

Long-Term and Behavioral Health Committee
Agency Report for
Hospice Adjusted Need Determination Petitions

Petitioners:

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| 1. Hospice of Wilson
P.O. Box 3007
Wilson, N.C. 27895
J. Scott Smith, M.D.
Foundation Chair | 4. Gordon Hospice House and Hospice of Iredell
County, Inc.
2347 Simonton Road
Statesville, N.C. 28625
Terri Phillips, President and CEO |
| 2. Crystal Coast Hospice House
P.O. Box 483
Morehead City, NC 28557
Sarah Strange, Board Member | 5. Lower Cape Fear Hospice, Inc.
1414 Physicians Drive
Wilmington, N.C. 28401
Deborah Pressley, VP Finance & Operations |
| 3. Hospice of the Piedmont, Inc.
1801 Westchester Drive
High Point, NC 27262
Leslie Kalinowski, President/CEO | 6. Hospice Cleveland County
951 Wendover Heights Drive
Shelby, NC 28150
Myra McGinnis, Executive Director |

Requests:

1. Hospice of Wilson requests an adjusted need determination for three additional hospice inpatient beds (Wilson County).
2. Crystal Coast Hospice House requests an adjusted need determination for six hospice inpatient beds (Carteret County).
3. Hospice of the Piedmont, Inc. requests an adjusted need determination for six hospice inpatient beds (Guilford County).
4. Gordon Hospice House requests an adjusted need determination for six additional hospice inpatient beds (Iredell County).
5. Lower Cape Fear Hospice requests an adjusted need determination for six additional hospice inpatient beds (New Hanover County).
6. Hospice Cleveland County requests an adjusted need determination for one hospice inpatient bed (Cleveland County).

Background Information:

In 2008, based on the recommendation of its Long-Term and Behavior Health Committee, the State Health Coordinating Council (SHCC) authorized the formation of a Hospice Methodologies Task Force to make recommendations for the Proposed 2010 State Medical Facilities Plan (SMFP). The Task Force presented recommendations to the Long-Term and Behavioral Health Committee. The Committee accepted the recommendations, which were then approved by the SHCC for inclusion in the 2010 SMFP. The current hospice methodology uses

projected hospice days of care, calculated by multiplying projected hospice admissions by the lower of the statewide median average length of stay or the actual average length of stay for each county. Projected hospice admissions are determined by the application of a two-year trailing average growth rate in the number of admissions served to current admissions. Inpatient days, as a percent of total days of care, are determined to be approximately six percent, based on statewide inpatient days as a percent of total days of care.

The hospice inpatient methodology projects inpatient beds based on 85 percent occupancy and adjusts projected beds for occupancy rates of existing facilities that are not at 85percent occupancy. The methodology makes single-county determinations when the county deficit is six or more beds based on the standard methodology. Application of the methodology resulted in a need determination in the Proposed 2011 SMFP of greater than six beds in Mecklenburg County.

In deference to the standard methodology, Chapter Two of the 2011 Proposed SMFP allows persons to petition for an adjusted need determination in consideration of "...unique or special attributes of a particular geographic area or institution..." if they believe their needs are not appropriately addressed by the standard methodology. Four of the petitioners, Hospice House of the Piedmont, Gordon Hospice House, Lower Cape Fear Hospice and Hospice Cleveland County requested beds in addition to existing beds, while Wilson and Crystal Coast Hospice Programs are seeking first-time hospice beds.

Analysis/Implications:

Analysis of the data tables and additional information for each petitioner follows:

1. Hospice of Wilson (Wilson County):

- There are no hospice inpatient facilities in Wilson County. The 233 admissions and 19,309 days of inpatient and outpatient care in 2009 were provided by hospice facilities in Wilson and neighboring counties.
- The 2009 SMFP included a need determination of eight inpatient beds for Wilson County, calculated using the standard methodology. Applications for the Certificate of Need (CON) were due on 8/17/2009; apparently no one applied for the CON. Table 13C of the 2010 Proposed SMFP included an eight-bed placeholder for the 2009 Need Determination, resulting in a three-bed surplus at that time. In accordance with SMFP Policy GEN-1: Reallocations, the placeholder was taken out of the 2010 SMFP. This resulted in a need for five beds in Wilson County, which did not meet the criterion of six or more beds needed to generate a need determination for the county for the 2010 SMFP.
- Table 13C of the 2011 Proposed SMFP shows a current need for four inpatient hospice beds, which does not meet the criterion of six beds for a need determination. The petitioner is requesting three additional beds, possibly to add to the need for five beds shown in the 2010 SMFP for a total of eight beds in a new facility.
- The following chart shows relevant data:

Hospice Utilization

Wilson County	2007	2008	2009
County Population	77,876	79,103	80,022
County Days of Hospice Care	30,458	23,263	19,309
County Hospice days/1,000	390.60	283.00	235.33
County IP Bed Deficit	8	5	4

2. Crystal Coast Hospice House (Carteret County):

- There are no hospice inpatient facilities in Carteret County. In 2009, hospice facilities inside and outside the county admitted 261 patients and provided 21,582 days of care. As of 2009, the days of care per 1,000 population in Carteret County reached 333.4 days/1,000 population.
- As indicated in the chart below, hospice care days have steadily increased over several years, although the criterion in the standard methodology of six beds has not been met.
- The 65+ population of Carteret County is 22.0% of total county population, exceeding the statewide 65+ population of 12.8% of total state population.
- As noted by the petitioner, “Carteret County, bordered on the north by the Pamlico Sound and east and south by the Atlantic Ocean, is defined by water. The county stretches over 526 square miles of land along the North Carolina coast. With many parts of the county separated by bodies of water, it is difficult for residents to travel easily and quickly throughout the county... With many areas of Carteret County being geographically isolated, traveling long distances away from home can be challenging and time-consuming for local residents.”
- As shown by the 31 letters of support, the petition has significant community support.

Hospice Utilization

Carteret County	2007	2008	2009
County Population	63,373	63,927	64,724
County Days of Hospice Care	18,753	20,724	21,582
County Hospice Days/1,000	295.91	324.18	333.46
County IP Bed Deficit	5	5	5

3. Hospice House of the Piedmont (Guilford County):

- The hospice inpatient bed methodology requires a countywide occupancy rate among existing hospice inpatient providers of 85%. Based upon 2009 data, the countywide occupancy rate is currently 78.24%.
- As explained by the petitioner, there “are two providers of inpatient hospice services in Guilford County, Beacon Place, located in northeast Guilford County and operated by Hospice and Palliative Care of Greensboro and Hospice Home at High Point (HHHP), located in southwest Guilford County and operated by Hospice of the Piedmont. Beacon Place opened in 1996 and Hospice Home opened in 2006. Since its opening, Hospice Home at High Point has consistently reported a higher general inpatient bed (GIP) occupancy rate than Beacon Place. Within 2 years of opening, Hospice Home at High Point had achieved 85% occupancy and by 2010 is at 100% GIP occupancy. Despite Hospice Home at High Point’s 3 year history of exceeding the threshold, the 85% mark has not been reached for the county.”
- As shown in the table below, days of care have increased over the past several years.

Hospice Utilization

Guilford County	2007	2008	2009
County Population	460,099	469,343	476,038
County Days of Hospice Care	117,231	132,055	142,376
County Hospice Days/1,000	254.79	281.36	299.09
Hospice IP Bed Deficit	0	0	0

4. Gordon Hospice House (Iredell County):

- Gordon Hospice House currently has nine inpatient beds, and reports that they are operating at 100% capacity.
- While utilization in the county has not achieved the 85% utilization standard, as identified in Step 11 of the hospice inpatient bed methodology, the days of care are increasing steadily.
- The need methodology shows need for no new beds in Iredell County, although previously, there was a deficit of three beds in the county.

Hospice Utilization

Iredell County	2007	2008	2009
County Population	150,446	154,467	157,039
County Days of Hospice Care	39,166	38,158	42,051
County Hospice Days/1,000	260.41	228.76	267.77
Hospice IP Bed Deficit	3	1	0

5. Lower Cape Fear Hospice (New Hanover County):

- The petitioner requests that the identified three inpatient hospice bed need be increased to six beds.
- The facility, Wilmington Hospice Care Center HCC), operated at 99% in 2008, 96.1% in 2009, and 100.5% for 2010 annualized.
- To meet the demand for hospice inpatient care, Wilmington HCC contracts with surrounding hospitals and nursing homes to meet the need. The contracted days of service have been increasing annually since 2008.
- The days of care have steadily increased over the past several years, although they have not met the criterion of six beds in the standard methodology.

Hospice Utilization

New Hanover	2007	2008	2009
County Population	189,422	192,201	194,099
County Days of Hospice Care	57,969	64,093	63,221
County Hospice Days/1,000	305.33	318.87	325.71
Hospice IP Bed Deficit	5	5	3

6. Hospice of Cleveland County (Cleveland County):

- The petitioner requests one additional inpatient hospice bed for Cleveland County.
- Hospice of Cleveland County currently operates two facilities providing inpatient hospice care in Cleveland County, with a total of nine inpatient beds between the two facilities. In 2008, Hospice of Cleveland County submitted a special needs petition for four residential beds and four inpatient beds. As reported by the petitioner, a “CON was awarded in 2008, and ... the Kings Mountain Hospice House was licensed and operational in May 2010.”
- The standard methodology results in a need for one additional inpatient bed for Cleveland County, although this does not meet the criterion of six beds for the service area.
- Utilization of hospice services in Cleveland County has increased over the past three years, with the most recent utilization rate being 100.88% in 2009.

- According to the petitioner, “in 2009 there were at least 27 people in Cleveland County who died in a Medicare bed in a skilled nursing facility. All of these individuals were on our waiting list [and] ... were denied access to any type of hospice care because of Medicare regulations prohibiting hospices from serving patients in a Medicare bed located in a skilled nursing facility.”
- One additional hospice inpatient bed will allow the facilities to serve 33 more people each year.

Hospice Utilization

Cleveland County	2007	2008	2009
County Population	96,965	97,962	98,638
County Days of Hospice Care	36,747	38,877	47,622
County Hospice Days/1,000	378.42	396.86	482.78
County IP Bed Deficit	1	1	1

Agency Recommendation:

1. Hospice of Wilson requested an adjusted need determination for three additional hospice inpatient beds for Wilson County. Since 2007, the utilization of inpatient hospice facilities has decreased by Wilson County residents, as has the bed deficit in response. The standard methodology resulted in a need determination of no new, additional beds in the county. The Agency recommends denial of the petition.
2. Crystal Coast Hospice House requested an adjusted need determination for six hospice inpatient beds. The Agency supports the standard methodology; however, because of unique circumstances existing in Carteret County, the Agency recommends approval of the petition.
3. Hospice of the Piedmont, Inc. requested an adjusted need determination for six hospice inpatient beds. In light of circumstances that exist in Guilford County, the Agency recommends approval of four of the six beds requested in the petition.
4. Gordon Hospice House requested an adjusted need determination for six additional hospice inpatient beds. Days of care are increasing in Iredell County, and the facility recently has operated at a high capacity. The Agency recommends approval for three additional beds.
5. Lower Cape Fear Hospice requested an adjusted need determination for six additional hospice inpatient beds. The Agency recognizes the increasing demand for services and recommends approval of the petition for six additional beds in New Hanover County.
6. Hospice of Cleveland County requested an adjusted need determination for one hospice inpatient bed. The Agency notes that utilization of hospice services has increased over the past several years in Cleveland County, and recommends approval of the petition.