
CHAPTER 2

STATE MEDICAL FACILITIES PLAN: PROCESS AND ADJUSTMENTS

Overview of the State Health Planning Process

Development of the North Carolina State Medical Facilities Plan (SMFP) is a continuous process. It includes meetings of the State Health Coordinating Council (SHCC) and its committees, public hearings and other opportunities for public comment, two opportunities for people to file petitions, data compilation and analysis, preparation of a Proposed Plan, and preparation of a final Plan to present to the Governor for review and approval. In the current calendar year, the Department of Health and Human Services, Division of Health Service Regulation (Agency) and the SHCC work on the SMFP for the next calendar year. For example, work on the 2022 SMFP begins in January of 2021, and will include need determinations that may be applied for during calendar year 2022 consistent with the assigned review period for each need determination. With the Governor's approval, the SMFP becomes the official document for health facility and health service planning in North Carolina for the specified calendar year.

The following discussion describes the process followed each year to prepare the subsequent year's SMFP.

First Quarter

From January through March, Healthcare Planning receives and compiles data about utilization of the various facilities, services and equipment contained in the SMFP. Planners use this data to calculate need determinations using the methodologies approved by the SHCC.

First SHCC meeting and public hearing. Near the beginning of March, the SHCC holds its first meeting of the year. A public hearing follows immediately. At this hearing, people may make oral remarks regarding petitions they wish to file or any other matter relevant to the development of the Proposed SMFP for the following year.

Spring petitions and Agency proposals. Spring petitions involve requests for changes to the SMFP that have the potential for a statewide effect, such as the addition, deletion or revision of policies or need determination methodologies. That is, the requested changes would apply to all health services or facilities that are the subject of the petitions, not just services and facilities in a specific service area. (See below for information regarding requirements for writing and submitting petitions.) In addition to petitions from members of the public, the Agency can propose changes to policies and methodologies in the SMFP. The SHCC may also propose any changes it deems appropriate.

These types of changes are considered early in the calendar year to allow time for potential inclusion in the Proposed SMFP for the following year. Petitioners are encouraged to consult with Healthcare Planning staff as early as possible if they wish to discuss these petitions before submitting them. The deadline for these petitions is 5:00 p.m. on the date of the first SHCC meeting of the year. Petitions are posted to the Healthcare Planning website as soon as possible after the deadline. A two-week public comment period follows the petition deadline. After the comment period ends, comments are posted to the Healthcare Planning website.

Upon receipt of petitions and proposals and after review of public comments that have been submitted in relation to a petition or proposal, Healthcare Planning staff prepares a report that includes the Agency's recommendation regarding whether to approve, deny or alter the request. The Agency report goes to the

committee that covers the health service involved in the petition or proposal for discussion at its first meeting of the year (see below).

Second Quarter

The SHCC and its three committees hold their first two meetings during the second quarter. Each committee is responsible for a set of chapters in the SMFP (see Chapter 1). The first committee meeting typically occurs in April and the second meeting typically occurs in May. The second SHCC meeting occurs near the beginning of June. In addition, Healthcare Planning staff prepares the Proposed SMFP during this time.

First and second committee meetings. Each committee discusses the Agency report(s) at the first meeting of the year. Petitioners will receive written notification of times and places of meetings at which their petitions will be discussed. At that time, the committee votes to approve, deny, or alter the Agency's recommendation. All committee votes are in the form of recommendations to the SHCC. Alternately, the committee may table the matter and call for further study and consideration before making a recommendation to the SHCC. The SHCC considers all committee recommendations at its second meeting of the year (see below).

At the second set of committee meetings, Healthcare Planning staff presents draft need determinations, based on the data obtained and compiled during the first quarter. If a committee voted to alter any methodologies at its first meeting, the draft need determinations presented at the second meeting would reflect the proposed changes. In addition, the Agency and the committees may recommend changes to the draft need determinations, as deemed appropriate. The committee votes and forwards its recommendations regarding the need determinations to the SHCC.

Second SHCC meeting. At the second SHCC meeting, chairpersons present reports of their committees' activities and recommendations from the first two meetings of the year. The SHCC discusses and votes on the recommendations of all committees. It may accept the recommendations in whole or in part or reject them. Taken together, the committee recommendations form the body of the Proposed SMFP for the following year. The final act of the SHCC during this meeting is to adopt the Proposed SMFP.

Third Quarter

On or about July 1, the Agency posts the Proposed SMFP for the following year on the Healthcare Planning website. During July, the SHCC holds at least six public hearings to receive comments on petitions intended to be submitted in the summer, or any issue related to the Proposed SMFP. The SHCC committees hold their third and final meeting of the year during this quarter, usually in September.

Summer petitions and Agency proposals. Summer petitions involve requests for adjustments to need determinations in the Proposed SMFP. Petitioners may submit a written petition requesting an adjustment to the need determination in the Proposed SMFP if, they believe that special attributes of a service area or institution give rise resource requirements that differ from those provided by the standard methodologies and policies. The Agency may also seek adjusted need determinations during this time. (See below for information regarding requirements for writing and submitting petitions.) Petitioners are encouraged to consult with Healthcare Planning staff as early as possible if they wish to discuss these petitions before submitting them. Summer petitions are due no later than 5:00 p.m. on the date of the last public hearing in July. Petitions are posted to the Healthcare Planning website as soon as possible after the deadline. A two-week public comment period follows the petition deadline. After the comment period ends, comments are posted to the Healthcare Planning website. Petitioners will receive written notification of times and places of SHCC committee meetings at which their petitions will be discussed.

Third committee meeting. Upon the receipt of Summer petitions or Agency proposals, the process that follows is the same as for Spring petitions. The Healthcare Planning staff prepares a report that includes the

Agency's recommendation regarding whether to approve, deny or alter the need determination adjustment(s) requested. The Agency report goes to the committee that covers the health service involved in the request. The committee discusses the Agency report(s) at its third meeting of the year. At that time, it votes to approve, deny, or alter the Agency's recommendation. It may instead table the matter and call for further study and consideration before making a recommendation.

Each committee also makes recommendations regarding the entirety of the chapters that it covers, such as updates to need determinations based on edits and corrections to data. The committees forward all recommendations to the SHCC for consideration at its final meeting of the year, which normally occurs in the fourth quarter.

Fourth Quarter

SHCC activities culminate in the fourth quarter. The SHCC recommends the following year's SMFP to the Governor. After gubernatorial approval, the Agency posts the approved SMFP on the Healthcare Planning website.

Final SHCC meeting. The final SHCC meeting of the year is usually held at the beginning of the fourth quarter. At this meeting, the SHCC receives reports from all committees. These reports summarize their recommendations regarding summer petitions, proposals and need determinations. Information provided to the SHCC also includes any other updates to data that may affect need determinations. The SHCC discusses all recommendations and data adjustments. At the end of the discussion, the SHCC will have a complete SMFP for the following year to recommend to the Governor for approval. Disposition of all petitions for changes to the following year's SMFP will be made no later than the SHCC meeting at which the Council makes its final recommendation to the Governor.

The final SMFP. The final SMFP for the following year contains the need determinations that delineate forth the number of additional facilities, operating rooms, equipment, or services that may be approved by CON based on the applications submitted during the year. Chapter 3 describes the review categories and review schedule for submitting CON applications.

Near the end of October, the staff meets with the Department of Health and Human Services leadership and the Governor's representatives to submit the recommended final SMFP for the following year. The Governor may approve the SMFP as submitted or make any adjustments or amendments deemed appropriate by the Governor. The deadline for the Governor to approve an SMFP is December 31.

The Agency normally posts the approved SMFP for the coming year on the Healthcare Planning website during December, but it will be posted no later than January 1 of the year in which the SMFP becomes effective. The date of posting is dependent upon the date that the Agency receives the Governor's approval; this date is not known in advance. After the SMFP is posted, the Agency arranges for production of printed and bound copies that the public may purchase. The Agency will notify the public when copies are available; copies are generally available by early February each year, but the exact date is not known in advance.

Instructions for Writing and Submitting Spring and Summer Petitions

At a minimum, each written petition must contain all the following:

1. name, address, email address and phone number of the petitioner;
2. a statement of the requested change, citing the policy or methodology (Spring) or need determination (Summer) in the SMFP for which the change is proposed;

3. reasons for the proposed change, including:
 - a. a statement of the adverse effects on the providers or consumers of health services that are likely to ensue if the change is not made; and
 - b. a statement of alternatives to the proposed change that were considered and found not feasible.
4. evidence that the proposed change would not result in unnecessary duplication of health resources in the area; and
5. evidence that the requested change is consistent with the three Basic Principles governing the development of the SMFP: safety and quality, access, and value (see Chapter 1).

For Summer petitions, petitioners should use the same service area definitions in the relevant chapter(s) of the Proposed SMFP.

Petitioners should be aware that Healthcare Planning staff may request additional information and opinions from the petitioner or any other people and organizations who may be affected by the proposed change.

Each written petition must be clearly labeled “Petition” and the North Carolina Division of Health Service Regulation, Healthcare Planning must receive one copy no later than 5:00 p.m. on the deadline date (see below).

Petitions and comments must be submitted by e-mail, US mail, a delivery service, or hand delivery. The Agency cannot accept faxed petitions or comments.

E-Mail: DHRS.SMFP.Petitions-Comments@dhhs.nc.gov

Mail: North Carolina Division of Health Service Regulation
Healthcare Planning
2704 Mail Service Center
Raleigh, North Carolina 27699-2704

The office location and address for hand delivery and use of delivery services is:

809 Ruggles Drive
Raleigh, North Carolina 27603

Workgroups and Interested Parties

As needed, the SHCC Chair may appoint a workgroup to address a specific issue of interest. Workgroups are most commonly formed to address revisions to need determination methodologies. The Chair will develop a specific charge to outline the workgroup’s tasks. Workgroups generally consist of no more than about 10 people and include SHCC members and members of the public knowledgeable of the issue under study. After one or more meetings, the workgroup votes on a recommendation to the assigned committee or the full SHCC regarding the subject of its charge. The meetings are public, but only the workgroup members participate in the discussion, unless a member requests additional input.

The SHCC Chairperson may also authorize Interested Parties meetings to discuss specific topics of interest. Unlike workgroups, there is no specific charge and no formal recommendation to the SHCC. Rather, everyone in attendance is invited to participate in the discussion.

A public hearing or written public comment period may be part of the activities surrounding workgroups and Interested Parties meetings. The SHCC chairperson has the discretion to authorize a public hearing or comment period. All written comments received are posted on the Healthcare Planning website. Workgroup and Interested Parties meetings often occur in the spring because they typically involve issues surrounding policies and methodologies. However, their activities may occur at any time of the year.

Contact Information

Healthcare Planning staff may be reached at the mailing address listed above, or by calling (919) 855-3865.

{Note: This draft is for the Proposed 2022 SMFP. The schedule of meetings and public hearings does not appear in the Proposed SMFP. We anticipate no changes to these final sections.}