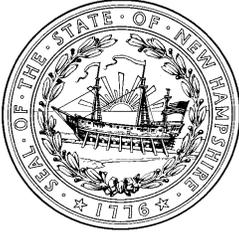


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## **HEALTH SERVICES PLANNING AND REVIEW**



**July 25, 2013  
9:30 a.m.  
Board Meeting**

**Legislative Office Building  
33 North State Street  
Concord, NH 03301**

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**Meeting called by:** Mr. Nicholas Vailas, Chair      **Note Taker:** HSPR Staff

**Type of meeting:** Certificate of Need - Board Meeting

**Attendees:** Mr. Robert Chase, Ms. Katja Fox, Mr. Christopher Martin, Ms. Maria Proulx, Esq.; Ms. Lori Underwood, and Mr. Nicholas Vailas, Chair

**Excused:** Ms. Deb Grabowski

**Staff Members:** Ms. Cindy Carrier, Ms. Angel McFetridge, and Mr. Jeffery Peck

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Chair Vailas opened the meeting at 9:30 a.m.

Ms. Carrier conducted a general swearing-in of audience members planning to testify at the meeting.

**1. Consent Agenda**

- **Approve June 20, 2013 Board Meeting Minutes**

**Discussion:** Mr. Peck introduced this agenda item by reviewing the items on the consent agenda of which there was only the June 2013 Board meeting minutes. Ms. Fox then made a motion to approve the consent agenda. Mr. Chase seconded the motion. All Board members voted in favor of the motion, thereby unanimously approving the consent agenda.

**2. Approve the Final Proposal He-Hea 1100 Cardiac Services Rule**

**Discussion:** Chair Vailas asked Ms. Carrier to introduce this agenda item. Ms. Carrier explained that the final proposal of the He-Hea 1100 Cardiac Services rule needed to be approved by the Board to continue the rulemaking process. She added that the amendments incorporate the recommendations made by JLCAR staff on this rule.

Mr. Chase then made a motion to approve the final proposal of the He-Hea 1100 Cardiac Services rule. Ms. Fox seconded the motion. All Board members voted in favor of the motion, thereby approving this agenda item.

Ms. Underwood arrived to the meeting at this time.

**3. Determine Issuance of the August 1, 2013 Acute Care RFA (He-Hea 1005.01)**

**Discussion:** Chair Vailas asked Mr. Peck to introduce this agenda item. Mr. Peck stated that in order to support a finding of need to issue this RFA, letters of intent must be received by acute care hospital providers indicating potential interest in initiating construction/renovation projects in excess of \$3,047,180. He explained that HSPR staff mailed a notice to all hospital administrators informing them of this process and the deadline for submission. In addition, a notice was sent to the HSPR electronic mailing list, and is also posted on eStudio. At this time 2 letters of intent have been received in support of an RFA issuance, one from LRGHealthcare and one from Cheshire Medical Center. Mr. Peck stated that staff recommends that the Board make a finding of need to issue the RFA effective August 1, 2013.

Ms. Proulx made a a motion to issue the August 1, 2013 Acute Care RFA based on the letters of intent that were submitted. Mr. Martin seconded the motion. All Board members voted in favor of the motion.

**4. NSR 13-21 Orchard Surgery Center, LLC – Establish ASC – Salem, NH \$692,450**

**Discussion:** Chair Vailas recused himself from this Agenda item as well as agenda item 5. He asked Mr. Chase to be Acting Chair for the next two agenda items. Acting Chair Chase asked Mr. Peck to introduce this agenda item. Mr. Peck stated that Orchard Surgical Center, LLC, submitted an NSR request for the establishment of an ambulatory surgical center (ASC) in Salem, NH. He explained that as described in the request, the space will be leased via an operating lease with a third party. Therefore, the capital costs consist of furnishings and equipment totaling \$690,700, no single item of which exceeds \$400,000, and legal fees of \$1,750.

Mr. Peck stated finally that because the capital cost of the project falls below the statutory threshold, HSPR staff recommends that the proposal is eligible for a Not Subject to CON Review (NSR) determination.

At this time, Mr. Nicholas Vailas, owner and Attorney Ken Bartholomew, legal counsel came forward to answer any Board questions. Ms. Fox asked if Orchard Surgery Center will accept Medicaid payments. Mr. Vailas answered yes. Ms. Proulx asked If they will be using CCS 1500 and Mr. Vailas responded that Orchard will use the appropriate forms for billing. From the audience, Attorney John Malmberg, representing Salem Surgery Center, stated that Salem Surgery Center is an existing facility about 3 miles away from the proposed Orchard ASC. He went on to say that the Secretary of State forms filed for the project have expired, and questioned whether there was an affiliates issue. He suggested that the Board ask who the investors are to assure there are no affiliates. Acting Chair Chase asked Mr. Vailas who the investors are for this project. Mr. Vailas stated that he is the sole owner of the project but not the real estate. He added that he plans to bring in a partnership with physicians and possibly a hospital. Attorney Malmberg explained that the Secretary of State documents say all investors should have been in place 30 days ago. Attorney Bartholomew stated that the delay was due to the location change and added that they should refile with the Secretary of State. Ms. Underwood asked if the property owner is an investor. Mr. Vailas responded no. Ms. Proulx questioned whether the Salem Surgery Center is operating now. Attorney Malmberg replied

that it is. Further discussion ensued on the ownership issue. Acting Chair Chase asked HSPR staff if the Board can approve this project at this time. Ms. Carrier stated that the Board can approve the project as the cost is under the threshold. Ms. Underwood asked if Mr. Vailas is the sole owner now. Mr. Vailas replied yes and stated to the Board that he is willing to document the names of investors once finalized.

Mr. Martin then made a motion to approve NSR 13-21, Orchard Surgery Center, with the condition that a list of the investors be submitted once finalized. Ms. Fox seconded the motion and all Board members voted in favor, unanimously approving this agenda item with condition.

**5. NSR 13-22 Salem Occupational and Acute Care, LLC - Establish Urgent Care Center, Salem, NH \$450,750 (\$185,000 Equipment)**

**Discussion:** Acting Chair Chase asked Mr. Peck to introduce this agenda item. Mr. Peck stated that Salem Occupational and Acute Care, LLC (SOAC) submitted an NSR request for the establishment of an Urgent Care Center in Salem, NH. He stated that HSPR staff notes that, based on the information provided, the total capital cost of the project is \$450,750, not \$550,000 as indicated on pages 7 and 8 of the original request. He explained that the space will be leased via an operating lease with AV3, LLC, which is owned equally by Nicholas Vailas, Alex Vailas and Dick Anagnost. The requestor stated that because of the affiliation between AV3 and SOAC, the costs of the land and construction/renovation were included in the project costs. SOAC provided a response to HSPR staff's question regarding project costs and stated that the building cost was included. Mr. Peck stated that, based upon all the documentation received, HSPR staff finds that Salem Occupational and Acute Care, LLC is eligible for a Not Subject to Review (NSR) determination.

Ms. Underwood asked if the project is going into an existing building or if there is new construction. Mr. Vailas answered that it is mostly new but they are using the existing foot print as much as possible. Ms. Proulx asked if there were other urgent care centers in Salem. Mr. Vailas responded that there is one in Windham, NH. Ms. Maureen Smith, from the audience, stated that Parkland Medical Center has one as well. Mr. Vailas stated that this new one is in the center of town. Ms. Proulx asked what types of physicians will practice at this facility. Mr. Vailas replied that Primary Care and Family Practice as well as some nurse practitioners will practice there.

At this time, Ms. Fox made a motion to approve NSR 13-22, Salem Occupational and Acute Care, LLC. Ms. Proulx seconded the motion and all Board members voted in favor of the motion; thus this agenda item was unanimously approved.

**6. NSR 13-23 Franklin Regional Hospital – Establish 10-Bed Psychiatric Designated Receiving Facility, \$780,000 (\$75,000 Equipment)**

**Discussion:** Ms. Fox recused herself from this agenda item, while Chair Vailas rejoined the meeting at this time. Chair Vailas asked Ms. Carrier to introduce this item. Ms. Carrier stated that Franklin Regional Hospital (FRH) is requesting an NSR to establish a 10-bed Designated Receiving Facility. She explained that this facility is being established in conjunction with the Department of Health and Human Services and consistent with the budget adopted by the NH State Legislature. She added that included with the request is a response to the standards found in He-Hea 802.01 (g), (h) and (i), including a letter from DHHS Commissioner Toumpas attesting to such, as required. Because FRH meets the requirements of He-Hea 802.01 (g), (h)

and (i), and the capital cost of the project falls below the statutory threshold, HSPR staff recommends that the proposal is eligible for a Not Subject to CON Review (NSR) determination.

Mr. Henry Lipman, Senior VP Financial Strategy and External Relations, LRGHealthcare and Ms. Ellen Wolfe, Senior VP, Patient Care, came forward at this time to answer any Board questions. Mr. Lipman explained there is a community and statewide need that needs to be addressed. Ms. Wolfe added that Franklin Regional Hospital is a Critical Access Hospital so is able to add a 10-bed unit. Chair Vailas questioned the payor mix. Ms. Wolfe answered that the payor mix is 20% Medicaid and 32% Self Pay/Uninsured. Chair Vailas asked if there is a safety net for those who can't pay. Mr. Lipman stated that \$28 million for psych services and \$5 million devoted to improving the DRF situation has been included in the State Budget. He added that a RFP will be issued for the Cypress House model, which is an intermediate level of care. Mr. Lipman then stated that the staffing for this unit will be through Genesis Behavioral Health. He stated that up until this point Franklin/Laconia did not have enough admissions to justify this unit but they now do. He added that they are using a former obstetrics unit and that LRGH has an existing Gero-psych unit. He added that they have been working with the NH State Hospital to establish this unit. Mr. Martin asked if they would accept folks over age 65. Ms. Wolfe answered that yes as it's a statewide initiative. Chair Vailas asked if Dartmouth is involved. Mr. Stephen Marion from the audience answered that Dartmouth is involved in the statewide initiative but is not operating a DRF.

Mr. Chase made a motion to approve NSR 13-23 Franklin Regional Hospital for the establishment of a 10 bed psychiatric designated receiving facility in the amount of \$780,000 (\$75,000 Equipment). Ms. Underwood seconded the motion. All Board members voted in favor, thereby unanimously approving this agenda item.

## 7. Other Administrative Business

- Mr. Peck stated that the next meeting of the Board is scheduled for Thursday, August 15, 2013. However, he stated that if no agenda items are submitted the August meeting will be cancelled.
- Mr. Peck presented that semi-annual CON Project Status report of all open CON projects and the accompanying costs of such.

A motion to adjourn the meeting was then made by Mr. Chase and seconded by Ms. Underwood. All members voted in favor; thus, the meeting was adjourned at approximately 9:55 a.m.

**\*DRAFT\***

Signature:

\_\_\_\_\_  
Nicholas Vailas  
HSPR Board Chair

Approved by  
HSPR Board:

**\*DRAFT\***

\_\_\_\_\_  
Date

## HEALTH SERVICES PLANNING AND REVIEW



October 23, 2013  
9:30 a.m.  
Board Meeting

NH Hospital Association Conference Room 1  
125 Airport Road  
Concord, NH 03301

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**Meeting called by:** Ms. Debra Grabowski, Chair      **Note Taker:** HSPR Staff

**Type of meeting:** Certificate of Need - Board Meeting

**Attendees:** Mr. Tyler Brannen, Mr. Robert Bridgham, Ms. Debra Grabowski,  
Ms. Katja Fox, Mr. Paul Spiess

**Staff Members:** Ms. Cindy Carrier, Ms. Angel McFetridge, Mr. Paul Lakevicius,  
and Mr. Jeffery Peck

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Chair Grabowski brought the meeting to order at 9:30 a.m. She welcomed the audience to the meeting and explained that this Board would be proceeding in a thoughtful manner, and give time for discussion on each agenda item. She stated that a consent agenda may be brought back in the future, but for the time being there would be no consent agenda at the meetings, in order for the Board to feel comfortable with the process.

She then asked for introductions from Board members and staff, and requested Staff member Ms. Carrier to swear in those persons intending to testify before the Board that day.

### 1. Organizational Business

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item. Ms. Carrier briefly explained what was contained in the Board packet, and the process for proceeding throughout the day. She then asked the Board to determine a date for the December Board meeting as there is a public hearing anticipated during that meeting, as well as consider a 2014 meeting schedule. The Board scheduled December 10<sup>th</sup> for its December meeting, but deferred the 2014 meeting schedule for the time being.

Ms. Carrier then reviewed the primary responsibilities of the Board: the development of standards, or rules, by which to evaluate CON applications (the Board has its own rulemaking authority and the staff act as the rule drafters for the Board); the issuance of Requests for Applications (RFAs), some of which contain need formulas while others are date driven; CON application reviews; and Not Subject to Review (NSR) determinations. Ms. Carrier also mentioned that the Staff is responsible for some data collection – at this time data is collected on MRI, PET and Radiation Therapy equipment.

## **2. Adopt the He-Hea 1100 Cardiac Services Rule**

**Discussion:** Ms. Carrier introduced this agenda item and explained that the He-Hea 1100 Cardiac Services Rule was approved by the Joint Legislative Committee on Administrative Rules (JLCAR) on August 15, 2013, and that the previous Board had worked to re-adopt this rule earlier in the year. There were only minor amendments made to the rule, mainly to update the citation references used in certain sections. The rule must now be adopted in order for it to be filed and made effective. Ms. Carrier explained that while there have been no requests for additional heart surgery or cardiac catheterization services, it is the Board's due diligence to keep the rule in effect. A vote is required to adopt the rule.

Board discussion ensued. Mr. Brannen stated that he found issue with the substance of the rules, and questioned the volumes figures noted within, as well as staffing requirements. Mr. Bridgham noted that it would be prudent to take action and adopt the rule so it would not lapse; the population affected by the rule would be a small one. Ms. Carrier explained that the Board could adopt this rule today and had the authority to bring it back for review and amendment. Ms. Fox made a motion to adopt the rule and bring it back to the Board for future rulemaking. Mr. Spiess seconded the motion. Mr. Brannen abstained from the vote. The remaining Board members voted in favor of the motion. On a vote of 4 to 0, the motion passed.

## **3. Determine Issuance of 10/1/13 Ambulatory Surgery Centers (ASC) RFA**

**Discussion:** Chair Grabowski asked Staff member Mr. Lakevicius to introduce this agenda item. He referred the Board to the HSPR staff evaluation regarding the issuance of this RFA, and stated that even though the Board is past due on the issuance, no letters of interest have been received, nor any other support expressed, in support of this RFA. Therefore, HSPR staff requests that the Board affirm that no RFA for ASC services will be issued at this time.

There was no public testimony on this agenda item. Mr. Bridgham then made a motion that the RFA not be issued as recommended by HSPR Staff. Ms. Fox seconded the motion. There was no discussion. All Board members voted in favor of the motion, and the RFA will not be issued at this time.

## **4. NSR 13-24 Skyhaven Surgery Center, Establish ASC in Rochester, NH - \$1,501,150**

**Discussion:** Chair Grabowski asked Staff member Mr. Peck to introduce this agenda item. He stated that the Skyhaven Surgery Center, LLC has submitted a not subject to review determination for the establishment of an ambulatory surgery center in Rochester, NH. Total estimated cost is \$1,501,150, which is an adjustment from the original total due to an addition to consulting fees as noted in additional documentation provided to the Board. Mr. Peck stated that the LLC is comprised of Frisbie Memorial Hospital as its sole member. The building will be constructed and owned by DEW Properties of Williston, VT, and leased to Skyhaven via an operating lease. The purchase price of the land is included in the cost because it is owned by The Frisbie Foundation, an affiliate of the hospital. Mr. Peck stated that because the cost of the project falls below the statutory threshold, HSPR staff concludes that the proposal is eligible for a Not Subject to Review determination, but does recommend a condition to the NSR, if approved, that Skyhaven supply the names of the project investors once finalized to ensure that all affiliations are properly recognized.

Representatives from Skyhaven came forward at this time to discuss this matter with the Board. Chair Grabowski recognized Mr. Joseph Shields, Vice President of Development at Frisbie, and Mr. Andrew Eills, Esq., legal counsel. Mr. Spiess questioned why Skyhaven chose to use the services of a Vermont based development company. Mr. Shields replied that DEW does have some experience with the development of medical properties, including some in New Hampshire. Mr. Spiess inquired about the economic terms of the land lease. Mr. Shields stated that the terms have not yet been settled. Mr. Spiess expressed concern as to whether the project is eligible for a not subject to review determination, and noted that the hospital can purchase the building after the 10<sup>th</sup> year. Mr. Shields responded that the Frisbie auditors found the leases to meet the terms of operating leases. Attorney Eills added that DEW is the lessor to Skyhaven; that lease was included as an operating lease. Mr. Spiess inquired as to why the transaction was established in this manner. Mr. Shields responded that Frisbie does not want to sell the land. Mr. Spiess stated that he wanted a copy of the land lease, and suggested this agenda item should be tabled until the document is received.

Board discussion ensued regarding the lease arrangement. Mr. Bridgham questioned the advantage of this lease. Mr. Shields responded that the arrangement saves time since there is no need for CON review. Mr. Brannen questioned the impact of the project on the hospital. Mr. Shields stated that most outpatient surgeries would relocate to Skyhaven in response to the changing reimbursement landscape where patients are monetarily rewarded for choosing outpatient over hospital-based care. He added that insurance companies are steering patients to lower cost centers. Ms. Fox asked whether these would impact the hospitals with over capacity. Mr. Shields acknowledged that this was possible. Mr. Brannen asked if the hospital was looking for other uses of the space. Mr. Shields stated that this was now being assessed.

There was no public testimony on this agenda item. Ms. Fox made a motion to table a decision on this agenda item pending receipt of (1) a copy of the land lease between DEW and the Frisbie Foundation; (2) a list of investors involved in the ASC; and (3) background information on DEW Properties. Mr. Spiess seconded the motion. All Board members voted in favor of the motion and the proposal was tabled until the next meeting.

**5. NSR 13-25 Speare Memorial Hospital, Plymouth, NH, Establish Wound Care Program, \$450,000**

**Discussion:** Chair Grabowski asked Staff member Mr. Lakevicius to introduce this agenda item. He referred the Board to the request from Speare Memorial Hospital of Plymouth, NH to establish a wound care program utilizing hyperbaric oxygen therapy. Cost of the proposal is estimated at \$450,000. Because the service is not a new inpatient service and cost of the project falls below the statutory threshold, HSPR staff concludes that the proposal is eligible for a Not Subject to Review determination.

Hospital representatives came forward at this time to discuss this matter with the Board. Chair Grabowski recognized Ms. Michele McEwen, President and CEO of Speare Memorial Hospital, and Ms. Susan Palmer-Terry, Consultant. Because Ms. McEwen was not present at the initial swearing in of presenters, Chair Grabowski requested Ms. Carrier to do so at this time. Ms. McEwen then explained that the hospital has seen an increase in wound treatment among those patients with diabetes, and those elderly who are bed bound or wheelchair bound. She stated that the hospital has 2 surgeons who have received additional training on complex wounds. Under the proposal Healogics will provide the hyperbaric chambers for half day use, Monday through Friday at a rate of \$40 for 30 minutes and a flat fee for personnel. Ms. Palmer Terry added that the capital costs are attributed to renovating space.

Mr. Spiess inquired about the nature of the utilization projections. Ms. McEwen responded that the rates are based upon the percent of its diabetic population, the use rates of Healogics, as well as physician feedback. She stated that treatment requires consistent and daily use of the chamber and that the elderly will not often travel more than an hour, ruling out the current services available in the North Country, Concord and Hanover.

Further Board discussion ensued on the use rate analysis, the mobile style arrangement and the proposed service area. Ms. Palmer Terry stated that the proposed arrangement is the best balance of cost and utilization.

There was no public testimony on this agenda item. Chair Grabowski then accepted a motion made by Mr. Spiess to approve the proposal with the condition that Speare provide a copy of the Healogics plan made to the hospital regarding utilization. Mr. Brannen seconded the motion. All Board members voted in favor of the motion.

**6. NSR 13-26 Bel-Air Nursing Home, Goffstown, NH, Transfer of Ownership, \$2,500,000**

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item. He referred the Board to the NSR request from the Bel-Air Nursing Home of Goffstown, NH. The facility is currently owned by the Altsher family and will be transferred to Mr. Robert Lenox, the current administrator. In New Hampshire, transfers of ownership are only reviewable when the facility does not participate in the Medicare or Medicaid programs – see He-Hea 1200. Because the facility is and will continue to be Medicare/Medicaid certified after the transaction, CON review is not required. Therefore, HSPR staff concludes that this matter is eligible for an NSR determination by the Board.

No representative from Bel-Air was present to speak to this issue before the Board. There was no public testimony on this agenda item. A motion was then made by Mr. Spiess and seconded by Ms. Fox to approve the change of ownership as described. All Board members voted in favor of the motion and the NSR was approved.

**7. NSR 13-27 Presidential Oaks, Concord, NH, Room Renovations, \$118,000**

**Discussion:** Chair Grabowski asked Mr. Lakevicius to introduce this agenda item. Presidential Oaks has submitted an NSR request on the Board's "short form" due to the minor cost of the project. As a result, the proposal is eligible for an NSR determination.

There was no public testimony on the agenda item. A motion was made by Ms. Fox and seconded by Mr. Brannen to approve the project as described. All Board members voted in favor of the motion and the NSR was approved.

**8. NSR 13-28 Catholic Medical Center, Manchester, NH, Relocate and Replace Nuclear \Medicine Equipment, \$892,516**

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item. He referred to the NSR request from Catholic Medical Center of Manchester, NH for the relocation and replacement of its nuclear medicine equipment. He stated that current statute section relating to

the replacement of equipment allows such replacement and acquisition of diagnostic/therapeutic equipment in excess of the statutory \$400,000 cost threshold without a CON application. The condition to this approval is incumbent upon the applicant to prove that there will be no substantial increase in operating costs as a result of the replacement.

Representatives from CMC were then invited to discuss this agenda item with the Board. Representing CMC were Ms. Susan Manning, VP Strategy, Mr. Richard Saklad, Owners Representative and Ms. Lisa Roux Coggins, VP Operations/Surgical Services. Ms. Manning stated that the equipment reached the end of its life and that the renovations are required to accommodate the new unit. Mr. Brannen inquired as to the life span of such equipment. Ms. Manning responded that this was first acquired in 2001 and that she expected the new unit to have the same useful life. Mr. Bridgham questioned the differences between the new and old unit. Ms. Roux Coggins stated that the new unit works the same as the current camera and that the major difference is a CT feature that is included with all units. Mr. Bridgham asked if the throughput will be the same. Ms. Roux Coggins responded yes and that there will be no increased volume or staffing.

There was no public testimony on this agenda item. Chair Grabowski then accepted a motion from Mr. Spiess and seconded by Mr. Bridgham to approve the proposal as presented. All Board members voted in favor of the motion and the NSR was approved.

9. **NSR 13-29 Salemhaven Nursing Home, Salem, NH, Room Renovations and Add Rehab Gym, \$750,000**

**Discussion:** Chair Grabowski asked Mr. Lakevicius to introduce this agenda item. Salemhaven Nursing Home of Salem, NH, seeks an NSR determination for its proposal to add a 1200 sf rehabilitation Gym and also room renovations to convert the 16-bed short stay unit from 3-bed units to 2-bed units by repurposing vacated space. There will be no change in licensed beds. Because the project cost falls below the threshold HSPR staff concludes that it is eligible for an NSR approval. Mr. Raymond Milliard, CEO, came forward to testify. Mr. Milliard clarified that the construction entails 1900 square feet and not the 1200 square feet as listed in the proposal, but that the project cost does not change as a result. There was no public testimony on this agenda item. Board discussion ensued. A motion was made by Ms. Fox and seconded by Mr. Bridgham to approve the proposal. All Board members voted in favor and the NSR was approved.

10. **Determine Rule Making Changes from New Legislation and other Board Administrative Review**

**Discussion:** Chair Grabowski asked Ms. Carrier to address this agenda item. Ms. Carrier stated that some of the statutory changes made to RSA 151-C will require rulemaking to address. She referred to the first of three discussion documents prepared by Staff for the Board, concerning statutory thresholds, and explained that effective February 1, 2014 the figures will revert to 2012 totals. It may be possible that once the legislation takes effect, the Board could simply inflate the figures to the 2013 totals as published and already used by the Board, then apply the 2014 inflation factor when it is received later in February. Board discussion ensued. Mr. Bridgham stated that he did not believe that the Board had any such leeway to make changes to the legislation that had been enacted, and that the only way to alter these figures would be to seek another legislative change. Further discussion ensued. Mr. Spiess asked staff to clarify the calculation behind the R.S. Means factor, and whether any other

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medically-based factor might now be available for use. Mr. Peck explained that the factor was based on construction costs from the Manchester, NH area. He stated that the Staff could perform a review to determine if any other factor might be available. Mr. Bridgham offered a motion to seek a legislative change perhaps using HB677, currently scheduled for executive session by the House Health and Human Services Committee on October 30, 2013, so that the thresholds could be amended in order to allow the natural inflation progression to take place. Ms. Fox seconded the motion and all members voted in favor.

Ms. Carrier then reviewed the two remaining discussion documents concerning February 1, 2014 changes, one that outlines the changes needed to the CON application as a result of the new paragraph V to RSA 151-C:7, and other that affects building and equipment leases that would primarily affect the NSR process as a result of a rework of RSA 151-C:5, II, (d). Staff has also developed a worksheet for calculation of costs when leases are involved. She then stated that the previous Board had worked on the development of a Change of Scope form that would better standardize this process for CON applicants and that rule changes were nearly complete. She stated that it would be important to complete this process. Finally, she also stated that the Board will have two expiring rules in 2014, He-Hea 1200 Transfer of Ownership, and He-Hea 1600 Radiation Therapy Services. These rules should be re-adopted to keep them from expiring.

Board discussion ensued on the subject. Mr. Bridgham expressed his preference to complete rulemaking for the most imminent statutory changes. Discussion continued regarding the short timeframe in which to make such changes to meet the February 1, 2014 effective date. Ms. Carrier offered to speak to the JLCAR staff regarding the process and what could be done to meet the deadline, which would require the Board to approve the rule changes by its December meeting in order to make the January 2014 JLCAR meeting. The Board then directed Staff to work on the proposed rule changes as soon as possible to bring them back for Board approval.

#### **11. Board Discussion - New Board Reporting Requirements (RSA 151-C:12-a)**

**Discussion:** Chair Grabowski asked Ms. Carrier to review this agenda item with the Board. Ms. Carrier stated that the new RSA 151-C:12-a contains 3 sections applicable to reporting. She said that paragraph I appears to require reporting that is already in place relative to CON projects and the implementation reporting process. Paragraph II is a DHHS requirement concerning operating costs of a particular project and she asked Mr. Brannen and Ms. Fox to weigh in on this requirement. Ms. Fox deferred to Mr. Brannen. Mr. Brannen spoke to the data elements contained in the allpayer claims database, and stated that it would be possible for payments made to be reviewed before and after a project using provider information.

Ms. Carrier then noted the November 1, 2013 annual report requirement in paragraph III relative to per-capita supply of beds, utilization and licensed physicians, and stated that this data is either already available or will soon be available, but that it would take some time to collect. She stated that she had asked the Board's legal counsel, the Attorney General, how to respond to the 2013 deadline when the legislation is not effective until 2014. She said the AG advised the Board to be responsive and provide a letter explaining the Board's intent to produce a full report in the next year. Brief Board discussion ensued. Chair Grabowski offered to send a letter as required to the legislative heads. Mr. Bridgham made a motion to submit a letter as described. Ms. Fox seconded the motion, and all members voted in favor.

**12. Board Discussion – State Health Plan Development (RSA 151-C:4-a)**

**Discussion:** Chair Grabowski asked Ms. Carrier to speak to this agenda item. Ms. Carrier stated that the development of a State Health Plan is a new Board responsibility and that this legislation has a December 2013 requirement similar to that of the reporting requirements previously discussed. She suggested that the Board take some time now to work on a framework for determining the approach to the development of this plan. Mr. Spiess noted that this is an opportunity to determine gaps in the healthcare system, and with public input, develop credibility and confidence for health planning in the state. He felt a subcommittee of the Board, perhaps even with the whole Board acting as the subcommittee, could meet monthly in the off weeks of a Board meeting. Mr. Brannen agreed in a shared vision. Ms. Fox suggested that perhaps Mr. Spiess be named chair of a subcommittee to develop this plan. Mr. Bridgham stated that the meeting arrangement be less formal to allow substantial interaction with all interests. Mr. Spiess agreed, but cautioned that it might take at least two years to fully develop the plan. Ms. Fox made a motion that the Board establish a subcommittee of the Board to address the requirements of a state health plan. Mr. Bridgham seconded the motion, and all Board members voted in favor of the motion.

**13. Other Administrative Business**

Mr. Lakevicius stated the following:

- The Next Board Meeting is scheduled for Thursday, November 21, 2013 at the NH Hospital Association, Concord, NH.
- A Mobile MRI application from Shields MRI has been submitted under the April 1, 2013 RFA. The application is now complete and has entered formal review – please take your copy of the application for review. We expect to schedule the public hearing on this matter at the December 2013 meeting.
- LSR 2014-H-2488-R relative to the repeal date of the Certificate of Need law, has been submitted by sponsor Pamela Tucker. No additional information is known at this time. We will keep you informed of any activity on this matter.

Ms. Fox suggested that the Board perform site visits for CON applications in order to get a better sense of the proposals as they come forward. Mr. Bridgham stated that it might be advantageous for the Board to move around for its meetings as well.

Chair Grabowski then asked for a motion to adjourn.

A motion was made by Mr. Spiess and seconded by Mr. Brannen to adjourn the meeting. All members voted in favor and the meeting was adjourned at 12:26 p.m.

Signature:



Debra Grabowski  
HSPR Board Chair

Approved by  
HSPR Board:

11-21-13

Date

## HEALTH SERVICES PLANNING AND REVIEW



November 21, 2013

9:30 a.m.

Board Meeting

NH Hospital Association Conference Room 2  
125 Airport Road  
Concord, NH 03301

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**Meeting called by:** Ms. Debra Grabowski, Chair      **Note Taker:** HSPR Staff

**Type of meeting:** Certificate of Need - Board Meeting

**Attendees:** Mr. Tyler Brannen, Mr. Robert Bridgham, Ms. Debra Grabowski,  
Ms. Katja Fox, Mr. Paul Spiess

**Staff Members:** Ms. Cindy Carrier, Ms. Angel McFetridge, and Mr. Jeffery Peck

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Chair Grabowski brought the meeting to order at 9:30 a.m. She welcomed the audience and the Board to the meeting and requested Staff member Ms. Carrier to swear in those persons intending to testify before the Board that day.

### 1. Approve October 23, 2013 Board Meeting Minutes

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item. Mr. Peck briefly stated that the Board meeting minutes from the October 23, 2013 Board meeting needed to be approved.

Ms. Fox made a motion at this time to approve the October 23, 2013 Board meeting minutes. Mr. Bridgham seconded the motion. Mr. Brannen stated that he had an amendment to the minutes. He stated that on Agenda item 11 the term "operating costs" needed to be changed to "payments made." The remaining Board members voted unanimously to approve the minutes as amended.

### 2. Board Discussion – HB677 Cost Thresholds

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item. Ms. Carrier explained that this bill was voted Inexpedient to Legislate by the House HHS Committee. She stated that while the Board voted to take action to update the statutory cost threshold figures through HB677, it was determined that such a proposal would reopen the full CON law to renewed scrutiny by the full legislature. Ms. Carrier stated that there were also issues with handling a statutory amendment so late in the process. She stated that, as a result, it appeared better not to pursue such changes at this time. Ms. Carrier thanked Chair Grabowski and Mr. Bridgham on behalf of the staff for the time spent on this matter.

Chair Grabowski stated that time was tight to submit requests. Mr. Bridgham added that he is determined that they simply ran out of time. Ms. Fox asked if staff has heard from anyone

regarding the potential impact to applicants. Ms. Carrier answered that staff has not heard of any specific impact. She added that this will be discussed again when the inflation factor for 2014 is received.

No Board action was necessary for this agenda item.

3. **NSR 13-25 Speare Memorial Hospital, Plymouth, NH – Establish Wound Care Program, \$450,000 – NSR Condition**

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item for the Board. Mr. Peck stated that as a condition of NSR approval made at the Board's October 23, 2013 meeting, Speare Memorial Hospital is required to submit a copy of the proposal it received from Healogics for the determination of proposed utilization for its Wound Care Program. This material has been received and is enclosed for the Board's review and approval. He explained that approval via vote of the Board indicates that the named condition to the NSR is now satisfied.

Mr. Spiess stated that it was his suggestion to have Speare submit this documentation and he is satisfied with what they provided. He then suggested having HSPR staff request and provide this type of methodology going forward. Mr. Spiess then made a motion to consider the condition satisfied for NSR 13-25 Speare Memorial Hospital. Mr. Bridgham seconded the motion. All Board members voted in favor of the motion and the NSR condition is now considered satisfied.

4. **NSR 13-24 Skyhaven Surgery Center, Establish ASC in Rochester, NH - \$1,501,150 – NSR Condition**

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item. Ms. Carrier explained that this agenda item was tabled pending receipt of additional information from Skyhaven concerning this proposal. The information requested was a copy of the ground lease between DEW and The Frisbie Foundation; a list of the proposed investors to ensure all affiliations are properly recognized; and background information on DEW Properties. She explained that the information has been received and because this item was tabled, it must now return for discussion and vote of the Board.

Mr. Spiess noted the land rental of \$1 per year for 25 years and stated that there's no economic advantage to citizens to this type of arrangement. He added that he will vote against it. Ms. Fox stated that the additional information clarified the arrangement. She stated that it's legal at this time and there's no basis to deny the application. Chair Grabowski also stated that there's no basis for denial. Mr. Bridgham stated that the Board has to follow the statute. Mr. Brannen asked if there was any additional information from the applicant.

At this time, Attorney Andrew Eills, Legal Counsel, Mr. Joseph Shields, VP Planning and Project Management and Mr. Steven Morton, DEW Properties came forward to answer any Board questions. Attorney Eills stated that he agrees with the Chair, Ms. Fox and Mr. Bridgham that this is legal under the existing law and added that there is plenty of past precedence. He explained that the cost of the land was included in the request. Mr. Shields added that they were not trying to hide the cost of the land. Mr. Morton stated that this is not an unusual circumstance, and that it has survived the lender's scrutiny. Mr. Brannen asked if there were other examples. Mr. Morton explained that there is another MOB at Frisbie with the same

arrangement. Mr. Spiess then thanked the applicant for providing the information in a timely manner.

Mr. Bridgham made a motion to take NSR 13-24 off the table. Ms. Fox seconded the motion. All Board members voted in favor of the motion. Mr. Bridgham then made a motion to approve NSR 13-24 for Skyhaven Surgery Center. Mr. Brannen seconded the motion. Mr. Spiess abstained from the vote. The remaining Board members voted in favor of the motion. On a vote of 4 to 0, the motion passed.

5. **NSR 13-30 Golden View Health Care Center, Meredith, NH, Renovations to Accommodate Redesignation of 26 Beds to Supported Residential Care, \$1,517,000**

**Discussion:** This agenda item was introduced by Ms. Carrier under the direction of Chair Grabowski. Ms. Carrier stated that HSPR staff performed an evaluation regarding this request and asked Golden View to respond to the one outstanding request for additional information concerning this proposal, which was received and was handed out to the Board.

At this time, Ms. Jeanne Sanders, Administrator, and Ms. Rosemary Simineau, Assistant Administrator of Golden View Health Care Center came forward to present this project to the Board. Ms. Sanders briefly described the project to the Board, stating that they will be dividing the space into 2 residential units. She explained that the 1<sup>st</sup> phase results in 16 supported residential care beds and the 2<sup>nd</sup> phase will result in 10 supported residential care beds to include living and dining rooms. Ms. Sanders stated that this is in response to community needs. Mr. Brannen asked if Golden View is able to cover the costs currently. Ms. Sanders replied that they are but they are looking at the future as they are losing customers to supported residential facilities. She added that this project will not impact the availability of skilled nursing beds. Mr. Bridgham asked if the SNF patients are transferring to supported residential care. Ms. Sanders explained that some are self pay and eligible for supported residential care. She added that this will improve the price point. Ms. Fox asked about capacity and Ms. Sanders responded that Golden View 131 beds. Ms. Fox then asked about occupancy and Ms. Sanders answered that they are at 82%. Ms. Fox then asked what percentage are Medicaid patients. Ms. Sanders stated that there are 51 – 52 residents and it should stay about the same. She added that Medicaid only pays 67% of the cost and other payment sources are needed to offset that, which this project will do. She added that she expects to have more paying residents at a lower price point. Ms. Grabowski asked if the current supported residential care unit is too small to accommodate residents who desire this level of care. Ms. Sanders answered yes and that with this project they will now have more options.

Mr. Spiess made a motion to approve NSR 13-30, Golden View Health Care Center, for renovations to accommodate redesignation of 26 beds to supported residential care at a cost of \$1,517,000. Ms. Fox seconded the motion. All Board members voted in favor of the motion and NSR was approved unanimously.

Mr. Bridgham referred to the nursing home bed need formula and stated that it is moot at this time because of the moratorium. He added that the need is growing as the population is also growing, and that at some point the Board will have to re-think need.

**6. NSR 13-31 Portsmouth Regional Hospital, Portsmouth, NH – Renovations to Central Sterile Reprocessing, \$2,637,582**

**Discussion:** Chair Grabowski recused herself from this agenda item and asked Mr. Spiess to fill in as the Acting Chair. Mr. Spiess then asked Ms. Carrier to introduce this agenda item. Ms. Carrier explained that a request from Portsmouth Regional Hospital has been received for a not subject to review determination for necessary renovations to Central Sterile Reprocessing at the hospital. She added that included with in this documentation is Portsmouth's disclosure of an earlier NSR proposal approved in May 2013. Neither project exceeds the current (\$3,101,454) statutory threshold for acute care hospitals, and the combined construction totals of both projects also falls below the threshold. According to He-Hea 301.01, the capital expenditures for any project within the most recent 36 months are reviewed collectively to determine if the total costs exceed the threshold, and whether such projects should be considered integrated proposals that may otherwise be subject to CON review. Ms. Carrier also explained that a NH Supreme Court case, also enclosed with the Board packet, dictates that only the cost of construction is used to determine whether projects exceed the statutory cost threshold. She stated that HSPR staff concludes that this project is likely eligible for an NSR determination by the Board.

Acting Chair Spiess invited representatives from Portsmouth Regional Hospital to come forward to provide testimony. Mr. Bill Duffy, VP of Facilities Management, Ms. Karen Scoggins, Chief Nursing Officer and Ms. Maureen Smith, VP Planning and Development, came forward at this time. Ms. Smith explained that the renovations to the central sterile reprocessing space is 25 years old and is currently experiencing foundation issues. She added that the equipment is breaking down. Mr. Spiess asked if there was any new construction and Ms. Smith answered that they would only be reconfiguring the existing space. Ms. Fox stated that the information on the 2 other projects was very helpful. Mr. Brannen asked if there were any other alternatives considered. Mr. Duffy answered that they looked at expanding the footprint and it was cost prohibitive.

At this time, Mr. Bridgham made a motion to approve NSR 13-31 for Portsmouth Regional Hospital for renovations to central sterile reprocessing at a cost of \$2,637,582. Mr. Brannen seconded the motion and the Board voted unanimously to approve this agenda item.

**7. NSR 13-33 Parkland Medical Center, Derry, NH – Request to re-open 12 Bed Psychiatric Unit, \$2,868,676**

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item. She stated that a request from Parkland Medical Center, along with an accompanying HSPR staff evaluation concerning this matter, were enclosed in the Board packet. She stated that the most prominent issue concerns the need for Parkland to respond to the February 1, 2014 RFA for additional psychiatric beds in order to gain the 2 additional beds it needs for the unit. She added that HSPR staff did receive 2 support letters for this project which were handed out to the Board.

At this time, representatives from Parkland Medical Center, including Mr. John Malmberg, Legal Counsel, Mr. Jeff Scionti, Chief Operating Officer, Ms. Eileen Keefe, Chief Nursing Officer and Mr. Michael Truman, Behavioral Health Consultant, came forward to provide testimony. Mr. Scionti explained that these beds were closed in 1998 and there is now a critical need for these beds. He stated that they will come forward during the RFA to add the 2 additional beds. Ms. Fox asked the value proposition. Mr. Scionti answered that Parkland wants to operate an efficient unit and needs to remodel to meet requirements for behavioral health patients. Mr.

Brannen asked what led to the closure in 1998. Mr. Scianti explained that it was a geropsych unit and there wasn't enough volume to support the unit at that time. Mr. Brannen questioned the payor mix. Mr. Scianti answered that the cost is 40% less than an acute bed reimbursement. Mr. Brannen asked if this can be supported. Mr. Scianti answered yes with the current overall patient mix. Mr. Bridgham asked if they had staff to service these beds. Mr. Scianti stated that there will be new staffing to accommodate. He added that HCA, Parkland's parent, has 2,500 psych beds country with expertise to draw from. Mr. Truman stated that they will also be working with sister hospital Portsmouth Regional Hospital to determine staffing needs. Mr. Spiess asked if taking 12 beds out of acute care will create any problems. Mr. Scianti replied that it would not. Ms. Fox asked if they considered creating a DRF (designated receiving facility). Mr. Scianti replied that they have not. Chair Grabowski stated that many patients are waiting in EDs and asked what Parkland's experience is with this issue. Mr. Scianti replied that they have long wait times that need to be addressed. He added that some can go to the hospital units but others will need to go to the State Hospital. Chair Grabowski stated that there has been 2 RFA's issued and explained that they will need to submit an application for the 2 beds. Mr. Scianti stated that the timing was off for them and that they needed to determine the use of space and needed to secure funding from HCA. Ms. Fox asked if there was any harm in doing the entire project through CON. Mr. Scianti stated that it would extend by 6 months and the need is immediate. Chair Grabowski asked if all of the costs were included in the NSR. Attorney Malmberg stated that there will be little additional cost. Ms. Fox stated that the project is good news from the Department's perspective.

Mr. Spiess made a motion to approve NSR 13-33 for Parkland Medical Center's request to re-open a 12 bed psychiatric unit at a total cost of \$2,868,676. Ms. Fox seconded the motion and the Board voted unanimously to approve this agenda item.

**8. CON AC 10-02 Mary Hitchcock Memorial Hospital, Lebanon, NH – Change of Scope Request, \$1,897,270**

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item. Mr. Peck stated that a change of scope request was submitted by Mary Hitchcock Memorial Hospital for the addition of a fluoroscopy unit as part of the CON project. He stated that HSPR staff attached its evaluation of this request, and concludes that the proposal is eligible for a change of scope approval. He explained that even if these additional costs are approved, the CON applicant is still obligated to complete the project within 5 years of the issuance of the CON, as a change of scope does not alter the completion date of the project.

Mr. Steve Marion and Ms. Gail Dahlstrom representing Mary Hitchcock Memorial Hospital came forward at this time to discuss this agenda item with the Board. Mr. Marion provided a handout to the Board, and explained the methodology for arriving at the MHMH primary and secondary service areas. He also discussed the case mix on the third page of the handout. He stated that MHMH often comes forward with complex and expensive projects for CON review. He explained that CON AC 10-2 had 3 major components, and one part involved research ORs where MRI/CT scanners were mounted overhead and can slide from room to room, allowing imaging at the point of surgery. The fluoroscopy unit under discussion here was part of the project, but was not completed since there was no available technology for mounting the unit like the MRI/CT units. The technology has now been perfected, thus the reason for the Change of Scope request. He added that this will result in a 5.79% increase to the original CON project.

Board discussion ensued on the request, relative to research and grant funding dollars, as well as capacity. Ms. Dahlstrom explained that fluoroscopy results in real time views and that there

is an estimated 150-250 cases initially. Mr. Marion explained that the project will initially operate at a \$3 million dollar loss, but that the driver is accessibility of research dollars, and that the project can be used to reach a critical mass of patients.

Mr. Brannen then made a motion to approve the Change of Scope request for CON AC 10-02 for Mary Hitchcock Memorial Hospital for a total of \$1,897,270. Mr. Spiess seconded the motion and this agenda item passed with a unanimous vote by the Board.

**9. CON AC 09-03 Wentworth-Douglass Hospital, Dover, NH – Change of Scope Request, (\$11,799,683)**

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item. Mr. Peck stated that Wentworth Douglass Hospital (WDH) submitted a request for a change of scope for its now completed CON project, AC 09-03. He explained that HSPR staff requested that the hospital submit this request when WDH disclosed at its final implementation report that it chose not to complete the entire project as stated in the CON application. Mr. Peck explained that a Change of Scope is normally made while a project is still active but because WDH did not do so, staff requested that they clarify the record at this time.

Mr. Daniel Dunn, VP of Operations, and Attorney John Malmberg, Legal Counsel, Wentworth Douglass Hospital came forward at this time. Mr. Dunn stated that they received good pricing points on the project and decided not to renovate all of the space at this time. Ms. Fox asked staff if the applicant should have notified the Board of the change of scope sooner. Ms. Carrier answered yes and explained that this happened once before. Attorney Malmberg explained that if something is not done the uncompleted portion just goes away; it really does not need a change of scope. Mr. Brannen asked for more background on why the project was scaled back. Mr. Dunn explained that low bids allowed Wentworth Douglass Hospital to fit out the 4<sup>th</sup> floor but decided that they couldn't afford to complete the entire renovation at this time. Mr. Spiess stated that the applicant should be commended for that decision.

Mr. Spiess then made a motion to approve the change of scope request for CON AC 09-03 Wentworth Douglass Hospital. Mr. Bridgham seconded the motion. All Board members voted in favor of the motion and this agenda item was approved unanimously.

At this time Chair Grabowski allowed for a 10-minute break.

**10. Approve Interim Rule He-Hea 301.01(b) Not Subject to Review**

**Discussion:** Chair Grabowski combined this agenda discussion with the next agenda item as they are related. She then explained that Ms. Carrier will introduce this agenda item and then the Board will accept input from interested persons and staff will then bring rules back at the December 10, 2013 Board meeting. Ms. Carrier provided a brief background on the interim rules process, explaining that such rules will only be effective for 180 days to allow the board time to work on a permanent rule in response to legislative amendments. She stated that the Board needs to amend the rule to more fully address leases, and that a new rule is also needed for non-emergency walk-in care center projects that exceed the statutory cost threshold.

Mr. Brannen stated that it is comforting that these are temporary rules and that the process can be discussed in more detail going forward. Ms. Fox asked how long the interim rule is good for. Ms. Carrier explained that it they are good for 6 months or until the permanent rule is adopted.

Ms. Fox asked if people can submit comments. Ms. Carrier stated public comment and a public hearing is not required for interim rules, but if persons want to make suggestions for change they would only have until Tuesday, November 26, 2013, which is the deadline for the December Board meeting agenda submissions. Mr. Spiess asked when the Board is slated to adopt the permanent rule. Ms. Carrier explained that the Board can begin the permanent rulemaking process once the interim rule is approved by JLCAR at its January 2014 meeting. Mr. Bridgham suggested limiting the interim rule to statutory changes and considering other changes for the permanent rule.

Ms. Grabowski asked if anyone in the audience wished to speak to this agenda item. Mr. Gareth Dickens, President, ConvenientMD, LLC came forward at this time. He provided a handout to the Board, and gave a brief overview of his non-emergency walk-in care business, explaining that no bill exceeds \$250 for uninsured patients. He added that he relies on landlord developers to develop the building. He stated that because the statute requires the Board to put the value on the leased property, he is concerned about the timeline for CON review. Mr. Brannen asked what was unique about his particular situation. Mr. Dickens explained that they are a small business that looks for the best retail space which brings highly competitive leases. Mr. Spiess asked if it is a standard model. Mr. Dickens explained that it's a 5,000 sf facility carefully designed with 50 sf of frontage with 100 sf depth. He explained that the capital cost going in is \$650,000 with \$250,000 medical equipment/furniture costs.

Mr. Steven Marion came forward at this time. He stated that these projects create unreimbursed overhead at the community hospital. He added that the business model of 5-year lease is different from a hospital. He explained that a hospital buys the land and builds the building and CON doesn't regulate only 5 years of the costs. Mr. Spiess stated that this is an example of the legacy cost issue and hospitals could be doing the same thing. He added that they need to see an example of the detriment to the health care system. Mr. Marion stated that there is a community need for hospital services and every time something is split off the hospital finds it harder to cover the fixed costs.

Attorney Andrew Eills stated that in the 1990's the Board got away from following this statute. He added that having rules and following them is important for the Board and industry and will result in a clearer process. He added that rules must follow statute.

Mr. Dickens stated that he doesn't think they will make a huge dent in a hospital's success or failure.

Chair Grabowski asked for these thoughts, and any other comments of any others, to be submitted to the Board in writing by the November 26, 2013 deadline. HSPR staff will draft rules for review at the December 10, 2013 Board meeting. Ms. Fox added that the Board could make amendments to the rules at that meeting and ultimately approve rules as amended that day.

**11. Approve Interim Rule He-Hea 303.02, 303.03, 303.06, 303.09, 304.05 CON Application**

**Discussion:** This agenda item was covered with the above agenda item.

**12. Board Report – State Health Plan Development (RSA 151-C:4-a)**

**Discussion:** Mr. Peck was asked to introduce this agenda item. Mr. Peck explained that the Board subcommittee met on November 15, 2013 regarding the development of a State Health Plan. He added that Board member Spiess led the meeting and he could provide an update for the Board.

Mr. Spiess stated that the group will be meeting on a monthly basis going forward. The meetings will be held the 1<sup>st</sup> Friday of each month from 9 am to noon at the Walker Building, Concord, NH. Mr. Spiess explained that they are learning about the depth and breadth of available data and that they need to determine how the data will fit into the strategic plan. He added that they hope to have an outline plan within 6 months as it will take at least a year to 18 months to fully develop the plan.

Mr. Spiess stated that the next meeting will be held Friday, December 6, 2013, and that an agenda will be available shortly.

**13. Other Administrative Business**

Chair Grabowski asked Ms. Carrier to explain the other business to the Board. Ms. Carrier stated the following:

- The next Board meeting is scheduled for Tuesday, December 10, 2013
- The 2014 Board meeting schedule is enclosed and due to majority rule will continue to meet on the third Thursday of the month.
- The Board has expressed interest in site visits to facilities that have submitted CON applications. There are two such applications in the HSPR office at this time, Cheshire Medical Center and Lakes Region General Hospital. The best time to visit these hospitals is during Completeness Review of the applications, in this case between now and mid-January 2014. Ms. Susan Palmer Terry from the audience stated that LRGH would be happy to host a site visit. Mr. Spiess then stated that the Board could also discuss the State Health Plan with Cheshire while there.
- HSPR staff has enclosed an evaluation of its inflation cost factor research, and its conclusion that RS Means is the indicator of choice. Mr. Spiess thanked the staff for the report.

Chair Grabowski then asked for a motion to adjourn the meeting. A motion was made by Ms. Fox and seconded by Mr. Bridgham to adjourn the meeting. All members voted in favor and the meeting was adjourned at 12:10 p.m.

Signature:



Debra Grabowski  
HSPR Board Chair

Approved by  
HSPR Board:

12-10-13

Date

## HEALTH SERVICES PLANNING AND REVIEW



December 10, 2013

9:30 a.m.

Board Meeting

NH Hospital Association Conference Room 2

125 Airport Road

Concord, NH 03301

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**Meeting called by:** Ms. Debra Grabowski, Chair      **Note Taker:** HSPR Staff

**Type of meeting:** Certificate of Need - Board Meeting

**Attendees:** Mr. Tyler Brannen, Mr. Robert Bridgham, Ms. Debra Grabowski, Ms. Katja Fox, Mr. Paul Spiess

**Staff Members:** Ms. Cindy Carrier, Mr. Paul Lakevicius, Ms. Angel McFetridge, and Mr. Jeffery Peck

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Chair Grabowski brought the meeting to order at 9:30 a.m. She welcomed the audience and the Board to the meeting and asked that anyone planning to testify to any of the agenda items come forward as staff introduces that item in order to better facilitate the meeting.

### 1. Approve November 21, 2013 Board Meeting Minutes

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item. Mr. Peck briefly stated that the Board meeting minutes from the November 21, 2013 Board meeting needed to be approved.

Ms. Fox made a motion at this time to approve the November 21, 2013 Board meeting minutes. Mr. Spiess seconded the motion. All Board members voted unanimously to approve the minutes.

At this time, Chair Grabowski requested that Staff member Ms. Carrier perform a swear-in for those persons intending to testify before the Board that day.

### 2. NSR 13-32 Catholic Medical Center, Manchester, NH, ED Renovations, \$2,132,241 and \$727,521 Equipment

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item. Mr. Peck explained that Catholic Medical Center (CMC) submitted an NSR request for ED renovations to the hospital, located in Manchester, NH. He added that HSPR staff provided the Board with an evaluation of this request. He stated that as noted in the evaluation additional information was requested and received and is before the Board. Mr. Peck noted that this proposal may be eligible for an NSR determination. Mr. Peck stated finally that HSPR staff suggests a condition

to the NSR approval that CMC submit a copy of the signed construction contract upon project commencement.

At this time, Ms. Sue Manning, Vice President of Strategy, Mr. Alex Walker, Senior Vice President Operations and Strategic Development and Mr. Richard Saklad, Owners Representative came forward to provide testimony. Ms. Manning briefly explained that the ED renovations are necessary for the growth in volume as well as to improve the flow for patients and staff. Mr. Brannen asked for the volume projections. Ms. Manning answered that they project an 18% increase in future years. Mr. Brannen then asked about the impact of the growing number of urgent care centers on the hospital. Ms. Manning stated that there was some impact but the acuity levels of patients presenting at the ED are increasing. Mr. Brannen asked what percentage of ED patients could be treated in another setting. Ms. Manning responded about 30% but this was not an exact number. Ms. Fox stated that the additional information provided by CMC was just received this morning by the Board and she asked Ms. Manning to review the information that was provided. Ms. Manning reviewed the equipment list provided. Chair Grabowski asked if the monitoring equipment was over the threshold. Ms. Carrier explained that no one piece of equipment was over the threshold as 18 units are included in the total.

Mr. Spiess requested that staff provide a 5 year history on all NSR's coming before the Board in the future so that members are familiar with the background. Ms. Carrier agreed to do so.

Mr. Spiess then made a motion to approve NSR 13-32 Catholic Medical Center for ED renovations at a total of \$2,132,241 with the condition that it submit a copy of the signed construction contract upon commencement of the project. Ms. Fox seconded the motion and all Board members voted in favor of the motion and this Agenda item was passed unanimously.

### **3. Public Hearing – Shields Health Care, CON MRI 13-01, \$500,000**

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item for the Board. Ms. Carrier stated that the Board will now hear the Mobile MRI application proposed by Shields Health care as a mobile MRI vendor in New Hampshire. She stated that there has been a petition for intervention filed on the application by American Medical Imaging that the Board has received. The Board must now vote to approve or deny this petition before the hearing can go forward. Chair Grabowski asked the Board whether it felt it had enough information from the written petition to vote on the petition, or whether it wanted to hear from the intervenors. Board discussion ensued. Mr. Bridgham stated that the rule states that MRI is pro-competitive and therefore the petition does not seem relevant. He further stated that he does not understand what gives the intervenor standing. Ms. Fox stated that the petition has no basis within the Board's rules. Mr. Brannen stated that the issues are of cost and access, but he was reluctant to pass on the opportunity to hear more. Mr. Spiess stated that the petition was weak on its merits but he would be willing to hear more. The Board then agreed to hear the petition.

Mr. Andrew Eills, Esq., representing American Medical Imaging, came forward for the petitioner. He stated that his client was in the MRI market and was interested in the outcome of the application. He suggested that the Board should review the need for this capital expenditure and that American Medical could assist with other concerns if granted intervenor status. Such granting would give American Medical standing to appeal or request reconsideration of the application. Mr. Spiess asked what affiliations American Medical has in the state. Attorney Eills stated that it has mobile MRI affiliations with Cottage Hospital, Speare Memorial Hospital,

Monadnock Community Hospital and Valley Regional Hospital. It also has a freestanding location in Portsmouth, NH.

Shields Healthcare Group was then asked to respond to the Motion to Intervene. Mr. Don Crandlemire, Esq., legal counsel, stated that Shields understands the parameters regarding the petition and that the issue is one of quality, access and cost, not competition.

Chair Grabowski asked if the petitioner wished to rebut the applicant's statements. American Medical declined to rebut. The Board then took up a vote on the petition for intervention. Mr. Spiess made a motion to deny American Medical Imaging intervenor status. Mr. Bridgham seconded the motion. All Board members voted in favor of the motion and the petition was denied.

Chair Grabowski then opened the public hearing on CON application MRI 13-01 at 9:50am and asked Ms. Carrier to provide an introduction. Ms. Carrier stated that Shields Healthcare Group presents its application as a Mobile MRI vendor in the State. The HSPR Staff Analysis and Checklist of Outstanding Items were enclosed for review and consideration in the Board packet, and have been updated with responses from Shields. Some outstanding items remain for Board discussion, and there are also some recommended conditions whether the application is approved or determined as Not Subject to CON review. She explained that late in the application review process the cost of the project changed and fell below the statutory cost threshold for both construction and equipment purchase. As such, the Board could deny the CON application as presented, and instead determine that the proposal is not subject to CON review. HSPR staff also questions whether Shields or the joint venture entity should be the appropriate applicant.

At this time the applicant came forward to make its presentation to the Board. Presenting the Shields application were Mr. Tom Shields, Jr., President, Shields Health Care Group; Mr. Peter Ferrari, Chief Strategy Officer, Ms. Yvette Varney, Practice Administrator, Atlantic Orthopaedics & Sports Medicine; and Mr. Donald Crandlemire, Esq., Shaheen & Gordon, P.A., legal counsel. Attorney Crandlemire handed out a hard copy of its slide presentation to the Board.

Attorney Crandlemire then proceeded to review the slide presentation with the Board, stating that Shields is a family owned and operated business in Massachusetts that is built on joint-venture partnerships. Shields has 26 MRI locations, 9 PET/CT locations and 3 radiation oncology locations, and is the official MRI provider for the Patriots, Bruins, Revolution and the Celtics sports teams. Shields now seeks to collaborate with similar joint partnerships with physician practice groups and hospitals in New Hampshire. He stated that Shields can provide an alternative to higher priced hospitals with affordable, high-quality imaging that is convenient and accessible. This first application is a joint venture with Sports Medicine Atlantic Associates located in Portsmouth, NH and also in York, Maine. The proposed MRI unit will provide a convenient cost savings proposal to both SMAO and non-SMAO patients. The proposed unit is a pre-owned 1.5 Tesla high-field MRI unit and trailer, inclusive of coils, that is highly suited for most common MRI scans at a cost effective price of approximately \$200,000. Shields has chosen the mobile unit for the flexibility and affordability as well as the space efficiency it provides. The unit can also be used to service patients at SMAO's York, Maine site, and can be used to support any other SMAO expansion that make take place. The agreement with SMAO has a 5-year term. Total investment is \$500,000 made up of the unit itself and some \$300,000 for property improvements. SMAO is located in a convenient location on Route 1 in Portsmouth.

Attorney Crandlemire then reviewed the ownership structure of the joint venture as outlined on page 11 of the handout and stated that Shields and SMAO are both 50% equity owners in the joint venture to be known as Sports Medicine Atlantic Imaging, LLC, which will own the mobile unit. He then outlined the operations structure at page 12 of the handout and explained that the JV LLC contracts with SMAO to provide all management services for the unit for an FMV management fee. The JV LLC subcontracts certain operations and technical services to Shields for an FMV fee. The estimated average reimbursement rate is \$595, compared to an area average (20 mile radius) of \$1,800, and an area hospital average (20 mile radius) of \$2,600. Attorney Crandlemire stated that Shields is committed to the New Hampshire market to bring quality, convenient and cost effective MRI services to other NH market areas in both mobile and fixed unit environments; these proposals will be brought to the CON Board for any additional units as necessary. This then concluded the CON application presentation.

Ms. Varney Stated that SMAO is proud to be partnering with Shields as MRI is fundamental for an orthopedic practice. She stated that MRI quality and the cost aspect is important for SMAO. Attorney Crandlemire stated that Shields realizes that it does not exactly fit the regulatory model for New Hampshire, and apologized for the cost error, but that Shields fully intended to be a CON applicant and not try to introduce itself to the market utilizing the Not Subject to CON Review process.

Questions and discussion ensued by the Board. Mr. Brannen asked Shields what the breakeven point would be. Attorney Crandlemire stated that 1,600 scans would be a break even point. Mr. Brannen asked what entities have the most to lose by Shields' entry to New Hampshire. Mr. Ferrari stated that hospitals are most impacted since Shields provides a retail like setting and price sensitivities. Mr. Bridgham asked where the current scans are now being performed. Ms. Varney stated that the market is the same but other entities are performing the service now. Further discussion ensued on professional fees and responsibilities versus technical fee accountabilities.

Chair Grabowski then opened the public testimony portion of the hearing. Attorney Andrew Eills, representing American Medical Imaging, came forward and stated that American Medical is not adverse to this unique arrangement proposed by Shields, but that the Board does have the authority to inquire as to the proposed relationship between the physicians group and the JV LLC, and cited the federal Stark Law concerning physician self-referrals. He stated that there are exceptions to this law and that the Board should ask about it, and ask what exception Shields is proposing, since the entity that does the billing must be wholly owned by the physicians, so it is unclear if such exception would be applicable. Mr. Brannen stated that the Stark Law is applicable to Medicaid and Medicare, but questioned whether it would be applicable to commercial insurance, and stated that it may not be applicable to MRI "in office" type care. Discussion ensued with the Board generally agreeing that it could ask such questions but they might not be factored into its decision.

There was no additional public testimony so Chair Grabowski closed the hearing at 10:36 a.m. and the Board proceeded to deliberations. Ms. Fox made a motion to deny the application as presented based on the adjusted cost that falls below the statutory cost threshold. Mr. Brannen seconded the motion. All Board members voted in favor of the motion and the application was denied. Ms. Fox then made a motion that the JV, LLC be identified as the applicant. Mr. Spiess seconded the motion. All members voted in favor of the motion. Mr. Spiess then made a motion to grant the JV, LLC a not subject to CON review (NSR) determination with the conditions as outlined in the HSPR staff evaluation, and the added condition that Shields submit an annual operation report for a 5-year period. Ms. Fox seconded the motion. All Board members voted in favor of the motion and the proposal was determined to be NSR.

#### 4. Approve Interim Rule He-Hea 301.01 Not Subject to Review

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item. She stated that this agenda item returns from last month with copies of the proposed interim rule and worksheet attached for consideration. She explained that proposed Interim Rules allow an agency to temporarily adopt rules needed to comply with new legislation in a fashion quicker than the permanent rulemaking process. She stated that with such a process, however, there is no opportunity for a public hearing on these rules before the Board. A public hearing is still available before JLCAR. This means that the regulated community is prevented from presenting any input on the rule – and accompanying form – which they will be responsible for using; however, it is only effective for 180 days. She explained that at the November Board meeting, interested parties were asked to submit comment on the proposed rule in advance of this meeting. Only one party has submitted comments – see the attached from the NH Hospital Association. Additionally, Convenient MD and Mary Hitchcock Memorial Hospital also provided written testimony from the November meeting relative to the formula for determining the value of leases. She stated that the staff has included a worksheet form to assist in determining the value of leases. It is staff's view that a calculation of net present value of a lease using total minimum lease payments relies on a rate that cannot be "locked in" to suit JLCAR purposes. The staff therefore recommends that lease value be determined by signed construction contacts, building appraisals, purchase and sales agreements and/or vendor quotes. This issue should be a main theme for Board discussion, with the proposed rules amended as necessary at this time.

Ms. Grabowski stated that she would take some comment on the proposed interim rules but would need to take note of the time during the process. Mr. Ken Bartholomew, Esq., representing BASC came forward and stated that there appears to be a disconnect between the statutory definition of the term "capital expenditure" and the use of GAAP in the section of the statute relative to the value of leases. He stated that a lease gives the lessee no ownership value at the end of the lease, and that the Board should consider this carefully.

Ms. Beth Roberts, Vice President of Regional Marketing, Harvard Pilgrim Healthcare, came forward and stated that entities such as ConvenientMD provide important alternative arrangements for cost effective care, and that to subject such facilities to a lengthy CON process puts such facilities at risk for losing potential lease arrangements to establish service. She stated that the rates the insurance companies negotiate with such facilities are similar to a physician's office. Mr. Spiess acknowledged the statements but indicated that they are more germane to discussion on the permanent rule.

Mr. John Malmberg, Esq., representing ConvenientMD, stated that there is an option for the Board to take on this issue, and that is to carve out such facilities from review completely, either using the authority found in RSA 151-C:13, I, or establish a standard under RSA 151-C:6, II that states that such entities are pro-competitive and therefore do not require regulation. This would then obviate the need for a CON rule for the review of non-emergency walk-in care centers, which is the topic of the next agenda item.

Board discussion ensued on the rules, with edits identified by Mr. Bridgham at pages 2/3, and 4 of the draft document. Mr. Spiess also commented that the Board might want to consider using both tests for determining the value of leases as presented by the testimony provided by Convenient MD and Marty Hitchcock Memorial Hospital as part of the permanent rule. Mr. Bridgham then made a motion to approve the interim rule with edits as identified. Mr. Brannen

seconded the motion. All Board members voted in favor of the motion and the interim rule was approved.

Ms. Grabowski then called for a short break in the meeting. Ms. Fox left the meeting at this time.

**5. Approve Interim Rule He-Hea 2200 Non-Emergency Walk-In Care Centers**

**Discussion:** Ms. Carrier was asked to introduce this agenda item. She stated that staff has prepared a draft interim rule to handle those projects, particularly outpatient projects that will exceed the cost threshold and require CON review. The rule includes some attempts to shorten the timeframe for submission of applications and the review periods, and to increase the issuance of RFAs to quarterly. She explained that the Board could approve this rule, exempt these facilities from review as was suggested in the testimony on the previous agenda item, or hold off on any action until a facility came forward with such a project and requested that the Board approve an initial proposal of a rule within the 120-day timeframe pursuant to RSA 151-C:6. Board discussion ensued on the most appropriate route to pursue at this time. Mr. Spiess then made a motion to take no action on this rule at this time, in order to give further and due consideration as to how to qualify such facilities. Mr. Bridgham seconded the motion. All Board members voted in favor of the motion.

**6. Approve Interim Rules He-Hea 303.02, 303.03, 303.06, 303.09, 304.05 CON Application**

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item. She explained that similar to the interim rules for the NSR process, HSPR staff presents a draft interim rule in response to statutory changes that affect the CON review process and the newly needed information on the CON application form. Chair Grabowski asked if anyone present wished to comment on this rule. Ms. Susan Palmer-Terry came forward and suggested that the Board may want to consider forming a subcommittee to draft permanent rules for the CON review process in order to ensure that complete and comprehensive information will be obtained from applicants. There were no other public comments on the rule.

Board discussion ensued on the rule, with Mr. Brannen and Mr. Bridgham noting edits for correction. Mr. Brannen then made a motion to approve the draft interim rule with edits as suggested. Mr. Spiess seconded the motion. All Board members voted in favor of the motion and the interim rule was approved.

**7. NSR 13-35 Pleasant Valley Nursing Home, Derry, NH, Transfer of Ownership, \$0**

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item. Mr. Peck explained that Pleasant Valley Nursing Home of Derry, NH submitted form 301B for a transfer of operations that will take place regarding this facility involving a change in the lessee. Therefore, according to the applicant, there are no transactions costs. He further explained that ownership will change from THI of New Hampshire at Derry, LLC, to Pleasant Valley Operating Company, LLC. Mr. Peck stated finally that as a Medicare/Medicaid certified facility, under the Board's He-Hea 1200 rules, the proposal is not subject to CON review.

At this time, Mr. Andrew Eills, Legal Counsel and Ms. Cheryl Day, Administrator came forward to answer any Board questions. There were no Board questions or discussion. Mr. Spiess made a motion to approve NSR 13-35 for Pleasant Valley Nursing Home for a transfer of ownership. Mr. Bridgham seconded the motion and the Board voted unanimously to approve this agenda item.

8. **NSR 13-34 RiverMead CCRC, Peterborough, NH, Convert 6 Assisted Living Units to Nursing Beds, \$150,000**

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item. Ms. Carrier explained that an NSR request was received from RiverMead CCRC. She explained that as stated in the HSPR staff evaluation, CCRCs are allowed to add nursing beds as long as the total remains within the regulatory 1:4 ratio. Adding these 6 beds will bring the total at RiverMead to 37, which will be well under the approved total of 50 beds within the stated ratio. Further, because these beds are reserved exclusively for the residents of the CCRC, proposals for such fall outside of the statutory moratorium on CON applications. She added that the proposals are, however, subject to the statutory cost thresholds for the nursing home portion of the facility only. Ms. Carrier then stated that HSPR staff has determined that this proposal is eligible for an NSR determination due to the cost of the proposal.

Mr. Bridgham stated that this arrangement carves out a segment of long term care services in the State, and that he would like to hear the rationale for doing so. Chair Grabowski clarified that these beds will only accommodate their own residents to age in place. Mr. Spiess stated that economics dictate that CCRCs initially populate with younger people who won't immediately need nursing beds. Ms. Carrier explained that all the beds are private pay beds as they do not participate with Medicaid. Chair Grabowski asked when the Long Term Care Bed Need formula will be reviewed. Ms. Carrier replied that it is released in January of each year but that the moratorium prevents the Board from taking any action on any need identified in the formula. Chair Grabowski suggested that the staff place this discussion item in the Board's "parking lot" of items to address for future consideration.

Mr. Bridgham then made a motion to approve NSR 13-34 for RiverMead CCRC for the conversion of 6 assisted living units to nursing beds for a total of \$150,000. Mr. Spiess seconded the motion and this agenda item passed with a unanimous vote by the Board.

9. **NSR 13-36 Convenient MD, LLC, Establish Non-Emergency Walk-In Care Center, Merrimack, NH, \$975,000 (\$230,000 Equipment)**

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item. Mr. Peck stated that an NSR request was received from Convenient MD, LLC for the establishment of a non-emergency walk-in care center to be located in Merrimack, NH. Mr. Peck explained that this is the 4<sup>th</sup> such location for the applicant; the other facilities are located in Windham, Concord and Stratham; a 5<sup>th</sup> facility is planned for Bedford, NH and is the subject of the next agenda item. The HSPR staff evaluation requested additional information relative to the project, including a marketing or business plan used to determine project utilization/patient volumes; a clarification of the real estate owner as an affiliate; and a discussion of the terms of the lease. He explained that these may require conditions for NSR approval but pending receipt of the material and Board discussion, the project may be eligible for an NSR determination.

Mr. Gareth Dickens, President and Mr. Max Puyanik, CEO came forward to provide testimony at this time. Mr. Dickens provided a background on Convenient MD for the Board. He explained that they bill as a PCP does using a CMS1500 form which is 1/10th of the cost of a hospital emergency room. There is no facility fee. He clarified that there are no affiliated parties; the landlord is not related. He informed the Board that he had a copy of the lease if they wanted to review it. He stated that the cost is \$25 s.f. and it is for a 10-year initial term. Mr. Brannen asked staff how projects are determined as integrated projects for an applicant submitting projects for multiple locations. Ms. Carrier responded that the determination is made on a case by case basis. Mr. Peck clarified that because each facility has a separate license and location that the projects are viewed separately. Mr. Brannen asked how the market was determined. Mr. Dickens explained that they look at a 10 mile radius of hospitals and the ED utilization, as well as the availability of PCPs in the area. Further discussion ensued on demand for services and relative costs, as well as the procedures the facility employs during an emergency. Mr. Spiess asked whether the facility was staffed to provide primary care. Mr. Puyanik replied that it is not set up in that manner, but works with patients to assist them with finding a PCP when they walk out the door. The facility seeks to take the burden off PCPs for episodic events, as well as assist with care on nights and weekends.

Mr. Spiess then made a motion to approve NSR 13-36 for Convenient MD, LLC for the establishment of a non-emergency walk-in care center in Merrimack, NH at a total cost of \$975,000 with \$230,000 for equipment. Mr. Bridgham seconded the motion. All Board members voted in favor of the motion and this agenda item was approved unanimously.

10. **NSR 13-37 Convenient MD, LLC, Establish Non-Emergency Walk-In Care Center, Bedford, NH, \$1,114,000 (\$230,000 Equipment)**

**Discussion:** No introduction was performed on this agenda item as it was the same applicant as the previous agenda item and the projects are similar. Mr. Bridgham asked what the difference was between the two projects. Mr. Gareth Dickens, President, Convenient MD stated that the cost was a little higher due to the work that is needed. Mr. Spiess asked where the project is located. Mr. Dickens explained that it is to be located at the corner of Nashua Road and 101A.

Mr. Bridgham made a motion at this time to approve NSR 13-37 for Convenient MD, LLC for the establishment of a non-emergency walk-in care center in Bedford, NH at a total cost of \$1,114,000 with \$230,000 being used for equipment. Mr. Spiess seconded the motion. All Board members voted in favor of the motion and this agenda item was approved unanimously.

11. **NSR 13-38 Granite State Express Care, Establish Non-Emergency Walk-In Care Center, Rochester, NH, \$214,225**

**Discussion:** Ms. Carrier was asked to introduce this agenda item. She referred the Board to the enclosed request from Granite State Express Care, LLC (parent corporation Frisbie Memorial Hospital) for the establishment of a non-emergency walk-in care center to be located in Rochester, NH. The HSPR staff evaluation is attached, and requested that the applicant supply additional information relative to their marketing or business plan supporting projected utilization/patient volumes. Frisbie has supplied such material in response. She also stated that the staff recommends a condition to the NSR, if granted, that the applicant supply a signed copy of the lease once finalized.

Mr. Joe Shields, Vice President of Planning and Project Management at Frisbie, Ms. Paula Mahoney, Vice President Physician Practice Services and Mr. John Malmberg, esq., legal counsel came forward to provide testimony at this time. Mr. Shields explained that the proposal was similar to the Minute Clinics now in existence within the state. Mr. Bridgham asked about the hours of operation. Mr. Shields responded that the facility will be open 6am-4pm Monday through Friday and 8am – 6pm on Saturday. Mr. Brannen asked about the difference between this model and that of the one heard earlier in the agenda. Ms. Mahoney explained that this facility does not include any radiology or lab services, and provides more limited services by using a nurse practitioner for persons with lower acuity levels needing some care or treatment. Mr. Bridgham inquired whether there will be some competition for the ED. Mr. Shields replied that there may be some competition but the goal is to off load the care being provided at an inappropriate setting such as the ED. Other discussion ensued regarding treatment costs and access to physician practices. Mr. Spiess then made a motion to approve NSR 13-38 for Granite State Express Care for the establishment of a non-emergency walk-in care center in Rochester at a total cost of \$214,225. Mr. Bridgham seconded the motion. All Board members voted in favor of the motion and this agenda item was unanimously approved.

**12. NSR 13-39 Granite State Lab, Establish Free Standing Independent Lab, Rochester, NH, \$122,170**

**Discussion:** Ms. Carrier was asked to introduce this agenda item. She referred the Board to the enclosed NSR request from Granite State Lab (parent corporation Frisbie Memorial Hospital) for the establishment of a free standing independent lab to be located in Rochester, NH. This facility will be located in the same building as the Granite State Express Care entity previously approved as agenda item #11. The HSPR staff evaluation requested that the applicant supply additional information relative to their marketing or business plan supporting projected utilization/patient volumes, and Frisbie has complied accordingly. She stated that the staff also recommends a condition to the NSR, if granted, that the applicant supply a signed copy of the lease once finalized.

Mr. Shields, Ms. Mahoney and Mr. Malmberg remained at the table to provide testimony. Mr. Brannen asked whether the facility will perform testing. Mr. Shields replied that it will provide testing, and that specimens will be delivered to the hospital lab for testing either by the lab itself or with a hospital-contracted entity. With no other discussion, Mr. Spiess made a motion to approve NSR 13-39 for Granite State Lab for the establishment of a free standing independent lab to be located in Rochester, NH. Mr. Brannen seconded the motion. All Board members voted in favor of the motion and this agenda item was unanimously approved.

**13. NSR 13-40 BASC Imaging, Establish Medical Imaging Center for MRI, Bedford, NH, \$350,000**

**Discussion:** Ms. Carrier was asked to introduce this agenda item. She referred the Board to enclosed NSR request from the Bedford Ambulatory Surgery Center (BASC), for the establishment of a medical imaging center to be attached to the BASC facility in Bedford, NH for the provision of open, bore-less MRI services. The unit will be leased from the manufacturer and therefore will result in no equipment costs. Construction and fit out of the building will total \$352,250. The HSPR staff evaluation requests additional information relative to the project, including a marketing or business plan used to determine project utilization/patient volumes, and a clarification of the real estate owner as an affiliate. This information has been supplied by the applicant. The staff also recommends a condition to the NSR, if granted, that the applicant

supply a copy of both the MRI unit lease and the property lease upon signature, and an additional condition that the applicant supply proof of unit registration with the NH Bureau of Radiological Health. Pending receipt of the material and Board discussion, the project may be eligible for an NSR determination.

Ms. Sue Majewski, COO at BASC, Ms. Sharon Worsham, Business Development and Marketing Manager at BASC, Ms. Linda Peruzzi, Consultant and Mr. Ken Bartholomew, Esq. Legal counsel came forward to provide testimony on this proposal. Ms. Worsham also provided a handout to the Board regarding the MRI unit contemplated for this proposal. Ms. Majewski provided an overview of the project, and stated that the bore-less MRI unit would be the first in the area – the closest units are in Concord, NH and Chelmsford, MA. She explained that the Hitchachi MRI unit will be leased and the fit up costs are included in the project costs. Mr. Brannen asked about the volume assumptions made to determine unmet demand for the service. Ms. Majewski responded that BASC does not consider Concord as part of its market area, and explained that the unit will more ably accommodate bariatric patients and that it has an affiliation with Catholic Medical Center which is a Center of Excellence for such patients. She also stated that they estimate a volume projection of 1500 scans per year or 5-6 per day. Further discussion ensued regarding charges.

Mr. Bridgham then made a motion to approve NSR 13-40 to BASC Imaging for the establishment of a medical imaging center for MRI in Bedford, NH at a total cost of \$350,000. Mr. Brannen seconded the motion. All Board members voted in favor of the motion and this agenda item was unanimously approved.

#### **14. Board Report – State Health Plan Development (RSA 151-C:4-a)**

**Discussion:** Mr. Spiess provided an update on the development of the State Health Plan for the audience, and stated that at the November meeting the subcommittee took in a 40,000-foot view of available data and information, and in December saw more specific examples of data as provided by the Citizens Health Initiative and the Department of Insurance. In January 2014 the group will attend the meeting in Keene to hear about the work Cheshire Medical Center has performed regarding cost reductions, as well as a report on Healthy Monadnock 2020, and a presentation by the Division of Public Health Services. In February 2014 he hopes to begin work on areas of focus for the plan. Ms. Grabowski thanked Mr. Spiess for taking the time to chair this subcommittee.

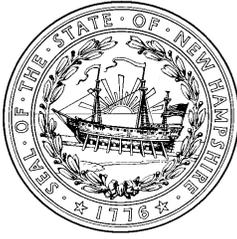
#### **15. Other Administrative Business**

Chair Grabowski asked Mr. Peck to explain the other business to the Board. Mr. Peck stated the following:

- The next State Health Plan meeting is scheduled for January 3, 2014.
- The next Board meeting is scheduled for Thursday, January 16, 2014, and will be located at Lakes Region General Hospital in conjunction with a tour of the facility as part of its CON application submitted in response to the August 1, 2013 RFA for acute care construction and renovation projects.
- Some time ago, the Board directed HSPR staff to develop an NSR “short form” for those requests involving very minor projects that would not require extensive review. A copy of this form was provided. While the idea of a brief form sounded right, HSPR staff has found that the form is being often used by applicants for the establishment of new



## HEALTH SERVICES PLANNING AND REVIEW



January 16, 2014

9:30 a.m.

Board Meeting

Lakes Region General Hospital  
Conference Rooms 1A and B  
80 Highland Street, Laconia, NH

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**Meeting called by:** Ms. Debra Grabowski, Chair      **Note Taker:** HSPR Staff

**Type of meeting:** Certificate of Need - Board Meeting

**Attendees:** Mr. Tyler Brannen, Mr. Robert Bridgham, Ms. Debra Grabowski,  
Ms. Katja Fox, Mr. Paul Spiess

**Staff Members:** Ms. Cindy Carrier, Mr. Paul Lakevicius, Ms. Angel McFetridge,  
and Mr. Jeffery Peck

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Chair Grabowski brought the meeting to order at 9:30 a.m. She welcomed the audience and the Board to the meeting and asked that anyone planning to testify to any of the agenda items come forward as staff introduces that item in order to better facilitate the meeting.

### 1. Approve December 10, 2013 Board Meeting Minutes

**Discussion:** Chair Grabowski introduced this agenda item. She briefly stated that the Board meeting minutes from the December 10, 2013 Board meeting needed to be approved.

Ms. Fox made a motion at this time to approve the December 10, 2013 Board meeting minutes. Mr. Bridgham seconded the motion. All Board members voted unanimously to approve the minutes.

At this time, Chair Grabowski requested that Staff member Ms. Carrier perform a swear-in for those persons intending to testify before the Board that day. Ms. Carrier did so and also thanked LRGH for hosting the Board meeting at their facility.

### 2. Approve Findings of Fact, CON MRI 13-01 Shields Healthcare \$500,000

**Discussion:** Chair Grabowski asked Mr. Lakevicius to introduce this agenda item. Mr. Lakevicius stated that the Board denied Shields Healthcare a Certificate of Need (CON) at the December 10, 2013 meeting. The findings supporting the Board's decision need the Board's approval.

Mr. Bridgham then made a motion to approve the findings for CON MRI 13-01 for Shields Healthcare. Mr. Spiess seconded the motion and all Board members voted in favor; this agenda item was passed unanimously.

### **3. Determine February 1, 2014 Inpatient Psychiatric RFA**

**Discussion:** Chair Grabowski asked Mr. Lakevicius to introduce this agenda item for the Board. Mr. Lakevicius explained that a Request for Applications (RFA) is due to be issued on February 1, 2014 for acute psychiatric inpatient beds pursuant to He-Hea 802.01(f). He added that the Board must determine whether a need exists for additional psychiatric inpatient beds in order to issue an RFA pursuant to He-Hea 804.01. HSPR staff has performed this calculation and a need for 158 additional beds is indicated. He stated that HSPR has identified some conditions that the Board may want to consider including: Priority for an application from an applicant proposing to locate the additional beds in an acute care hospital to secure coordination of patient care, pursuant to He-Hea 805.01(b); and any other conditions or restrictions as warranted.

Ms. Carrier reminded the Board of Parkland Medical Center's NSR and intent to file an application to add two beds. Mr. Spiess then asked about the current moratorium in place. Ms. Carrier clarified that the moratorium is for nursing homes and rehab facilities only.

Mr. Bridgham made a motion at this time to issue the RFA for Acute Inpatient Psychiatric services effective February 1, 2014 with the condition of a priority for an application from an applicant proposing to locate the additional beds in an acute care hospital to secure coordination of patient care, pursuant to He-Hea 805.01(b). Ms. Fox seconded the motion. All Board members voted in favor of the motion and this agenda item was passed unanimously.

### **4. NSR 13-41 Wentworth Douglass Hospital, Establish Outpatient Clinic in Dover, NH, \$924,404**

**Discussion:** Chair Grabowski asked Mr. Lakevicius to introduce this agenda item. Mr. Lakevicius stated that an NSR request was received from Wentworth Douglass Health System for the establishment of an outpatient clinic to be located near the hospital in Dover, NH. He stated that HSPR's staff evaluation requested additional information relative to the project, including a marketing or business plan used to determine project utilization/patient volumes; a clarification of the real estate owner as an affiliate; and a discussion of the terms of the lease. He added that these may require conditions for NSR approval.

Mr. Jeffery Hughes, VP Strategic Planning and Mr. Daniel Dunn, Senior VP of Operations, came forward at this time. Mr. Dunn gave a brief background on the project. He explained that the lease arrangement is with an independent landlord and stated that the project is similar to their Lee urgent care center. Mr. Spiess asked if the real estate owner is a third party. Mr. Dunn stated it is. Mr. Brannen questioned the staffing model. Mr. Hughes explained that WDH will re-deploy existing staff and the center will be physician led and will use nurse practitioners as well as LNAs. Mr. Bridgham asked how successful their model has been. Mr. Dunn stated that it has been very successful. Ms. Fox asked if the proposed primary care practice is already on site. Mr. Dunn explained that it is not and that it will open close to the same time as the outpatient clinic. Ms. Fox referenced the Lee facility and asked why it was not on the project list provided by staff. Mr. Hughes stated that they had a previous CON for the Lee facility. Ms. Fox asked where the ASC is located. Mr. Dunn answered that it is in Somersworth. Ms. Grabowski asked if the clinic will be operating as a department of the hospital and if hospital rates will be charged. Mr. Hughes replied that their goal is to provide care at a lower price point but the decision hasn't been finalized. Ms. Fox asked if they had a signed lease yet. Mr. Dunn replied

that yes they do. Ms. Fox questioned the business plan and Mr. Spiess asked if they could provide a history on the Lee facility. Mr. Hughes stated that they are happy to provide any additional information.

Mr. Spiess made a motion at this time to approve NSR 13-41 for Wentworth-Douglass Hospital to establish an Outpatient Clinic in Dover, NH for \$924,404. Mr. Brannen seconded the motion. All Board members voted unanimously to approve this agenda item.

At this time, Chair Grabowski identified a procedural issue regarding an email received by Mr. Brannen and asked Mr. Brannen to explain. He stated that he had sent an email to Board members expressing his concern over the many urgent care centers to be considered by the Board. He stated that no outside discussion took place on the email and that he had not intended it to be outside of the public record. He then read into record an email that he sent to HSPR staff and other Board members the previous day outlining his concerns regarding urgent care centers. The email read as follows:

**Hello,**

**I just wanted to give you a heads up that I'm going express significant concern with the urgent care centers requests for NSR on the HSPR agenda for tomorrow. Hopefully, you will have time to consider my perspective, and we can have a more thoughtful discussion at the meeting. I'm also likely to make a motion that we table a vote on the requests for NSR until rules are in place.**

**At the last meeting we discussed developing a set of rules that would potentially include urgent care centers. If we just vote NSR for all the projects, the rules become a lot less relevant...**

**Considered together, these projects are millions of dollars. In addition to the leasing and equipment costs, we cannot forget the staff costs. Professional staff costs are probably the most significant component associated with the projects (even if not subject to CON). Additionally, I understand many of these chains require their professional staff to sign contracts that include a non-compete clause if the staff person leaves the organization. This results in an inefficiency within the provider market, and may lead to a loss of productive resources and an increase in costs overall.**

**ConvenientMD explained that they move into geographic areas where there would be a price advantage to consumers because the alternative is a hospital based center (with professional and institutional billing), but I can think of examples where they would be in close proximity to similar urgent care centers that bill for only professional services (e.g. Merrimack). So, either the statements were ill prepared, or intentionally misleading.**

**We heard ConvenientMD compare themselves to hospital based providers, but I believe many of the services they provide would be/could be delivered in a primary care providers' office. Moving those services to an urgent care center with radiology/laboratory services available may increase costs, creates an incentive to utilize ancillary services, and may not be the best way to improve access to primary care. Since these organizations are independent, they are less likely to be part of an ACO or other provider risk bearing arrangement, so their revenues would be tied entirely to fee-for-service medicine.**

**I'm not convinced the urgent care centers should be considered separate projects just because they exist at separate addresses. I think in the same way we would evaluate the need for different services associated with a project at one site, we should also consider the need for an urgent care system like this from a focused geographic area or even a state perspective. Certainly, that is the way we going to fund these centers through our health insurance premiums and taxes.**

**Despite my comments above, I believe utilizing urgent care centers is an effective way to introduce more price competition in the delivery system, improve access to primary care services, and give consumers more choices. I just think we need to recognize that there is a point where the benefits have having dozens of centers may outweigh the costs, and we need to figure out how to determine when that is the case.**

Board discussion ensued at this time. Mr. Spiess thanked Mr. Brannen for his thoughtful comments and stated that he suspected this is the tip of the iceberg. He noted that there are further implications to be realized in terms of cost, size and competitive structure. Ms. Carrier noted that the Board's statute requires separate review based on licensing location and cost – this is supported by RSA 151-C:13, I (f). Ms. Fox stated that the Board should not be surprised by the submissions due to the legislated date. Mr. Bridgham agreed and stated that this is a good consideration for the State Health Plan. Mr. Spiess and Mr. Brannen agreed.

Hearing no further discussion, Chair Grabowski proceeded with the next agenda item.

**5. NSR 13-43 ClearChoiceMD, LLC, Establish Urgent Care Center in Claremont, NH, \$738,750/\$245,000 Equipment**

**Discussion:** Ms. Carrier was asked to introduce this agenda item. She explained that ClearChoiceMD, LLC submitted an NSR request for the establishment of a non-emergency walk-in care center (urgent care) to be located in Claremont, NH. This is the 1<sup>st</sup> of 5 such facilities for the applicant; the other facilities are proposed to be located in Portsmouth, Keene, Belmont and Hillsborough, and are the subjects of the next agenda items. She added that the HSPR staff evaluation of this project requests additional information relative to the project, including a marketing or business plan used to determine project utilization/patient volumes; a clarification of the real estate owner as an affiliate; and a discussion of the terms of the lease. These may require conditions for NSR approval. Pending receipt of the material and Board discussion, the project may be eligible for an NSR determination.

Dr. Mark Hampers, CEO and Co-Owner, Mr. Michael Porembski, President and COO, Mr. Kenneth Bartholomew, Legal Counsel for the Keene facility and Mr. Andrew Eills, Legal Counsel for the other 4 facilities came forward at this time. Dr. Hampers provided a background on the proposed project. He stated that NH's experience is relatively modest compared to other states and that NH is one of 2 states that require licensure of these type of facilities. He added that competition forces companies to compete on quality. Mr. Spiess asked about the population reach. Mr. Porembski replied that they hired an urgent care demographer and looked at a 10-mile radius. He added that they are looking at areas that are relatively undeveloped. Mr. Brannen asked how many patients a day they will have to see to break even. Mr. Porembski stated that they would need to see 25-30 over 12 hours. Ms. Fox asked if they will enroll with Medicaid and MCOs. Mr. Porembski responded that they will enroll in all 3 MCOs if possible. Mr. Bridgham stated that in 2 of the proposed areas another center is also being proposed and asked if this will affect viability. Dr. Hampers responded that it will not and that there is sufficient population to handle 2 centers. Chair Grabowski asked what the timeline is for completing the

plans. Dr. Hampers stated that they have an ambitious growth plan and all of the centers will be constructed simultaneously as they have a contractor lined up. Chair Grabowski asked if they have relationships with licensed facilities in the area. Dr. Hampers explained that they will work on mutually beneficial relationships with the hospitals. Mr. Bridgham asked what kind of relationship they will have with primary care practices. Mr. Porembski stated that they will not harm primary care physicians. They will have EMR's and can send the record to the PCP. Mr. Brannen asked how many exam rooms will be at each site. Dr. Hampers answered that there will be 10 – 12 in various sizes. Attorney Eills added that Dr. Hampers is happy to be involved in the upcoming rule change discussions and any state health plan discussions.

Chair Grabowski asked if there was any public testimony at this time. Mr. Peter Wright, President and CEO of Valley Regional Hospital (VRH) came forward. Mr. Wright explained that Claremont is the 2<sup>nd</sup> poorest community in NH. He stated that ClearChoice has not contacted VRH and if they had they would know that VRH was also planning an Urgent Care Center. He added that existing resources should be used to maximize efficiency. He stated that he does believe in competition but this model has not been tested in this area of the state. Mr. Wright stated that VRH has relationships with Mt. Ascutney, New London, Alice Peck Day and Mary Hitchcock Memorial Hospital to coordinate resources. He stated 12% of patients are uninsured and that there hasn't been enough planning or collaboration, and if the center fails the hospital will have to deal with the fallout.

Mr. Brannen asked if VRH is worried about these centers drawing patients with a higher ability to pay. Mr. Wright replied probably not. Mr. Bridgham asked how the center will affect billing and staffing in the ER. Mr. Wright stated that it will affect revenue but those patients are lower acuity than needed for emergency services. He added that VRH has existing space available for an urgent care center and staffing available, but is worried about the planning and coordination aspects.

Dr. Michael Lynch, Emergency Physician at Concord Hospital then came forward to provide testimony. Dr. Lynch stated that he shares the same thoughts as Mr. Wright. NH has a small population with many healthcare providers per capita. He added that this will take money from existing providers. He stated his concern of the \$1.4 million dollars and the 200,000 visits these centers will take from existing providers; Concord Hospital will feel the impact of this.

Dr. Christopher Fore, President, Concord Emergency Medical Associates came forward at this time. Dr. Fore stated that he believes in the free market. He stated that this will affect the payor mix. Mr. Spiess asked if he can compete. Dr. Fore replied yes, but the evolution has been quick. The market is changing rapidly; the hospital has to realign resources to compete. He added that NH needs to be careful about introducing a lot of for-profit entities into the healthcare of the state. Mr. Brannen asked if they had to price services to compete what would be the greatest loss. Dr. Fore responded that it's a challenge to de-couple related services. Mr. Spiess stated that hospitals are linked with primary care and it keeps the population within the loop. He added competition forces hospitals to look at their operations, which is a good thing. Ms. Fox stated that the State Health Plan meetings is a good place to continue these discussions and bring all parties to the table, including hospitals, urgent care centers, etc.

Mr. Spiess made a motion to approve NSR 13-43, ClearChoiceMD, LLC to establish an Urgent Care Center in Claremont, NH for \$738,750 and \$245,000 for equipment with the condition that ClearChoice provide a copy of their lease and business plan. Mr. Bridgham seconded the motion and all Board members voted in favor of the motion; thus, this agenda item was passed unanimously.

**6. NSR 13-44, ClearChoiceMD, LLC, Establish Urgent Care Center in Portsmouth, NH, \$380,325/\$225,000 Equipment**

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item. Ms. Carrier stated that this request is essentially the same as the previous agenda item but the location is in Portsmouth, NH and the dollar amount is different as well.

Mr. Michael Porembski, President and COO explained that the differences in cost are the result of locations and rental rates.

Mr. Spiess made a motion to approve NSR 13-44, ClearChoiceMD, LLC to establish an Urgent Care Center in Portsmouth, NH for \$380,325 and \$225,000 for equipment charges with the condition that ClearChoice provide a copy of their lease and business plan. Mr. Bridgham seconded the motion and all Board members voted in favor of the motion; thus, this agenda item was passed unanimously.

**7. NSR 13-45, ClearChoiceMD, LLC, Establish Urgent Care Center in Keene, NH, \$465,675/\$245,000 Equipment**

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item. Ms. Carrier stated that this request is essentially the same as the previous agenda item but the location is in Keene, NH and the dollar amount is different as well.

Mr. Bridham made a motion to approve NSR 13-45, ClearChoiceMD, LLC to establish an Urgent Care Center in Keene, NH for \$465,675 and \$245,000 for equipment with the condition that ClearChoice provide a copy of their lease and business plan. Mr. Spiess seconded the motion and all Board members voted in favor of the motion; thus, this agenda item was passed unanimously.

**8. NSR 13-46, ClearChoiceMD, LLC, Establish Urgent Care Center in Belmont, NH, \$560,475/\$245,000 Equipment**

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item. Ms. Carrier stated that this request is essentially the same as the previous agenda item but the location is in Belmont, NH and the dollar amount is different as well.

Mr. Spiess made a motion to approve NSR 13-46, ClearChoiceMD, LLC to establish an Urgent Care Center in Belmont, NH for \$560,475 and \$245,000 for equipment with the condition that ClearChoice provide a copy of their lease and business plan. Mr. Bridgham seconded the motion and all Board members voted in favor of the motion; thus, this agenda item was passed unanimously.

**9. NSR 13-47 ClearChoiceMD, LLC, Establish Urgent Care Center in Hillsborough, NH, \$522,500/\$245,000 Equipment**

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item. Ms. Carrier stated that this request is essentially the same as the previous agenda item but the location is in Hillsborough, NH and the dollar amount is different as well.

Mr. Bridgham made a motion to approve NSR 13-47, ClearChoiceMD, LLC to establish an Urgent Care Center in Hillsborough, NH for \$522,500 and \$245,000 for equipment charges with the condition that ClearChoice provide a copy of their lease and business plan. Mr. Spiess seconded the motion and all Board members voted in favor of the motion; thus, this agenda item was passed unanimously.

Chair Grabowski allowed for a 10-minute break at this time. She called the Board back to order at 11:05.

**10. NSR 13-48 Monadnock Community Hospital, Peterborough, NH, Renovations to Obstetrics Department, \$704,448/\$225,000 Equipment**

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item. Ms. Carrier explained that Monadnock Community Hospital (MCH) of Peterborough, NH, submitted an NSR request for renovations to its Obstetrics Department of the hospital. She added that according to the applicant, the project was included as new construction in CON AC 06-06 but was later removed from the project due to financial re-assessment of that project which resulted in a Change of Scope reducing the total project. Ms. Carrier added that the space has not been upgraded since it was opened in 1993. MCH has now opted for a renovation project rather than new construction. She explained that the cost is below the statutory threshold for hospitals (\$3,047,180); therefore, HSPR staff concludes that the project is eligible for an NSR determination. HSPR Staff requested that MCH further address the need for the project at this time.

At this time, Ms. Elizabeth Kester, RN, Manager, Women and Children's Health Services and Mr. John Malmberg, Esquire came forward. Attorney Malmberg provided a brief history and explained that the hospital scaled back a 2006 project that included obstetrics. Ms. Kester stated that the unit was built in 1993 and the project will upgrade security and workstations, standardize supply rooms and reconfigure patient rooms. Mr. Brannen asked what percent of volume is obstetrics. Ms. Kester replied that MCH does at least 350 births a year and is equal to 10% of inpatient days.

Mr. Bridgham made a motion at this time to approve NSR 13-48 for Monadnock Community Hospital in Peterborough, NH for renovations to its obstetrics department for a total of \$704,448 and \$225,000 equipment. Mr. Spiess seconded the motion and all Board members voted in favor of the motion and all Board members voted in favor of the motion; thus, this agenda item was passed unanimously.

**11. NSR 13-49 Maplewood Nursing Home, Westmoreland, NH, Shower Room Renovations, \$17,224**

**Discussion:** Mr. Peck was asked to introduce this agenda item. Mr. Peck stated that Maplewood Nursing Home (Cheshire County) submitted an NSR request for renovations to an existing shower room. He explained that the renovations include the removal of two complete walls, two inside walls, and rebuilding of such with new fixtures, floor and wall tile and door frames. The room is to remain in the same configuration and size (5' 2" x 11' 10"). Mr. Peck then explained that since the cost is well below the statutory threshold of \$2,031,454, HSPR staff concludes that the project is eligible for an NSR determination. He added that Maplewood has not had any other projects come before the HSPR Board in the past 5 years. Mr. Peck let

the Board know that HSPR staff did not ask representatives from Maplewood to attend the Board meeting due to the low dollar amount for the project.

Mr. Spiess made a motion to approve NSR 13-49 for Maplewood Nursing Home in Westmoreland, NH for shower renovations at a total cost of \$17,224. Ms. Fox seconded the motion. All Board members voted in favor of the motion and this agenda item was passed unanimously.

**12. NSR 14-01 Convenient MD, LLC, Establish Non-Emergency Walk-In Care Center, Londonderry, NH \$735,000/\$107,000 Equipment**

**Discussion:** Mr. Peck was asked to introduce this agenda item. Mr. Peck stated that 7 requests were received from ConvenientMD, LLC for the establishment of non-emergency walk-in care centers to be located in: Londonderry; Nashua – Broad Street; Amherst; Keene; Portsmouth; Dover; and Nashua – Amherst Street. Mr. Peck explained that HSPR staff prepared separate evaluations for each request and additional information has been requested for each, along with recommended conditions as applicable. He stated that because the facilities require separate licenses, they need to be considered separately by the Board. He added that all the proposals can be eligible for an NSR determination once discussed. He then stated that the Board will hear the Londonderry proposal first.

At this time, Mr. Gareth Dickens, President and Mr. Max Puyanac, CEO of ConvenientMD, LLC came forward to provide testimony. In response to Board member Brannen's email and the Board discussion on Urgent Care Center rules, Mr. Dickens stated that he disagrees that urgent care is not well integrated. He provided 2 letters of support from primary care physicians (PCPs) in the Windham market that Convenient MD works with. Mr. Puyanac read the letters into the record; the first letter was from Dr. Peterson at Londonderry Pediatrics and the second letter from Dr. Schiavoni at Southern NH Internal Medicine. Mr. Dickens stated that NH has a shortage of PCP's and Convenient MD sets patients up with a PCP. He added that they invest a lot into the communities that they do business in. He stated that the 2<sup>nd</sup> largest payor in Concord is Medicaid. He stated that they are happy to participate in the Board's discussions regarding Urgent Care Center rules, etc. He noted that Convenient MD provides free flu shots and that they also work with school nurses. Mr. Dickens explained that their facilities are a standard 5,000 sf. with a minimum of 48 feet storefront. He stated that the only difference in the requests is the Amherst Street, Nashua, NH location as it's a land lease and Convenient MD is constructing the building.

Mr. Dickens spoke to the issue of the proposed costs being higher than the Marshall and Swift valuation services estimate as noted in the HSPR staff evaluation. He stated that the site work is more extensive. Mr. Spiess asked what Medical Records (EMR) system they use. Mr. Dickens responded that they use Docu Tap. Mr. Puyanac added that different (EMR) systems don't interact well together. Mr. Bridgham asked if the the Amherst Street location was chosen because there's no existing building available. Mr. Puyanac stated that he is correct; Convenient MD needs a specific footprint so they will build their own building. Mr. Spiess asked if they can provide the Board with Market parameters and provide the standard layout to staff. Mr. Dickens explained that they have a proprietary model and they look at population, employment, drive times, ER utilization, primary care providers, whether they are taking new patients, and wait times for appointments. Ms. Fox asked if they would be going to the Northern areas. Mr. Puyanac stated that they would like to pursue but that they are starting with busier facilities and most doctors employed are ED physicians who wouldn't be able to do this in a small market.

Mr. Spiess stated that the average cost reimbursement model is \$140 per visit and asked what the break even point is. Mr. Dickens stated that 25-30 patients a day is the break even point. Mr. Brannen asked the difference between Convenient MD and the ClearChoice model. Mr. Puyanik stated that they are similar and that Dr. Hampers is an excellent physician and will do an excellent job. He added that Convenient MD is very consistent as far as the footprint and square footage. All doctors have worked in emergency medicine. Chair Grabowski asked the distance between the Londonderry and Windham location. Mr. Puyanik answered that it is about 5 miles away. Mr. Dickens stated that the Windham facility will reach capacity at some point and this will help maintain a higher standard of care and reduce wait times. Chair Grabowski asked if there were only 2 centers open currently. Mr. Puyanik stated that there are 2 open and that they are relying on landlords to fit up the facilities, dealing with planning boards and going through the licensing process. Chair Grabowski asked if the other facilities will open at the same time. Mr. Dickens explained that they will be developing and opening them simultaneously. Chair Grabowski then asked if they have an exit plan if a location fails. Mr. Dickens stated that they planned very carefully and with multiple sites one can offset another. Chair Grabowski asked if they have investors. Mr. Dickens stated that they do. He added that the investors are in NY, Chicago and the West Coast and will not be landlords.

Ms. Fox made a motion to approve NSR 14-01 for ConvenientMD for the establishment of a non-emergency walk in care center in Londonderry, NH for a cost of \$735,000 and \$107,000 for equipment with a condition to provide a copy of the signed lease and to share marketing parameters. Mr. Spiess seconded the motion. All Board members voted in favor of the motion and this agenda item was passed unanimously.

**13. NSR 14-02 ConvenientMD, LLC, Establish Non-Emergency Walk-In Care Center, Broad Street, Nashua, NH \$735,000/\$107,000 Equipment**

**Discussion:** No introduction was made on this agenda item as it was covered in the introduction to agenda item 12.

Mr. Bridgham made a motion to approve NSR 14-02 for ConvenientMD for the establishment of a non-emergency walk in care center on Broad Street, Nashua, NH for a cost of \$735,000 and \$107,000 for equipment with a condition to provide a copy of the signed lease and to share marketing parameters. Mr. Spiess seconded the motion. All Board members voted in favor of the motion and this agenda item was passed unanimously.

**14. NSR 14-03 ConvenientMD, LLC, Establish Non-Emergency Walk-In Care Center, Amherst, NH \$760,000/\$107,000 Equipment**

**Discussion:** No introduction was made on this agenda item as it was covered in the introduction to agenda item 12.

Ms. Fox made a motion to approve NSR 14-03 for ConvenientMD for the establishment of a non-emergency walk in care center in Amherst, NH for a cost of \$760,000 and \$107,000 for equipment with a condition to provide a copy of the signed lease and to share marketing parameters. Mr. Spiess seconded the motion. All Board members voted in favor of the motion and this agenda item was passed unanimously.

**15. NSR 14-04 ConvenientMD, LLC, Establish Non-Emergency Walk-In Care Center, Keene, NH \$735,000/\$107,000 Equipment**

**Discussion:** No introduction was made on this agenda item as it was covered in the introduction to agenda item 12.

Mr. Bridgham made a motion to approve NSR 14-04 for ConvenientMD for the establishment of a non-emergency walk in care center in Keene, NH for a cost of \$735,000 and \$107,000 for equipment with a condition to provide a copy of the signed lease and to share marketing parameters. Mr. Brannen seconded the motion. All Board members voted in favor of the motion and this agenda item was passed unanimously.

**16. NSR 14-05 ConvenientMD, LLC, Establish Non-Emergency Walk-In Care Center, Portsmouth, NH \$735,000/\$107,000 Equipment**

**Discussion:** No introduction was made on this agenda item as it was covered in the introduction to agenda item 12. Mr. Brannen asked what impact the competition in Portsmouth will have on them. Mr. Puyanik stated that there should be plenty of volume to support both facilities but if not successful after a few years that they would leave the market.

Mr. Spiess made a motion to approve NSR 14-05 for ConvenientMD for the establishment of a non-emergency walk in care center in Portsmouth, NH for a cost of \$735,000 and \$107,000 for equipment with a condition to provide a copy of the signed lease and to share marketing parameters. Mr. Brannen seconded the motion. All Board members voted in favor of the motion and this agenda item was passed unanimously.

**17. NSR 14-06 ConvenientMD, LLC, Establish Non-Emergency Walk-In Care Center, Dover, NH \$865,000/\$107,000 Equipment**

**Discussion:** No introduction was made on this agenda item as it was covered in the introduction to agenda item 12.

Mr. Bridgham made a motion to approve NSR 14-06 for ConvenientMD for the establishment of a non-emergency walk in care center in Dover, NH for a cost of \$865,000 and \$107,000 for equipment with a condition to provide a copy of the signed lease and to share marketing parameters. Mr. Spiess seconded the motion. All Board members voted in favor of the motion and this agenda item was passed unanimously.

**18. NSR 14-07 ConvenientMD, LLC, Establish Non-Emergency Walk-In Care Center, Amherst Street, Nashua, NH \$1,879,858/\$107,000 Equipment**

**Discussion:** No introduction was made on this agenda item as it was covered in the introduction to agenda item 12. Mr. Spiess asked the specific location of the proposed Urgent care center and Mr. Puyanik stated that it is located where Building 19 was. Mr. Brannen asked the proximity of the Amherst and Nashua locations. Mr. Puyanik stated that the Nashua locations are 3 miles apart and the Amherst location is 5 miles away.

Mr. Spiess made a motion to approve NSR 14-07 for ConvenientMD for the establishment of a non-emergency walk in care center on Amherst Street in Nashua, NH for a cost of \$1,879,858

and \$107,000 for equipment with a condition to provide a copy of the signed land lease and to share marketing parameters. Mr. Bridgham seconded the motion. All Board members voted in favor of the motion and this agenda item was passed unanimously.

**19     NSR 14-08 Seacoast Orthopedics & Sports Medicine, Replace MRI Equipment**  
**\$398,897/\$5,000 Other**

**Discussion:** Ms. Carrier swore in Mr. Carlos Gonzales as he was not present at the start of the meeting when she performed the initial swear-in earlier in the day. Chair Grabowski asked Mr. Peck to introduce this agenda item. Mr. Peck stated that Seacoast Orthopedics and Sports Medicine submitted an NSR request to replace its MRI unit. He explained that the HSPR staff evaluation of this request asks for additional information relative to the project, as well as a recommended condition that the applicant supply a final invoice to document the unit cost before operation.

Mr. Ken Bartholemew, Esquire, Legal Counsel and Mr. Carlos Gonzales, Practice Administrator for Seacoast Orthopedics and Sports Medicine came forward at this time. Mr. Gonzales briefly explained the proposed project to the Board. He stated that the existing unit will be sent to Chicago for upgrades and they will be retaining the same magnet. He added that they will rent a unit for a month while the unit is being upgraded. Mr. Brannen asked how long it had been since upgrades have been done. Mr. Gonzales stated that it has been 10 years. Mr. Spiess asked the current utilization. Mr. Gonzales stated that utilization is about 90% with 9 scans a day.

Mr. Spiess then made a motion to approve NSR 14-08 for Seacoast Orthopedics and Sports Medicine for the replacement of their MRI equipment with a total cost of \$398,897 and \$5,000 in other costs with the condition that they provide a final cost invoice for the proposed unit. Mr. Bridgham seconded the motion and all Board members voted in favor of the motion; thus, this agenda item was passed unanimously.

**Other Business**

- 20.     Other Administrative Business**
- **Review of Nursing Home Bed Need Formula**
  - **Review CON Project Status Report**

**Other Administrative Business**

Chair Grabowski asked Mr. Peck to explain the other business to the Board. Mr. Peck stated the following:

- HSPR staff presents the 2014 Nursing Home Bed Need Calculation for consideration and review. Mr. Spiess asked if the Board could request a waiver of the moratorium for certain communities with a significant variance. Mr. Peck replied that it could not under the existing law. Mr. Brannen asked the reason for the moratorium. Ms. Fox stated that it is to move toward community based care. Mr. Bridgham stated that the State Health Plan should address this as well.

- HSPR staff presents its semi-annual CON Project Status report of all open CON projects and the costs associated with such.
- The next State Health Plan meeting is scheduled for January 24, 2014. The meeting from 1/3 at Cheshire Medical Center was rescheduled to 1/24/14 and the Board will hear from Dr. Montero regarding the State Health Plan Improvement Plan as well as from the Healthy Monadnock 2020 plan.
- The next Board meeting is scheduled for Thursday, February 20, 2014, and will be located at the Department of Health and Human Services, 29 Hazen Drive.
- The CON LTC 13-02 THI application is in formal review and copies have been passed out for the Board to take home for review. The public hearing will take place in March 2014.

Chair Grabowski stated that Mr. Bridgham will chair the rulemaking subcommittee. Ms. Carrier stated that the interim rules are on the JLCAR consent agenda for 1/17/14 and if approved will stay on the books for 6 months.

Mr. Bridgham made a motion to inflate the CON Cost Thresholds value with the 2014 factor once received. Mr. Spiess seconded the motion and all Board members voted in favor; thus, the motion was unanimously approved.

Ms. Carrier stated that a hearing for HB1539 to end the CON program in June 2015 is scheduled for January 21, 2014 at 2:30 in Room 205 at the LOB.

Chair Grabowski then asked for a motion to adjourn the meeting. A motion was made by Mr. Brannen and seconded by Ms. Fox to adjourn the meeting. All members voted in favor and the meeting was adjourned at 12:15 p.m.

Signature:

\_\_\_\_\_  
Debra Grabowski  
HSPR Board Chair

Approved by  
HSPR Board:

\_\_\_\_\_  
Date

## HEALTH SERVICES PLANNING AND REVIEW



February 7, 2014

9:00 a.m.

Board Meeting

Department of Insurance Conference Room  
Walker Building 21 South Fruit Street  
Concord, NH 03301

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**Meeting called by:** Ms. Debra Grabowski, Chair      **Note Taker:** HSPR Staff

**Type of meeting:** Certificate of Need - Board Meeting

**Attendees:** Mr. Tyler Brannen, Mr. Robert Bridgham, Ms. Debra Grabowski,  
Ms. Katja Fox, Mr. Paul Spiess

**Staff Members:** Ms. Cindy Carrier, and Mr. Jeffery Peck

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Chair Grabowski brought the meeting to order at 9:05 a.m. She welcomed the audience and the Board to the meeting and stated that this would be a brief Board meeting in order to approve the interim rules within the JLCAR deadlines.

**1. Approve Interim Rule He-Hea 301 Projects Not Subject to Certificate of Need (CON) Review**

**Discussion:** Chair Grabowski introduced this agenda item. She stated that the Board needed to adopt the He-Hea 301 Interim rules approved by JLCAR.

Mr. Bridgham made a motion at this time to approve the He-Hea 301 rules. Mr. Spiess seconded the motion. All Board members voted unanimously to approve the interim rule.

**2. Approve Interim Rules He-Hea 303.02, 303.03, 303.09, 304.05 Standards and Application for Certificate of Need (CON)**

**Discussion:** Chair Grabowski introduced this agenda item. She stated that the Board needed to adopt the He-Hea 303.02, 03,.06, .09 and He-Hea 304.05 Interim Rules, Standards and Application for a CON.

Mr. Bridgham then made a motion to approve the rules as stated. Mr. Spiess seconded the motion and all Board members voted in favor; this agenda item was passed unanimously.

Hearing no other business, Chair Grabowski adjourned the meeting at 9:07 a.m.

Signature:

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Debra Grabowski  
HSPR Board Chair

Approved by  
HSPR Board:

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Date

## HEALTH SERVICES PLANNING AND REVIEW



February 20, 2014

9:30 a.m.

Board Meeting

Dept. of Health and Human Services  
Conference Rooms 213 – 214  
29 Hazen Drive, Concord, NH

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**Meeting called by:** Ms. Debra Grabowski, Chair      **Note Taker:** HSPR Staff

**Type of meeting:** Certificate of Need - Board Meeting

**Attendees:** Mr. Tyler Brannen, Mr. Robert Bridgham, Ms. Debra Grabowski, Ms. Katja Fox, Mr. Paul Spiess

**Staff Members:** Ms. Cindy Carrier, Mr. Paul Lakevicius, Ms. Angel McFetridge, and Mr. Jeffery Peck

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Chair Grabowski brought the meeting to order at 9:30 a.m. and requested that Staff member Ms. Carrier perform a swear-in for those persons intending to testify before the Board that day. Ms. Carrier did so. Chair Grabowski then asked that anyone planning to testify to any of the agenda items come forward as staff introduces that item in order to better facilitate the meeting.

### 1. Approve January 16, 2014 Board Meeting Minutes

**Discussion:** Chair Grabowski asked Mr. Lakevicius to introduce this agenda item. Mr. Lakevicius briefly stated that the Board meeting minutes from the January 16, 2014 Board meeting needed to be approved.

Ms. Fox made a motion at this time to approve the January 16, 2014 Board meeting minutes. Mr. Spiess seconded the motion. All Board members voted unanimously to approve the minutes.

### 2. CON REHAB 11-02, Northeast Rehabilitation Hospital, Salem, NH, Request for a Change of Scope, \$484,379

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item. Mr. Peck stated that Northeast Rehabilitation Hospital (NRH) of Salem, NH, submitted a request for a Change of Scope for CON REHAB 11-02 for an increase of \$484,379. He explained that the costs are for sprinkler replacement, which was discovered to be in a state of disrepair when the construction of the renovation project got underway. NRH submitted the Change of Scope form, Form 301, and a pricing letter from the contracted company. Mr. Peck further explained that, according to the applicant, costs for this portion of the project will be funded from the hospital account, and any other costs related to the replacement will be undertaken by the current contract.

Mr. Peck added that this CON did have a condition attached to it when approved in 2011, requiring the applicant to supply financial statements from Pease Rehab, LLC prior to commencement of construction. He further explained that staff had notified the applicant of this oversight and NRH provided these statements as well as the most recent statements for NRH as required on the Change of Scope form. Mr. Peck stated that NRH's income and cash flow is adequate for the considerable amount of debt, which paves way for approval of this change of scope.

At this time, Mr. John Prochilo, CEO, Mr. Chuck Champagne, CFO, Ms. Susan Palmer Terry, Consultant to NRH, and Attorney John Malmberg, Legal Counsel to NRH came forward to provide testimony. Mr. Prochilo stated that he takes full responsibility for the delay in meeting the condition to CON REHAB 11-02. Mr. Prochilo then explained that the renovation is being taken in 6-phases. He stated that the facility is 30 years old and has had very little upgrades other than paint, wallpaper and carpeting. He explained that a leak was discovered due to condensation. The pipes were flaking on the inside. He added that the cost of changing the pipes is \$484,379 and that the work can be accomplished while the ceilings are opened for renovation work.

At approximately 9:40 Board member Bridgham arrived to the meeting.

Chair Grabowski asked the difference between a waiver and a change of scope. Ms. Carrier clarified that an applicant would be eligible for a waiver if the change is technical or otherwise insignificant. She added that either one requires the same information.

Mr. Spiess then made a motion to approve the Change of Scope to CON REHAB 11-02 Northeast Rehabilitation Hospital for \$484,379. Mr. Bridgham seconded the motion and all Board members voted in favor; this agenda item was passed unanimously.

### **3. CON LTC 13-02, THI of New Hampshire at Derry, LLC, \$12,940,000 - Request to Amend Application**

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item for the Board. Ms. Carrier stated that THI of New Hampshire at Derry, LLC, submitted a request to amend its application which is now in formal review within the CON process. Ms. Carrier explained that HSPR staff's evaluation on this request cited statutory and regulatory authority to help guide the Board. THI is within the deadline to file such a request. She further explained that, if approved, formal review of the application is put on hold until the amendment is received. Such approval only gives THI permission to submit the amendment to the application, which will then be incorporated into the application and the staff analysis. Ms. Carrier noted the correction to the dollar amount listed on the agenda; she stated that it should be \$12,940,000 and not \$19,940,000.

Ms. Susan Palmer Terry, Consultant and Mr. Andrew Eills, Legal Counsel for THI came forward at this time. Ms. Palmer Terry explained that since filing the application the applicant has been working with an engineer and architect and revised the design to deal with the wetlands issue and also to add 5,000 s.f. to the building. She stated that the proposed amendment will include revised project costs as the cost will increase by \$1 million. A new Marshall and Swift analysis will be included and the existing cost per s.f. should be similar and within the 10% of the Marshall and Swift calculation. It will also include a narrative as to why the project was changed. She added that depreciation and payback will be a minor change.

Mr. Bridgham asked staff if the Board will take action on the application as amended. Ms. Carrier answered yes. Ms. Fox asked for an explanation on the timeframes. Ms. Carrier explained the timeframes, stating that the acute care applications should be heard in April and the THI application in May or later.

Mr. Spiess then made a motion to approve the request to amend CON LTC 13-02 THI of New Hampshire at Derry, LLC. Mr. Bridgham seconded the motion and all Board members voted in favor; this agenda item was passed unanimously.

**4. NSR 14-09, ClearChoiceMD, LLC, Establish Urgent Care Center in Pittsfield, NH, \$164,000/\$245,000 Equipment**

**Discussion:** Chair Grabowski asked Mr. Lakevicius to introduce this agenda item. Mr. Lakevicius stated that this is an NSR request from ClearChoiceMD, LLC for the establishment of a non-emergency walk-in care center (urgent care) to be located in Pittsfield, NH. He explained that this is the 6<sup>th</sup> of 7 such facilities for the applicant; the other facilities are proposed to be located in Portsmouth, Keene, Belmont, Hillsborough, Claremont and West Lebanon, NH. The HSPR staff evaluation requests additional information relative to the project, including a marketing or business plan used to determine project utilization/patient volumes; a clarification of the real estate owner as an affiliate; and a discussion of the terms of the lease. These may require conditions for NSR approval. He added that pending receipt of the material and Board discussion, the project may be eligible for an NSR determination.

At this time, Mr. Michael Porembski, President and CEO and Attorney Andrew Eills, Legal Counsel for ClearChoiceMD came forward to provide testimony. Mr. Porembski explained that a medical office in the town was closed by the local hospital and there is no doctor available within 15 miles north or south. He explained that the renovations are mostly cosmetic changes to the existing building. Mr. Spiess asked if this is similar to the other facilities other than the existing MOB. Mr. Porembski responded yes.

Ms. Fox made a motion at this time to approve NSR 14-09 for ClearChoiceMD, LLC to establish an Urgent Care Center in Pittsfield, NH for \$164,000 and \$245,000 for equipment with the condition that ClearChoice provide a copy of their lease prior to operation. Mr. Spiess seconded the motion. All Board members voted unanimously to approve this agenda item.

**5. NSR 14-10, ClearChoiceMD, LLC, Establish Urgent Care Center in West Lebanon, NH, \$578,150/\$265,000 Equipment**

**Discussion:** Mr. Lakevicius was also asked to introduce this agenda item. He explained that ClearChoiceMD, LLC submitted an NSR request for the establishment of a non-emergency walk-in care center (urgent care) to be located in West Lebanon, NH. He added that this is the 7<sup>th</sup> of 7 such facilities for the applicant; the other facilities are proposed to be located in Claremont, Keene, Belmont, Hillsborough, Portsmouth, and Pittsfield, NH. Mr. Lakevicius stated that the HSPR staff evaluation requested additional information relative to the project, including a marketing or business plan used to determine project utilization/patient volumes; a clarification of the real estate owner as an affiliate; and a discussion of the terms of the lease. These may require conditions for NSR approval. He added that pending receipt of the material and Board discussion, the project may be eligible for an NSR determination.

Mr. Michael Porembski, President and CEO and Attorney Andrew Eills, Legal Counsel for ClearChoiceMD remained at the testimony table for this agenda item. Mr. Porembski stated that the cost is higher due to the facility being larger for the project. He stated that ClearChoiceMD reached out to the 2 hospitals in the area and received favorable feedback from one, while the other was not in favor of this project. Mr. Spiess asked the timeframe for getting these facilities operational and staffed. Mr. Porembski responded that this location should not be difficult to staff as they are already receiving calls about employment but that other locations may be more challenging.

Mr. Bridgham asked how long the NSR determination would last. Ms. Carrier explained that there is no timeframe unless the Board conditions the approval of the NSR. She added that the staff tracks the conditions by due diligence but it's not in the regulations. Mr. Bridgham stated that other parties would have an interest as they made their plans.

Board member Brannen arrived at approximately 10:04 a.m. to the meeting.

Mr. Steve Marion, from the audience, stated that the Board gives no immunity to CON review if the cost of the project changes. Chair Grabowski stated as of 2/1/14 the statute changed to include lease costs.

Mr. Spiess made a motion to approve NSR 14-10, ClearChoiceMD, LLC to establish an Urgent Care Center in West Lebanon, NH for \$578,150 and \$265,000 for equipment with the condition that ClearChoice provide a copy of their lease prior to operation. Mr. Bridgham seconded the motion and all Board members voted in favor of the motion; thus, this agenda item was passed unanimously.

**6. NSR 14-11, ClearChoiceMD, LLC, Establish Urgent Care Center in Hillsborough, NH, \$384,000/\$225,000 Equipment (Potential Location Change)**

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item. Ms. Carrier explained that agenda items 6 – 8 are all a similar issue. Agenda item 6 is an NSR request from ClearChoiceMD, LLC for the establishment of a non-emergency walk-in care center (urgent care) to be located in Hillsborough, NH. She noted that the Board previously approved a Hillsborough location for the applicant during the January 16, 2014 Board meeting and that ClearChoice now states that this new site was identified as a potential location after that meeting. Ms. Carrier stated that the applicant stated in the documentation submitted that it will ultimately choose only one location for the town of Hillsborough, but wants to keep its options open for final location selection. She explained that the applicant has submitted two additional NSR applications in this manner; agenda item 7, NSR 14-12 and agenda item 8, NSR 14-13. She further explained that by submitting this second request, ClearChoice seeks to preserve its submission date of 1/16/14, and not be required to supply any lease cost information with the statutory amendment change that occurred on 2/1/14. Ms. Carrier then stated that HSPR staff suggests that the Board engage ClearChoice in a discussion on these three “location change” applications as it is possible that ClearChoice could amend its original submission and still stay within the initial January submission date; however, the Board could determine that the submission is premature and cannot be decided until a location is finalized.

Mr. Michael Porembski, President and CEO and Attorney Andrew Eills, Legal Counsel for ClearChoiceMD remained at the testimony table for this agenda item. Attorney Eills explained that they are happy to comply with any conditions the Board proposes; they just want to preserve their right to one location in each municipality. Mr. Porembski then explained that after

the January Board meeting ClearChoice was flooded with phone calls with offers of better deals for 2 of their proposed locations. Mr. Peter Wright, CEO of Valley Regional Hospital (VRH) approached them regarding their Claremont location. The space already exists and could be open within 60 days. He explained that the Hillsborough location will be new construction but the landlord will build; this location is on a more traveled road. He added that it will be delayed by 4 – 6 months for the construction but will open in approximately 8 months. He explained that the Portsmouth location is \$10 less per s.f. and could be ready in 6 months.

Mr. Brannen asked if the changes affect the original decision. Ms. Fox stated that the costs changed. Mr. Bridgham stated that they are still under the threshold. He then stated that the Board should give the applicants a set period of time to make a decision as to a location. Mr. Spiess asked Mr. Porembski if they are prepared to submit these applications in lieu of the original applications. Mr. Porembski answered that yes they are but they want to preserve the right to open at the original location if something falls through. Mr. Spiess asked if the Board could accept these requests and table them pending resolution of location. Ms. Carrier answered yes. Ms. Fox stated that these new requests represent the location they want to be at. Mr. Porembski stated they would not want to sign a lease without an NSR approval. Ms. Fox asked if they could rescind the prior NSRs. Mr. Porembski asked if the Board could approve these NSRs with a condition that they withdraw the prior NSRs. Mr. Spiess asked staff if this was allowed. Ms. Carrier answered yes and stated that there should be timeframe to withdraw the prior NSRs. Mr. Bridgham suggested 6 months. Mr. Spiess stated that the Board needs to show flexibility as business decisions evolve and that he is pleased with the collaboration with Valley Regional Hospital.

Mr. Bridgham made a motion to approve NSR 14-11, ClearChoiceMD, LLC to establish an Urgent Care Center in Hillsborough, NH for \$384,000 and \$225,000 for equipment charges with the condition that ClearChoice provide a copy of their lease, as well as the withdrawal of NSR 13-47 within 6 months from this approval. Ms. Fox seconded the motion and all Board members voted in favor of the motion; thus, this agenda item was passed unanimously.

**7. NSR 14-12, ClearChoiceMD, LLC, Establish Urgent Care Center in Claremont/Valley Regional Hospital, NH, \$74,000/\$50,000 Equipment (Potential Location Change)**

**Discussion:** Discussion for this Agenda item took place under Agenda item number 6.

Mr. Bridgham made a motion to approve NSR 14-12, ClearChoiceMD, LLC to establish an Urgent Care Center in Claremont, NH for \$74,000 and \$50,000 for equipment with the condition that ClearChoiceMD provide a copy of their lease and business plan as well as withdraw NSR 13-43 within 6 months from this approval. Mr. Spiess seconded the motion and all Board members voted in favor of the motion; thus, this agenda item was passed unanimously.

**8. NSR 14-13, ClearChoiceMD, LLC, Establish Urgent Care Center in Portsmouth, NH, \$439,000/\$245,000 Equipment (Potential Location Change)**

**Discussion:** Discussion for this Agenda item took place under Agenda item number 6.

Mr. Spiess made a motion to approve NSR 14-13, ClearChoiceMD, LLC to establish an Urgent Care Center in Portsmouth, NH for \$439,000 and \$245,000 for equipment with the condition that

ClearChoice provide a copy of their lease and business plan as well as the withdrawal of NSR 13-44 within 6 months from this approval. Mr. Bridgham seconded the motion and all Board members voted in favor of the motion; thus, this agenda item was passed unanimously.

## **Other Business**

### **9. Other Administrative Business**

- **Recap – February 7, 2014 State Health Plan Meeting**
- **Next Meeting Dates**
- **Other Business**

Mr. Spiess provided a brief update on the State Health Plan meetings. He stated that the layout for the SHP was discussed at the last meeting and discussion will continue at the next meeting. He added that he has prepared an outline for the March 7, 2014 meeting. Mr. Spiess informed the Board that Mr. Steve Ahnen from the NH Hospital Association and Dr. James Weinstein from Dartmouth Hitchcock Medical Center will be at the meeting to discuss consolidation in the healthcare industry, and Ms. Susan Palmer Terry will present her report on hospital costs. Ms. Fox added that the NH Hospital Association doesn't represent all 26 hospitals; therefore the Board should seek input from all hospitals.

Chair Grabowski asked Mr. Peck to explain the other business to the Board. Mr. Peck stated the following:

- The next State Health Plan meeting is scheduled for Friday, March 7, 2014.
- The next Board meeting is scheduled for Thursday, March 20, 2014, and will be located at the NH Hospital Association, 125 Airport Road, Concord, NH.
- The Rules subcommittee will meet immediately following the Board meeting. Ms. Fox asked if the public can attend the meetings. Mr. Bridgham stated that he is counting on the involvement from the public.

Mr. Peck stated that a hearing for HB1539 to end the CON program in June 2015 is in executive session this day. Mr. Brannen added that HB 1612 and HB1158 should be added to the list of bills to follow.

Chair Grabowski then asked for a motion to adjourn the meeting. A motion was made by Mr. Spiess and seconded by Mr. Bridgham to adjourn the meeting. All members voted in favor and the meeting was adjourned at approximately 10:40 a.m.

Signature:

\_\_\_\_\_  
Debra Grabowski  
HSPR Board Chair

Approved by  
HSPR Board:

\_\_\_\_\_  
Date

## HEALTH SERVICES PLANNING AND REVIEW



March 20, 2014

9:30 a.m.

Board Meeting

NH Hospital Association, Conference room 1  
125 Airport Road, Concord, NH

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**Meeting called by:** Ms. Debra Grabowski, Chair      **Note Taker:** HSPR Staff

**Type of meeting:** Certificate of Need - Board Meeting

**Attendees:** Mr. Tyler Brannen, Mr. Robert Bridgham, Ms. Katja Fox and Ms. Debra Grabowski,

**Absent:** Mr. Paul Spiess

**Staff Members:** Ms. Cindy Carrier, Mr. Paul Lakevicius, Ms. Angel McFetridge, and Mr. Jeffery Peck

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Chair Grabowski brought the meeting to order at 9:30 a.m. and requested that Staff member Ms. Carrier perform a swear-in for those persons intending to testify before the Board that day. Ms. Carrier did so. Chair Grabowski then asked that anyone planning to testify to any of the agenda items come forward as staff introduces that item in order to better facilitate the meeting.

### 1. Approve February 7, 2014 Board Meeting Minutes

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item. Ms. Carrier briefly stated that the Board meeting minutes from the February 7, 2014 Board meeting (approve interim rules) needed to be approved.

Mr. Bridgham made a motion at this time to approve the February 7, 2014 Board meeting minutes. Ms. Fox seconded the motion. All Board members voted unanimously to approve the minutes.

### 2. Approve February 20, 2014 Board Meeting Minutes

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item. Ms. Carrier stated that the Board meeting minutes from the February 20, 2014 Board meeting needed to be approved.

Ms. Fox made a motion at this time to approve the February 20, 2014 Board meeting minutes. Mr. Bridgham seconded the motion. All Board members voted unanimously to approve the minutes.

### **3. Determine April 1, 2014 Mobile MRI Request for Applications (RFA)**

**Discussion:** Chair Grabowski asked Mr. Lakevicius to introduce this agenda item for the Board. Mr. Lakevicius referred to HSPR staff's evaluation regarding the issuance of this RFA, as well as the staff's data analysis presentation of Fixed and Mobile MRI in NH. He added that, to date, no letters of interest have been received, nor any other support expressed, in support of an RFA for Mobile MRI Services. Mr. Lakevicius stated that since no letters have been received, HSPR staff requests that the Board affirm that no RFA for Mobile MRI Services will be issued at this time, unless notice is received by March 27, 2014 (allowing sufficient time for posting of the public notice on 4/1/14).

Mr. Bridgham asked for clarification on how the Board appraises need. He stated that in his opinion, the need is measured on a supplier's request and based on demand from their point of view. Discussion ensued regarding the need determination. Mr. Brannen stated that he agrees but feels that providers may recognize need first. Staff member Ms. Carrier clarified that the statute does state that need should be determined prior to issuing the RFA and that the rules can be changed at any time. Ms. Fox reminded the Board that it is a pro-competitive rule. Attorney John Malmberg, from the audience, stated that the Mobile MRI, Mobile PET rules are pro-competitive and fixed MRI and fixed PET have a volume requirement. Attorney Andrew Eills, from the audience, then stated that the legislature had recast the Board and the current membership is more independent. He added that the statute provides some guidance for determining need and the rules can be reviewed when necessary. Chair Grabowski asked whether the Board should be regulating MRI as it is now a common practice.

Ms. Fox then made a motion to not issue the April 1, 2014 Mobile MRI RFA unless notice is received by March 27, 2014. Mr. Bridgham seconded the motion and all Board members voted in favor.

### **4. Determine April 1, 2014 Ambulatory Surgical Center Request for Applications (RFA)**

**Discussion:** Chair Grabowski asked Mr. Lakevicius to introduce this agenda item. Mr. Lakevicius referred to the HSPR staff evaluation enclosed in the Board packet regarding the issuance of this RFA. He stated that to date, one letter of interest has been received from Laser Spine Institute, LLC ("LSI") of Tampa Florida in order to establish a "New England regional ambulatory surgical center for minimally invasive spine surgery" in the Manchester, NH area. He stated that, based on this letter, the Board can find some indication of need with which to issue this RFA, effective April 1, 2014.

Attorney Robert Best, Legal Counsel and Mr. Phil Burk, Director of Expansion for Laser Spine Institute came forward at this time. Attorney Best spoke briefly in reference to the need determination discussion. He stated that the CON process is done in 2 steps, step 1 being the initial determination of need and step 2 being the application review where need is further proven and the Board has the final vote to approve or deny. Mr. Burk then gave a background on Laser Spine Institute. He stated that it was founded in 2005 and that outpatient spine surgery is performed in its facilities on an outpatient basis. He stated that it is the first entity in the country to do outpatient fusions. He explained that there are 5 centers in the U.S currently; they are in Philadelphia, PA, Tampa, FL, Oklahoma City, OK and Houston, TX.

Mr. Bridgham asked if these procedures could be done in an existing ASC facility. Mr. Burk replied that LSI has size requirements and would need a newly built facility. Mr. Brannen stated

that population base is needed for this type of service and asked about LSI's interest in NH. Mr. Burk responded that they draw from surrounding areas, 80% of patients travel from outside the local area as it's not a widespread surgery. Mr. Brannen asked how many patients they would expect to see in a year. Mr. Burk replied that he anticipates 1500 patients a year. Mr. Brannen asked if this service is available in Boston. Mr. Burk stated that LSI is the only one doing regenerative and outpatient fusions. Mr. Brannen then asked about their success and if they monitor the outcomes. Mr. Burk added that 80% of the patients report improved quality of life. Mr. Brannen asked where the surgeons and staff will come from. Mr. Burk explained that they plan to recruit locally and train them in Tampa with continued education provided by the travel teams.

Mr. Bridgham made a motion at this time to issue the April 1, 2014 Ambulatory Surgical Centers RFA based on the letter of intent sent in by Laser Spine Institute. Mr. Brannen seconded the motion. All Board members voted unanimously to approve this agenda item.

#### **5. Concord Hospital, Concord, NH, Request for Applications for Cardiac Catheterization Services**

**Discussion:** Ms. Carrier was asked to introduce this agenda item. Ms. Carrier referred to the letter of request from Concord Hospital seeking the issuance of an RFA for Cardiac Catheterization Services. She stated that HSPR staff performed an evaluation of this request and based upon their review, the Board can find some indication of need with which to issue this RFA. She explained that, if so issued, staff recommends that the effective date be no sooner than March 26, 2014 to allow sufficient time for posting of the public notice. Ms. Carrier explained that Concord Hospital does have a cardiac center and through the application they will prove need. She added that this will be a statewide RFA.

Ms. Erin Almeda, Director of Program Development, Ms. Cristine Chaisson, Director of Cardiovascular Services, and Mr. Domenic Ciavarro, VP of Facilities, Concord Hospital came forward at this time. Ms. Almeda spoke briefly about the facility and stated that Concord obtained a CON in 1988 for Cardiac Catheterization services and then added another room in 2001 using RSA 151-C:5, II (d) at the time. Now Concord plans to add third room and this can no longer be done using the NSR process as the equipment is over \$400,000. She added that through the application Concord will provide detail on volumes and cost to demonstrate need. She stated finally that they are reaching capacity.

Mr. Brannen clarified that the issue is capacity. He asked how many patients are diverted. Ms. Chaisson answered that it's not a diversion issue but a scheduling issue due to patient volume. Mr. Brannen then asked how many hospitals in NH offer cardiac catheterization. Ms. Almeda explained that there are 2 levels of CC and she wasn't exactly sure but thought there were 6 – 8 doing angioplasty and wasn't sure about diagnostic. Ms. Carrier stated that there are 11.

Mr. Bridgham made a motion to issue an RFA for Cardiac Catheterization based on the letter from Concord Hospital, effective March 26, 2014. Mr. Brannen seconded the motion and all Board members voted in favor of the motion; thus, this agenda item was passed unanimously.

**6. NSR 14-14, Hampstead Hospital, Hampstead, NH, NSR Request for Facility Renovations, \$1,200,000**

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item. Mr. Peck referred to the NSR request from Hampstead Hospital that was included in the Board packet regarding renovations to a wing of this inpatient psychiatric facility. He explained that HSPR staff notes that this proposal is similar to NSR 12-12 approved by the Board in 2012. He noted staff's concern that, taken together within the 36-month "look back" period, the projects exceed the cost threshold and may require CON review, unless Hampstead can make a proving that the projects should be held separate and not considered as integrated. He added that staff has asked Hampstead to explain these projects for the Board.

At this time, Ms. Cynthia Gove, Chief Operating Officer and Mr. Phillip Kubiak, Chief Executive Officer, Hampstead Hospital came forward for testimony. Mr. Kubiak provided a background of the recent projects done by Hampstead Hospital. He stated that in 2012 they renovated one of the older developmental disabilities (DD) units, in 2013 they did not do any construction, and now they are planning to do the remaining DD wing. He explained that they are self funded and doing the project out of cash flow. He stated that during the summer months the volume goes down so there is a brief window of time to do the renovations. Mr. Brannen asked if this request is a separate project. Mr. Kubiak answered that the hospital was not planning this project in 2012. Ms. Fox stated that it sounds as if it was part of a master plan. Mr. Kubiak stated that they didn't propose to do it in 2012. Chair Grabowski asked when they proposed to do it and Mr. Kubiak stated that it was proposed this year. Ms. Gove stated that they have a modest planning process and don't look too far into the future. Mr. Brannen asked if they have any plans for the next few years. Mr. Kubiak answered that they do not. Mr. Bridgham stated that the original intent of the thresholds was to allow basic refurbishment without going through the CON process. He added that these projects sound like they meet that requirement. He then asked what services Hampstead Hospital provides. Ms. Gove explained that they provide Psychiatry and substance abuse services, treat developmental disorders and acute psychiatric disorders and stated that these units weren't designed for this level of care. Mr. Bridgham asked what would happen if they didn't refurbish. Mr. Kubiak stated that they would continue to operate as well as possible. Ms. Gove provided a handout detailing the construction plans. Mr. Brannen stated that the Board needs to be careful about assuming projects are separate; however, the Board would likely approve a CON application for this project. Chair Grabowski stated that she agrees and would typically consider these projects integrated.

Mr. Brannen made a motion to approve NSR 14-14 for Hampstead Hospital in Hampstead, NH for facility renovations in the amount of \$1,200,000. Mr. Bridgham seconded the motion and all Board members voted in favor of the motion; thus, this agenda item was passed unanimously.

**7. Capital Expenditure Threshold Adjustment Evaluation**

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item. Mr. Peck reminded the Board that at the January 16, 2014 meeting the Board voted to inflate the CON cost thresholds with the 2014 factor once it is received from R.S. Means. He informed the Board that the factor has now been received and applied and he referred to the evaluation enclosed in the Board packet and stated that the actual cost threshold worksheet was inadvertently left out of the Board packet but was handed out at today's meeting.

At this time, Ms. Fox made a motion to approve the inflation of the capital expenditure threshold. Mr. Bridgham seconded the motion and all Board members voted in favor of the motion; thus, this agenda item was passed unanimously.

## **Other Business**

### **8. Other Administrative Business**

- **Committee Reports**
  - **State Health Plan**
  - **Rules Subcommittee**
- **Legislation Update**
- **Next Meeting Dates**
- **Other Business**

Chair Grabowski asked Ms. Carrier to explain the other business to the Board. Ms. Carrier stated that HSPR staff made an inquiry to the Attorney General regarding recent NSR decisions made by the Board and the AG stated that the Board applied a reasonable interpretation of the regulations and this will stand unless challenged.

Mr. Bridgham then provided a brief update on the work of the rules subcommittee. He stated that He-Hea 100 can be filed separately and Ms. Carrier added that there will be an initial proposal for the April Board meeting. Mr. Bridgham stated that the Change of Scope rules should be ready to move forward and that they will review the NSR rules next and make other changes as needed.

Ms. Carrier informed the Board of the next meeting dates as follows:

- The next State Health Plan meeting is scheduled for Friday, April 4, 2014. She added that they are finalizing a draft outline for that meeting. Ms. Fox informed the Board that she will not be at the April 4, 2014 meeting.
- The Rules subcommittee will meet immediately following today's Board meeting and again following the April 4, 2014 State Health Plan meeting.
- The next Board meeting is scheduled for Thursday, April 17, 2014, at the NH Hospital Association. The Elliot Hospital has offered space for the May meeting. The Board showed interest in meeting at the Elliot and therefore, Ms. McFetridge will work with Elliot representatives to schedule.

Ms. Carrier then gave a brief legislative update. She stated that HB 1539 was voted ITL and no action has been taken on SB250; and both HB1158 and HB 1612 were sent to Interim Study.

Chair Grabowski then asked for a motion to adjourn the meeting. A motion was made by Mr. Bridgham and seconded by Mr. Brannen to adjourn the meeting. All members voted in favor and the meeting was adjourned at approximately 10:35 a.m.

Signature:

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Debra Grabowski  
HSPR Board Chair

Approved by  
HSPR Board:

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Date

## HEALTH SERVICES PLANNING AND REVIEW



April 17, 2014  
9:30 a.m.  
Board Meeting

NH Hospital Association, Conference room 1  
125 Airport Road, Concord, NH

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**Meeting called by:** Ms. Debra Grabowski, Chair      **Note Taker:** HSPR Staff

**Type of meeting:** Certificate of Need - Board Meeting

**Attendees:** Mr. Tyler Brannen, Mr. Robert Bridgham, Ms. Katja Fox, Ms. Debra Grabowski and Mr. Paul Spiess

**Staff Members:** Ms. Cindy Carrier, Mr. Paul Lakevicius, Ms. Angel McFetridge, and Mr. Jeffery Peck

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Chair Grabowski brought the meeting to order at 9:30 a.m. and requested that Staff member Ms. Carrier perform a swear-in for those persons intending to testify before the Board that day. Ms. Carrier did so. Chair Grabowski then asked that anyone planning to testify to any of the agenda items come forward as staff introduces that item in order to better facilitate the meeting.

### 1. Approve March 20, 2014 Board Meeting Minutes

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item. Mr. Peck briefly stated that the Board meeting minutes from the March 20, 2014 Board meeting needed to be approved.

Mr. Bridgham made a motion at this time to approve the March 20, 2014 Board meeting minutes. Mr. Brannen seconded the motion. Mr. Spiess abstained from the vote and all remaining Board members voted unanimously to approve the minutes.

### 2. Approve Initial Proposal – He-Hea 100 Rules

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item. Ms. Carrier stated that the Board saw a preview of this proposal at last month's meeting and that it is filed and amended separate from the other practice and procedure rules. She informed the Board that they would need to approve this proposal so it can be scheduled for a public hearing.

Mr. Bridgham made a motion at this time to approve the initial proposal of the He-Hea 100 rules. Ms. Fox seconded the motion. All Board members voted unanimously to approve this agenda item.

**3. NSR 14-15 Kindred Nursing Centers, Transfer of Ownership of Hanover Terrace, Hanover, NH, \$10,000**

**Discussion:** Chair Grabowski asked Mr. Lakevicius to introduce this agenda item for the Board. Mr. Lakevicius referred to the NSR 301B form for a Transfer of Ownership request from Hanover Terrace Nursing Home of Hanover, NH. He stated that the HSPR staff evaluation of this request was enclosed with the Board packet and that, as a Medicare/Medicaid certified facility under the Board's He-Hea 1200 rules, the proposal is not subject to review. There were no facility representatives available to discuss this matter with the Board.

Mr. Bridgham then made a motion to approve the Transfer of Ownership of Hanover Terrace, Hanover, NH for a total of \$10,000. Ms. Fox seconded the motion and all Board members voted in favor.

**4. Determine Issuance of May 1, 2014 Megavoltage Radiation Therapy (RT) RFA**

**Discussion:** Chair Grabowski asked Mr. Lakevicius to introduce this agenda item. Mr. Lakevicius explained that, pursuant to He-Hea 1603.01, the Board must determine a need in order to issue an RFA for Radiation Therapy services effective May 1, 2014. He stated that any letters of intent were due to this office by April 1, 2014; none have been received. He further stated that the HSPR staff evaluation concerning the need formula for additional units is enclosed in the Board packet and based upon the data received and the lack of interest, HSPR staff recommends that the RFA not be issued at this time.

Ms. Fox made a motion at this time not to issue the May 1, 2014 Megavoltage Radiation Therapy RFA based on the staff recommendations. Mr. Bridgham seconded the motion. All Board members voted unanimously to approve this agenda item.

**5. Laser Spine Institute, Request for Applications (RFA) for Fixed MRI Services**

**Discussion:** Ms. Carrier was asked to introduce this agenda item. Ms. Carrier referred to the letter of request from the Laser Spine Institute ("LSI") seeking the issuance of an RFA for Fixed MRI unit services. She noted that this RFA is a demand RFA where the applicant requests it and then will need to prove need through the submission of an application. She stated that the staff review notes that LSI has not made any demonstration of the minimum projected 1,000 procedure volume as required by the standard. She stated that, additionally, the standard presumes that a "licensed facility" will make such RFA request of the Board. Ms. Carrier reminded the Board that LSI requested an ASC RFA from the Board last month so that it can submit a CON application as a new ASC in the state and applications are due on June 30, 2014. She stated that, if approved, the facility would not likely be built, licensed and operational until early 2015; therefore LSI is not a licensed facility at this time. She added that the Board could condition LSI's MRI application, if approved, subject to facility licensure; in this way, the MRI application would be bound to the ASC application.

At this time, Attorney Robert Best, Legal Counsel and Mr. Phil Burk, Director of Expansion for Laser Spine Institute came forward. Mr. Burk passed out a handout relating to MRI volumes. He then explained that it is important to have MRI on site as LSI does very specific images. He stated that in the last year there have been over 20,000 inquiries of patients looking for treatment. Attorney Best added that the 20,000 inquiries came from a 200 mile radius around Nashua. He added that 8% of that total came to an LSI facility for evaluation. Mr. Burk stated

that LSI's experience with existing centers indicates that patients will travel 200 miles for this service. Mr. Burk then reviewed the handout for the Board. He explained that on page 1 there is a model of the potential facility and out of 20,000 prospective patients, 133 patients would require surgery, 133 would be consultations, and 141 would require on-site MRI. He stated that on page 2 is a model of its Scottsdale, AZ facility and it also demonstrates volume exceeding 1,000 MRIs. Attorney Best stated that patients would be inconvenienced if they had to get MRI's elsewhere before being able to be treated at LSI. Mr. Burk added that LSI needs to do very specific MRI testing. Attorney Best stated that the RFA being sought is just a preliminary determination of need and need will be further demonstrated in the application. He added that LSI will only provide MRIs to its own patients.

Mr. Brannen asked Mr. Burk to speak more about the inquiries. Mr. Burk explained that word of mouth generates many inquiries, as well as through television and other marketing such as the internet. Attorney Best stated that the nearest facility is now in Philadelphia. Ms. Fox asked if LSI would require patients to have the MRI at LSI or accept MRIs done elsewhere. Mr. Burk explained that they are done on a case by case basis and the review is based on how recent the MRI was done, the clarity, etc. He stated that LSI often accepts MRIs done elsewhere but it can take several hours to have them done elsewhere and then get the results. He added that they would have to send it back if the quality isn't sufficient so it is better to have MRI services on site as it is quicker and more comfortable for the patient. Mr. Spiess questioned the size of the facility. Mr. Burk explained that it is 25,000 usable s.f. and 28,000 total s.f. with 50 – 60 staff. Mr. Spiess asked if NH residents will be a minority of the 1,600 patients. Mr. Burk answered yes. Mr. Spiess then asked the cost savings to patients and insurers. Mr. Burk answered that LSI's procedures are less invasive and less costly but that he didn't have exact figures. Mr. Spiess stated that the facility will benefit mostly out of state patients more than NH residents and asked why they chose NH. Mr. Burk stated that travel is a hinderence and Manchester puts them in a central location geographically. Mr. Spiess commented that Worcester would be more central as more patients will come from MA.

Attorney Best reviewed statistics regarding patients affected by back pain. Mr. Burk stated that 87% of patients report improved quality of life after treatment by LSI. Mr. Spiess stated that LSI realizes that it will have to prove an economic need and economic benefit. Mr. Brannen stated that they will have to provide a lot of evidence to prove the need and asked if issuing the RFA commits the Board to approval. Ms. Carrier answered no. Attorney Best stated that LSI realizes that it will be subject to much more scrutiny than most existing ASC's. Chair Grabowski asked if LSI has identified a site. Mr. Burk answered that they are still evaluating. Mr. Bridgham asked how many potential patients are referrals. Mr. Burk stated that he did not have those numbers at the time but will include them in the CON application. Chair Grabowski asked if the 2 applications can be filed and processed together. Ms. Carrier replied that these are 2 different services and require separate applications, but that the submission and review time would keep them close together.

Ms. Fox made a motion to issue an RFA for Fixed MRI services based on the letter from Laser Spine Institute, effective April 23, 2014. Mr. Brannen seconded the motion and all Board members voted in favor of the motion; thus, this agenda item was passed unanimously.

**6. Motion to Sever Acute Care Applications: AC 13-03 Cheshire Medical Center and AC 13-04 LRGHealthcare**

**Discussion:** Without discussion Mr. Spiess made a motion to approve the motion to sever acute care applications AC 13-03 Cheshire Medical Center and AC 13-04 LRGHealthcare. Mr. Bridgham seconded the motion and all Board members voted in favor of the motion; thus, severance was granted.

**7. Public Hearings:**

- **AC 13-03 Cheshire Medical Center, Keene, NH - \$6,646,470**

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item. Mr. Peck stated that the Board will hear the acute care application proposed by the Cheshire Medical Center to address needs in its Emergency Care Center. He stated that the HSPR staff analysis was enclosed in the Board packet for review and consideration. He added that HSPR staff concludes that the proposal is eligible for CON approval at this time.

At this time, Mr. Paul Pezone, Vice President, Clinical and Support Services, Ms. Sandie Phipps, Senior Director of Development and Communications, Ms. Amy Mathews, Director of Critical Care and Mr. Art Nichols, CEO of Cheshire Medical Center came forward to present the Cheshire application. Ms. Phipps provided a handout of the presentation materials to the Board. Mr. Pezone began by reviewing the story boards of the site plan and current and proposed floor plans. He discussed the goals and details of the project. He stated that space, privacy and distance are all issues with the current design. The new design will have universal rooms and will decrease from 24 beds to 22, which is possible due to efficiencies that will result from the redesign. Mr. Brannen asked about volume assumptions. Mr. Pezone stated that Cheshire looked at the total volume and volume for the most critical patients and stated that they also have to plan for peaks. Ms. Mathews then explained that primary care is a concern and that ideally they want patients to get care in the most appropriate place. She added that they are the only hospital in the region and the Emergency Department service is needed for higher acuity and is available 24/7. She also stated that the goal is to make the space as flexible as possible and able to adapt for changing needs and acuities. Mr. Brannen asked what percent of patients could be treated appropriately somewhere else. Ms. Mathews responded 20% or less. Mr. Brannen then asked about appointment times for primary care. Mr. Nichols stated that it takes about 2-3 weeks to get an appointment. He added that primary care is becoming shorter in supply. Mr. Brannen asked why there isn't a Federally Qualified Health Center in the area. Mr. Nichols answered that Cheshire County is not a Federally Designated Health Shortage area. Mr. Bridgham asked about associate providers. Ms. Mathews replied that they are PA's and ARPNs.

Mr. Spiess asked Cheshire to review the mental health aspect of the project. Ms. Mathews explained that there are 2 dedicated psych beds and 2 swing beds that can be used for medical patients or easily converted for psych patients. Mr. Spiess asked the number of psych beds in the psych unit. Mr. Pezone answered that there are 12 adult beds and 6 adolescent beds. Mr. Bridgham stated that mental health patients are far more prone to have medical issues and asked how Cheshire handles them. Ms. Mathews explained that it is a challenge; they may start out in the mental health room and end up in swing rooms. She further stated that in the case of an overdose it starts out medical and then becomes psych. Mr. Spiess asked how many patients are admitted to the psych unit. Ms. Mathews responded that most are discharged into the community, about 20% to the psych unit and 20% to the State Hospital. Ms.

Fox then asked for the financials to be reviewed. Mr. Pezone explained that the project is a \$6.6 million dollar project of which some of the funds were approved in the FY 2014 budget and some funds approved in the FY 2015 budget. He further explained that the hospital has had strong initiatives in cost savings which will more than offset depreciation. He also stated that there are cash reserves to fund the project and no money is being borrowed. Mr. Spiess asked what the depreciation lifetime is and Mr. Nichols responded that it is 30 – 40 years. Mr. Spiess then asked what will happen to the assets that are being replaced. Mr. Nichols stated that they are using the original footprint and the infrastructure will still be in place.

Chair Grabowski invited any public testimony and there was none.

At this time, Mr. Spiess made a motion to approve CON AC 13-03 Cheshire Medical Center for \$6,646,470. Mr. Bridgham seconded the motion and all Board members voted in favor of the motion; thus, this agenda item was passed unanimously.

At approximately 10:50 a.m. Chair Grabowski allowed for a 10-minute break.

▪ **AC 13-04 LRGHealthcare, Laconia, NH - \$4,490,129**

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item. Mr. Peck explained that the Board would now hear the acute care application proposed by LRGHealthcare for renovation to the North 4 unit of the hospital to address space and infrastructure needs, as well as patient and staff safety issues. He further explained that the HSPR staff Analysis and Checklist of Outstanding Issues were enclosed in the Board packet for review and consideration. He added that the Checklist items have now been resolved and that the proposal is eligible for CON approval.

Ms. Ellen Wolff, Chief Nursing Officer, Mr. Henry Lipman, Senior VP, Financial Strategies & External Relations, Ms. Elaine Cartier, Nurse, Mr. John Weaver, Digiorgio Architects, and Ms. Susan Palmer Terry, Consultant came forward at this time. Ms. Wolff provided a brief background on the LRGHealthcare facilities. She stated that they are not for profit hospitals and include Lakes Region General Hospital (LRGH) and Franklin Regional Hospital (FRH). She stated that FRH is a critical access hospital with 10 beds for involuntary psych. She stated that LRGH received approval in 2008 to add the connector between the hospital and the MOB but the project did not include the circa 1969 building that is the subject of this CON application. She then provided some background of the North 4 unit. She stated that it is only operating 15 beds currently due to converting to single rooms but will gain 5 beds with the renovation. The nursing station will be redesigned to gain efficiencies and make it compatible with EMR and other nursing stations throughout the hospital. Ms. Wolff then went over the current and proposed floor plans.

Mr. Spiess asked if other areas will need upgrades in the future. Mr. Lipman stated that the hospital will do future renovations as they can afford to do them; he added that much of this project was funded through donations and that future projects will depend on fundraising efforts. Ms. Fox asked if there is a master plan. Mr. Lipman stated that the ED is also in need of an upgrade but no specific timeframe has been established for that renovation. Ms. Wolff added that there are 2 more units to renovate and it's probably a 10-year plan. Mr. Lipman added that it depends on funding and affordability. Ms. Wolff stated that the community has donated \$3.5 million which is considerable since the area is not a wealthy one. Mr. Spiess stated that much of the cost is for the air handling unit and infrastructure and asked if they are pre-paying some of

the future projects. Mr. Weaver explained that a quarter of the cost is for future work. Mr. Brannen stated that there is much seasonal variation and asked if this affects capacity or requires diversion. Ms. Wolff stated that it does at times. Mr. Brannen asked how SB308 would affect this project. Mr. Lipman stated that it won't affect this project but more specialty care could move into LRGH if SB 308 is passed. Mr. Bridgham asked if hospice rooms are spread across floors. Ms. Wolff explained that they are as they try to keep them in quiet areas. She added that there are some labeled rooms funded by donors but any room could be used as a hospice room.

Chair Grabowski invited any public testimony and there was none.

At this time, Mr. Bridgham made a motion to approve CON AC 13-04 LRGHealthcare of Laconia, NH for \$4,490,129. Mr. Spiess seconded the motion and all Board members voted in favor of the motion; thus, this agenda item was passed unanimously.

## **Other Business**

### **8. Other Administrative Business**

- **Committee Reports**
  - **State Health Plan**
  - **Rules Subcommittee**
- **Legislation Update**
- **Next Meeting Dates**
- **Other Business**

Mr. Spiess stated that the work of the State Health Plan committee is stalled due to the need for funding and that it will not meet on Friday, May 2, 2014 as scheduled.

Mr. Bridgham then provided a brief update on the work of the rules subcommittee. He explained that the proposed rule states that an NSR determination does not last forever; the applicant has one year to act upon and three years to finish and can come back to the Board at that time for an extension if needed. He stated that they will be required to send a report to the Board stating that they did what they were approved for. Mr. Bridgham then stated that the value of a lease can be determined by the present value of the lease payments for the lease term including any options to renew the lease. He stated that a draft lease worksheet will be posted to the HSPR web site.

Chair Grabowski then thanked the Board for their work, talent and expertise. She extended her gratitude to the audience and the HSPR staff as well.

Ms. Carrier then gave a brief legislative update. She stated that there has been no final decision for SB308 and SB250 was referred to Interim Study.

Ms. Carrier informed the Board of the next meeting dates as follows:

- The Rules subcommittee will meet immediately following today's Board meeting and again using the May 2, 2014 State Health Plan meeting time and place.
- The next Board meeting is scheduled for Thursday, May 15, 2014, at the Elliot Hospital.

Ms. Carrier then explained that an article from the Keene Sentinel regarding free clinics for the homeless was enclosed in the Board packet as an FYI.

Chair Grabowski then asked for a motion to adjourn the meeting. A motion was made by Mr. Spiess and seconded by Mr. Bridgham to adjourn the meeting. All members voted in favor and the meeting was adjourned at approximately 11:51 a.m.

Signature:

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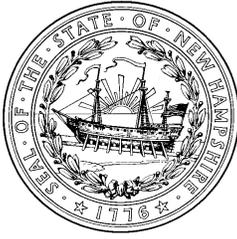
Debra Grabowski  
HSPR Board Chair

Approved by  
HSPR Board:

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Date

## HEALTH SERVICES PLANNING AND REVIEW



May 15, 2014  
9:30 a.m.  
Board Meeting

Elliot Hospital, Conference Center  
One Elliot Way, Manchester, NH

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**Meeting called by:** Ms. Debra Grabowski, Chair      **Note Taker:** HSPR Staff

**Type of meeting:** Certificate of Need - Board Meeting

**Attendees:** Mr. Tyler Brannen, Mr. Robert Bridgham, Ms. Katja Fox, Ms. Debra Grabowski and Mr. Paul Spiess

**Staff Members:** Ms. Cindy Carrier, Mr. Paul Lakevicius, Ms. Angel McFetridge, and Mr. Jeffery Peck

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Chair Grabowski brought the meeting to order at 9:30 a.m. and requested that Staff member Ms. Carrier perform a swear-in for those persons intending to testify before the Board that day. Ms. Carrier did so. Chair Grabowski then asked that anyone planning to testify to any of the agenda items come forward as staff introduces that item in order to better facilitate the meeting.

### 1. Approve April 17, 2014 Board Meeting Minutes

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item. Mr. Peck briefly stated that the Board meeting minutes from the April 17, 2014 Board meeting needed to be approved. Mr. Bridgham noted a spelling error.

Mr. Bridgham then made a motion at this time to approve the April 17, 2014 Board meeting minutes. Mr. Spiess seconded the motion and the Board meeting minutes were unanimously approved.

### 2. Approve Findings of Fact, CON AC 13-03 Cheshire Medical Center, Keene, NH - \$6,646,470

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item. Mr. Peck stated that at its April 17, 2014 meeting, the Board granted a Certificate of Need to Cheshire Medical Center for renovations to its Emergency Care Center. The findings supporting the Board's decision can now be approved.

Mr. Spiess made a motion at this time to approve the findings for CON AC 13-03 Cheshire Medical Center, Keene, NH. Mr. Brannen seconded the motion. All Board members voted unanimously to approve this agenda item.

**3. Approve Findings of Fact, CON AC 13-04 LRGHealthcare, Laconia, NH - \$4,490,129**

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item for the Board. Mr. Peck stated that also at its April 17, 2014 meeting, the Board granted a Certificate of Need to LRGHealthcare for renovations to its North 4 medical/surgical unit. The findings supporting the Board's decision can now be approved.

Mr. Spiess then made a motion to approve the findings for CON AC 13-04 LRGHealthcare, Laconia, NH. Ms. Fox seconded the motion and all Board members voted in favor.

**4. Determine Issuance of June 1, 2014 Mobile PET RFA**

**Discussion:** Chair Grabowski asked Mr. Lakevicius to introduce this agenda item. Mr. Lakevicius referred to the HSPR staff evaluation regarding the issuance of this RFA, and the supporting data report. He explained that a letter of interest has been received relative to this RFA from Shields Health Care Group. Therefore, HSPR staff recommends that the RFA be issued effective June 1, 2014.

At this time, Ms. Carmel Shields, Vice President, Shields Health Care Group and Attorney Don Crandlemire, Shaheen and Gordon came forward. Ms. Carmel provided a background on Shields Health Care Group. She explained that Shields has been in business since the mid-2000's and they collaborate and educate with medical systems. She stated that its PET service specializes in end stage cancer and Alzheimer's. Mr. Brannen discussed the nature of the PET equipment as well as the differences between PET and MRI equipment with Ms. Shields. Mr. Spiess asked the cost per PET scan as compared to MRI. Ms. Shields stated that PET is 3 times more costly than MRI scans. Mr. Spiess then asked the benefit of adding a PET unit to the market. Ms. Shields explained that utilization will be based on education, access and affordability and added that it gives patients a choice.

Mr. Bridgham stated that staff saw no need to issue this RFA and based on experience from MA, the service is underutilized by half. Ms. Fox asked if there is a governing rule on the PET RFA. Ms. Carrier explained that the He-Hea 2000 rule is pro-competitive and added that there are volume requirements for a fixed unit but not a mobile unit. Ms. Fox then asked about the cost of the equipment. Ms. Shields responded that it is about \$2 million. Chair Grabowski asked if this is a new endeavor or a partnership. Ms. Shields replied that they would like to collaborate with one or more hospital systems. Chair Grabowski asked if they would use existing equipment. Ms. Shields explained that some units have excess capacity for one day of service and added that it wouldn't meet the need.

Mr. Spiess made a motion at this time not to issue the June 1, 2014 Mobile PET RFA. Mr. Bridgham stated that this service is pro-competitive and asked if the RFA is regulatory. Ms. Carrier explained that it is stated in the He-Hea 2000 rule. Mr. Spiess then withdrew his first motion and made a motion to issue the June 1, 2014 Mobile PET RFA. Ms. Fox seconded the motion. All Board members voted unanimously to approve this agenda item.

**5. Approve June 1, 2014 Acute Care Bed Need Analysis**

**Discussion:** Mr. Lakevicius was asked to introduce this agenda item. Mr. Lakevicius referred to the HSPR staff evaluation regarding the need for additional acute care beds in the state. He explained that this analysis is required to be completed and approved effective June 1, 2014

pursuant to He-Hea 1006.01(d). He added that, based upon our analysis, a need of 88 beds is indicated and the Acute Care RFA is scheduled to be issued on August 1, 2014 if a need has been so indicated. Mr. Lakevicius explained that HSPR staff requests that the Board consider this analysis and so approve the need, as warranted; this would then pave the way for the issuance of the 8/1/14 RFA for new beds.

Mr. Bridgham stated that he was not clear on CAH beds and added that the State is functioning with 277 fewer beds than the CON approved number. Mr. Spiess stated that the formula doesn't accurately determine need or the need is unbalanced and added that the formula should be rethought. Mr. Brannen added that the formula may be out of date as technology changes. Mr. Spiess stated that the Rules subcommittee needed to look at the formula. Chair Grabowski stated that the table on staffed beds doesn't relate to occupancy and added that they are two different things. Ms. Fox suggested that the staff take a look at national standards for acute care bed need.

Mr. Bridgham made a motion to accept the Acute Care Bed Need analysis. Ms. Fox seconded the motion and all Board members voted in favor of the motion; thus, this agenda item was passed unanimously.

Ms. Carrier explained that the Board will discuss the issuance of the acute care RFA in July. Chair Grabowski suggested the staff review the formula in the meantime and invite hospitals to discuss the need formula with the Board at the June meeting.

## **6. Approve Initial Proposal He-Hea 201, 203.02, 301 NSR and Change of Scope Rule Amendments**

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item. Ms. Carrier stated that the Board's Rules Subcommittee met on Friday, May 2, 2014 and completed the work for drafting the permanent rules for the NSR process. She added that the Change of Scope process is also complete and therefore the Initial Proposal of the rules (and corresponding forms) can now be approved.

Mr. Bridgham explained that they are trying to have clear rules for Change of Scope and NSR and much of the burden will be carried by the forms. He suggested going back to having a consent agenda with rules for consent being 25% or less of the threshold; it was previously 75% or less of the threshold. Ms. Fox stated that she does not like using a consent agenda and that she likes having all items on the regular agenda. Mr. Bridgham stated that the rule still allows for removal from the consent agenda if needed. Ms. Fox stated that this could be a problem if the applicant is not present at the meeting. Mr. Brannen asked if removal from the consent agenda can be requested ahead of time if a Board member asks for removal from consent. That way staff could let applicants know ahead of time that their item will be removed from the consent agenda. Mr. Spiess added that the Board should try to expedite the process whenever possible and focus on the larger projects. Board discussion ensued regarding the need for the consent agenda.

Mr. Spiess made a motion to approve the Initial Proposal He-Hea 201, 203.02, 301 NSR and Change of Scope Rule Amendments. Mr. Brannen seconded the motion and all Board members voted in favor of the motion, unanimously approving this agenda item.

## **7. Board Discussion: Process Required to Fulfill CON and NSR Conditions**

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item. Ms. Carrier explained that it was felt that Board discussion would be appropriate to address the procedures currently employed to ensure applicant compliance with CON and/or NSR conditions, and the changes that could improve this process. She stated that CON's have specific start and end dates and implementation reports are required at commencement and completion of the project. Extensions are available for commencement and completion and there is a change of scope process. Conditions are tracked through implementation reports and 3 reminders are sent before bringing delinquent reports to the Board for action. She added that staff needs guidance on following up on conditions to NSR's.

Chair Grabowski stated that she had asked Ms. Carrier to put this item on the Agenda as she wanted to discuss this with the Board. Ms. Fox asked if the Board can get a list of outstanding NSR conditions. Ms. Carrier responded yes. Mr. Spiess suggested a freeze on future requests until the applicant complies with the conditions. He also suggested sanctions and re-review after one year. Ms. Grabowski stated that she has directed staff to send letters to those not complying stating that the issue will be brought before the Board. Mr. Bridgham suggested considering the NSR to be withdrawn if the condition is not met. He also suggested sending 3 letters 15 days apart to tighten up the timeframe for compliance. Ms. Grabowski mentioned that the Board should discuss timeframes but hesitates to add this to the rules; some flexibility is needed. Mr. Bridgham suggested attaching a list of outstanding NSRs with conditions to each agenda.

No Board action was taken on this agenda item.

## **Other Business**

### **8. Other Administrative Business**

- **Committee Reports**
  - **State Health Plan**
  - **Rules Subcommittee**
- **Legislation Update**
- **Next Meeting Dates**
- **Other Business**

Mr. Bridgham provided a brief update on the work of the rules subcommittee. He explained that the goal is to make it as easy as possible for people who don't come before the Board regularly to meet the requirements.

Mr. Spiess stated that SB308 was amended to include funding for the work of the State Health Plan committee in the amount of \$300,000 which will be assessed to the hospitals. He added that he will be following up on the Senate action on the bill. He stated that there is a meeting scheduled for the first Friday in June.

Ms. Carrier then gave a brief legislative update. She stated that there has been no final decision for SB308 and SB250 was referred to Interim Study.

Ms. Carrier informed the Board of the next meeting dates as follows:

- The Rules subcommittee will meet immediately following today's Board meeting, on June 6, 2014 following the State Health Plan meeting and after each monthly Board meeting.
- The next Board meeting is scheduled for Thursday, June 19, 2014, at the NH Hospital Association. She added that the Amendment to LTC 13-02 THI has been handed out and the staff analysis is being worked on. A public hearing on this application will be held in June or July.
- Ms. Carrier asked the Board to check their calendars for the upcoming summer Board meetings and explained that these dates can be adjusted if needed.

Chair Grabowski then asked for a motion to adjourn the meeting. A motion was made by Mr. Bridgham and seconded by Mr. Spiess to adjourn the meeting. All members voted in favor and the meeting was adjourned at approximately 10:45 a.m.

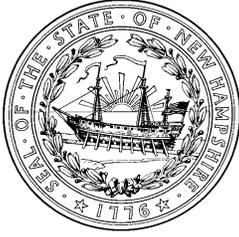
Signature:

\_\_\_\_\_  
Debra Grabowski  
HSPR Board Chair

Approved by  
HSPR Board:

\_\_\_\_\_  
Date

## HEALTH SERVICES PLANNING AND REVIEW



June 19, 2014  
9:30 a.m.  
Board Meeting

NH Hospital Association  
125 Airport Road, Concord, NH

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**Meeting called by:** Ms. Debra Grabowski, Chair      **Note Taker:** HSPR Staff

**Type of meeting:** Certificate of Need - Board Meeting

**Attendees:** Mr. Tyler Brannen, Mr. Robert Bridgham, Ms. Katja Fox, Ms. Debra Grabowski and Mr. Paul Spiess

**Staff Members:** Ms. Cindy Carrier, Mr. Paul Lakevicius, Ms. Angel McFetridge, and Mr. Jeffery Peck

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Chair Grabowski brought the meeting to order at 9:35 a.m. and requested that Staff member Ms. Carrier perform a swear-in for those persons intending to testify before the Board that day. Ms. Carrier did so. Chair Grabowski then asked that anyone planning to testify to any of the agenda items come forward as staff introduces that item in order to better facilitate the meeting.

### 1. Approve May 15, 2014 Board Meeting Minutes

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item. Mr. Peck briefly stated that the Board meeting minutes from the May 15, 2014 Board meeting needed to be approved.

Ms. Fox then made a motion at this time to approve the May 15, 2014 Board meeting minutes. Mr. Spiess seconded the motion and the Board meeting minutes were unanimously approved.

### 2. Board Discussion: Acute Care Bed Need Calculation

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item. Mr. Peck reminded the Board that at the May 2014 meeting the acute care bed need calculation, as determined by regulation, showed a need for 88 beds statewide. He stated that the Board directed Staff to invite hospitals to this meeting for further discussion and explained that should the Board agree that need has been properly determined, then an RFA for new beds may be required to be issued effective August 1, 2014. Ms. Carrier noted that a letter was received by Ms. Leslie Melby from the NH Hospital Association and it was given to the Board this morning.

Ms. Leslie Melby, VP of Government Relations, NH Hospital Association came forward at this time. Ms. Melby referred to her letter and stated that there is no need for new acute care beds. She explained that 75% of the beds are staffed and there is an excess of beds in the state. She recommended postponing the issuance of the RFA and recommended a subcommittee be

established to review and amend the rule. Mr. Brannen asked Ms. Melby if she had numbers for both staffed and occupied beds. Ms. Melby stated that she would need to do research to get the exact numbers. Ms. Fox asked if she was aware of other states' bed need formulas. Ms. Melby stated that she hadn't looked into it but is hoping that the subcommittee could look into it. Mr. Spiess asked Ms. Melby to perform a 5-year lookback on occupancy data for NH acute care hospitals for Board review.

Mr. Steven Marion, Consultant for Mary Hitchcock Memorial Hospital (MHMH) came forward at this time. Mr. Marion stated that he supports the opinion of the NH Hospital Association. He explained that the rule was revisited a few years ago and the bed need reduced from 3.5 to 2.1 per 1,000. He added that the situation is not the same everywhere in the state. Mr. Marion stated that MHMH received a CON in 2011 to add ICU beds and complex medical/surgical beds and the occupancy in the ICU was 92%. He stated that MHMH has a license for 396 beds and over 380 are now occupied. He stated that mid- and low-acuity cases are declining but high acuity cases are increasing. He also stated that the Board shouldn't ratchet the formula back so far that there is no need for beds. Mr. Spiess asked if a hospital can request additional beds without an RFA for beds. Ms. Carrier explained that they can if it doesn't go beyond the license. Mr. Spiess suggested that the Board should form a subcommittee to figure this out. Mr. Brannen asked Mr. Marion to speak to MHMH having longer length of stays. Mr. Marion explained that there are 2 types of lengths of stay, a Medicare length of stay and those who are well enough to discharge. He added that oftentimes there are no nursing home beds in the region or a patient's home region available for occupancy. He also stated that MHMH has a problem getting people discharged to a more appropriate bed; 12-16 patients are awaiting discharge on most days. Mr. Bridgham asked how the Board would characterize beds occupied by different types of patients. Mr. Marion responded that he was not sure but is willing to participate in a subcommittee. He added that the Board would have to use discretion when approving beds based on specific needs.

Ms. Susan Palmer Terry, Consultant, came forward at this time. Ms. Palmer Terry stated that the normile bed need methodology allows hospitals to project bed need. She stated that this could be coupled with a numeric formula. She added that she hopes a subcommittee can look at this.

Ms. Fox asked if any letters of intent have been submitted. Ms. Carrier responded that none have been received for new beds. Ms. Fox asked if the Board should determine no RFA today. Ms. Carrier suggested doing it at the July Board meeting allowing for more opportunity for letters of intent or other letters of discussion.

No Board action was taken on this agenda item.

### **3. Board Update – Outstanding NSR Conditions:**

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item for the Board. Ms. Carrier stated that this agenda item returns for additional Board discussion. Staff has prepared a list of the NSR applicants and the conditions that remain outstanding. All have been contacted; to date, no responses have been provided.

Chair Grabowski asked Ms. Carrier to send letters to the oldest facilities asking for a response and indicated Board action would be necessary if none was received.

**4. NSR 14-16, Exeter Hospital, Exeter, NH, Therapy Services Space Renovation, \$1,042,470**

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item. Ms. Carrier stated that Exeter Hospital has submitted an NSR application for renovation to a building on the campus of the hospital for outpatient therapy services. She stated that HSPR staff performed an evaluation of this request which was enclosed in the Board packet. Ms. Carrier stated finally that pending receipt of some outstanding information from a previous NSR, which Exeter Hospital will be submitting shortly, there are no other issues with this request.

Mr. Mark Whitney, VP, Strategic Planning, Exeter Health Resources and Attorney Kate Hanna, Legal Counsel came forward at this time. Attorney Hanna explained that Exeter Med Real owns the building and will lease it to Exeter Hospital for physical therapy, occupational therapy, speech therapy and aquatics. She added that the cost of the project is below the statutory threshold. Mr. Brannen asked if the therapists are employees of Exeter Hospital. Mr. Whitney stated that they are. Chair Grabowski asked if they currently provide services and are just planning to upgrade. Mr. Whitney stated yes, but that there is no longer a membership based program for aquatics.

Mr. Spiess made a motion at this time to approve NSR 14-16, Exeter Hospital, Exeter, NH, Therapy Services Space Renovation for a total of \$1,042,470. Mr. Bridgham seconded the motion. All Board members voted unanimously to approve this agenda item.

**5. NSR 14-17, Core Physicians, LLC, Exeter, NH, Renovation of Space for Physician Offices, \$1,829,000**

**Discussion:** Ms. Carrier was asked to introduce this agenda item. Ms. Carrier stated that Coe Physicians submitted an NSR request for renovations to the same building identified in NSR 14-16 for physician office space. She explained that because the space is slated for physician offices, staff determines that it is not subject to CON review.

Mr. Mark Whitney, VP, Strategic Planning, Exeter Health Resources and Attorney Kate Hanna, Legal Counsel remained at the testimony table for this agenda item. Attorney Hanna explained that Core Physicians will lease space for physician practices in this building. She also explained that this request falls under the exemption under RSA 151-C:13, I (a). Mr. Spiess asked if all these projects are considered under Exeter Hospital in regard to the lookback. Ms. Carrier stated that they are. Mr. Spiess stated that he would have combined these projects since they are under the same ownership structure. Ms. Carrier explained that they could have done that but they are considered as separate entities even though they are under the same parent. Mr. Whitney added that each entity has its own management team. Mr. Kevin Callahan, CFO, from the audience explained the membership of the Board of Trustees and Board of Managers.

Mr. Spiess made a motion to approve NSR 14-17, Core Physicians, LLC, Exeter, NH for the renovation of space for physician offices for a total of \$1,829,000. Mr. Bridgham seconded the motion and all Board members voted in favor of the motion; thus, this agenda item was passed unanimously.

**6. NSR 14-18, Manchester Urology, Manchester, NH, Lab License, \$8,000**

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item. Mr. Peck stated that this entity seeks a laboratory license and requires approval so that it can proceed with such license application from the Bureau of Health Facilities Administration. He explained that due to the minimal project cost, staff concludes that the project is eligible for an NSR determination.

Mr. Steve MacMullin, Practice Administrator, and Mr. Steve Smith, Urologist came forward at this time. Mr. Smith provided a brief introduction of the project. He stated that they wish to bring this service in-house and centralize this service. Ms. Fox asked if there was any intent on expanding the lab in the future or accepting specimens from other facilities. Mr. Smith stated that this service is only for their own patients. Utilization is expected at 400 specimens/month. Mr. Brannen asked if the pathologist will be full time. Mr. Smith stated that the pathologist will be a part time contracted pathologist with Strata.

Mr. Spiess made a motion to approve NSR 14-18, Manchester Urology, Manchester, NH for a laboratory license for a total cost of \$8,000. Mr. Brannen seconded the motion and all Board members voted in favor of the motion, unanimously approving this agenda item.

**7. NSR 14-19, St. Joseph Hospital, Nashua, NH, Replacement of Fixed MRI Equipment, \$1,800,000**

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item. Mr. Peck stated that an NSR request was received from St. Joseph Hospital (SJH) for replacement of its existing fixed MRI equipment. He explained that this is the first such request under the 2014 statutory changes and the HSPR staff evaluation addresses these new requirements. He further explained that HSPR staff requested that St. Joseph clarify the cost of the unit, as well as clarify whether it is purchasing or leasing the unit. Mr. Peck stated that HSPR staff recommends that the Board add a condition that a copy of the signed contract between St. Joseph and Alliance Imaging be submitted prior to installation of the replaced equipment.

Ms. Kathy Cowette, Director of Planning and Mr. Ken Kelly, Director of Diagnostic Imaging Services, St. Joseph Hospital came forward at this time. Ms. Cowette provided a brief explanation of the NSR request. She stated that they wish to replace the GE brand equipment with a Siemens unit. She added that the request falls under the substantially similar equipment rule. Mr. Spiess asked why they were replacing the equipment. Mr. Kelly explained that the Siemens machine is bigger and quieter, and the coil technology results in better quality images. Mr. Spiess stated that they are at the end of their lease and asked how they made the decision to purchase rather than lease. Mr. Kelly stated that the cost is lower under this option. Mr. Bridgham asked who the mobile provider is currently. Ms. Cowette stated that it is Alliance Imaging. Mr. Bridgham stated that the statute speaks to equipment owned by the provider. Ms. Cowette stated that SJH's interpretation is that the equipment has been in operation at SJH for many years and therefore it can be replaced. Mr. Spiess asked who the statute is referring to as the provider, the owner of the equipment or the facility. He stated that provider is defined as the provider of healthcare. He added that the Board should approve this request. Ms. Carrier stated that the issue has come before the Board before (Concord Hospital) and the Board at that time recognized the hospital as the provider.

Mr. Spiess made a motion to approve NSR 14-19, St. Joseph Hospital, Nashua, NH for the replacement of fixed MRI equipment for a total cost of \$1,800,000. Ms. Fox seconded the

motion. Mr. Bridgham abstained from the vote and all remaining Board members voted in favor of the motion, approving this agenda item.

**8. NSR 14-20, Morrison Nursing Home, Whitefield, NH, Addition of a Rehab Gym, \$717,795 (\$35,000 Equipment)**

**Discussion:** Chair Grabowski asked Mr. Peck to introduce this agenda item. Mr. Peck stated that the Morrison Nursing Home has submitted an NSR request for construction of space for a new rehab gym at its facility. He noted that HSPR staff's calculations change the total project cost slightly, due to an addition error. He also noted additional renovation work was noted on the floor plans; HSPR staff questions whether this renovation and the associated costs are included with the proposal. He explained that previous projects identified by the applicant collectively total less than the statutory threshold. He further explained that the most recent 2011 project has just exceeded the 36-month "lookback" period and cannot be counted. Mr. Peck stated that this project is likely eligible for a Not Subject to Review determination.

Ms. Roxie Severance, Executive Director, Morrison Nursing Home came forward at this time. Ms. Severance clarified that the other renovations noted by Mr. Peck in the introduction are related to a future hospice project.

Mr. Spiess made a motion to approve NSR 14-20, Morrison Nursing Home, Whitefield, NH for the addition of a rehab gym at a total cost of \$717,795 and \$35,000 for equipment. Mr. Bridgham seconded the motion and all Board members voted in favor of the motion, unanimously approving this agenda item.

**9. NSR 14-07 Convenient MD, LLC, Change Walk-In Care Center Location, Nashua, NH \$1,219,250 (\$67,000 Equipment)**

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item. Ms. Carrier stated that Convenient MD, LLC submitted an amendment to NSR 14-07 for a relocation of its Nashua walk-in care center on Amherst Street to a different address on the same street. Ms. Carrier noted that Convenient MD has also requested that its signed leases, required as a condition of NSR approval, be held confidential in the HSPR office. She added that the evaluation that was included in the Board packet included a discussion on this issue. She also noted that she was alerted by the applicant to a correction to the equipment cost; it should be \$107,000 and not \$67,000.

Mr. Gareth Dickens, Co-CEO and Mr. Max Puyanic, CEO for Convenient MD came forward at this time. Mr. Dickens stated that they are not asking to keep both locations as an option but will definitely be changing the location from one address to another. He stated that the corrected equipment cost is due to the fact that they are only doing a fit out at this location rather than the cost of the construction of the building. Mr. Spiess asked for clarification on the site. Mr. Puyanic stated that it will be across from Walgreens and it will be one of a 3 unit building. He explained that they were unable to complete the original lease and that this other location is the second best option for the company. Mr. Bridgham asked if this can be approved as an amendment to the original NSR. Ms. Carrier stated yes.

Mr. Bridgham made a motion to amend NSR 14-07, Convenient MD, LLC for the change in location to its Walk In Care Center in Nashua, NH for a total cost of \$1,219,250 and \$107,000

for Equipment. Mr. Spiess seconded the motion and all Board members voted in favor of the motion, unanimously approving this agenda item.

The Board then asked Mr. Dickens and Mr. Puyanik to explain their request to keep the lease documentation confidential. Mr. Dickens stated that they were concerned with publicizing the lease as it would compromise negotiation ability going forward. He offered to supply the cover letter and signature page along with a certification from an accountant, or keep the entire document confidential. Mr. Puyanik stated that there were 30 critical points in the lease that would have a significant impact on the economics of the lease and the long term viability of the deal. He also stated that the landlord is seeking confidentiality that Convenient MD would not be able to maintain under the NSR condition. He cited such areas of the lease as utilities, landlord duties, the tenant's duties, signage, parking, contingencies, prohibited uses of property and penalties to fit up as key areas of concern.

Discussion ensued by the Board on the NSR condition regarding the lease and exactly what would satisfy the concerns that the proposal would remain with an unrelated party and that the cost would not change. Mr. Bridgham suggested a compromise by way of a summary that would identify the value of the lease. Mr. Brannen agreed, stating that the NSR was based on certain representations made by the applicant and that the lease documentation was a way of ensuring such representation. Further board discussion ensued.

Mr. Spiess made a motion to waive the requirements for this group of pending NSR applications from January 2014 for both Convenient MD and also ClearChoice MD. Mr. Brannen seconded the motion. Mr. Bridgham offered an amendment stating that in lieu of a lease the applicants could submit certification that the lease was signed, identify the parties, and certify the cost. Ms. Fox seconded the amendment. As the originators of the motion, Mr. Spiess and then Mr. Brannen accepted the motion as amended. All Board members voted in favor of the motion.

Chair Grabowski allowed for a 15 minute break at this time. She asked that people return to the meeting at 11:20 a.m.

## **10. Public Hearing – He-Hea 100 Board Organization Rules**

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item. Ms. Carrier stated that the Board will hear testimony in support of and opposition to the He-Hea 100 Board Organizational Rules at this time. Ms. Carrier explained that these rules are being amended to align with the 2013 – 2014 statutory changes. She further explained that based upon any testimony received, the rule will be given final adjustments, and brought back to the Board for final approval at the July 17, 2014 Board meeting.

Chair Grabowski opened the public hearing at 11:20 a.m. There was no public testimony. Ms. Grabowski then asked MR. Bridgham to review the changes for the Board. Mr. Bridgham stated that the legislative changes have been incorporated into the rule. The public hearing was closed at approximately 11:23 a.m.

No Board action was taken on this agenda item.

**11. Public Hearing:**  
**LTC 13-02 THI of New Hampshire at Derry, LLC – 109 Bed Nursing Home in Londonderry, NH, \$14,370,000**

**Discussion:** Chair Grabowski asked Ms. Carrier to introduce this agenda item. Ms. Carrier stated that the Board will now hear the Long Term Care application from THI of New Hampshire at Derry, LLC for the construction of a 109-bed nursing home in Londonderry, NH. She stated that the HSPR staff analysis and checklist of outstanding items were enclosed in the Board packet. She reminded the Board that THI received approval by the Board under the exception section of RSA 151-C:4, III (a) to submit a CON application to accommodate the transfer of beds from Exeter Healthcare. She explained that this application also received approval for amendment and HSPR staff has incorporated both into the analysis.

Ms. Carrier then noted serious concerns with the application, stating that the existing license for the beds has lapsed, potentially jeopardizing their existence. Additionally, the facility upon which this application is based, Pleasant Valley Nursing Center, has been sold by THI to an unrelated party. As such, THI might now be considered a new applicant; this in turn, may affect THI's ability to be awarded a Certificate of Need, due to the existing moratorium. Ms. Carrier explained finally that the 90-day formal review period on this application is slated to end on July 25, 2014 and, if needed, the Board can take additional time before rendering a decision on the application.

The public hearing opened at 11:24 a.m. Presenters for THI included Mr. Mark Fulchino, President and CEO, Mr. Bronz Peterson, Senior Vice President of Development, Ms. Melissa Warlow, Senior Vice President, Transactions and Regulatory Affairs, Fundamental Administrative Services, Mr. Kam McGavock, Divisional Vice President, Ms. Fran Chapman, Senior Vice President of Clinical Services from Fundamental Clinical and Operational Services, Ms. Melissa St. Cyr, Former Administrator of Pleasant Valley Nursing Home, Ms. Susan Palmer Terry, CON Consultant, Attorney Andrew Eills, Legal Counsel, Mr. Preston Hunter, Eckman Construction and Mr. Kevin O' Leary, Exeter Health Resources.

Mr. Fulchino provided a handout to the Board with the presentation. Mr. Peterson, Ms. Warlow and Mr. McGavock reviewed the slides for the Board. Mr. Bridgham asked if the rooms are all semi-private on the short stay side. Mr. Peterson stated that there are some on the short stay and long stay side. Chair Grabowski asked about the courtyard space. Mr. Peterson described the space for the Board. Mr. Spiess asked about the average length of stay. Ms. Chapman stated that it ranges from 15 – 45 days for specialty and transitional care. Mr. Brannen asked how they measure outcomes. Ms. Chapman stated that they use national benchmarks for the industry and all are below the state and national averages. Mr. Bridgham asked if they offer orthopedic rehab for short stay patients. Ms. Chapman stated that yes, they do all PT and OT that is needed.

Attorney Eills then spoke to the outstanding checklist issues. He stated that THI executed the purchase and sales agreement in January 2013 and 2 deposits were made in February 2013. He stated that the purchase and sales agreement is still a valid document. Attorney Eills added that THI has documentation from DHHS regarding the lapse of license in April 2013. He explained that in February 2013 THI submitted an NSR to purchase beds and it was granted as well as their request to submit a CON application. He stated that they represented that this would not be built at the Pleasant Valley site and it was known upfront that the license would expire. Operations at Exeter Healthcare ceased in September 2012 and a CON application could not have been filed and heard by April 30, 2014. Mr. Spiess asked if the license could have been extended. Attorney Eills explained that Exeter could have renewed the license but

didn't because no beds were in use. Mr. Spiess asked if they could have pursued a new facility in the absence of the license if the moratorium wasn't in place. Attorney Eills responded that he is correct and they were approved for the transfer of beds in February 2013. Mr. Spiess stated that the license expiration invalidates the purchase and sales agreement. Attorney Eills stated that the purchase and sales agreement refers to licensed beds and the expiration date of the license. There is a provision that if the NSR was not granted or if they were not allowed to file the application THI would have priority status.

Attorney Eills then reviewed the details of the Transfer of Ownership of Pleasant Valley and stated that it was part of a larger legal settlement agreement that was effective January 2014. He added that THI is not a new entrant to NH as it operated a facility for over 10 years. Mr. Bridgham stated that the original request came from Pleasant Valley and asked if the beds lie with Pleasant Valley or with THI and who has the rights to the beds now, THI or the new owner. Mr. Fulchino stated that the arrangement is with THI and Exeter and it has not changed. The sale was not contemplated in February 2013. He added that the facility was not sold, it was transferred to the other entity along with 200 other facilities. Mr. Bridgham stated that THI's sole presence in NH was as the owner and operator of Pleasant Valley. He added that when Pleasant Valley was transferred some assets could have gone with it; THI's assets included Pleasant Valley and the contract to purchase Exeter's beds. Mr. Fulchino stated that these were separated when Pleasant Valley was transferred; THI kept the contract and Pleasant Valley was transferred. This concluded THI's presentation.

Chair Grabowski invited public testimony at this time. Mr. Jim Butler, Town Councilor from Londonderry, NH came forward. He stated that he has been in this position for 28 years. He stated briefly that the planning board has discussed plans for the facility with THI. The demographics are changing, and the population is aging. They are working to bring elderly housing into Londonderry. He added that the Senior Center is growing in popularity. This property is well suited for the facility and is part of a master plan. He added that this would be the first facility of this type in Londonderry and he anticipates that the planning board will grant approval for the facility.

Mr. Preston Hunter representing Eckman Construction came forward at this time. He stated that Eckman Construction built the Elliot at Rivers Edge. He added that this is a quality organization with a great project for the community. He also stated that they will hire NH workers for the construction of the facility.

Mr. Kevin O'Leary, CFO, Exeter Health Resources came forward at this time. He stated that there is a need for long term beds in Rockingham County. He stated that Exeter couldn't make the facility work economically and he hopes that THI can be successful at it. He added that it is important for the county to have another LTC provider, especially in this area.

Attorney Eills stated that the Board clearly has the power and authority to grant a CON to this entity.

The public hearing was closed at 12:56.

Mr. Bridgham stated that each Board member should voice their concerns regarding this proposal. Mr. Spiess stated that he has no problem with the need for the project or the applicant but wants to make sure the Board has the authority to issue a CON due to the license and moratorium issue. He suggested checking with the Attorney General. Ms. Fox also suggested a non-public session with the Attorney General to discuss. Mr. Bridgham stated that

he agreed as he was unsure if licensed beds can re-enter the system. Mr. Brannen echoed the other Board members' thoughts.

Ms. Carrier stated that she will contact the Attorney General to set up a meeting to discuss whether the Board can issue a CON without violating the moratorium and whether the beds can re-enter the system at this time. Chair Grabowski asked that this meeting be held before the 7/17/14 Board meeting. The hearing for THI was thus continued until the next Board meeting.

Chair Grabowski left the meeting at 1:00 and asked Mr. Bridgham to be the Acting Chair for the remainder of the meeting.

## **Other Business**

### **12. Other Administrative Business**

- **Committee Reports**
  - **State Health Plan**
  - **Rules Subcommittee**
- **Legislation Update**
- **Next Meeting Dates**
- **Other Business**

Mr. Bridgham stated that he sent a letter to the Board and asked them to email him with any thoughts relative to the proposed executive summary for the draft CON application. Mr. Spiess stated that he is in favor of looking more holistically at the process and Mr. Brannen agreed

Mr. Spiess stated that SB308 was not passed. He added that it was the last option to find funding for development of the SHP. He stated that he has discussed this with the Governor's Office to perhaps find funding in the next budget. He stated that there are 4-6 specifics for the structure of the plan, and that meetings should begin again in September to draft a report to the Legislature as required by statute. Ms. Fox suggested adding the Advisory Board to help bring the parties to the table, and to see what can be done absent of funding.

### **Next Meeting Dates**

Ms. Carrier informed the Board of the next meeting dates as follows:

- The Rules subcommittee will meet immediately following today's Board meeting.
  - The next Board meeting is scheduled for Thursday, July 17, 2014, at the NH Hospital Association.
- **Other Business**

Ms. Carrier stated that staff is in completeness review for the two psych projects and tours can be arranged if the Board is interested. All members were interested.

Acting Chair Bridgham then asked for a motion to adjourn the meeting. A motion was made by Mr. Spiess and seconded by Ms. Fox to adjourn the meeting. All members voted in favor and the meeting was adjourned at approximately 1:10 p.m.

Signature:

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Debra Grabowski  
HSPR Board Chair

Approved by  
HSPR Board:

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Date