

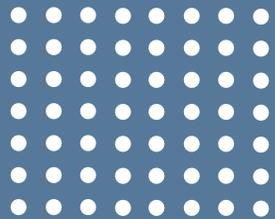
# Certificate of Need Technical Advisory Committee

## Short-Stay General Hospital Beds

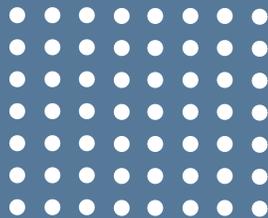
Office of Health Planning

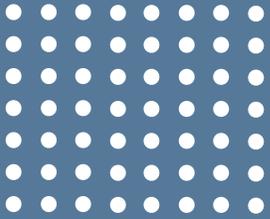
September 22, 2025





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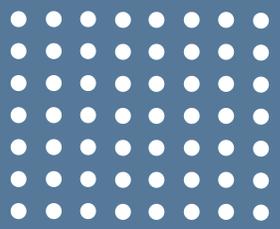
# TODAY'S AGENDA

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- A. Call to Order
  - B. Committee Roll Call
  - C. Review of Standards
  - D. Follow Up from Last Meeting
  - E. Next Steps
  - F. Adjourn

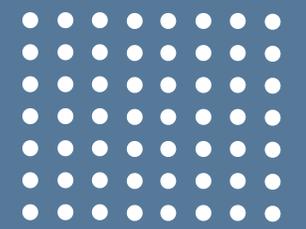


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# MEETING & REVIEW SCHEDULE



Meeting # / Date	Meeting Content	Standards to be Discussed
Meeting 1: June 30	Introductory Meeting	
Meeting 2: August 25	Discussion of standards that address the qualities and characteristics that an applicant needs to demonstrate.	a) New Hospitals – Size e) Favorable Consideration f) Financial Access to Care g) Quality of Care h) Continuity of Care
Meeting 3: September 22	Discussion of Need Methodology and Exceptions	b) Need for New, Replacement, or Expanded Hospital Services; c) Exception to Need
Meeting 4: October 21	Discussion of Impact to Existing Health Care System, Consolidations, and Outstanding Business	d) Adverse Impact i) Consolidation of Rural Hospitals j) Consolidation of Non-Rural Hospitals
Meeting 5: November 17	Synthesis and Summary of TAC Findings	
Additional Meeting/ Post-Meetings	Report on TAC Findings Published	



- At least 24 states (including GA) include an assessment of bed need for general/acute/short-stay hospital bed services within their CON rules.
- At least 19 states utilize a *numerical need methodology* to forecast general acute bed need.
- The spectrum of need assessments include, but are not limited to:
  - In-depth, state-published numerical bed need projections by county or planning area
  - Thresholds based on actual facility occupancy
  - Open-ended applicant-provided responses

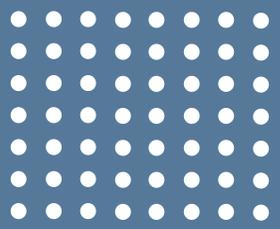


Need methodologies include the following variables to build projections:

- Facility-based, county-based, multi-county-based, or health planning region-based
- Specified historical utilization periods
- Specified periods for future population and utilization projections
- Optimal occupancy rates
- Age cohorts



- Short-stay Hospital Bed Need Projections are facility-specific for bed expansions and replacement hospitals or regional based on the proposed location for a new hospital.
- Completed by DCH on an ad hoc basis upon request or after receiving an application.
- Target service area population means the total population of all counties, which are in part or in whole, within a ten (10) mile radius of the planned location of a new, expanded, or replacement hospital.
- Age cohorts for short-stay general hospital beds: 0-17; 18-64; and 65+
- Historical utilization and projection period: 5-year forecast (“horizon year”) based on the most recent full year of utilization in the hospital discharge data or the annual hospital questionnaire.
- Optimal occupancy rates:
  - For hospitals located in a rural county: 65%;
  - For hospitals located in a non-rural county: 75%;
  - Teaching or children's hospitals: 70%.



# TAC REVIEW:

## CERTIFICATE OF NEED RULE FOR SHORT-STAY GENERAL HOSPITAL BEDS

Ga. Comp Rules & Regs r. 111-2-2-.20(3)  
Standards (b) and (c)

Presentation of existing standards, followed by  
discussion and feedback.





(b) The need for a new, replacement or expanded hospital shall be determined through application of an appropriate numerical need methodology designed to assess need for the specific purpose sought in the application.



1. The numerical need for a new hospital shall be determined through application of a demand-based forecasting model. The model is outlined in the steps below:
  - (i) Calculate the use rate for current hospital services in the target service area population by dividing the patient days for each age cohort by the population for each age cohort for same year as patient days were calculated.
  - (ii) Project the horizon year use rate for hospital services in the target service area population by multiplying the use rate for current hospital services by age cohort by the horizon year population by age cohort.
  - (iii) Divide the results of the calculations in Step (ii) by 365 and sum these numbers to determine a baseline bed need.



- (iv) Adjust the baseline bed need by adding a factor to account for use of the hospital services located within the target service area population by persons from out of state. The factor shall be determined by calculating the patient days for the hospitals in the target service area that may be attributed to persons from out of state as a percentage of total patient days, and then dividing that percentage into the baseline bed need. In addition, if the target service area population includes any county or counties outside the state of Georgia, the projected bed need of the out-of-state counties should be calculated by applying the projected rate of beds needed per 1,000 for in-state counties in the target service area population to the prorated portion of population in out-of-state counties.
- (v) Divide the baseline bed need by the optimal occupancy rate, as determined, by the size of the proposed new facility, to project the total number of beds needed for the target service area population.
- (vi) Calculate the number of available beds for the target service area population by adding all of the short stay beds located in the counties, including those outside of Georgia if applicable, which are in part or in whole within a ten (10) mile radius of the planned location of the new hospital.
- (vii) Subtract the number of available beds from the total number of beds needed for the target service area population to determine the net number of beds needed.



2. A new hospital shall be approved only if the total target service area population is at least 50,000 persons.



3. The numerical need for a replacement or expanded hospital shall be determined through application of a demand-based forecasting model. The model is outlined in the steps below:
  - (i) Calculate the county use rate for the current hospital's services by dividing the patient days for Georgia residents by county within each age cohort by the population by county for each age cohort for the same year as patient days were calculated.
  - (ii) Project the horizon year use rate for the hospital's services by multiplying each county use rate by age cohort by the horizon year population of each county by age cohort.
  - (iii) Sum the number of patients resulting from Step (ii) and divide by three hundred and sixty-five (365) to determine a baseline bed need rate.



- (iv) Adjust the baseline bed need rate by adding a factor to account for use of the hospital's services by persons from out of state. The factor shall be determined by calculating the patient days for the hospital that may be attributed to persons from out of state as a percentage of total patient days, and then dividing that number into the baseline bed need.
- (v) Divide by optimal occupancy rate, as determined, by the size of the proposed facility, to project the total number of beds needed for the replacement or expanded hospital.
- (vi) Compare the results of Step (v) with the number of beds requested for the replacement or expanded hospital and, if appropriate, the number of available beds to determine whether the proposed replacement or expanded hospital meets the need standards.

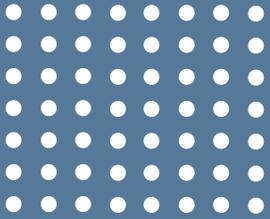


The Department may allow an exception to need and adverse impact standards outlined in Ga. Comp. R. & Regs., r. 111-2-2-.20(3)(b) and (d) for a facility meeting any one of the following criteria:

1. The facility is an existing facility designated by the Department of Public Health as a trauma center;
2. The facility is an existing teaching hospital;
3. The facility is a sole community provider and more than twenty percent (20%) of the capital cost of any new, replacement or expanded facility is financed by the county governing authority, as defined in O.C.G.A. § 1-3-3(7), of the home county or the county governing authorities of a group of counties; or
4. The facility is a designated critical access hospital and is seeking replacement of its existing facility at a size not to exceed twenty-five (25) CON approved beds; or
5. The facility is an existing short-stay general hospital meeting one of the following conditions:
  - (i) A facility in an urban county or rural county seeking to add short-stay general hospital beds in response to the closure of a short-stay general hospital located within a five (5) mile radius;
  - (ii) A facility in a rural county seeking to add short-stay general hospital beds in response to the closure of a short-stay general hospital located in the same rural county or a contiguous county; or
  - (iii) A facility in an urban county seeking to add short-stay general hospital beds in response to the closure of a short-stay general hospital located in a contiguous rural county.



To qualify for an exception under Ga. Comp. R. & Regs., r. 111-2-2-.20(3)(c)5, the existing hospital must demonstrate that it will serve substantially the same patient population based on patient origin and payor mix data as the closed hospital, to be determined in the sole discretion of the Department. The expansion under Ga. Comp. R. & Regs., r. 111-2-2-.20(3)(c)5 may be for up to twenty percent (20%) of capacity of the applicant hospital and the application for a certificate of need under this exception shall be filed no more than eighteen (18) months after the closure of the short-stay general hospital. Notwithstanding the foregoing, the exception set forth in Ga. Comp. R. & Regs., r. 111- 2-2-.20(3)(c)5 may be requested by an applicant only one (1) time in response to the closure of a particular short-stay general hospital unless such applicant provides written justification in support of a second request that is granted by the department in its sole discretion, if such justification was submitted within no more than eighteen (18) months after closure of that hospital.



# FOLLOW-UP FROM LAST MEETING

- Meeting summary from last meeting will be distributed.
  - Research and additional information on requests from last meeting.
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# Follow Up from Last Meeting



Standard Discussed	Discussion Summary and Follow Up
<p>Ga. Comp Rules &amp; Regs r. 111-2-2-.20(3)(a)</p> <ul style="list-style-type: none"> <li>Requires new hospitals to have at least 50 beds in a rural area and at least 100 beds in a non-rural area.</li> </ul>	<p>Committee discussed an adjustment to 50-bed minimum for hospitals in rural areas</p> <ul style="list-style-type: none"> <li>Research presented on following slides</li> </ul>
<p>Ga. Comp Rules &amp; Regs r. 111-2-2-.20(3)(b)</p> <ul style="list-style-type: none"> <li>Favorable consideration for applicants that provide higher percentage of unreimbursed care, and Medicare, Medicaid, and Peach Care.</li> </ul>	<p>Request for more specificity on the definition for the term “favorable consideration.”</p>
<p>Ga. Comp Rules &amp; Regs r. 111-2-2-.20(3)(f)</p> <ul style="list-style-type: none"> <li>Requires documentation of past record of providing Medicare, Medicaid, and indigent and charity care.</li> </ul>	<p>Committee requested that OHP provide a report of all Medicare, Medicaid, and Peach Care provisions at general hospitals in 2024.</p> <ul style="list-style-type: none"> <li>OHP sent reports on those, and uncompensated care.</li> </ul>
<p>Ga. Comp Rules &amp; Regs r. 111-2-2-.20(3)(g)</p> <ul style="list-style-type: none"> <li>Requires accreditation and quality assurances</li> </ul>	<p>Dawn Benson provided alternative wording, as discussed.</p>
<p>Certificate of Need; Ga. Comp Rules &amp; Regs r. 111-2-2-.20(3)(h)</p> <ul style="list-style-type: none"> <li>Requires applicant to operate an emergency room</li> </ul>	<p>Committee suggested “emergency room” is outdated.</p> <ul style="list-style-type: none"> <li>HFRD’s Rule 111-8-40-.31 uses the term “full-time emergency services”. (Ga. Comp Rules &amp; Regs r. <a href="#">111-8-40</a>)</li> </ul>



- Overwhelmingly, most states do not have a minimum size requirement for general acute hospital beds in CON standards or criteria.

After much research, Staff found:

- Michigan sets a minimum requirement of 25 beds for a rural area and 200 beds for a metropolitan area.
- Alaska sets a minimum at 12 beds.



# Hospital Capacity in Georgia, 2024



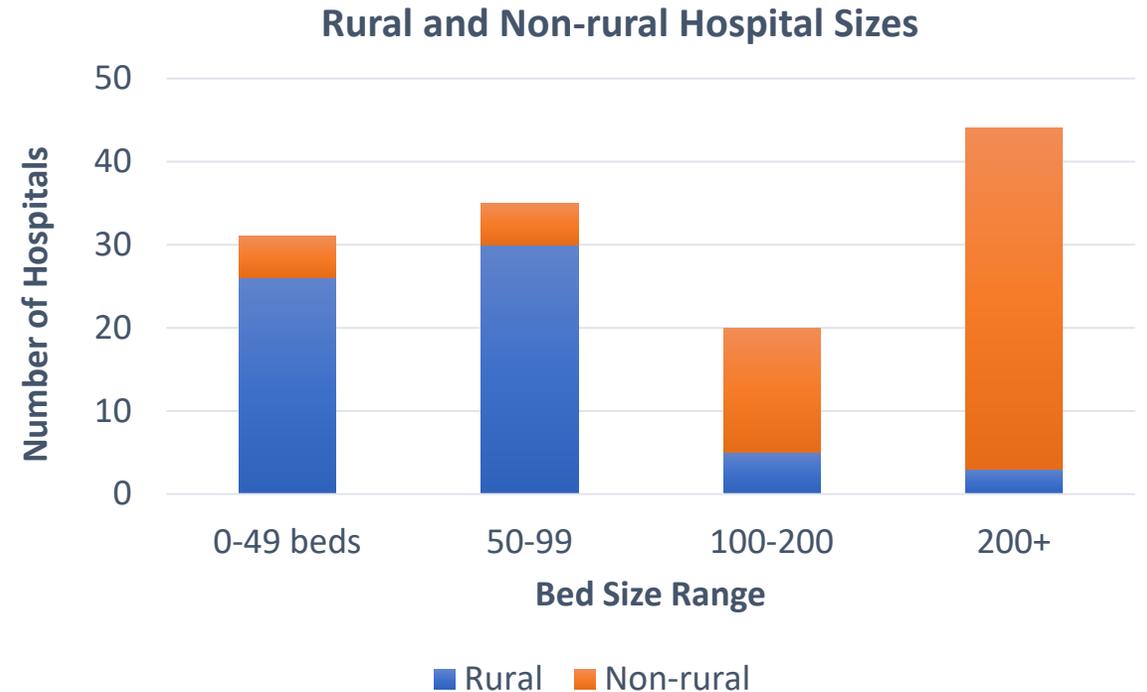
	Total CON-Authorized Bed Capacity (less LTAC), 2024				Total Hospitals, 2024
	1-49	50-99	100-200	200+	
<b>Number of Hospitals</b>	<b>31</b>	<b>35</b>	<b>20</b>	<b>44</b>	<b>130</b>
Percent of Hospitals	24%	27%	15%	34%	
<b>Critical Access Hospitals</b>	<b>22</b>	<b>8</b>			<b>30</b>



# Hospital Capacity in Georgia, 2024



Hospital Bed Size	# of Hospitals	Total CON-Authorized Beds
<b>0-49 beds</b>	<b>31</b>	<b>1,190</b>
Rural	26	1,004
Non-rural	5	186
<b>50-99 beds</b>	<b>35</b>	<b>2,278</b>
Rural	30	1,924
Non-rural	5	354
<b>100-200 beds</b>	<b>20</b>	<b>2,855</b>
Rural	5	738
Non-rural	15	2,117
<b>200+ beds</b>	<b>44</b>	<b>19,909</b>
Rural	3	736
Non-rural	41	19,173
<b>Grand Total</b>	<b>130</b>	<b>26,232</b>

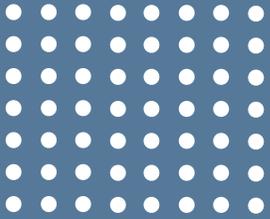




# Short-Stay General Hospitals in Georgia



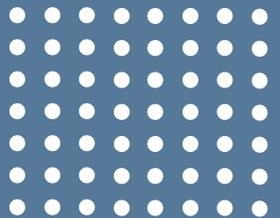
# of CON-Authorized Short-stay General Beds	# of Hospitals	Total CON-Authorized (N=130)		Set Up & Staffed (N=123)	
		Total Beds	Occupancy Rate	Total Beds	Occupancy Rate
<b>0-49 beds</b>	<b>31</b>	<b>1,190</b>	<b>25.7%</b>	<b>747</b>	<b>41.0%</b>
Rural	26	1,004	26.3%	602	43.8%
Non-rural	5	186	23.0%	145	29.5%
<b>50-99 beds</b>	<b>35</b>	<b>2,278</b>	<b>26.8%</b>	<b>1,444</b>	<b>42.3%</b>
Rural	30	1,924	25.7%	1,262	39.2%
Non-rural	5	354	32.6%	182	63.4%
<b>100-200 beds</b>	<b>20</b>	<b>2,855</b>	<b>59.5%</b>	<b>2,338</b>	<b>72.6%</b>
Rural	5	738	45.7%	558	60.5%
Non-rural	15	2,117	64.3%	1,780	76.4%
<b>200+ beds</b>	<b>44</b>	<b>19,909</b>	<b>59.0%</b>	<b>15,508</b>	<b>75.8%</b>
Rural	3	736	48.2%	630	56.3%
Non-rural	41	19,173	59.5%	14,878	76.6%
<b>Grand Total</b>	<b>130</b>	<b>26,232</b>	<b>54.8%</b>	<b>20,037</b>	<b>71.7%</b>



# FUTURE MEETINGS AND EXPECTATIONS



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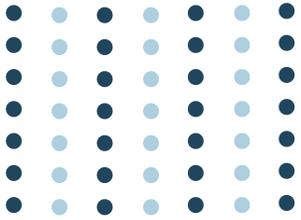




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**THANK YOU!**  
**QUESTIONS /**  
**COMMENTS?**

