

TO: Medical Facilities Planning Section
NC Division of Health Service Regulation
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DFS Health Planning
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AUG 18 2010

FROM: W. Stan Taylor 
Vice President, Corporate Planning

Medical Facilities
PLANNING SECTION

DATE: August 18, 2010

RE: RESPONSE TO COMMENTS SUBMITTED ON PROPOSED POLICY GEN-4 IN PROPOSED
2011 SMFP

WakeMed supports the principle of improving energy efficiency and sustainable building design in healthcare facilities as expressed in Governor Perdue's letter to the State Health Coordinating Council approving the 2010 State Medical Facilities Plan, and we appreciate the efforts of the Facility Energy Efficiency and Sustainability (FEES) Work Group in trying to address this issue. We also strongly support the comments and suggestions submitted by Mike Vicario of NCHA, because we believe they represent a fairer and more effective way to meet the goals stated by the Governor. Especially important in advancing the objective is the suggestion that this effort be overseen by the Division of Health Service Regulation's Construction Section using licensure rules approved by the Medical Care Commission. WakeMed respectfully provides the following points supplemental to those already submitted regarding Proposed Policy GEN-4.

In order to be fair there should be a single set of standards that all like facilities need to meet in achieving overall improvements in energy efficiency and water conservation. However, that cannot occur if Policy GEN-4 is to be implemented through the certificate of need (CON) process, for two reasons: 1) in N.C.G.S. §131E-184, the CON Statute specifically exempts many projects from the requirement to obtain a CON, including heating or cooling systems and other basic plant or mechanical improvements, replacement nursing home and assisted living facilities at the same location, and improvements needed to meet licensure, certification or accreditation standards; and, 2) there is no authority to apply the policies in the State Medical Facilities Plan to projects that do not require a CON. Therefore, many projects, including some that provide the greatest opportunity to improve energy efficiency and sustainability, would not be covered by the proposed Policy GEN-4.

In order for the FEES effort to be effective, the standards need not only to be uniform, but applied at the right time and enforced by the most knowledgeable officials. Both of those attributes would be missing if implemented at the CON application level. At the time CON applications are submitted construction plans are still preliminary, usually only schematically developed. CON applications are reviewed by a staff of project analysts with backgrounds in healthcare administration, law, and clinical services, not by engineers, architects or environmental specialists. The CON project analysts would have difficulty distinguishing between alternative energy efficiency proposals even if they were provided in detail in the CON application. Winning applicants would then build projects according to their own proposals

rather than to uniform standards. The DHSR's Construction Section employs staff with more applicable expertise to evaluate proposals for energy efficiency and sustainability.

The dilemma faced by the FEES Work Group is not any shortcoming of the objective, or the effort its members are putting forth. Rather, it is simply the tools the Work Group has available through the SMFP. Both fairness and effectiveness can be improved through the suggestions made in the comments from NCHA, which propose that this be implemented by the Medical Care Commission and administered by the DHSR Construction Section, using licensure rules adopted by the Medical Care Commission and building codes applicable to the specific project. We hope the SHCC will make this recommendation to Governor Perdue.

Thank you for the opportunity to provide these comments. If you have questions or require additional information, please call me at 919-350-8108 or email to: staylor@wakemed.org.