

September 14, 2018

TO: Hospital CEO, Government Relations Office, Director of Planning

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SUBJECT: **SHCC Acute Care Services Committee Meeting/September 11, 2018**

Dr. Sandra Greene, Chair of the State Health Coordinating Council Acute Care Services Committee, conducted a meeting on September 11 to review petitions and comments received on the Proposed 2019 State Medical Facilities Plan.

- A petition to remove the need determination for 31 beds in Moore County from the Proposed 2019 SMFP was approved.
- Dr. Greene announced that data discrepancies of greater than 5% remain in 13 of 25 hospitals, with the need determination in Durham/Caswell potentially affected. Revised Acute Care Bed need determinations are in Durham/Caswell (34), Gaston (33), and Mecklenburg (76) counties. The DHSR reported that new laws affect the legacy of hospital licenses, resulting in continued inclusion of some closed hospitals in the SMFP inventory.
- The DHSR reported on the Single Specialty Surgery Center Demonstration Project, which resulted in the development of ambulatory surgery centers in each of the three largest metropolitan areas of the state. The Demonstration establishes that the State Agency evaluate each facility annually, and again after it has been in operation for five years. Annually submitted data from Triangle Orthopedics Surgery Center and Mallard Creek Surgery Center were reviewed and the two ASCs were found to be compliant with the conditions of the demonstration. (Mallard Creek Surgery Center has an additional year remaining in the demonstration period.) The Committee discussed the seven percent measure used to determine indigent care levels, equaling the “percentage of the facility’s total collected revenue that is attributed to self-pay and Medicaid revenue,” and agreed that a simpler formula based on payer mix would be preferable.
- A petition by Azura Vascular Care to establish vascular access ambulatory surgery centers in both the Pitt and Craven operating room service areas was disapproved. The DHSR concluded that few eligible patients would be served by the center, and cited a CMS proposal to lower payment rates for many of the procedures that were proposed to be offered.
- A petition from Pinehurst Surgical Clinic for a single OR ambulatory surgery center in Richmond County was disapproved. The county’s negative population growth, surplus of operating rooms, along with the difficulties in operating a single OR facility, were considered in the decision. The DHSR also found outmigration rates for surgery not to be a factor, being similar to those in other

areas of the state.

- Comments were received on the operating room need methodology first implemented in the 2018 SMFP. The Committee approved two changes to the OR need methodology.
 1. Include chronically underutilized operating rooms in the methodology if they are part of a multi OR system, and
 2. Allow a maximum of six (6) operating rooms available for review in each service area.

- Agency Staff discussed movement of End Stage Renal Dialysis services from the Long Term Care Committee to the Acute Care Committee, along with integration of the semi-annual dialysis report into the annual SMFP. A meeting for interested parties will be held on November 14. See also https://www2.ncdhhs.gov/dhsr/mfp/pdf/2018/acs/0911_chapter14.pdf

Recommendations of the Acute Care Services Committee will be considered by the full SHCC at its final meeting on October 3, 2018.