

# Acute Care Beds

Agency Report:

AC Beds Petition: WakeMed

# AGENCY REPORT

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## Petitioner

WakeMed  
3000 New Bern Avenue  
P.O. Box 14465  
Raleigh, NC 27620-4465

## Request

WakeMed requests a special need determination for 18 additional acute care beds in Wake County to be designated for neonatal patients only in the 2009 State Medical Facilities Plan (SMFP).

## Background Information

The standard methodology which projects need for acute care (AC) beds is based on the total number of acute inpatient days of care provided by each hospital, as obtained from the Thomson database by the Cecil G. Sheps Center for Health Services Research. [Note: These numbers include inpatient days of care provided to neonatal patients in Level II, Level III and Level IV neonatal acute care beds.] The number of days of care is advanced by six years based on a growth rate representing the average annual historical percentage change for the State over the past four years (i.e., three intervals of change). For the Proposed 2009 State Medical Facilities Plan (SMFP), the statewide growth rate is .01%. The projected midnight average daily census for the target year is then adjusted by target occupancy factors (which increase as the Average Daily Census increases). Surpluses or Deficits are determined by comparing the projected bed need to the current inventory of licensed plus pending acute care beds.

Chapter 2 of the Plan allows persons to petition for an adjusted need determination in consideration of "...unique or special attributes of a particular geographic area or institution..." if they believe their needs are not appropriately addressed by the standard methodology.

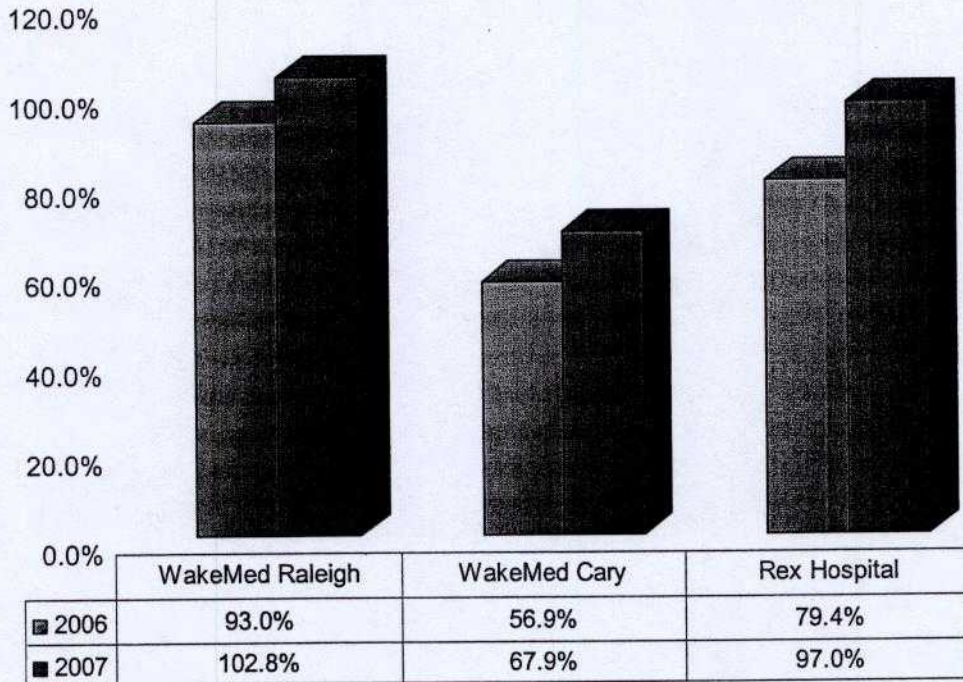
## Analysis/Implications

According to the 2008 Hospital License Renewal Applications, Wake County's total licensed neonatal bed complement (Level II, III and IV beds) is as follows:

WakeMed Raleigh:	36 beds
WakeMed Cary:	8 beds
Rex Hospital:	<u>12 beds</u>
<i>Wake County Total:</i>	56 beds

Utilization data, for the above licensed neonatal beds from the 2007 and 2008 Hospital License Renewal Applications, are summarized on the graph shown on the following page:

### Neonatal Bed Utilization Wake County Hospitals 2006 and 2007



Note: The above data is from the 2007 and 2008 Hospital License Renewal Applications and does not include days of care provided in unlicensed bassinets, which are Level I Neonatal Services.

- As the above graph shows, the licensed neonatal beds at WakeMed Raleigh and Rex Hospital were utilized at a high rate during 2006 and 2007.
- Also, Thomson data cited by the petitioner show patient days for neonatal cases (DRGs 385-390 – see table on last page for description of these DRGs) originating in Wake county increasing from 25,162 in FY 2004 to 29,133 in FY 2007. However, regarding the Thomson data, the Agency did not have access to the original Thomson data and thus was unable to verify the data cited in the petition.
- Additionally, the petitioner indicates that Wake County has a lower ratio of neonatal beds to population (6.72 beds per 100,000 population) than any of the other ten most populous counties in North Carolina.

The Agency recognizes the current high utilization of licensed neonatal beds in Wake County. However, the Agency notes that the current acute care bed need methodology projects need by service area for all AC beds without regard to subtype. Consequently, acute care bed data are collected and tracked in support of projecting need by service area for all AC beds. There is no current mechanism for determining need for a particular subtype of AC bed.

As to the ratio of licensed neonatal beds to population in Wake County, the Agency notes that no information regarding an optimal ratio is provided. Also, the ratios are based only on the population residing in the county in which the facility is located and not on the population of the entire area served by the facility.

The Agency notes that one option available to the petitioner, converting existing licensed AC beds to licensed neonatal beds, was previously exercised by the petitioner. The petitioner received a Certificate of Need in 2000 to increase the hospital's neonatal beds to their current total by converting eight AC beds in the GYN unit to licensed neonatal beds. At the present time, WakeMed considered and rejected converting existing acute care beds to neonatal beds, "due to pressing capacity constraints". The petitioner did not provide sufficient information to demonstrate why this option is not viable in the present case.

Agency Recommendation

The Agency recognizes WakeMed's neonatal bed capacity concerns and encourages further exploration of alternatives. However, in support of the Acute Care Bed Need methodology and in consideration of the above, the Agency recommends denial of the petition.

<b>Table 1: Neonatal DRG Descriptions</b>	
<b>DRG No.</b>	<b>Description</b>
385	NEONATES, DIED OR TRANSFERRED TO ANOTHER ACUTE CARE FACILITY
386	EXTREME IMMATUREITY OR RESPIRATORY DISTRESS SYNDROME, NEONATE
387	PREMATURITY W MAJOR PROBLEMS
388	PREMATURITY W/O MAJOR PROBLEMS
389	FULL TERM NEONATE W MAJOR PROBLEMS
390	NEONATE W OTHER SIGNIFICANT PROBLEMS

Note: Table from page 2 of the WakeMed petition.