

**Minutes of Meeting
Health Services Council
Project Review Committee-I**

DATE: 17 October 2006

TIME: 2:30 PM

LOCATION: Health Policy Forum

ATTENDANCE:

Committee-I: Present: Victoria Almeida, Esq., (Vice Chair), Edward F. Almon, John W. Flynn, John Keimig, Robert S.L. Kinder, M.D., Robert J. Quigley, DC, (Chair)

Not Present: Robert Whiteside

Excused Absence: Joseph V. Centofanti, Amy Lapierre, Robert Ricci

Other Members: Present: Larry Ross

Staff: Valentina Adamova, Michael K. Dexter, Joseph G. Miller, Esq.

Public: (Attached)

1. Call to Order, Approval of Minutes, Conflict of Interest Forms and

Time Extension for the Minutes Availability

The meeting was called to order at 2:35 PM. The Chairman noted that conflict of interest forms are available to any member who may have a conflict. Minutes of the 8 August 2006 Project Review Committee-meeting were approved as submitted. The chairman requested a motion for the extension of time for the availability of minutes pursuant to the Open Meetings Act. A motion was made, seconded and passed by six in favor and none opposed (6-0) that the availability of the minutes for this meeting be extended beyond the time frame provided for under the Open Meetings Act. Those members voting in favor were: Almeida, Almon, Flynn, Keimig, Kinder, Quigley.

2. General Order of Business

The first item on the agenda was the application of the Miriam Hospital for a Certificate of Need to acquire and operate a da Vinci S Surgical System to perform minimally invasive robotic surgery.

Mr. Zimmerman of Spectrum Research Services, Inc., made a presentation to the Committee on his report "The Advantages and Disadvantages of Robot-Assisted Surgery". The advantages of the robot are superior 3-D vision of the surgical field, the magnification of the surgical field, and the seven degrees of movement with the

elimination of the fulcrum effect. The robot also has the ability to reach difficult tissues without undue contortions to the patient. In addition the robot eliminates the filtration of physiological tremors in the surgeons hand. The disadvantages of the robot are the costs of the system including the instrument and the disposable supplies. There is an increased time including the time to learn how to use the robot, time to connect, calibrate, and set up; time to load, handle, and clean reusable instruments; and additional time to perform the operations. The sizes of the console as well as the limited choice of instruments are also disadvantages of the robot.

Mr. Zimmerman discussed application of the unit for various treatments.

To the question regarding the location of the proposed unit, the applicant noted that they have a room for storage and the unit can be wheeled into the operating room.

The Chairman noted that he would like to see monitoring as a condition of approval. Staff read the proposed conditions of approval which the applicant accepted.

Staff noted that the applicant did not project any charity care. The applicant noted that projections were based on historical data and that they will treat all patients that present themselves. The applicant stated that it has conducted outreach-screening programs and that

they have had preliminary discussions with the Rhode Island Free Clinic.

A motion was made, seconded and passed by a vote of six in favor, and none opposed (6-0) to recommend that the application be approved. Those members voting in favor were: Almeida, Almon, Flynn, Keimig, Kinder, Quigley.

The next item on the agenda was the application of Westerly Hospital for a Certificate of Need to establish a 12-bed inpatient geriatric psychiatry program. Staff noted that the applicant submitted responses to questions and provided letters of support including one from South County Hospital.

Staff read from its memo and noted that in 2005 geriatric psychiatric admissions represented 15% of all psychiatric admissions in Rhode Island. Since the 15 August 2006 meeting on the application of Westerly Hospital (“Westerly”) staff undertook an additional statewide survey to identify the number of geriatric psych patients seeking services from the applicant’s service areas which includes both cities in Rhode Island and Connecticut. In 2005, there were 30 geriatric psych admissions reported from the applicant’s primary service areas and 23 from secondary service area that were admitted to Rhode Island hospitals.

Staff noted that the applicant projected that its 12-bed inpatient geriatric psych unit would have 304 admissions per year, of which 35-45% would be admissions from Connecticut communities. This means that approximately 167 to 198 admissions are projected to come from Rhode Island. Based on the statewide survey results, patients from the applicant's primary and secondary areas in 2005 accounted for only 53 admissions. Staff stated that considering that the 53 geriatric psych admissions include patients from both RI and CT, the hospital's projection that from 167 to 198 admissions will be from Rhode Island residents alone are not supported by the survey data based on the year 2005.

Mr. Ross noted that his own analysis did not correspond to the hospital's projections and has a concern regarding the projections especially given the services agreement. If the average daily census falls below nine, either party can terminate the agreement.

The applicant, including representatives from both Westerly and Horizon Health ("Horizon"), stated concerns regarding staff utilizing linear regression to project future need. The applicant stated that Horizon has been in business for 26 years and manages over 2,000 geriatric psychiatric beds a day throughout the United States. Over the last 25 years, Horizon developed a proprietary formula which is a weighted average based on population statistics, density of nursing homes within the area as well the infrastructure for geriatric psych and other social-economic data. There are three dedicated psychiatric

units in Rhode Island which were clustered in Providence area and running services at about 100% occupancy. The majority of patients that go into geriatric psych programs are hidden, they have a diagnosis and conditions that many people attribute to old age. Based on demographic area and the analysis that were done based on the Center for Disease Control (“CDC”) statistics, there was a bed need of sixteen for that geographic area. The analysis was based on the proposed program not taking away patients from existing programs.

Mr. Ross said that there may be some need out there but it is not clear how the 304 admissions were projected given the data. If it is proprietary information then he has to put it aside. Given even the government data and given the estimates, the 304 admissions would not be reached.

The applicant stated that its analysis was conservative and based on CDC data. The applicant stated that the majority of patients will be from Rhode Island and that the proposed unit will have a waiting list. The applicant noted the letter of support in this application from various community agencies. The patients are out there but they are undiagnosed or misdiagnosed and being treated in other settings like nursing homes.

Ms. Almeida noted that most nursing facilities have geriatric psychiatrists available to evaluate their residents. The applicant

noted that there are no board certified geriatric psychiatrists anywhere in the Westerly community and the applicant would bring one.

Ms. Almeida noted that by the time a person is admitted to a nursing home psychiatric symptoms have manifested themselves and the patient gets managed and becomes stabilized but will not get better psychiatrically. The person is monitored with an occasional referral to a hospital for a medication adjustment. But those people are getting psychiatric supervision in the nursing home setting. The applicant stated patients often experience depression and psychosis that cannot be managed. The applicant noted letters of support from the community. The average length of stay would be 12 days.

Mr. Ross noted his concern with the applicant's proposal to implement an outpatient program only 12 months after the inpatient program. He noted the need for a proper continuum of care and follow up. The applicant stated that their psychiatrist will follow up with patients and do rounds.

The applicant discussed the terms of the agreement between the hospital and Horizon. The applicant noted that the termination option was at the request of the hospital.

Staff asked why the applicant was focusing only on geriatric psych when the other providers in Rhode Island with exception of Roger

Williams have general inpatient psych and why the inpatient program is before the outpatient program. Staff noted that as a criteria the Committee needs to review less costly alternatives.

The applicant stated that Westerly's older population is growing and geriatric psych is a profitable sector. The applicant noted that Medicare pays a higher rate for geriatric psych and that Westerly is the poorest financially performing hospital in the state. The applicant noted that Applied Management Services, a consulting firm from Massachusetts, reviewed the analysis.

The Chairman requested that the applicant provide a copy of that report to the Committee.

Mr. Ross noted that the concerns are regarding the backup information to justify the numbers. He stated that based on the small number of patients from the hospital's service area that have been admitted, there needs to be additional information provided to explain the applicant's projections.

There was discussion regarding the per diem payment agreement and recruitment of the psychiatrist and other staff. Mr. Keimig noted the difficulty of recruiting psychiatric nurses and that St. Joseph Hospital has a 30% vacancy rate.

Mr. Almon stated that there is no health plan.

Staff noted that no comments were received from the Department of Mental Health, Retardation, and Hospitals (“MHRH”) and asked the applicant if they contacted MHRH. The applicant noted that they have not been in touch with MHRH.

Regarding a potential lawsuit against Horizon, the applicant noted that it was dismissed but will double-check that information.

The Chairman noted that there would be follow up questions.

There being no further business the meeting was adjourned at 4:30 PM.

Respectfully submitted,

Valentina D. Adamova