

**MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES (MDHHS)  
HOSPITAL BEDS  
STANDARD ADVISORY COMMITTEE (HBSAC) MEETING**

Thursday, November 30, 2017

South Grand Building  
333 S. Grand Ave,  
1<sup>st</sup> Floor, Grand Conference Room  
Lansing, MI 48933

**APPROVED MINUTES**

**I. Call to Order**

Chairperson Turner-Bailey called the meeting to order at 9:35 a.m.

A. Members Present:

Renee Turner-Bailey, Chairperson  
Stephen L. Anderson (participated via phone)  
Robert R. Camp, M.D.  
Joel S. Clark  
T. Anthony Denton (arrived at 9:40 a.m.)  
Jeffrey Garber  
Jennifer Groseclose  
Margaret Klobucar (arrived at 9:52 a.m.)  
Richard C. Lindsey, Jr. A  
Thomas Mee  
Patrick O'Donovan  
Jane Schelberg  
Shannon D. Striebich (arrived at 10:20 a.m.)

B. Members Absent:

None.

C. Michigan Department of Health and Human Services Staff present:

Tulika Bhattacharya  
Joette Laseur  
Amber Myers  
Tania Rodriguez  
Brenda Rogers

## **II. Review of Agenda**

Motion by Ms. Schelberg and seconded by Mr. Clark to accept the agenda as modified moving Charge #2 to Item VI. Motion carried.

## **III. Declaration of Conflicts of Interests**

No conflicts were declared.

## **IV. Review and Approval of October 26, 2017 Minutes**

Motion by Mr. Denton and seconded by Mr. Clark to accept the minutes as presented. Motion carried.

## **V. Charge 4 “Review the concept of replacing and relocating inpatient rehabilitation beds and update the standard, if necessary”**

Mr. Denton provided a presentation and draft language. (See Attachments A and B)

Discussion followed.

Recessed at 11:09 a.m. & reconvened at 11:26 a.m.

## **VI. Charge #2 Review and update, if necessary, the language throughout section 12, titled “Additional requirements for applications included in comparative reviews”**

Ms. Striebach provided a presentation and draft language. (See Attachments C and D)

Discussion followed.

## **VII. Next Steps**

The SAC discussed next steps as follows:

- Department’s technical edits for the next meeting.
- Charge #4: The subcommittee will make additional changes to the draft language for the December meeting.
- Charge #2: The subcommittee will make additional changes to the draft language for the December meeting.

## **VIII. Future Meeting Dates – December 14, 2017 & January 11, 2018**

**IX. Public Comment**

None.

**X. Adjournment**

Motion by Ms. Striebach and seconded by Mr. Denton to adjourn at 12:30 p.m. Motion Carried.

## Section 7. Requirements for approval to replace beds

Sec. 7. (1) If the application involves the development of a new licensed site, an applicant proposing to replace beds in a hospital within the replacement zone shall demonstrate that the new beds in a hospital shall result in a hospital of at least 200 beds in a metropolitan statistical area county or 25 beds in a rural or micropolitan statistical area county. This subsection may be waived by the Department if the Department determines, in its sole discretion, that a smaller hospital is necessary or appropriate to assure access to health-care services.

(2) IF THE APPLICATION INVOLVES THE DEVELOPMENT OF A NEW LICENSED IRF HOSPITAL SITE, AN APPLICANT PROPOSING TO REPLACE IRF BEDS IN A HOSPITAL WITHIN THE IRF REPLACEMENT ZONE SHALL DEMONSTRATE THE NEW IRF BEDS IN AN IRF HOSPITAL RESULT IN AN IRF HOSPITAL OF AT LEAST 40 IRF BEDS.

(3) The applicant shall specify whether the proposed project is to replace the licensed hospital to a new site, THE REPLACEMENT OF AT LEAST 40 LICENSED IRF BEDS TO A NEW SITE, to replace a portion of the licensed beds at the existing licensed site, or the one-time replacement of less than 50% of the licensed beds to a new site within 250 yards of the building on the licensed site containing more than 50% of the licensed beds, which may include a new site across a highway(s) or street(s) as defined in MCL 257.20 and excludes a new site across a limited access highway as defined in MCL 257.26.

(4) The applicant shall demonstrate that the new licensed site is in the replacement zone.

(5) The applicant shall comply with the following requirements, as applicable:

- (a) The applicant's hospital shall have an average adjusted occupancy rate of 40 percent or above.
- (b) If the applicant hospital does not have an average adjusted occupancy rate of 40 percent or above, then the applicant hospital shall reduce the appropriate number of licensed beds to achieve an average adjusted occupancy rate of 60 percent or above. The applicant hospital shall not exceed the number of beds calculated as follows:
  - (i) As of the date of the application, calculate the number of adjusted patient days during the most recent, consecutive 36-month period where verifiable data is available to the Department, and divide by .60.
  - (ii) Divide the result of subsection (i) above by 1095 (or 1096 if the 36-month period includes a leap year) and round up to the next whole number or 25, whichever is larger. This is the maximum number of beds that can be licensed at the licensed hospital site after the replacement.
- (c) Subsection (4)(a) and (b) shall not apply to excluded hospitals.

(6) An applicant proposing replacement beds in the replacement zone shall not be required to be in compliance with the needed hospital bed supply if the application meets all other applicable CON review standards and agrees and assures to comply with all applicable project delivery requirements.

(7) IF THE APPLICATION INVOLVES THE DEVELOPMENT OF A NEW LICENSED IRF HOSPITAL SITE, AN APPLICANT PROPOSING TO REPLACE IRF BEDS WITHIN THE IRF REPLACEMENT ZONE SHALL DEMONSTRATE THAT IT MEETS ALL OF THE REQUIREMENTS OF THIS SUBSECTION:

- (a) THE APPLICANT HAS DEMONSTRATED, AT THE TIME OF THE CON FILING, IT IS OPERATING UNDER HIGH OCCUPANCY AS GOVERNED BY SECTION 6(4) OF THESE STANDARDS.

- (b) THE APPLICANT HAS DEMONSTRATED, AT THE TIME OF CON FILING, THAT THE IRF BEDS TO BE REPLACED MEET THE TITLE XVIII REQUIREMENTS OF THE SOCIAL SECURITY ACT FOR EXEMPTION FROM PPS AS AN IRF HOSPITAL.
- (c) THE NEW IRF HOSPITAL WILL HAVE AT LEAST 40 IRF BEDS.
- (d) THE APPLICANT MAY RETAIN, FOR 36-MONTHS FROM THE TIME OF ACTIVATION OF THE NEW SITE, UP TO EIGHT IRF BEDS AT THE EXISTING HOSPITAL SITE.
- (e) THE PROPOSED PROJECT TO BEGIN OPERATION OF A NEW SITE, UNDER THIS SUBSECTION, SHALL CONSTITUTE A CHANGE IN BED CAPACITY UNDER SECTION 1(2) OF THESE STANDARDS.
- (f) THE HOSPITAL WHERE THE IRF BEDS ARE BEING REPLACED SHALL REDUCE THE SAME NUMBER OF IRF BEDS PROPOSED BY THE APPLICANT FOR LICENSURE IN THE NEW IRF HOSPITAL.
- (g) APPLICANTS PROPOSING A NEW IRF HOSPITAL UNDER THIS SUBSECTION SHALL NOT BE SUBJECT TO COMPARATIVE REVIEW.
- (h) THE NEW IRF HOSPITAL SHALL BE ASSIGNED TO THE SAME HOSPITAL GROUP AS THE HOSPITAL WHERE THE IRF BEDS ORIGINATED.
- (i) IF THE IRF HOSPITAL APPROVED UNDER THIS SUBSECTION CEASES OPERATION AS AN IRF HOSPITAL, THE BEDS LICENSED AS PART OF THE NEW IRF HOSPITAL MUST BE DISPOSED OF BY ONE OF THE FOLLOWING MEANS:
  - i. RELOCATE THE REPLACED IRF BEDS BACK TO THE SITE OF ORIGIN
  - ii. RELOCATE THE IRF BEDS APPROVED UNDER HIGH OCCUPANCY TO THE SITE OF ORIGIN IN SUBSECTION i IF THEY ARE TO BE UTILIZED AS AN IRF BED, OR
  - iii. DELICENSE ANY IRF BEDS APPROVED UNDER HIGH OCCUPANCY IF THEY ARE NOT TO BE UTILIZED AS AN IRF BED.

# **Inpatient Rehabilitation Facilities & Beds: Proposed CoN Standards Presentation #3**

Hospital Beds CoN Standards Advisory Committee

T. Anthony Denton, Senior Vice-President and COO  
University of Michigan Health System

November 30, 2017

# Summary

- Section 7 Recap:
  - Existing Covered Services at a Proposed IRF Hospital Site
  - Retention of Existing IRF Beds
  - Title XVIII Requirements – IRF PPS Exemption
  - Ceasing Operation of a Freestanding IRF Hospital
- General Guidance from Licensing and Regulatory Affairs (LARA)

## IRF Principles for CoN Hospital Bed Standards- Recap

- Any amendment specific to IRF *“should not compromise”* the overall integrity of the Hospital Bed Standards.
- Geographic separation of IRF beds would be applicable to only those *“organizations approved by Medicare to participate as an exempt Inpatient Rehabilitation Hospital”*.
- CoN Standards for Hospital Beds should *follow the distinct levels of care* per regulatory definition.
- Provide *accessible, high quality, acute rehabilitation care in an appropriate setting, responsive to patient needs.*



# Consensus Recommendations: Recognize & Replace IRF Beds (Threshold Tests)

- PPS Exempt Hospital under CMS Title XVIII
- Meet High Occupancy Provision
- 5 Mile Radius (200k+) and 10 mile Radius (<200K)
- Minimal Size (40 Beds)
- **Removed Existing Covered Service Requirement**
  - Sufficient Criteria
  - Avoid unnecessary costs

# Title XVIII Requirements – IRF PPS Exemption

(b) THE APPLICANT HAS DEMONSTRATED, **AT THE TIME OF CON FILING AND SITE ACTIVATION**, THAT THE IRF BEDS TO BE REPLACED MEET THE TITLE XVIII REQUIREMENTS OF THE SOCIAL SECURITY ACT FOR EXEMPTION FROM PPS AS AN IRF HOSPITAL.

## **Rationale:**

- Threshold “halo” criteria – An applicant must already operate a CMS certified IRF within their existing hospital site.
- The applicant hospital must be certified under CMS for at least 40 beds at time of site activation, aligned with the minimal bed size under proposed CoN Standards.

## Additional Consideration:

Attachment B

# Temporary Bed Retention After Activation of New IRF Hospital

(d) THE APPLICANT MAY RETAIN, FOR UP TO 36-MONTHS FROM THE TIME OF ACTIVATION OF THE NEW SITE, UP TO EIGHT IRF BEDS AT THE EXISTING HOSPITAL SITE.

## Rationale:

- Transition time to develop and sustain IRF care at new site and stabilize patient acuity
- All beds located at new site by or before 3 years

# Ceasing Operation of a Freestanding IRF Hospital

Proposed Standards based on 10/26 SAC Discussion and Subcommittee Dialogue:

(h) IF THE IRF HOSPITAL APPROVED UNDER THIS SUBSECTION CEASES OPERATION AS AN IRF HOSPITAL, THE BEDS LICENSED AS PART OF THE NEW IRF HOSPITAL MUST BE DISPOSED OF BY ONE OF THE FOLLOWING MEANS:

- i. RELOCATE THE REPLACED IRF BEDS BACK TO THE SITE OF ORIGIN
- ii. RELOCATE THE IRF BEDS APPROVED UNDER HIGH OCCUPANCY TO THE SITE OF ORIGIN IN SUBSECTION i IF THEY ARE TO BE UTILIZED AS AN IRF BED, OR
- iii. DELICENSE ANY IRF BEDS APPROVED UNDER HIGH OCCUPANCY IF THEY ARE NOT TO BE UTILIZED AS AN IRF BED.

# Separate or Multi-Site License?

## 10/26/17 SAC: Does a new IRF location require a separate license under CMS?

- LARA/CMS Response: No, it does not require a separate license.

## 11/9 – 11/14/17 Discussion with Licensing and Regulatory Affairs & CMS:

### Can a PPS-exempt unit be offsite to a different physical address up to 5 or 10 miles away from the main hospital campus?

- LARA/CMS Response: Yes, a PSS-exempt rehab unit can be relocated to an offsite location and still operate under the provider CCN agreement/# of hospital as a provider-based department of the hospital.
  - Process:
    - The provider needs to assure compliance with 412.23, 412.25 and 412.49, as applicable.
    - A CMS-855a will need to be filed with the MAC for a Change of Information with the new address for the rehab unit.
    - Type of licensure does not impact how CMS views this transaction if the state issues a separate license for the new rehab location or if the location is just added to the existing license.
      - LARA's preference is not to return to a single multi-site license practice, but will consider the request if needed.
      - If at a later date the rehab unit changes to a freestanding rehab hospital, then initiation of a new certification would apply.

# Discussion

# C.O.N. Review Standards for Hospital Beds

## Proposed Comparative Review Criteria (Section 12)

### (Based on 10/26/17 HBSAC Discussion) - Version 2

Attachment C

Category	Metric	Description/ Calculation	Proposed Scoring
Quality	CMS Star ratings via Hospital Compare	Average star rating for applicant's Michigan hospitals (Hospitals rated 1-5 stars by CMS)	Highest: 20 points 2 <sup>nd</sup> Highest: 10 points Others: 0 points
Access	Uncompensated care volume	Uncompensated care as % of gross hospital revenues	Highest: 10 points 2 <sup>nd</sup> Highest: 5 points Others: 0 points
Access	Medicaid volume	Medicaid as % of gross hospital revenues	Highest: 20 points 2 <sup>nd</sup> Highest: 10 points Others: 0 Points
Cost	Hospital closure	Applicant closes hosp. & doesn't create bed need anywhere else	Yes: 15 points No: 0 points
Cost	Cost per bed	Total project costs divided by beds	Lowest: 15 points 2 <sup>nd</sup> Lowest: 10 points Others: 0 points
Other	Market share	Applicant current mkt share in service area	Highest: 10 points 2 <sup>nd</sup> Highest: 5 points Others: 0 points

## Section 12. Additional requirements for applications included in comparative reviews

Sec. 12. (1) Except for those applications for limited access areas, any application for hospital beds, that is subject to comparative review under Section 22229 of the Code, being Section 333.22229 of the Michigan Compiled Laws, or under these standards shall be grouped and reviewed comparatively with other applications in accordance with the CON rules.

(2) Each application in a comparative review group shall be individually reviewed to determine whether the application is a qualifying project. If the Department determines that two or more competing applications are qualifying projects, it shall conduct a comparative review. The Department shall approve those qualifying projects which, when taken together, do not exceed the need, as defined in Section 22225(1) of the Code, and which have the highest number of points when the results of subsection (3) are totaled. If two or more qualifying projects are determined to have an identical number of points, then the Department shall approve those qualifying projects that, when taken together, do not exceed the need in the order in which the applications were received by the Department based on the date and time stamp placed on the applications by the department in accordance with rule 325.9123.

(3)(a) A QUALIFYING PROJECT WILL BE AWARDED POINTS BASED ON THE APPLICANT'S CMS STAR RATINGS VIA HOSPITAL COMPARE AS OF THE DATE OF APPLICATION AS FOLLOWS:

A QUALIFYING PROJECT WILL BE AWARDED POINTS BASED ON THE APPLICANT'S QUALITY OF CARE AS MEASURED BY THE OVERALL STAR RATINGS AVAILABLE THROUGH CMS' HOSPITAL COMPARE. FOR PURPOSES OF EVALUATING THIS CRITERION, AN AVERAGE SHALL BE CALCULATED BASED ON THE OVERALL STAR RATINGS OF THE APPLICANT AND ALL CURRENTLY LICENSED MICHIGAN HOSPITALS UNDER COMMON OWNERSHIP OR CONTROL WITH THE APPLICANT THAT ARE LOCATED IN THE SAME HEALTH SERVICE AREA AS THE PROPOSED HOSPITAL BEDS. APPLICANTS SHALL BE RANKED IN ORDER ACCORDING TO THIS CALCULATED OVERALL STAR RATING AVERAGE.

AVERAGE STAR RATING FOR APPLICANT'S MICHIGAN HOSPITALS	POINTS AWARDED
HIGHEST AVERAGE	20 PTS
2 <sup>ND</sup> HIGHEST AVERAGE	10 PTS
ALL OTHER APPLICANTS	0 PTS

FOR PURPOSES OF EVALUATING THIS CRITERION, APPLICANTS SHALL SUBMIT THE OVERALL CMS STAR RATING AVAILABLE AT THE TIME OF THE SUBMISSION OF THE CON APPLICATION FOR THE APPLICANT AND EACH CURRENTLY LICENSED HOSPITAL UNDER COMMON OWNERSHIP OR CONTROL LOCATED IN THE SAME HEALTH SERVICE AREA AS THE PROPOSED HOSPITAL BEDS. WHERE AN APPLICANT PROPOSES TO CLOSE A HOSPITAL(S) AS PART OF ITS APPLICATION, DATA FROM THE HOSPITAL(S) TO BE CLOSED SHALL BE EXCLUDED FROM THIS CALCULATION.

(3)(a)(b) A qualifying project will be awarded points based on the percentile ranking of the applicant's uncompensated care volume and as measured by percentage of gross hospital revenues UNINSURED DAYS AS MEASURED AS A PERCENTAGE OF TOTAL DAYS as set forth in the following table. The applicant's uncompensated care volume UNINSURED PERCENTAGE will be the cumulative of all UNINSURED INPATIENT MED/SURG AND UNINSURED INPATIENT REHAB DAYS DIVIDED BY THE CUMULATIVE OF ALL INPATIENT MED/SURG AND INPATIENT REHAB DAYS AT ALL currently licensed Michigan hospitals under common ownership or control with the applicant that are located in the same health service area as the proposed hospital beds. FOR PURPOSES OF EVALUATING THIS CRITERION, AN APPLICANT SHALL SUBMIT THE MOST RECENT REVIEWED AND ACCEPTED MEDICAID COST REPORT FOR EACH CURRENTLY LICENSED HOSPITAL UNDER COMMON



**OWNERSHIP OR CONTROL WITHIN THE SAME HEALTH SERVICE AREA.** If a hospital under common ownership or control with the applicant has not filed a **MEDICAID** Cost Report, then the related applicant shall receive a score of zero. ~~The source document for the calculation shall be the most recent Cost Report filed with the Department for purposes of calculating disproportionate share hospital payments.~~

UNINSURED DAYS	POINTS AWARDED
HIGHEST PERCENT OF TOTAL DAYS	10 PTS
2ND HIGHEST	5 PTS
ALL OTHER APPLICANTS	0 PTS

Where an applicant proposes to close a hospital(s) as part of its application, data from the hospital(s) to be closed shall be excluded from this calculation.

~~(b)~~ (c) A qualifying project will be awarded points based on the ~~health service area percentile rank~~ **ING** of the applicant's ~~Medicaid volume as measured by percentage of gross hospital revenues~~ **MEDICAID DAYS AS MEASURED AS A PERCENTAGE OF TOTAL DAYS** as set forth in the following table. For purposes of scoring, the applicant's ~~Medicaid volume~~ **PERCENTAGE** will be the cumulative of all **TITLE XIX AND HEALTHY MICHIGAN INPATIENT MED/SURG AND INPATIENT REHAB DAYS DIVIDED BY THE CUMULATIVE OF ALL INPATIENT MED/SURG AND INPATIENT REHAB DAYS AT ALL** currently licensed Michigan hospitals under common ownership or control with the applicant that are located in the same health service area as the proposed hospital beds. **FOR PURPOSES OF EVALUATING THIS CRITERION, AN APPLICANT SHALL SUBMIT THE MOST RECENT REVIEWED AND ACCEPTED MEDICAID COST REPORT FOR EACH CURRENTLY LICENSED HOSPITAL UNDER COMMON OWNERSHIP OR CONTROL WITHIN THE SAME HEALTH SERVICE AREA.** If a hospital under common ownership or control with the applicant has not filed a **MEDICAID** Cost Report, then the related applicant shall receive a score of zero. ~~The source document for the calculation shall be the most recent Cost Report filed with the department for purposes of calculating disproportionate share hospital payments.~~

MEDICAID DAYS	POINTS AWARDED
HIGHEST PERCENT OF TOTAL DAYS	20 PTS
2ND HIGHEST	10 PTS
ALL OTHER APPLICANTS	0 PTS

Where an applicant proposes to close a hospital(s) as part of its application, data from the hospital(s) to be closed shall be excluded from this calculation.

~~(e)~~ (d) A qualifying project shall be awarded points as set forth in the following table in accordance with its impact on inpatient capacity. If an applicant proposes to close a hospital(s), points shall only be awarded if (i) closure of that hospital(s) does not create a bed need in any hospital group as a result of its closing; (ii) the applicant stipulates that the hospital beds to be closed shall not be transferred to another location or facility; and (iii) the utilization (as defined by the average daily census over the previous 24-month period prior to the date that the application is submitted) of the hospital to be closed is at least equal to 50 percent of the size of the proposed hospital (as defined by the number of proposed new licensed beds).

Impact on Capacity  
 Closure of hospital(s)  
 Closure of hospital(s)

Points Awarded  
 25 **15** pts

which creates a bed need

-15 5 pts

(e) A QUALIFYING PROJECT WILL BE AWARDED POINTS BASED ON THE APPLICANT'S TOTAL PROJECT COSTS PER HOSPITAL BED. FOR PURPOSES OF THIS CRITERION, TOTAL PROJECT COSTS SHALL BE DEFINED AS THE TOTAL COSTS FOR CONSTRUCTION AND RENOVATION, SITE WORK, ARCHITECTURAL/ ENGINEERING AND CONSULTING FEES, CONTINGENCIES, FIXED EQUIPMENT, CONSTRUCTION MANAGEMENT AND PERMITS. THE PROPOSED PROJECT MUST INCLUDE SPACE FOR INPATIENT CARE, AND, IF NOT ALREADY AVAILABLE AT THE PROPOSED SITE, SPACE TO PROVIDE 24 HOUR/7 DAYS A WEEK SURGICAL, EMERGENCY AND IMAGING SERVICES. POINTS SHALL BE AWARDED IN ACCORDANCE WITH THE TABLE BELOW:

COST PER BED	POINTS AWARDED
LOWEST COST	15 PTS
2ND LOWEST COST	10 PTS
ALL OTHER APPLICANTS	0 PTS

POINTS SHALL NOT BE AWARDED UNDER THIS SECTION FOR ANY PROJECT THAT PROPOSES TO ADD BEDS AT A LEASED FACILITY.

(d) (f) A qualifying project will be awarded points based on the percentage of the applicant's historical market share of inpatient discharges of the population in an area which will be defined as that area circumscribed by the proposed hospital locations defined by all of the applicants in the comparative review process under consideration. This area will include any zip code completely within the area as well as any zip code which touches, or is touched by, the lines that define the area included within the figure that is defined by the geometric area resulting from connecting the proposed locations. In the case of two locations or one location or if the exercise in geometric definition does not include at least ten zip codes, the market area will be defined by the zip codes within the county (or counties) that includes the proposed site (or sites). Market share used for the calculation shall be the cumulative OF THE MARKET AREA'S PATIENT DAYS SERVED BY THE APPLICANT AND ALL CURRENTLY LICENSED MICHIGAN HOSPITALS UNDER COMMON OWNERSHIP AND CONTROL DIVIDED BY THE MARKET AREA'S TOTAL PATIENT DAYS FOR THE 12-MONTH PERIOD MOSTLY RECENTLY AVAILABLE THROUGH THE MICHIGAN INPATIENT DATABASE market share of the population residing in the set of above-defined zip codes of all currently licensed Michigan hospitals under common ownership or control with the applicant, which are in the same health service area.

<u>Percent</u>	<u>Points Awarded</u>
% of market share	% of market share served x 30 (total pts. awarded)

MARKET SHARE	POINTS AWARDED
HIGHEST TOTAL	10 PTS
2ND HIGHEST TOTAL	5 PTS
ALL OTHER APPLICANTS	0 PTS

The source for calculations under this criterion is the MIDB. FOR PURPOSES OF EVALUATING THIS CRITERION, AN APPLICANT SHALL SUBMIT PATIENT DAYS BY ZIPCODE FOR EACH CURRENTLY LICENSED MICHIGAN HOSPITAL UNDER COMMON OWNERSHIP OR CONTROL USING THE MOST RECENT 12-MONTHS OF DATA AVAILABLE THROUGH THE MIDB AT THE TIME OF THE SUBMISSION OF THE CON APPLICATION. WHERE AN APPLICANT PROPOSES TO CLOSE A

HOSPITAL(S) AS PART OF ITS APPLICATION, DATA FROM THE HOSPITAL(S) TO BE CLOSED SHALL BE EXCLUDED FROM THIS CALCULATION.