

RECEIVED

JUL 29 2011

Medical Facilities
PLANNING SECTION

Terri Phillips
704.873.4719

Talking Points for Public Hearing – Hospice & Palliative Care of Iredell County, Inc
2011-12 Petition for Residential Beds to GIP level of care

1. Introduction –
 - 1.1. My name is Terri Phillips. I am President and CEO of Hospice of Iredell County, Inc (HPCIC).
 - 1.2. We have offices in Statesville and Mooresville, NC and a 15-bed hospice facility, Gordon Hospice House, in Statesville. Nine of these beds are licensed as General Inpatient level of care, while six are residential.
 - 1.3. I have been with the agency since 2007, having previously been a hospice COO in Palm Beach County, Florida
 - 1.4. With me is: Dr. Charlotte Ann Evans, Medical Director for HPCIC
 - 1.5. Thank you for taking time to listen to our petition today to permit us to convert 3 residential beds to GIP.

2. History--Hospice of Iredell County, Inc has served Iredell and surrounding counties for 27 years.
 - 2.1. Last fiscal year we served 891 patients and we are still growing.
 - 2.2. Gordon Hospice House opened with three inpatient (GIP) beds and 6 residential beds in September 2005.
 - 2.3. In 2008 we received a CON to convert the six residential beds to GIP and to build replacement residential beds, which were completed in January 2011, and opened for patient care on March 22, 2011. These six beds were all built meeting the inpatient licensure standards.
 - 2.4. Last year we petitioned to the State Health Coordinating Council for special need to the 2011 State Medical Facilities Plan to convert these six residential beds to GIP. Three of the six were approved and have been applied for in the 2011 CON.
 - 2.5. Today we are requesting that the State Health Coordinating Council add a special need to the 2012 State Medical Facilities Plan to permit us to convert the remaining 3 residential beds to GIP beds.
 - 2.6. I will explain, and I think you will agree that Iredell County has a very compelling case for this request.

3. Since opening the GHH expansion in March 2011, the unit has experienced high occupancy and significant growth.

- 3.5.4.4. The Average length of stay (ALOS) for patients at HPCIC was 61 days in 2010, compared to the Iredell County average of 70.3 days and state average of 75 days per patient. This year the ALOS for HPCIC is ~~55~~ days.
- 3.5.4.5. Despite the shortened length of stay, Iredell County has responded well to the hospice option for end-of-life care. 43 percent of 2010 Iredell County deaths occurred in hospice care.- compared to 37 percent in the State.
- 3.5.4.6. The Plan forecasts there is not a need for GIP beds because it uses State averages for Admission growth (4.1%) compared to Iredell County growth of 5.2%--2 year trailing average. The methodology also uses 6% GIP, while HPCIC has 9% GIP.
- 3.5.4.7. We are prepared to submit a formal petition showing you how we calculate the need, using local Iredell County numbers, rather than state numbers, which reveal a need for 15.3 GIP beds..

4. Gordon Hospice House has no waiting list for Residential beds
- 4.1.1. Last year we used about half a bed/day for residential care.
 - 4.1.2. Serenity House, a residential care provider for hospice patients, opened late in 2007 and seeks residential hospice patients from HPCIC.
 - 4.1.3. Fourteen local adult care homes and nursing homes seek our residential patient referrals.
 - 4.1.4. We provide home hospice care in those institutions.
5. The Key Factors as to why It makes better economic sense to operate the new beds as GIP beds
- 5.1. Licensure permits us to use a GIP bed for either GIP or Residential care. It does not permit the reverse—Our physician rounds on these pts and may change level of care based on symptom control. It is essential to staff the unit as if all 15 beds are GIP, due to the acuity and needs of the patients with RNs, CNAs, SW and chaplain, as well as physicians.
 - 5.2. It costs about \$567 a day to operate a residential bed at Gordon Hospice House
 - 5.3. Patients pay, at most \$100 a day for the room and board, based on a sliding fee scale, and the average is less than \$40; in addition , Medicare and Medicaid pay \$136 for Residential care
 - 5.4. When we filed the original CON in 2007, we projected that surpluses from GIP would cover the loss from the residential care. This is no longer true. We now subsidize the GIP beds.
 - 5.4.1. This year, Charity care represents more than \$52,000 in unreimbursed care at GHH and bad debt will represent another \$85,000.

Handouts Public Hearing – Hospice & Palliative Care of Iredell County, Inc
Terri Phillips, President and CEO
Reasons to Convert Remaining 3 Residential Beds to 3 GIP Beds

Comparison of Metrics for Hospice of Iredell County, Inc to North Carolina Averages

Measure	State Average	Iredell County	Source
2-year trailing Rate Of Growth In Hospice Admissions	4.1%	5.6% * 27% since 2007	Licensure Supplements 2008-2010
Hospice Program Length of Stay 2009	75	70	Licensure Supplements 2010
Hospice Program Median Length of Stay 2009	30	13	HOIC records
Percent of days at GIP level 2009	6%	9%	Licensure Supplements 2010
GIP bed occupancy	77.23% (FYE 2009)	87% 2010	Gordon Hospice House records
% of Deaths Served	37%	43%	Licensure 2010
Unmet GIP Bed Need 2015	-1	15	

Economic Metrics GIP versus Residential

Measure	GIP	Residential	Total
Cost Per Day	\$697	\$567	
Payment Per day* includes physician billing	*\$680	\$174	
Subsidy Required per Occupied Day	\$17	\$393	
Annual Subsidy Required at 85% occupancy 9 GIP + 6 Residential	\$47,500	\$731,570	\$779,070
Annual subsidy for 15 GIP	\$79,100	\$0	\$79,100