



**PETITION FOR AN ADJUSTED NEED DETERMINATION FOR THREE
HOSPICE INPATIENT BEDS FOR ALEXANDER COUNTY**

Petitioner:

Palliative CareCenter & Hospice of Catawba Valley, Inc.
3975 Robinson Road
Newton, NC 28658

David Clarke, President/CEO
(828) 466-0466

Requested Change:

Palliative CareCenter & Hospice of Catawba Valley, Inc. (PCHCV) seeks to provide comprehensive hospice care for terminally ill patients in Alexander County and *petitions for an adjusted need determination for three hospice inpatient beds in Alexander County in the 2010 SMFP.*

Reasons Supporting Requested Change:

Proposed 2010 State Medical Facilities Plan/Identified Need:

The Proposed 2010 SMFP shows there is no need determination for hospice inpatient beds for Alexander County. However the data in Table 13C (page 288) (shown below) projects a deficit of three beds in Alexander County.

Draft 2010 SMFP Need Methodology

Alexander County	
Total Days of Care (2008 data)	11,067
Total 2013 Admissions	201
Projected Hospice Days of Care	15,163
Projected Inpatient Days	901
Projected Inpatient Bed Deficit	3

Source: Proposed 2010 SMFP

As described in the Proposed 2010 SMFP, the State's current need determination methodology is based on a six-bed deficit threshold for single counties to trigger a need for inpatient hospice beds. However, a statement has been inserted at the end of the Standard Methodology to bring to the attention of Plan readers that petitions may be submitted for adjusted need determinations. The methodology reads:

“The Long-Term and Behavioral Health Committee and the State Health Coordinating Council will consider petitions for adjusted need determinations that are filed in accordance with provisions outlined in Chapter 2 of the Plan.”

Approval of this petition will provide PCHCV the opportunity to submit a Certificate of Need (CON) application during 2010 to develop three hospice inpatient beds in Alexander County.

PCHCV justifies the proposed adjusted need determination based on several factors, including:

- Alexander County's Hospice Days of Care and Deaths are increasing at considerably faster rates compared to the State.
- The population in Alexander County is aging and has need for local hospice inpatient services.
- Alexander County residents typically have less access to financial resources, and thus may have limited ability to travel long distances for hospice care.
- Travel from Alexander County to the regional inpatient hospice facilities is disruptive, expensive, and time-consuming. Patients in need of inpatient hospice care would rather receive care in a setting that is close to home.
- Capacity of regional hospice inpatient facilities is limited and often at or near capacity.

- Previous need determinations have been adjusted to accommodate for deficits less than six beds.
- PCHCV proposes an innovative, cost effective approach for developing three hospice inpatient beds in Alexander County.

Background

Palliative CareCenter & Hospice of Catawba Valley was founded in 1979 by volunteers dedicated to providing end of life care for both patients and families residing in Catawba County. We have since grown to offer quality services to patients of Alexander, Burke, Caldwell, Iredell, and Lincoln counties. Today, our team of professionals and volunteers serves more than 200 hospice patients, 100 Palliative Care patients and 100 Transitions clients daily. Our Mission is to provide high quality, compassionate care to all individuals and their families by enhancing living.

PCHCV's Intent

Should this petition be granted, Palliative CareCenter and Hospice of Catawba Valley would submit a CON application to develop three hospice inpatient beds in leased space located at Valley Nursing Center in Taylorsville, NC. Valley Nursing Center initiated discussions with PCHCV about establishing a hospice inpatient facility in Alexander County. PCHCV recognized the unique opportunity to develop hospice inpatient beds in space that has been underutilized at Valley Nursing Center's facility. Preliminary discussions with staff at DHSR Construction Section indicate that this project is conceptually feasible and will likely incur reduced capital costs in comparison to new construction. This proposal would be an extremely cost effective method of providing quality hospice services in a highly accessible, centrally-located setting to the citizens of Alexander County. Please refer to Attachment A for a letter of support from Valley Nursing Center.

The detailed rationale for the requested adjustment to the need determination is described below.

Utilization

Residents of Alexander County and their physicians recognize the valuable benefits of hospice services. As a result, hospice services are highly utilized in

Alexander County. The Proposed 2010 SMFP shows Alexander County as having an increased number of hospice care days per 1,000 population compared to many counties in the Triad-Piedmont area. Please refer to the table below.

FY2008 Hospice Days of Care per 1,000 Population

Area	2008 Pop	2008 Days of Care	Days of Care/1000
Alexander	37,038	11,067	298.8
Guilford	468,850	132,055	281.7
Forsyth	344,311	87,840	255.1
Iredell	155,192	38,158	245.9
Wilkes	67,375	11,086	164.5
<i>North Carolina</i>	<i>9,240,289</i>	<i>2,679,306</i>	<i>290.0</i>

Source: Proposed 2010 SMFP, NC Office of State Budget & Management

Alexander County residents utilize hospice services at a greater rate than many major urban population centers such as Forsyth, Guilford and Mecklenburg counties. This is a clear indication that hospice is an important and highly utilized service for residents of Alexander County. Furthermore, in recent years, Alexander County has also experienced significant growth in days of hospice home care and deaths, as shown in the tables below.

Historical Days of Care - Alexander County

Year	Days of Care	Deaths
2004	3,557	56
2005	5,388	72
2006	7,076	103
2007	10,050	119
2008	11,067	137
% Increase from 2004	211.1%	144.6%

Historical Days of Care - North Carolina

Year	Days of Care	Deaths
2004	1,718,894	18,725
2005	1,994,399	20,932
2006	2,462,776	22,653
2007	2,716,271	24,897
2008	2,679,306	26,353
% Increase from 2004	55.9%	40.7%

Source: 2006-2009 SMFP, Draft 2010 SMFP, NC Office of State Budget & Mgmt

The most recent four-year growth rates for days of care and deaths in Alexander County were over three times greater than the growth rates for days of care and deaths experienced by the State. Based on projected population growth and aging, hospice utilization is likely to continue to increase in Alexander County.

Demographics

The increase in hospice days of care and deaths served by hospice in Alexander County can be attributed to its rapidly aging population. As shown in the table below, Alexander County has a significantly older population compared to the State and this demographic is projected to increase significantly in the next four years.

2009-2014 Projected Population Age 65+

	2009	% of Total	2014	% of Total
Alexander	5,048	13.5%	5,914	15.2%
North Carolina	1,148,763	12.2%	1,347,336	13.3%

Source: NC Office of State Budget & Management

The population age 65 and older is projected to increase 17.2% during the next five years. This is more than four times faster than the overall growth of the county which is projected to increase by 4.1% during the next five years. Notably, the growth in population age 65 and older represents more than half of the absolute population increase during the next five years. Please refer to the following table.

**Alexander County
 2009-2014 Projected Population**

	2009	2010	2011	2012	2013	2014	09-14 Growth	Absolute Growth
Total Population	37,372	37,695	37,997	38,300	38,603	38,906	4.1%	1,534
<i>Population Age 65+</i>	<i>5,048</i>	<i>5,199</i>	<i>5,366</i>	<i>5,572</i>	<i>5,748</i>	<i>5,914</i>	<i>17.2%</i>	<i>866</i>

Source: NC Office of State Budget & Management

The growing aging population in Alexander County is important to note because according to the NHPCO, over 80% of hospice patients are age 65 and older¹.

¹ National Hospice and Palliative Care Organization Facts and Figures: Hospice Care in America. October 2008.

Additionally, NHPCO expects the number of hospice patients within this age cohort to increase in the future.

Alexander County citizens typically also have less access to financial resources to travel long distances for hospice services. According to Claritas demographic data, the 2009 annual per capita income for Alexander County is only \$20,143. This is 18 percent lower than the North Carolina state annual per capita income of \$23,941. The limited financial resources available to most residents in Alexander County make geographically accessible hospice services especially important to the local community.

In summary, as the population continues to increase and age, the need for hospice inpatient services will continue to increase. Locating a hospice inpatient facility in Alexander County will clearly help meet current and future demand for residents of Alexander County, since these patients currently have no convenient access to hospice inpatient services in their local communities.

Hospice Inpatient Bed Need

Both the aging population and the rates at which Alexander residents utilize hospice services are growing at faster rates compared to the State. Not surprisingly, Alexander County has experienced a trending need for inpatient hospice beds as documented in recent SMFPs. Over the past three years, Alexander County has seen the deficit of inpatient hospice beds (as calculated in the annual hospice inpatient bed need methodology) steadily increase, indicating a growing need for such services. Please refer to the table below.

Deficit of Hospice Inpatient Beds in Alexander County

SMFP	Projected Inpatient Bed Deficit
2007	1
2008	2
2009	3
2010	3

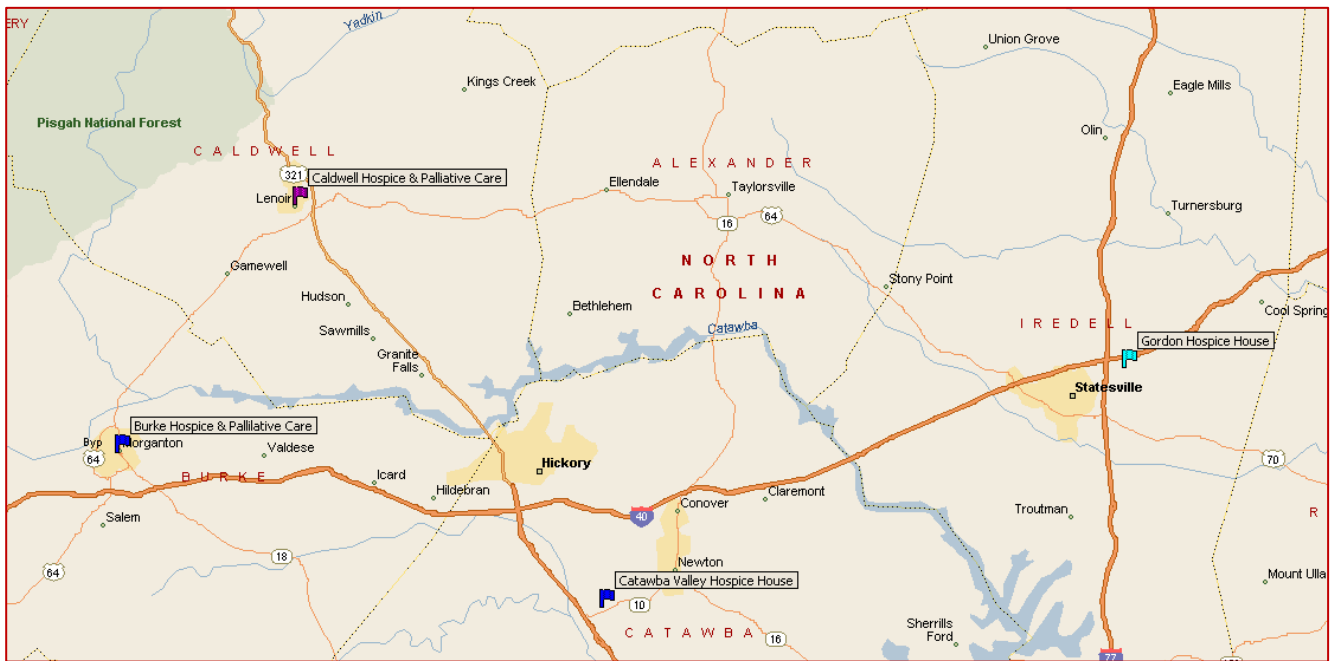
Source: 2007-2009 SMFP, Proposed 2010 SMFP

Clearly, special circumstances exist in Alexander County with regard to utilization of hospice services that necessitate the need for hospice inpatient beds. Alexander County residents utilize hospice services well above the rate of residents in many other counties in North Carolina. Additionally, Alexander

County's days of care and deaths are increasing at rates above the state average. Finally, residents of Alexander County have a geographic need for hospice inpatient services.

Geography

Alexander County does not currently host a hospice inpatient facility. Hospice patients in need of inpatient services must be referred to out-of-county facilities. The closest hospice inpatient facilities are located in Newton (Catawba County), and Lenoir (Caldwell County). Each facility is more than 30 minutes away from Taylorsville, the geographic center of the county. Travel time for family members visiting their loved ones in out-of-county hospice facilities can be very time consuming. The map below illustrates the location of Taylorsville in Alexander County and its relative distance from existing hospice inpatient facilities.



Geographic access to hospice inpatient services is particularly important for hospice patients. Family members and friends often visit patients on a daily basis because of the dire conditions that patients are in during the last days of their lives. Travel is disruptive, expensive and time consuming for many families who must travel long distances to visit their loved ones. Family stress is already high when dealing with a terminally ill family member, and the distance from home simply increases stress.

A hospice provider in a centralized location such as Taylorsville would further expand geographic access to hospice services in Alexander County as is consistent with the Basic Principles of the State health planning process.

Existing Hospice Providers

As stated previously, Alexander County residents do not have local access to hospice inpatient services. However, Alexander County residents have very limited access to hospice inpatient facilities in nearby counties as well. The existing hospice inpatient facilities in Caldwell, Catawba and Iredell counties are all operating at or near practical capacity. Please refer to the following table.

Area Hospice Inpatient Facilities & Occupancy Rates, FY2008

Provider	County	Occupancy Rate
Gordon Hospice House	Iredell	92.9%
Caldwell Hospice & Palliative Care/Kirkwood	Caldwell	90.2%
Catawba Valley Hospice House	Catawba	100.0%

Source: Proposed 2010 SMFP

Clearly, there is very limited access for Alexander County residents at area hospice inpatient facilities. When hospice inpatient services are not available to Alexander County residents, patients are often admitted to local hospitals or nursing homes. Neither hospitals nor nursing facilities, both of which are structured primarily to provide acute or restorative health care, are appropriate settings for hospice patients who have opted to forego acute, curative treatments. The cost of providing such care in a hospital setting is also relatively expensive and less cost effective compared to care administered in a hospice inpatient facility setting. Alexander County residents need local access to hospice inpatient services immediately.

Historical SHCC Need Determinations

The State Health Coordinating Council has a recent history of issuing need determinations for less than the six hospice bed threshold when improvements to local access, quality, and costs are apparent and SMFP provisions are upheld.

The following table summarizes recent SHCC need determinations for less than six beds.

Recent Hospice Bed Need Determinations < 6 Inpatient Beds

<i>SMFP</i>	<i>County</i>	<i>Need Determination</i>
2009	Scotland	2
2008	Cleveland	4
2008	Johnston	4
2007	Caldwell	3
2007	Scotland	4
2007	Alamance	2
2006	Macon	3
2006	Davidson	4

As the table above shows, there is a precedent for including need determinations of less than six hospice beds when expanded capacity of hospice services is necessary and benefits to access, quality, and costs are available. As described below, PCHCV is confident the proposed adjusted need determination for Alexander County is consistent with the Basic Principles of the State health planning process.

Quality, Access & Value

The requested adjustment is consistent with the three Basic Principles Governing the Development of the SMFP: Safety and Quality, Access and Value.

If this petition is approved, access will be greatly improved as new, centrally-located hospice inpatient services will be available to patients in Alexander County. Patients will no longer have to travel out of county for hospice inpatient services.

Approval of this petition will also enhance the quality of hospice services available to Alexander County patients. Patients will have access to hospice inpatient services structured to provide the quality end-of-life services hospice patients require. Patients will not be limited to utilizing hospital and nursing home providers which are designed to provide restorative and acute care, rather than palliative care. If PCHCV is successful in obtaining CON approval to develop the proposed hospice inpatient beds, patients will benefit from an experienced provider of hospice services. PCHCV has provided hospice services

for over 30 years. The proposed services will be offered with the expertise, care, and compassion that have been offered by PCHCV for the three decades.

The rising cost of healthcare services continues to cause concern among many constituencies in North Carolina. Hospice patients requiring inpatient hospice care are admitted to a local hospital when local hospice inpatient services are unavailable. This often results in incurred costs far greater than those incurred if admitted to a more appropriate and less expensive hospice facility setting. Additionally, PCHCV seeks to develop the proposed three hospice inpatient beds in space located in Valley Nursing Center. This will result in significantly lower capital costs compared to constructing a new facility, and also is a cost effective use of underutilized space. Approval of this petition will greatly benefit patients in terms of healthcare costs and value.

Conclusion

In summary, Palliative CareCenter and Hospice of Catawba Valley seeks an adjusted need determination to include 3 additional hospice inpatient beds in the 2010 SMFP for the following reasons:

- Alexander County's Hospice Days of Care and Deaths are increasing at considerably faster rates compared to the State.
- The population in Alexander County is aging and has need for local inpatient hospice services.
- Alexander County residents typically have less access to financial resources thus limiting their ability to travel long distances for hospice care.
- Travel from Alexander County to the regional inpatient hospice facilities is disruptive, expensive, and time-consuming. Patients in need of inpatient hospice care would rather receive care in a setting that is close to home.
- Capacity of regional inpatient hospice facilities is limited and often at or near capacity.
- Previous need determinations have been adjusted to accommodate for deficits less than six beds.
- PCHCV proposes an innovative, cost effective approach for developing three hospice inpatient beds in Alexander County.

Attachment A:
Valley Nursing Center Letter of Support

Valley Nursing Center::: 581 NC Hwy 16 S :::Taylorsville NC 28618

July 20, 2009

Floyd Cogley, Planner
Medical Facilities Planning Section
2714 Mail Service Center
Raleigh, NC 27699-2714

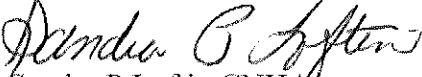
Dear Mr. Cogley,

Valley Nursing Center located in Taylorsville, North Carolina has developed a strong working relationship with Palliative Care Center & Hospice of Catawba Valley. Combining the support of hospice services with what our facility provides has added significantly to the continuum of care we offer to our patients.

Through this association I have come to realize the extraordinary benefits of having the ability to also provide hospice inpatient care to our community in Alexander County. With this in mind, I initiated a discussion with Palliative Care Center & Hospice of Catawba Valley about establishing a hospice inpatient facility in Alexander County. In our discussions, we recognized the unique opportunity to develop hospice inpatient beds in space that has been underutilized in our facility. I feel this is a cost effective approach to providing hospice inpatient services that are desperately needed in Alexander County.

The purpose of this letter is to confirm my commitment to support this effort and to encourage the North Carolina State Healthcare Coordinating Council to approve Palliative Care Center & Hospice of Catawba Valley's petition for an adjusted need determination. As the owner of Valley Nursing Center, I am hopeful that combining efforts in this manner can result in bringing needed hospice services to Alexander County through an organization that has significant experience in providing hospice care in an inpatient setting.

Sincerely,


Sandra P Loftin CNHA
Administrator