

**MICHIGAN DEPARTMENT OF COMMUNITY HEALTH (MDCH)  
HOSPITAL BED (HB)  
STANDARD ADVISORY COMMITTEE (HBSAC) MEETING**

Thursday August 25, 2011

Capitol View Building  
201 Townsend Street  
MDCH Conference Center  
Lansing, Michigan 48913

**APPROVED MINUTES**

**I. Call to Order**

Chairperson Casalou called the meeting to order @ 9:40 a.m.

A. Members Present:

James Ball, Michigan Manufacturer's Assoc.  
Ron Bieber, United Auto Workers (UAW)  
Robert Casalou, Chairperson, Trinity Health  
Heidi Gustine, Munson Healthcare  
David Jahn, War Memorial via conference call  
Patrick Lamberti, POH Medical Center  
Nancy List, Covenant Healthcare  
Conrad Mallett, DMC  
Robert Milewski, BlueCross BlueShield of Michigan (BCBSM)  
Doug Rich, Ascension Health  
Jane Schelberg, Vice-Chairperson, Henry Ford

B. Members Absent:

Kevin Splaine, Spectrum Health

C. Michigan Department of Community Health Staff present:

Jessica Austin  
Natalie Kellogg  
Joette Laseur  
Brenda Rogers

**II. Declaration of Conflicts of Interest**

None.

**III. Review of Agenda**

Motion by Mr. Ball and seconded by Mr. Lamberti to accept the modified agenda. Motion carried.

**IV. Review of Minutes of July 20, 2011**

Motion by Mr. Bieber and seconded by Mr. Ball to accept the minutes as presented. Motion carried.

**V. Bed Need and Subarea Methodology Workgroup Update**

Mr. Milewski gave a brief overview of the bed need and subarea methodology workgroup and the sub-workgroup's progress (See attachment A).

Discussion followed.

**A. Public Comment:**

Bob Meeker, Spectrum Health

**VI. Verbal Update and Discussion of Disposition of Unused Beds workgroup**

Vice-Chairperson Schelberg gave a verbal overview of the workgroups progress and planning.

Discussion followed.

**A. Public Comment:**

Dennis McCafferty, EAM

**VII. Quality Assurance Assessment Program (QAAP) / Civil Monetary Penalties (CMP) Review and Discussion**

Ms. Rogers gave a brief overview of the draft language (See Attachment B).

Motion by Mr. Mallett and seconded by Mr. Rich to accept the draft language. Motion Carried.

**VIII. Public Comment**

None.

**IX. Next Steps and Future Agenda Items**

Chairperson Casalou advised that the agenda will be the same format, including the project delivery requirements and updates from the two major workgroups.

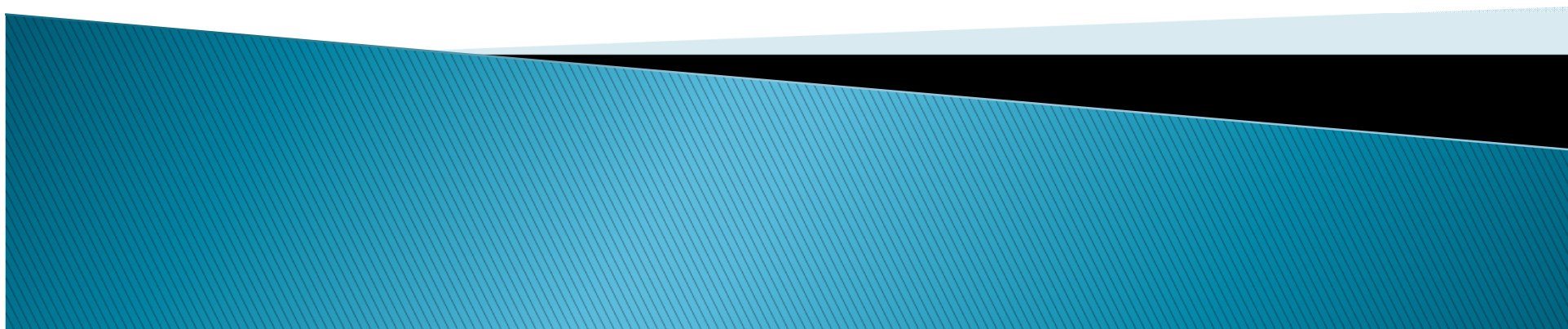
**X. Future Meeting dates**

- A. September 28, 2011
- B. October 19, 2011
- C. November 16, 2011
- D. December 20, 2011

**XI. Adjournment**

Motion by Vice-Chairperson Schelberg and seconded by Mr. Mallett to adjourn the meeting @ 10:47 a.m. Motion Carried.

Bob Milewski  
August 25, 2011



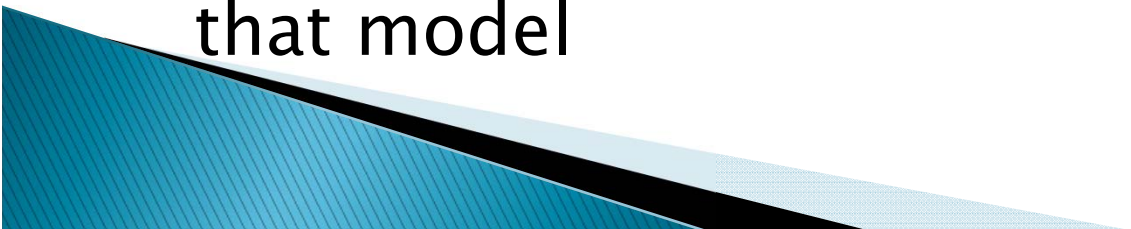
- ▶ Review and update, if necessary, the subarea methodology to determine current health care markets and needs including relevant demographic data.
- ▶ Consider the proper number of beds for Michigan's population given demographic concerns (Bed Need Methodology).



▶ **Any new methodology should:**

- **Be Objective:** The previous methodology was not run to its optimum level. The workgroup has decided on a new methodology based on a well-known and widely-accepted clustering model and has been analyzing a variety of mathematically optimal results.
- **Be Replicable:** Each time the methodology is run, the same result should occur. If the number of hospitals in the state change, the methodology should still be applicable and yield appropriate results.
- **Minimize the Number of Single-Hospital Subareas:** The intent of hospital subareas is to group hospitals based on similar markets and community needs. An abundance of single-hospital subareas runs counter to this intent.



- ▶ Hospitals clustered based on the following variables:
    - Patient length of stay
    - Location
    - All hospitals in state evaluated simultaneously
  - ▶ Examine results that best show similar hospitals clustering together with maximum differences between clusters (F-score)
  - ▶ Limit the number of Single-Hospital Subareas to 15% of the total number of subareas under that model
- 

- ▶ Using the previous criteria, MSU Geography has modeled the following subarea numbers to compare with the existing subareas:
  - 21, 25, 31, 33, 35, 38, 40, 42, 45, 47, 50
- ▶ The workgroup is meeting today to review these proposals and determine the appropriate number of subareas.
- ▶ Once subareas are determined, the workgroup will move on to examining the bed need methodology and the impact new hospital subareas could have on bed need.





1 | **CERTIFICATE OF NEED (CON) REVIEW STANDARDS**  
2 | **FOR HOSPITAL BEDS - QUALITY ASSURANCE ASSESSMENT PROGRAM (QAAP)/CIVIL**  
3 | **MONETARY PENALTIES (CMP)**  
4 |  
5 |

6 | **Section 17. Requirements for approval for all applicants**  
7 |

8 | Sec. 17. (1) An applicant shall provide verification of Medicaid participation. An applicant that is a  
9 | new provider not currently enrolled in Medicaid shall certify that proof of Medicaid participation will be  
10 | provided to the Department within six (6) months from the offering of services if a CON is approved.  
11 |

12 | (2) THE APPLICANT CERTIFIES ALL OUTSTANDING DEBT OBLIGATIONS OWED TO THE  
13 | STATE OF MICHIGAN FOR QUALITY ASSURANCE ASSESSMENT PROGRAM (QAAP) OR CIVIL  
14 | MONETARY PENALTIES (CMP) HAVE BEEN PAID IN FULL.  
15 |

16 | (3) THE APPLICANT CERTIFIES THAT THE HEALTH FACILITY FOR THE PROPOSED PROJECT  
17 | HAS NOT BEEN CITED FOR A STATE OR FEDERAL CODE DEFICIENCY WITHIN THE 12 MONTHS  
18 | PRIOR TO THE SUBMISSION OF THE APPLICATION. IF A STATE CODE DEFICIENCY HAS BEEN  
19 | ISSUED, ~~THEN~~ THE APPLICANT SHALL CERTIFY THAT A PLAN OF CORRECTION FOR CITED  
20 | STATE ~~OR FEDERAL CODE~~ DEFICIENCIES AT THE HEALTH FACILITY HAS BEEN SUBMITTED  
21 | AND APPROVED BY THE BUREAU OF HEALTH SYSTEMS WITHIN THE DEPARTMENT OF  
22 | LICENSING AND REGULATORY AFFAIRS. IF A FEDERAL CODE DEFICIENCY HAS BEEN ISSUED,  
23 | THEN THE APPLICANT SHALL CERTIFY THAT A PLAN OF CORRECTION FOR CITED FEDERAL  
24 | DEFICIENCIES AT THE HEALTH FACILITY HAS BEEN SUBMITTED AND APPROVED BY OR, AS  
25 | APPLICABLE, THE CENTERS FOR MEDICARE AND MEDICAID SERVICES. IF CODE DEFICIENCIES  
26 | INCLUDE ANY UNRESOLVED DEFICIENCIES STILL OUTSTANDING WITH THE DEPARTMENT OF  
27 | LICENSING AND REGULATORY AFFAIRS OR THE CENTERS FOR MEDICARE AND MEDICAID  
28 | SERVICES THAT ARE THE BASIS FOR THE DENIAL, SUSPENSION, OR REVOCATION OF AN  
29 | APPLICANT'S HEALTH FACILITY LICENSE, POSES AN IMMEDIATE JEOPARDY TO THE HEALTH  
30 | AND SAFETY OF PATIENTS, OR MEETS A FEDERAL CONDITIONAL DEFICIENCY LEVEL, THE  
31 | PROPOSED PROJECT CANNOT BE APPROVED WITHOUT APPROVAL FROM THE BUREAU OF  
32 | HEALTH SYSTEMS OR, IF APPLICABLE, THE CENTERS FOR MEDICARE AND MEDICAID  
33 | SERVICES.  
34 |