

**SHCC Public Hearing Presentation Comments for  
Adjusted Need Determination for No Additional Hospice  
Home Care Office in Davidson County**

Presented by Gary Drake, Chief Executive Officer  
Hospice of Davidson County

DFS Health Planning  
RECEIVED

AUG 1 - 2008

August 1, 2008

Medical Facilities  
PLANNING SECTION

Good afternoon, my name is Gary Drake. I am the Chief Executive Officer for Hospice of Davidson County. I am here today to speak regarding our petition for an adjusted need determination to remove the need determination for an additional new hospice home care office in Davidson County in the 2009 State Medical Facilities Plan. We will be submitting the petition to the Medical Facilities Planning Section today.

Hospice of Davidson County was created in 1985 as a non-profit, community-based agency focusing on providing care for the terminally ill. Our mission is to improve the quality of life for individuals with a limited life expectancy and for their families. We have nearly 25 years of experience providing hospice home care services to local residents. Soon we will be opening our new inpatient facility. On behalf of the Board of Directors and

all the employees of Hospice of Davidson County, I want to thank the members of the State Health Coordinating Council and the staff at the Division of Health Service Regulation for enabling us to obtain the CON for this facility. This 12 bed facility costing \$3.6 million dollars represents a milestone in hospice care in Davidson County, and will enable us to further achieve our goal of improving the quality of life for persons with a terminal illness during the final stage of their life. The Henry Etta and Bruce Hinkle Hospice House will be completed by the end of this year and will have a great impact on our census in 2009.

With regard to our petition, we believe specific circumstances exist in Davidson County such that there is not a need for an additional hospice home care agency based in Davidson County. Our petition will provide the detailed rationale. I would simply like to highlight a couple of these reasons.

First, a comparison of historical data from the Davidson County Health Department, Register of Deeds and NC Vital Statistics show a large discrepancy in the total number of deaths for Davidson County. The wide range of numbers in the data from all three sources raises the question as to which source most accurately reflects the number of deaths in Davidson

County. This discrepancy is one of the many items that HDC will present in letter form to the Hospice Methodology Task Force.

HDC plans to submit a letter to the Task Force that will include both constructive criticism of the current standard methodology as well as suggestions for revisions. HDC supports a methodology that will accurately reflect the need and demand for hospice home care services in Davidson County. Until the Task Force has convened, HDC requests the SHCC adjust the need determination for an additional hospice home care agency in Davidson County.

Second, as our petition will show, the SMFP methodology incorporates state-wide assumptions regarding the percentage of deaths served by hospice agencies that are not representative of Davidson County.

Third, the addition of another agency in Davidson County would represent unnecessary duplication of existing services. As documented in the 2009 SMFP, Davidson County residents currently are served by 10 hospice agencies. So patients and their families do have choices. They certainly also have access. Currently Hospice of Davidson has been serving 60 patients per day for the first six months of this year. This is up from 55 patients per day last year. However, with our existing staffing, we have

the capacity to serve 78 patients, right now. And our Board of Directors is supportive of growth of our agency. Over the years, they have shown tremendous support for us, in providing the resources necessary for us to grow. This support continues, as our Board is committed to authorizing increased staff levels, as necessary, to accommodate increasing patient growth. Hospice of Davidson County has never turned a patient away that had a terminal prognosis.

HDC is not afraid of added competition in Davidson County. Indeed, there is currently a competitive local marketplace. Rather, HDC supports the three Basic Principles governing the SMFP which include: to promote cost-effective approaches, expand health care services to the medically underserved and encourage quality health care services. These Basic Principles prompted HDC to develop our petition to ensure that need is evaluated in the most effective manner.

Finally, addition of another hospice home care agency is not a cost effective alternative. As we will document in our petition, the infrastructure required to start up a new agency represents hundreds of thousands of dollars in salaries for administrative and support staff. In an era where cost of care is a major concern for patients, families, and payors, this expense is purely duplicative of the infrastructures and staff that currently

exist at Hospice of Davidson County and at other hospice agencies that serve Davidson County. The more effective alternative is for the current agencies to simply continue to grow as need increases.

I realize my time is short here. These are just a few of the reasons we will document in our petition. In summary, Hospice of Davidson County is very much in tune with the needs of County residents, and is dedicated to meeting those needs. Davidson County residents do not lack access to hospice services, and they do have choices in agencies. Davidson County physicians, hospitals, the health department, and many others in our community agree with our assessment, and see no need for another agency. These views will be evidenced in representative letters of support included in our written petition.

The opening of our new 12 bed inpatient facility, our open access philosophy, and the availability of nine other hospices does ensure that patients wanting hospice services will have their desires met.

We hope you will support us and our community by eliminating this unnecessary need determination. Thank you for providing me with the opportunity to discuss this important issue.