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**THE CAROLINAS CENTER FOR HOSPICE AND END OF LIFE CARE
REMARKS TO THE SHCC REGARDING PETITION SUBMITTED:**

MARCH 5, 2008

Dr. Myers and Members of the State Health Coordinating Council:

I am Judy Brunger, CEO of The Carolinas Center for Hospice and End of Life Care. For over 30 years our organization has worked to ensure high quality end of life care in North Carolina, primarily by supporting and promoting hospice and palliative care throughout the state. To this end, our organization was instrumental in the development of the original CON methodology for hospice homecare and inpatient beds. We continue to actively support the CON methodology as it is applied to hospice care.

As a result of numerous petitions related to the current hospice homecare methodology and subsequent decisions by the SHCC to adjust need determinations to no need for new hospice homecare agencies the past two plan years, The Carolinas Center along with the Association for Home and Hospice Care convened a provider group in mid 2007 to review the current methodology and develop recommendations for improvement to the methodology and we expected to petition for those changes in the 2009 State Medical Facilities Plan.

Our extensive analysis of the current methodology generated significant issues than could not be addressed with minor changes to the existing methodology in time for the 2009 Plan. However, once we identified a clear, recurring inequity in the methodology that could easily and equitably be made to the 2009 SMFP, The Carolinas Center appreciates this opportunity to submit this petition with a request for a short-term solution of these easily adapted changes. In addition, our petition requests a task force to develop a new methodology for the 2010 SMFP.

Some of the issues that we found in the current methodology that require an examination are that:

- In some counties when the penetration is below average for the state there is no demonstrated need yet in some counties when the penetration is above average, a need is generated. The current methodology seems to generate outcomes that may not make sense today. A need may be generated in service areas for which a true need does not exist, thus negatively impacting both the existing and new providers. A need may also not be generated in areas where a true need does exist.

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- There are chronically underutilized hospice service areas with as many as 2-3 hospice providers serving the area yet, the current need methodology continues to generate a need. We believe there may be other factors beyond the control of local providers that should be addressed in the methodology.
- Using adjusted death rates produces the opposite of the desired results. Counties with older populations and theoretically the highest need for hospice services most likely have their death rates lowered by using an age adjusted rate.

Our work this past 8 months on the current methodology has led us to petition the State Health Coordinating Council to request two changes to the existing methodology that would improve its application in the 2009 SMFP. Both modifications will require limited effort on behalf of the planning staff and we would be more than willing to share our files to accomplish these changes.

1. **Use the median, rather than the average, for percent of deaths served by hospice.** There are dramatic variances in penetration rates and we believe that the median rather than the average is a more appropriate statistic given the intent of the methodology to use what "typically" occurs in the state.
2. **Apply a three-year compound annual growth rate to the number of deaths served by existing hospice to then be subtracted from projected hospice deaths to determine unmet need.** Unlike the current home health methodology – the only similar service in the SMFP—the current hospice home care methodology assumes that existing providers will serve the same number of hospice deaths four years later. This assumption is not substantiated by actual experience – existing hospices on average have increased the number of deaths served by 10% per year. To continue under the current methodology does not credit existing providers for the services they actually render and creates a need in service areas where needs may not actually exist, particularly in areas of high population growth.

In addition to these minor changes submitted for the 2009 SMFP, The Carolinas Center requests that the SHCC convene a task force to fully evaluate the hospice home care methodologies for the 2010 SMFP. Given the numerous issues raised during its review of the current methodology, such a task force would thoroughly examine planning policies that should drive hospice home care methodology and the most appropriate method for incorporating those policies into a new methodology. Without such an examination and recommendations, petitions will continue with issue after issue both for and against need determinations.

Thank you for this opportunity and we urge you to consider our petition for minor methodology changes for the 2009 SMFP and to convene a task force to develop the most appropriate methodology for hospice in the 2010 SMFP.

Respectfully submitted:

Judith B. Brunger
President and CEO