

Mailing Address  
P.O. Box 6133  
Williamsburg VA 23188



Office Location  
325 McLaws Cr. Suite 2  
Williamsburg VA 23185

Courtesy of:  
Peter Mellette, Esq.  
peter@mellettepc.com

## **Client Advisory Amendments to State Medical Facilities Plan – Effective February 15, 2009 Inpatient Bed Requirements**

On February 15, 2009, a comprehensive revision of the Virginia Department of Health's State Medical Facilities Plan ("SMFP") became effective. Some of the changes in these regulations may affect your plans for adding inpatient beds. Changes from earlier drafts are highlighted in bold.

### **Need for New Service:**

No new inpatient beds should be approved in any health planning district unless the average annual occupancy based on the number of beds in the health planning district for the relevant reporting period is **80% at midnight census for medical/surgical or pediatric beds, and 65% at midnight census for intensive care beds**. For proposals to convert under-utilized beds that require a capital expenditure of \$15 million or more, consideration may be given if:

1. There is a projected need in the applicable category of inpatient beds; and
2. The applicant can demonstrate that the average annual occupancy of the converted beds would meet the utilization standard for the applicable bed category by the first year of operation.

"Underutilized" means less than 80% average annual occupancy for medical/surgical or pediatric beds, when the relocation involves such beds and less than 65% average annual occupancy for intensive care beds when relocation involves such beds.

### **Expansion or Relocation of Service:**

Proposals to relocate beds to a location not contiguous to the existing site should be approved only when:

1. Off-Site replacement is necessary to correct life safety or building code deficiencies;
2. **The population currently served by the beds to be moved will have reasonable access to the beds at the new site, or to neighboring inpatient facilities;**
3. The number of beds to be moved off-site is taken out of service at the existing facility;

*Courtesy of:  
Peter Mellette, Esq.  
peter@melletpc.com*

4. The off-site replacement of beds results in (a) a decrease in the licensed bed capacity, (b) a substantial cost savings, cost avoidance, or consolidation of underutilized facilities, or (c) generally improved operating efficiency in the applicant's facility or facilities;

5. The relocation results in improved distribution of existing resources to meet community needs.

Please contact Mellette PC if you have any questions about the impact of the SMFP regulations on future projects.

Please see attached for full text of the amended SMFP.