

TO: North Carolina Division of Health Service Regulation
Medical Facilities Planning Branch
2714 Mail Service Center
Raleigh, NC 27699-2714

PETITIONER: Mrs. Kathleen Barker
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UNC Hospice
P.O. Box 1077
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DATE: August 1, 2012

RE: Petition to Safeguard the Need Determination for Six Hospice
Inpatient Beds in Chatham County

Introduction

UNC Hospice has given quality, compassionate care to thousands of people living with limited life expectancies and their families since 1984. With offices located in Pittsboro in Chatham County and in Chapel Hill in Orange County, UNC Hospice provides an extensive scope of hospice and palliative care services. The program takes an integrated team approach while helping patients manage their pain and other symptoms and live as fully and comfortably as possible. UNC Hospice meets all licensure and certification requirements and accreditation standards to provide hospice home care.

According to the most recent projections for hospice inpatient beds published in the Draft 2013 North Carolina State Medical Facilities Plan, Chatham County has a need determination for six inpatient hospice beds. This potential need determination is based on the standard methodology for hospice inpatient beds. However, this potential need determination could be obviated by changes to the hospice utilization data submitted by a provider or by an unknown mathematical error in the formula or even by the elimination of the need determination in response to a petition or comments. This petition is submitted to safeguard the need determination for six inpatient hospice beds in Chatham County.

Rationale for Adjusted Need Determination

The petitioner requests that the 2013 State Medical Facilities Plan include a need determination for six inpatient hospice beds in Chatham County that is based either on the standard methodology or in response to this petition request for an adjusted need determination. The rationale for the adjusted need determination is outlined as follows:

- The lack of inpatient hospice beds within Chatham County causes hardships for patients and family members due to travel distances, the lack of resources and access to transportation.
- Demand for hospice care continues to increase due to demographic factors. Over 20 percent of the population in Chatham County is over the age of 65 years, considerably higher than the statewide average of 13.7 percent over the age of 65.
- Hospice utilization trends demonstrate that demand for hospice inpatient beds is growing at a much higher rate as compared to total hospice days of care.
- UNC Hospice current serves the majority of hospice admissions for residents of Chatham County and many hospice patients residing in adjoining Orange County.
- Residents of Chatham County do not have reasonable access to inpatient hospice due to high occupancy levels of the existing hospice inpatient beds in contiguous counties.
- Extensive community support for the UNC Hospice petition underscores the need for six inpatient hospice beds.

Lack of Hospice Beds in Chatham

Chatham County has a current population of 65,814 and is served by two hospice home care agencies located within the county. In 2011, UNC Hospice served approximately 58 percent of the total hospice patient deaths for the Chatham County population. For the past five years Chatham County has shown a deficit of between four and five hospice inpatient beds based on the standard methodology. For years this deficit has been just below the threshold of six hospice inpatient beds that would trigger a need determination. The lack of hospice inpatient beds within Chatham County causes hardship for patients and families in several ways:

- Admissions to out-of-county hospice facilities cause family members to have to travel extended distances to visit. Elderly and low income patients often do not have the resources to travel.
- Patients and families seeking access to hospice inpatient beds in adjoining counties encounter delays due to the high occupancies of the existing hospice inpatient facilities in Alamance, Durham and Orange Counties.
- Without an inpatient hospice facility, Chatham residents do not have convenient access to a full continuum of hospice services.

Demographic Factors

Twenty percent of the current population of Chatham County is over the age 65. This far exceeds the North Carolina total population of 13.8 percent over 65 years of age. In addition, the Chatham population has higher mortality rates as compared to most of its neighboring counties:

	2005-2009 Death Rate / 1000 Population
Chatham	9.2
Alamance	9.7
Durham	6.7
Harnett	7.5
Lee	8.7
Orange	5.5
Randolph	9.1
Wake	4.8
North Carolina	8.4

Table 13B, Columns B, 2012 State
Medical Facilities Plan

As seen in the table above, the Chatham County death rate is the second highest in the region.

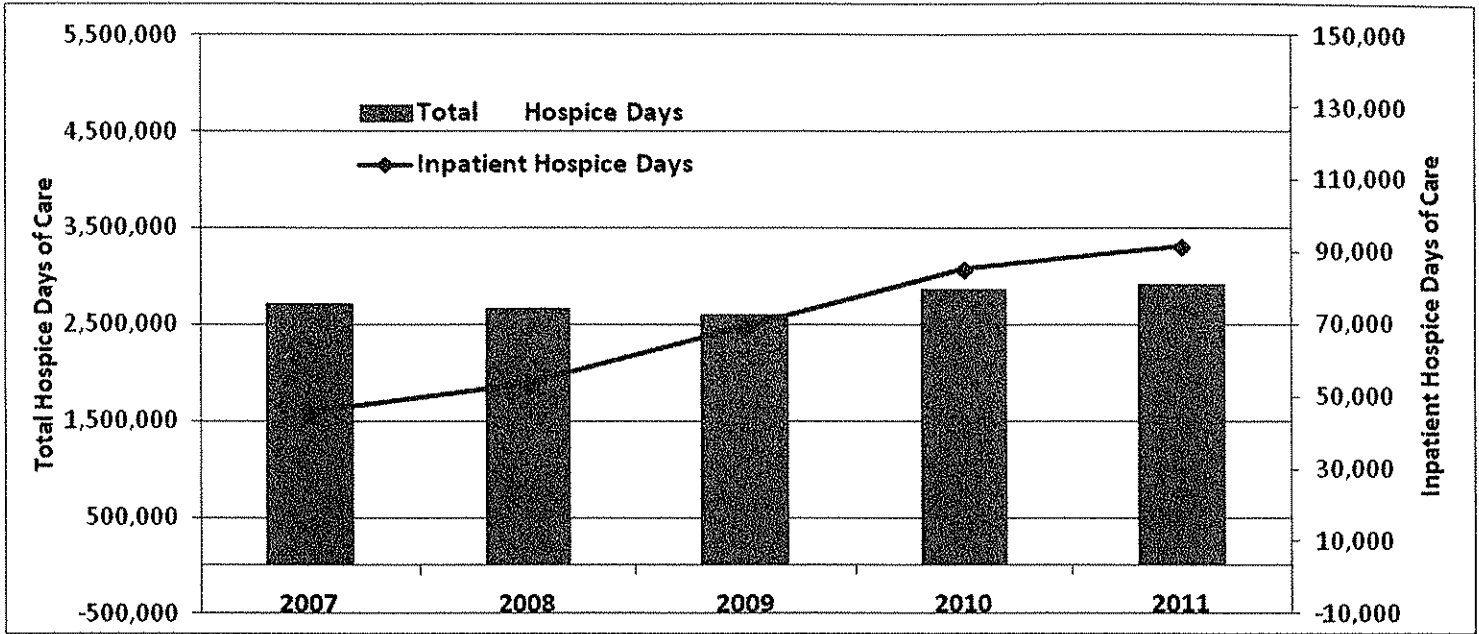
Also consider that there are several counties of similar size to Chatham County that have existing or approved inpatient hospice beds:

- Columbus County - Lower Cape Fear Hospice has six inpatient hospice beds and reported 89.73% occupancy in 2011.
- Carteret County - Crystal Coast Hospice House CON was approved in 2012 for six inpatient beds and four residential beds.
- Duplin County – Carolina East Hospice Care Center has three existing inpatient beds and a CON application pending to convert three residential beds to inpatient hospice for a total of six inpatient hospice beds.

These demographic and comparative factors support the need for an allocation of six inpatient hospice beds for the Chatham County population.

Hospice Utilization Trends

Statewide trends for hospice days of care and inpatient hospice demonstrate that hospice inpatient days of care are increasing at a much higher rate as compared to total hospice days.



	2007	2008	2009	2010	2011	CAGR
Inpatient Hospice Days	45,776	54,006	69,426	85,367	91,766	19.00%
Total Hospice Days	2,716,271	2,679,306	2,605,416	2,874,121	2,915,218	1.78%

Sources: 2009, 2010, 2011 and 2012 State Medical Facilities Plans.

For the period from 2007 through 2011, the Compound Annual Growth Rate (CAGR) for inpatient hospice days is 19 percent as compared to the 1.78 CAGR for total hospice days. Even though hospice inpatient days of care are a small portion of total hospital utilization, the need for additional hospice inpatient beds is of heightened importance.

UNC Hospice recognized that this trend is applicable to Chatham County because the demand for inpatient hospice is accelerating and the population needs access to inpatient hospice beds within the county. Hospice inpatient capacity needs to be developed within the county to respond to the trend of increasing hospice inpatient utilization.

UNC Hospice Utilization

UNC Hospice has experience strong growth in the numbers of hospice patient admissions from Chatham County.

Hospice Admissions to UNC Hospice

	2008-09	2009-10	2010-11	2011-12	2009 to 2012 % Increase
Chatham County UNC Hospice Patients	112	115	136	148	32.10%

Sources: 2010 and 2011 State Medical Facilities Plan and Table 13A Draft 5/23/2012
from Medical Facilities Planning Branch
2012 Data from UNC Hospice (7/1/2011 through 6/30/2012)

These admissions to UNC Hospice include hospice home care and hospice patients that reside in nursing facilities. Some patients that are initially admitted to hospice home care will later have need to be admitted to an inpatient hospice to respond to the patient's and family's need for stronger symptom management. When a patient requires hospice inpatient services, the patient must be transferred to another hospice because, UNC Hospice does not have licensed inpatient hospice beds. During the past six months, UNC Hospice transferred ten patients to another hospice which has a hospice inpatient facility. This causes hardship for patients and families that must adjust to changes with new hospice caregivers with different approaches.

The growth in hospice-appropriate patient discharges from UNC Hospitals and Chatham Hospital is likely to drive higher demand for inpatient hospice. UNC Hospice discharges approximately 33 patients per month to hospice home care agencies throughout North Carolina and 10 patients per month to hospice inpatient facilities. Of these discharges, approximately 30 percent are patients from Chatham and Orange Counties. In the current calendar, Chatham Hospital averages 1 patient per month who is discharges to an inpatient hospice facility in another county. Many UNC Hospice patients from Orange County would likely choose to utilize a UNC Hospice inpatient facility in Chatham County to maintain continuity of care.

The proposed hospice inpatient facility in Chatham County would also accept admissions from other hospice agencies, home health agencies, physicians, long term care facilities and other hospitals.

High Occupancy of Existing Inpatient Hospices in Multiple Adjacent Counties

The following table provides the FY 2011 occupancy of hospice inpatient beds in hospice facilities of three counties that have been utilized by Chatham County residents:

County	Facility	Beds	Occupancy
Alamance	Hospice of Alamance-Caswell	14	80.80%
Durham	Duke Hospice	12	81.69%
Orange	Duke Hospice at the Meadowlands	6	74.79%

Source Table 13D(2) Hospice Inpatient Facilities Occupancy Rates for FY 2011
Draft 5/23/2012 Medical Facilities Planning Section

The occupancy rate for Alamance was adjusted for the number of beds open during the data reporting period or for part of the reporting period.

As seen in the above table, these facilities have achieved high occupancies. The petitioner expects that these occupancies will continue to increase in future years, thereby limiting the availability of hospice inpatient beds for Chatham County residents who are seeking admission.

Community Support

UNC Hospice contacted local physicians, community leaders, other healthcare providers and hospice patient family members regarding the petition request and to validate that Chatham County has a genuine need for six hospice inpatient beds. Numerous letters of support for the need determination for six inpatient hospice beds have been received and are summarized below:

Brian Toomey, MSW, Piedmont Health Clinic Chief Executive Officer
Dr. Kenneth Mitchum, UNC Hospice Volunteer
Wade Barber, Chatham County Resident and former D.A.
Phil Sutfin Chatham County Resident
Jessica Fines, MSW, Chatham county Resident
Archie Copeland, UNC Hospice Volunteer
Brenda McCall, RN, Transitional Case Manager UNC Hospital
Tonya Wilson Thompson, MSW, LCSW, UNC Hospital

Elizabeth McKenzie, Transitional Case Manager, UNC Hospital
Jane Allen Wilson, Chatham County Resident
Ann Kissel, UNC Hospice Volunteer
Eung Won (Ed) Park, UNC Hospice Volunteer
Tom Scott, UNC Hospice Volunteer
Paul Fehrenbach, Ph.D., UNC Hospice Volunteer
Jill Hill, PhD, RN, CHPN, Oncology Patient Education Coordinator UNC Hospital
Philip Culpepper, Consulting Planner for Chatham Park
Bob Wachs, Pastor, Hanks Chapel Christian Church
John Justice, UNC Hospice Volunteer
Milton Piedra, UNC Hospice Volunteer
Victoria Bae-Jump, UNC MD Oncology
Crista Creedle, RN, Patient Services Manager for Oncology UNC Hospital
Eric Butler, DO, Community Family Medicine
James B. Holt, MD, UNC Hospice Medical Director
Frances Tillson, Former Caregiver
Timothy S. Carey, MD, Director of the Cecil G. Sheps Center for Health Service Research
Laura Hanson, MD, UNC Hospital Division of Geriatric Medicine
Kyle Terrell, ACNP-BC, OCN UNC Hospital
Pat Gingrich, RN, MSN, WHNP-BC Clinical Assistant Professor UNC School of Nursing
James Bryan II, MD, UNC Hospital
Judy Lipa RN, Former Executive Director, UNC Hospice
Lawrence B. Marks, MD, UNC School of Medicine, Department Chair Radiation Oncology
Ray Gooch, Pastor, Brown's Chapel and Pleasant Hill United Methodist Church
Timothy M. Zagar, MD, UNC Department of Radiation Oncology
John Corey, MD, UNC Health Care Pittsboro Family Medicine
Linda Textoris, RN, Former Clinical Supervisor
Richard Fines, MD, Professor of Surgery UNC Hospitals
Paola A. Gehrig, MD, UNC Hospital
Tammy A Allred, RN, OCN UNC Nurse Navigator
Stephen Bernard, MD, FACP, Professor of Medicine Co-Director UNC Palliative Care Program
Danile L. Clarke-Pearson, MD, UNC Hospital
Sara Donaldson, Former Caregiver
Rossie Henley Lindsey, Former Caregiver
Betty F. Wilson, Former Chatham County Commissioner

Letters of Support Quotes

"Sadly, there is often a waiting list for existing inpatient hospice beds, or lack of services in the patient's home county. The lack of inpatient beds in Chatham County is a hardship for the patients we serve from this area. When these patients come from Chatham County, they must choose less optimal care (such as remaining in hospital) or inpatient hospice care far from family and friends who support them during their final illness"

Laura C. Hanson MD UNC Hospital

"As a family member that was served by Hospice while my dad was dying, I saw firsthand what a difference hospice makes. He died at home as his wish. But not everyone can do that. For these people, and for that very brief time, there needs to be a comfortable place to die with dignity"

John Justice, UNC Hospice Volunteer

"Offering at least six inpatient hospice beds in Chatham County would allow an individual to remain in their community while still being able to receive the needed support and services offered by hospice- completing the continuum of care for that individual."

Jessica Fines, MSW

" As the Consulting Planner for a major development proposed in Chatham County, I am aware that Chatham County will be receiving much of the growth that is destined for this region. It has been suggested that Chatham County may double in population in less than twenty years. With this growth will come the increased need for Hospice care."

Philip Culpepper, Consulting Planner for Chatham Park

"Throughout the entire time I have interacted with nurses, social workers, and chaplains the recurring thought in my mind has been that the citizens of Chatham County would be well served to have the comfort and care of an in-patient facility to complement the outstanding services provided by the capable and caring staff. When life nears its end it would be a blessing to both patient and family to make the transition locally rather than out of town"

Bob Wachs, Pastor, Hanks Chapel

Adverse Effects if No Hospice Inpatient Beds are Allocated to Chatham County

UNC Hospice predicts that without the allocation of six hospice inpatient beds to Chatham County, either through the standard methodology or by an adjusted need determination, the following adverse effects will occur:

- Patients and families will lack adequate and timely access to specialized inpatient hospice services.
- Occupancy of the existing inpatient beds in adjoining counties will likely continue to increase, resulting in their inability to accommodate requests for admission by Chatham residents.
- Acute care lengths of stay for some patients at local hospitals will be extended causing unnecessary expenditures to the healthcare system.

Alternatives Considered

Maintaining the status quo is an alternative that fails to respond to the lack of adequate inpatient hospice capacity in Chatham County. The current situation limits access and creates hardship, which are inconsistent with the goals of hospice. Patients, families, physicians and hospital providers strongly advocate that the six bed need determination be approved.

Petitioning for an adjusted need determination for fewer than six hospice inpatient beds is not a cost effective alternative because a large component of the project cost will include the land purchase, site preparation and building infrastructure. An inpatient facility with six inpatient hospice beds provides appropriate capacity and supports cost effective staffing and operations. Counties of similar population size, including Columbus, Carteret and Duplin Counties, have demonstrated that six inpatient beds are justified.

UNC Hospice submits this petition for six hospice inpatient beds to sustain the need determination for Chatham County.

Evidence That the Requested Adjustment Would Not Cause Unnecessary Duplication of Services

This petition request is submitted to safeguard the need determination for six inpatient hospice beds for Chatham County. The request will not cause unnecessary duplication of services because no hospice inpatient beds exist in Chatham County. If the need determination for six inpatient hospice beds for Chatham County that results from the standard methodology is ultimately approved, then this petition request does not seek an allocation of an additional six hospice inpatient beds.

Evidence That the Request is Consistent with the Basic Principles of the State Medical Facilities Plan; Safety, Quality, Access and Value

UNC Hospice is convinced that this petition request is consistent with the principles that relate to safety, quality and value. The intent of the UNC Hospice petition is to obtain six hospice inpatient beds within a licensed and accredited inpatient facility. Patient safety and quality of care standards will be integrated into the planning, development, licensure and operation of the requested hospice inpatient beds.

- The petition seeks hospice inpatient capacity to allow patients to transition to the appropriate level of specialized hospice care without costly and extended stays in an acute care setting.
- This request supports the continuum of care and coordination with local hospitals that will enhance access and value as seen in the attached letters of support.
- UNC Hospice expects that the availability of the licensed inpatient hospice facility will support higher overall hospice utilization for the residents of Chatham County and thereby reduce the number of deaths that occur within hospitals. This change in utilization offers a more appropriate and cost effective utilization because one day of care in an acute care hospital can easily cost \$1,000 more than one hospice inpatient day of care.

Summary

UNC Hospice submits this petition to ensure that in 2013 there will be an opportunity to submit a CON application to develop a new hospice facility with six inpatient beds to be located in Chatham County. The citizens of Chatham County need and deserve an inpatient hospice facility.

Thank you for your consideration of this request.