter 4 of the 2012 SMFP. <i>Policy HH-3: Need Determination For Medicare-Certified Home Health Agency In A County.</i> Ms. Brown noted the agency used two sources of data when working with the methodology: the patient origin data compiled from Home Health Agency 2012 Annual Data Supplement to Licensure Application; and County population projections by age group (for 2014) obtained from N.C. OSBM. Ms. Brown reported two petitions were received for this chapter: Hospice of Wake County, Inc./Horizons Home Care submitted a petition requesting to modify the home health agency need methodology by increasing the deficit threshold for a need determination, and corresponding placeholder, from 275 patients to 325 patients. A motion was made and seconded to approve the third petition submitted by Hospice of Wake County, Inc./Horizons Home Care requesting to modify the home health agency need methodology by increasing the deficit threshold for a need determination, and corresponding placeholder, from 275 patients to 325 patients. Ms. Tidwell asked if Mr. Tim Rogers from the Association of Home Health and Hospice could speak. Mr. Parks recognized Mr. Rogers. Mr. Rogers stated he was much intoned on how the standard methodology should be supported and how the threshold should be tweaked given changes and reductions in the Medicare and Medicaid reimbursement rates. Mr. Rogers stated the industry met with the LTBH subcommittee years ago and it was decided to set the threshold at 400 patients. The threshold remained for a few years, generating no need for new agencies. Mr. Rogers stated the group met again and decided to move the threshold to 275. Currently there is a very healthy situation of CON need determinations in the counties with the most growth with 65 and older population and these counties are Mecklenburg and Wake.	Dr. Pulliam Mr. Beaver	Motion approved

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Hospice Services - Chapter 13 Need Methodology Review	Ms. Brown reviewed the methodology for Chapter 13. She noted general policies were the only policies that applied to this chapter. Ms. Brown stated the Hospice Home Care standard methodology used to project need is a 14-step process. Ms. Brown also mentioned the Hospice Inpatient Bed methodology for new inpatient beds was a 12-step process used to project need by county. Ms. Brown stated there is no need methodology for hospice residential beds. Ms. Brown noted there were no petitions or comments received this spring for the Hospice chapter. A motion was made and seconded to recommend acceptance of hospice services assumptions and methodology and to advance years by one for inclusion in the Proposed 2013 SMFP.	Mr. Griffin Ms. Mauney	Motion approved
End-Stage Renal Disease Dialysis Facilities - Chapter 14 Policy and Need Methodology Review	Ms. Brown noted there was one policy related to Chapter 14; located in Chapter 4 of the 2012 SMFP. <i>Policy ESRD-2: Relocation of Dialysis Stations</i> She stated the sources of data included the current number of dialysis facilities and stations obtained from the DHSR Acute Care Licensure and Certification Section and the dialysis population by county and by facility is provided by the Centers for Medicare and Medicaid through the Southeastern Kidney Council and Mid-Atlantic Renal Coalition. Ms. Brown provided a summary of the standard methodology used to project need for new dialysis stations. The need for new dialysis stations is determined two times each calendar year. Determinations are made available in the North Carolina Semiannual Dialysis Report (SDR). County Need based on all residents of North Carolina, regardless of where they are currently receiving services. Facility Need is a permissive methodology, which allows an existing provider located in a county where the projected County Need is zero, to apply for additional stations if that facility is operating at or above 80 percent utilization and feels it needs additional capacity. Three petitions were received to amend the End-Stage Renal Disease methodology.		

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Petition 5: Amend ESRD Need Methodology - Utilization Standard	Ms. Brown provided an overview of the fifth petition. The petition submitted by Fresenius Medical Care (FMC) requested the utilization standard for existing facilities be increased from 80 percent to 95 percent before new dialysis stations would be added. In addition, the petition sought to increase the minimum size for a new dialysis facility from 10 stations to 12 stations, (or 45.6 patients at 3.8 patients per station). The primary reason provided by FMC to amend the methodology was to improve financial viability and improve utilization of existing resources. The petition did not provide a rationale for the specific increments of change. The petition indicated there is a current excess in capacity. 80 percent (488 dialysis stations were obtained pursuant to the Facility Need methodology at the initiative of the providers). If there is perceived "excess capacity," it is not attributed to the County Need methodology. The petition stated that adding an additional shift would improve utilization of the existing station capacity. The number of shifts is not controlled by the SMFP or the standard methodology. Any decision regarding utilization of existing stations is controlled by the provider. The petition did not provided sufficient data to document that the current methodology utilization standard is ineffective. There was a lack of justification in the petition for the requested changes. The Agency supported the current approach to calculating projected dialysis facility need for purposes of the Proposed 2013 Plan. The Agency recommended that this petition be denied. A motion was made and seconded to deny the fifth petition submitted by Fresenius Medical Care that requested the utilization standard for existing facilities be increased from 80 percent to 95 percent before new dialysis stations can be added. Additionally, the petition sought to increase the minimum size for new a dialysis facility from 10 stations to 12 stations. Ms. Tidwell made a motion to form a workgroup. Mr. Griffin seconded the motion.	Dr. Pulliam Mr. Beaver Ms. Tidwell Mr. Beaver	No action taken

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	Mr. Beaver asked if there were any representatives from the industry present that wished to comment on this request to form a workgroup. There were three representatives in the audience. Mr. Parks stated they could have two minutes to speak. First Speaker: Mr. Bill Hyland, Director of Health Care Planning, DaVita <i>Mr. Hyland stated he had submitted comments on the mentioned petition to support putting a workgroup in place for a study on issues related to dialysis. He stated based on the committee's vote, he did not feel that a workgroup is needed to study the methodology, however, he would like the opportunity to discuss new types of services for the service owner that are being pushed in the state and nation on the home training services. Mr. Hyland stated these were the issues that concern DaVita.</i> Second Speaker: Mr. Jim Swann, Director Market Development and Certificate of Need, Fresenius Medical Care <i>Mr. Swann stated the methodology is 20 years old and feels a workgroup is most appropriate. Mr. Swann stated that one of the comments that was not mentioned through out the discussion is the impact of reimbursement and bundle reimbursement in 2011. He stated the bundle as known in the dialysis industry really was the catalyst for this petition. He stated they could increase utilization in their facility by increasing the number of shifts. Mr. Swann stated by using the space, more they could reduce the cost and make facilities more profitable, and getting more for your bang is really what needs to happen in North Carolina. He stated FMC did not want to put patients at a disadvantage and certainly did not oppose development of world facilities. He stated he did not advocate a change in the adjusted need methodology or petitions that were submitted to the Council, but he would like better utilization.</i> Third Speaker: Ms. Lucy Bode, Consultant, HealthCare Systems Management <i>Ms. Bode stated that she had the privilege of working on the dialysis care for over 20 years and was involved in creating the first methodology and that she was very proud of the impact it has had on North Carolina. Ms. Bode represents HealthCare Systems Management which operates the only non-profit dialysis in the state of North Carolina and they do this through Wake Forrest University which actually owns the facilities. Ms. Bode stated she has worked hand in hand with staff over the years and in the first stages of the</i>		

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	<i>methodology patients were traveling over one hour to get to dialysis and this was a terrible situation, the fact there wasn't adequate medical coverage the fact they were very rural based and a methodology was needed to make it possible for rural North Carolina to have access to dialysis care within a very reasonable time frame and this methodology has worked extremely well for two reasons, for one it gives great flexibility to the providers in terms in responding to the unique characteristics to the areas they serve and also gives you an committee members the opportunity to make exceptions in extremely rural areas. Ms. Boded said she was dismayed that the methodology, that has worked for nineteen years, is back on the table for any kind of tampering for fear that they will break something that is working. Ms. Bode stated she wasn't sure what the motivations are by the petitioner due to they can go to a third and fourth shift now. Ms. Bode stated she is concerned that we have a system in place and probably created one of the best dialysis systems in the country due to addressing unique situations locally. Ms. Bode encouraged committee members to think very carefully before pulling at this methodology for fear that, there may be some unintended consequences.</i> Mr. Parks asked members if this was something the committee needed to act on today or if they need additional time to think about it and revisit it at the meeting in May. This would also provide staff the opportunity to ask the industry what is it they need/want. Dr. Pulliam stated he agreed with Mr. Parks and the committee should discuss this topic at the May meeting. Dr. Pulliam stated the biggest issue he heard was access across the state. Ms. Tidwell said she made the previous motion to form at work, but was fine with Mr. Parks and Dr. Pulliam's suggestion to discuss this topic at the May meeting. Mr. Griffin stated he had to leave to attend another meeting. Mr. Parks stated according to Roberts Rule of Order since a quorum is established, it remains in effect and Mr. Griffins vote would favor the quorum. Mr. Parks asked the committee if they were ready to vote on the fifth petition, and stated the motion on the floor was to deny the petition.		Motion approved

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	Reuters for the period from October 2009 through September 2010 from the providers of psychiatric inpatient services, and the Cecil G. Sheps Center for Health Services Research at the University of North Carolina at Chapel Hill distilled the data down to the individual counties population data was received from the N.C. Office of Budget and Management and the utilization data was received from Thompson Reuter. A motion was made and seconded to recommend acceptance of psychiatric inpatient services policies, assumptions and methodology to advance years by one for inclusion in the Proposed 2013 SMFP.	Ms. Tidwell Dr. Pulliam	Motion approved
Substance Abuse/Chemical Dependency - Chapter 16 Policy and Need Methodology Review	Ms. Youmans reviewed the methodology for Chapter 16. She noted there are no policies related to this chapter. Ms. Youmans reviewed the five sources of data and the agencies in which it was collected from. A motion was made and seconded to recommend acceptance of substance abuse/ chemical dependency policy, assumptions and methodology to advance years by one for inclusion in the Proposed 2013 SMFP.	Mr. Beaver Mr. Foriest	Motion approved
Intermediate Care Facilities - Chapter 17 Policies and Need Methodology Review	Ms. Youmans reviewed the policies and methodology for Chapter 17. Ms. Youmans noted there were two policies in Chapter 17 that could be found in Chapter 4 of the 2012 SMFP. <i>Policy ICF/MR-1: Transfer of ICF/MR Beds from State Operated Developmental Centers to Community Facilities for Medically Fragile Children</i> <i>Policy ICF/MR-2: Transfer of ICF/MR Beds from State Operated Developmental Centers to Community Facilities for Individuals Who Currently Occupy the Beds</i> Ms. Youmans noted sources of data received by North Carolina Department of Health and Human Services, Division of State Operated Facilities; and the Division of Health Service Regulation, Mental Health Licensure Section and Certificate of Need Section. A motion was made and seconded to recommend acceptance of intermediate care facilities policies, assumptions and methodology to advance years by one for inclusion in the Proposed 2013 SMFP.	Mr. Foriest Ms. Tidwell	Motion approved
Other Business	Mr. Parks noted the next meeting is May 11 th . He then thanked the members and staff.		

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Adjournment	Mr. Parks adjourned the meeting.		