

**Long Term and Behavioral Committee
Agency Report
Adjusted Need Petition for
Hospice Inpatient Beds in Watauga County
in the 2021 State Medical Facilities Plan**

Petitioner:

Caldwell Hospice & Palliative Care
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Request:

The Petition requests an adjusted need determination to the *North Carolina 2021 State Medical Facilities Plan (SMFP)* for six hospice inpatient beds in Watauga County.

Background Information:

Chapter Two of the *2021 SMFP* provides that “[a]nyone who finds that the North Carolina State Medical Facilities Plan policies or methodologies, or the results of their application, are inappropriate may petition for changes or revisions. Such petitions are of two general types: those requesting changes in basic policies and methodologies, and those requesting adjustments to the need projections.” The annual planning process and timeline allow for submission of petitions requesting adjustments to need projections in the summer. It should be noted that any person might submit a certificate of need (CON) application for a need determination in the Plan. The CON review could be competitive and there is no guarantee that the petitioner would be the approved applicant.

The current hospice inpatient 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. A two-year trailing average statewide inpatient utilization rate of the total estimated days of care in each county is used as a basis for estimating days of care in licensed inpatient hospice facility beds.

The hospice inpatient methodology projects inpatient beds based on 85% occupancy and adjusts projected beds for occupancy rates of existing facilities that are not at 85% occupancy. The

methodology makes single-county determinations when the county deficit is six or more beds based on the standard methodology.

Analysis/Implications:

The Petition requests an adjusted need determination for six inpatient beds in Watauga County to serve residents of Ashe, Avery and Watauga and surrounding areas based, in part, on the unique geographic characteristics of this region. The Proposed 2021 SMFP inventory contains no hospice inpatient beds in the seven counties comprising the High Country of North Carolina (Ashe, Avery, Alleghany, Mitchell, Watauga, Wilkes and Yancey). A part of the Southern Appalachian Mountains, the High Country received its name by having the highest average elevation east of the Mississippi, ranging from 2,134 to 5,946 feet. Elevation makes travel more difficult because this region has no major highways, and thus requires longer relative drive times. Traveling the mountainous roads is even more of a challenge in inclement weather, such as rain, fog, ice or snow. The Petition claims that it would be easier for residents of the High Country to travel across the mountain range to receive hospice services than to travel down the mountain range because of the challenging elevations and roads in this region. A facility in Watauga County could address this unique issue.

The Petitioner argues that application of the standard methodology makes it unlikely for any of these three counties to independently trigger a need determination for inpatient hospice beds. As noted in the Petition, the closest hospice inpatient facilities are in Burke and Caldwell counties. Of concern to the Petitioner is that residents of Ashe, Avery and Watauga, in particular, must drive one to three hours one-way to receive hospice inpatient services or visit family members at these existing facilities.

Based on application of the standard hospice inpatient bed methodology, the Proposed 2021 SMFP identified a surplus of 2.37 beds for Watauga County. A need exists for single counties when there is a projected deficit of six or more beds. Combining the deficits for Ashe, Avery and Watauga yields an overall hospice inpatient bed deficit of 5.39 (Table 1). This combined approach comes very close to achieving the six-bed need.

Table 1. Hospice Inpatient Bed Methodology

County	Total Admissions (2019)	Total Days of Care (2019)	ALOS per Admission	Total 2024 Admissions	2024 Days of Care at Statewide ALOS	Projected Inpatient Days	Projected Total Inpatient Beds
Ashe	152	18,936	124.58	185	14,394	443	1.43
Avery	170	21,054	123.85	207	16,099	496	1.60
Watauga	253	35,276	139.43	308	23,959	738	2.38
Totals	575	75,266		700	54,452	1,677	5.40

Source: *Proposed 2021 SMFP*

The Petitioner believes that each county’s actual ALOS per admission instead of the statewide ALOS provides a better estimate of inpatient bed need (Table 2). Doing so yields a projected need of nine beds. Caldwell Hospice & Palliative Care supports the standard methodology and has not petitioned for change that would create multi-county service areas. However, the Petitioner makes a reasonable case for the need to serve residents of a relatively remote multi-county region in a more efficient and effective manner than the standard methodology allows.

Table 2. Hospice Inpatient Bed Methodology using County ALOS

County	Total Admissions (2019)	Total Days of Care (2019)	ALOS per Admission	Total 2024 Admissions	2024 Days of Care at County ALOS	Projected Inpatient Days	Projected Total Inpatient Beds
Ashe	152	18,936	124.58	185	23,076	711	2.29
Avery	170	21,054	123.85	207	25,657	790	2.55
Watauga	253	35,276	139.43	308	42,988	1,324	4.26
Totals	575	75,266		700	91,721	2,825	9.10

Source: *Proposed 2021 SMFP*

Agency Recommendation:

The Agency supports the standard methodology for hospice inpatient beds as presented in the *Proposed 2021 SMFP*. The Agency and the SHCC recognize the unique geographic and other factors at play in this region of the state. Therefore, given available information and comments submitted by the August 12, 2020 deadline and in consideration of factors discussed above, the agency recommends approval of this Petition. Although the Petitioner indicates a preference for serving patients from Ashe, Avery, Watauga and surrounding counties, the Agency’s recommendation contains no stipulation or preference regarding the residency of the patients to be served.