

# Mountain Valley Hospice & PALLIATIVE CARE

## PETITION FOR AN ADJUSTED NEED DETERMINATION FOR SIX HOSPICE INPATIENT BEDS FOR YADKIN COUNTY

### **Petitioner:**

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### **Requested Adjustment**

Mountain Valley Hospice & Palliative Care (MVHPC) seeks to expand access to comprehensive hospice care for terminally ill patients in Yadkin County, and *petitions for an adjusted need determination for six hospice inpatient beds in Yadkin County in the 2013 State Medical Facilities Plan (SMFP).*

### **Reasons Supporting Requested Adjustment:**

The Proposed 2013 SMFP concludes there is no need determination for hospice inpatient beds for Yadkin County. However, a statement has been inserted at the end of the Standard Methodology to notify 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 MVHPC, and any other potential provider, the opportunity to submit a Certificate of Need (CON) application during 2013 to develop six hospice inpatient beds in Yadkin County.

MVHPC justifies the proposed hospice inpatient bed adjusted need determination based on several factors, including:

- Yadkin County’s Hospice Days of Care and Admissions are increasing at considerably faster rates compared to the State as a whole.
- Hospice providers serve a high percentage of Yadkin County deaths.
- Yadkin County’s average length of stay (ALOS) per hospice admission has consistently remained higher than the statewide median ALOS per hospice admission.
- The population in Yadkin County is continuing to age, with a corresponding growing need for increased access to local hospice inpatient services.
- The availability of regional North Carolina hospice inpatient facilities is limited, and is typically at or near capacity.
- Yadkin County residents have limited financial resources to travel long distances for hospice inpatient services.
- Travel from Yadkin County to existing regional North Carolina hospice inpatient facilities is disruptive, expensive, and time-consuming for local residents. Family members of local patients who are in need of hospice inpatient care benefit from receiving care in a setting that is close to home.
- Community support for additional hospice inpatient beds in Yadkin County is very strong.

**Background**

MVHPC has provided focused, compassionate care to patients for over 23 years. MVHPC provides hospice services to terminally ill patients and their families in 16 counties from six locations in North Carolina and southern Virginia. Specific to this petition, MVHPC seeks to expand access to hospice services in Yadkin County via the development of six hospice inpatient beds. Last year, MVHPC provided 80 percent of the total hospice days of care in Yadkin County. Thus, MVHPC is intimately aware of the local need for a hospice inpatient facility. The following narrative provides statistical, demographic and geographic data that supports the proposed adjustment to the Proposed 2013 SMFP.

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

**Hospice Utilization**

Residents of Yadkin County and their physicians recognize the valuable benefits of hospice services. As a result, hospice services are well utilized in Yadkin County. The growth of hospice days of care and admissions has exceeded statewide utilization in recent years. Please refer to the following tables.

**Hospice Days of Care & Admissions, FY09-FY11**

<b>Yadkin County</b>		
	<b>Days of Care</b>	<b>Admissions</b>
FY2009	12,023	138
FY2010	11,871	132
FY2011	13,443	209
<i>2-Yr Trailing Avg Growth Rate</i>	<b>5.7%</b>	<b>23.1%</b>

<b>North Carolina</b>		
	<b>Days of Care</b>	<b>Admissions</b>
FY2009	2,650,416	33,460
FY2010	2,874,121	35,403
FY2011	2,915,218	38,743
<i>2-Yr Trailing Avg Growth Rate</i>	<b>4.9%</b>	<b>7.6%</b>

Source: 2011-2012 SMFP, Proposed 2013 SMFP

Based on historical data, both hospice days of care and admissions have grown rapidly in Yadkin County. During FY09-FY11, the compound annual growth rate for hospice admissions in Yadkin County was 23.1 percent and 5.7 percent for days of care. Both of these growth rates exceed statewide utilization growth during the same time period. Additionally, hospice services are utilized to a greater extent in Yadkin County compared to the state as a whole. The table on the following page provides a comparison of hospice days of care per 1,000 population.

**Days of Care per 1,000 Population**

	<b>Yadkin Co.</b>	<b>North Carolina</b>
FY2009	672.7	280.9
FY2010	667.8	300.1
FY2011	744.0	301.5
<i>2-Yr Trailing Avg Growth Rate</i>	<i>5.2%</i>	<i>3.6%</i>

Source: 2011-2012 SMFP, Proposed 2013 SMFP; North Carolina  
 Office of State Budget & Management

Yadkin County residents utilize hospice services at more than twice the rate of all North Carolina residents, and this rate has been increasing more rapidly compared to the State as a whole.

The percentage of county deaths served by hospice is also an indicator of utilization of hospice services by county residents. During recent years, the percentage of total Yadkin County deaths served by hospice has remained above 30 percent and comparable to the statewide median. Please refer to the following table.

**2003-2008 Percent of Deaths Served by Hospice Yadkin County**

	<b>2008</b>	<b>2009</b>	<b>2010</b>
Yadkin Co. Population	38,172	38,139	38,451
Total Deaths	369	383	410
Hospice Patient Deaths	127	115	128
<b>% of Total Deaths Served by Hospice</b>	<b>34.4%</b>	<b>30.0%</b>	<b>31.2%</b>
Statewide Median %	27.0%	30.9%	32.0%

Source: The Carolinas Center for Hospice and End of Life Care

The percentage of deaths served by hospice in Yadkin County is further evidence of the local demand for hospice inpatient services, and supports the proposed adjustment to include a need determination for six hospice inpatient beds in the 2013 SMFP.

The State found this type of evidence to be compelling as shown in its agency recommendations in response to the petition submitted by Crystal Coast Hospice House regarding the Draft 2011 SMFP. The State recognized that the relatively high utilization of hospice services in the county supported the recommendation for an adjusted need determination. The SHCC subsequently approved an adjusted need determination for six hospice inpatient beds in Carteret County in the 2011 SMFP.

Clearly, special circumstances exist in Yadkin County with regard to utilization of hospice services that necessitate the need for hospice inpatient beds. Yadkin County residents utilize hospice services well above the rate of all North Carolina residents. Additionally, Yadkin County's days of care and admissions are increasing at rates above the State average. MVHPC believes an adjusted need determination for Yadkin County to include six hospice inpatient beds will provide much needed local services that will be highly utilized.

**Hospice Inpatient Bed Need Methodology**

In the standard methodology, the SMFP projects FY2016 days of care based on using the ALOS from either the county or the statewide median, whichever is lower. In the case of Yadkin County, the FY2011 ALOS of 92.71 days is higher than the statewide median of 72.65 days. Due to the significant difference between the Yadkin County actual ALOS and the statewide median ALOS, the standard methodology projects that Yadkin County days of care will increase only 2.5 percent. This is inconsistent with the historical growth trend in Yadkin County. Please refer to the following table.

**Yadkin County Hospice Days of Care, FY09-FY11**

	<b>Days of Care</b>
FY2009	12,023
FY2010	11,871
FY2011	13,443
<i>2-Yr Trailing Avg Growth Rate</i>	5.7%

Source: Proposed 2013 SMFP

The two-year trailing average growth rate for hospice days of care in Yadkin County was 5.7 percent from FY09-FY11. This is more than twice the projected growth rate utilized by the standard methodology. Thus, the SMFP standard methodology results in Yadkin County projected days of care that are much lower compared to local historical growth patterns.

MVHPC recommends that, in the case of this petition for an adjusted need determination, the Yadkin County historical ALOS (92.71) is more relevant and appropriate than the broader statewide median ALOS (72.7). Though the Yadkin County ALOS is comparatively higher than the statewide median, the Yadkin County ALOS has consistently remained at this high level during recent years. In fact, the Yadkin County ALOS has consistently increased during the last three years. Please refer to the following table.

**Hospice Average Length of Stay per Admission**

	<b>Yadkin County ALOS</b>	<b>NC Median ALOS</b>
FY2008	80.6	77.2
FY2009	87.1	75.4
FY2010	89.9	80.5
FY2011	92.7	72.7

Source: 2010-2012 SMFP, Proposed 2013 SMFP

Based on a review of historical data, it is evident that Yadkin County’s ALOS per hospice admission is not an anomaly. Rather, it is an accurate representation of hospice use in Yadkin County. Therefore, MVHPC recommends utilizing the county-specific ALOS to project need for hospice inpatient beds in Yadkin County. Please refer to the following table.

**Table 13C Adjusted Hospice Inpatient Bed Need Methodology for Yadkin County  
 (Based on Yadkin County ALOS)**

	<b>Total Admissions</b>	<b>Days of Care</b>	<b>ALOS per Admission</b>	<b>Total 2016 Admissions</b>	<b>2016 DOC at County ALOS</b>	<b>Projected IP Days (6%)</b>	<b>Total Projected IP Beds</b>	<b>Currently Licensed</b>	<b>Existing Facility Occupancy Rate</b>	<b>Deficit/ (Surplus)</b>
Yadkin County	145	13,443	92.71	209	19,389	1,163	4	0	N/A	4

As demonstrated in the previous table, if the Yadkin County ALOS is used, as MVHPC recommends, the resulting total projected inpatient bed need would be four beds. As described in the previous narrative, hospice services are highly utilized in Yadkin County. The historical use of hospice services and the demographics of the local service area ensure the proposed hospice inpatient beds will be well utilized.

## Demographics

### *Population Growth*

The increase in hospice days of care and deaths served by hospice in Yadkin County can be attributed to the county's rapidly aging population. As shown in the table on the following page, Yadkin County has a significantly older population compared to the State. The State demographer projects this demographic factor to increase significantly in the next four years.

**Projected Population Age 65+  
2012-2016**

	<b>2012</b>	<b>2016</b>
Yadkin Co. Age 65+	6,592	7,219
<i>% of County Pop</i>	17.1%	18.6%
North Carolina Age 65+	1,349,431	1,553,178
<i>% of State Pop</i>	13.8%	15.2%

Source: NC Office of State Budget & Management

The population age 65 and older makes up a very significant portion of Yadkin County's total population as compared to the State overall. The Yadkin County population age 65 and older is projected to increase 10 percent during the next four years. The growth of aged residents in Yadkin County is very relevant to this petition because according to the National Hospice and Palliative Care Organization (NHPCO), 82.7 percent of hospice patients are age 65 and older<sup>1</sup>. Additionally, NHPCO expects the number of hospice patients within this age cohort to increase in the future.

### *Disease Incidence*

Hospice use is higher for diseases that impose a great burden on caregivers. According to the NHPCO, cancer diagnoses account for 35.6 percent of all US hospice admissions. As documented in the following table, between 2005 and 2009 Yadkin County had a higher cancer incidence rate for its overall population

<sup>1</sup> National Hospice and Palliative Care Organization Facts and Figures: Hospice Care in America, 2011.



compared to North Carolina. It is also important to note that the cancer incidence rate is for Yadkin County residents age 65 and older is significantly higher compared to all age groups and comparable to the Statewide incidence rate. As described previously, individuals age 65 and older will comprise over 18 percent of the total Yadkin County population in 2016.

**2005-2009 Age Adjusted and Age Specific Cancer Incidence in Yadkin County**

	All Age Groups	65+
	Age Adjusted Rates per 100,000	Age Specific Rates per 100,000
Yadkin County	502.8	2,123.6
North Carolina	500.1	2,172.1

Source: North Carolina State Center for Health Statistics

Given that cancer is the most common diagnosis for hospice patients and a substantial and growing portion of local residents are age 65 and older, Yadkin County will continue to demonstrate a great need for hospice inpatient services. These residents also have a financial need for local access to hospice inpatient services.

Income

It is also important to note that Yadkin County residents have comparatively less income per capita than the State overall. This is representative of a significantly older population in Yadkin County that lacks the monetary resources necessary to travel long distances for hospice inpatient services. As described in the following narrative, existing hospice inpatient facilities are located a considerable distance from most Yadkin County residents. Thus, it is particularly important that Yadkin County have access to hospice inpatient services to accommodate the needs of its local residents.

**Income Per Capita, 2006-2010**

	<b>Yadkin County</b>	<b>North Carolina</b>
Income Per Capita, 2006-2010	\$20,379	\$24,745

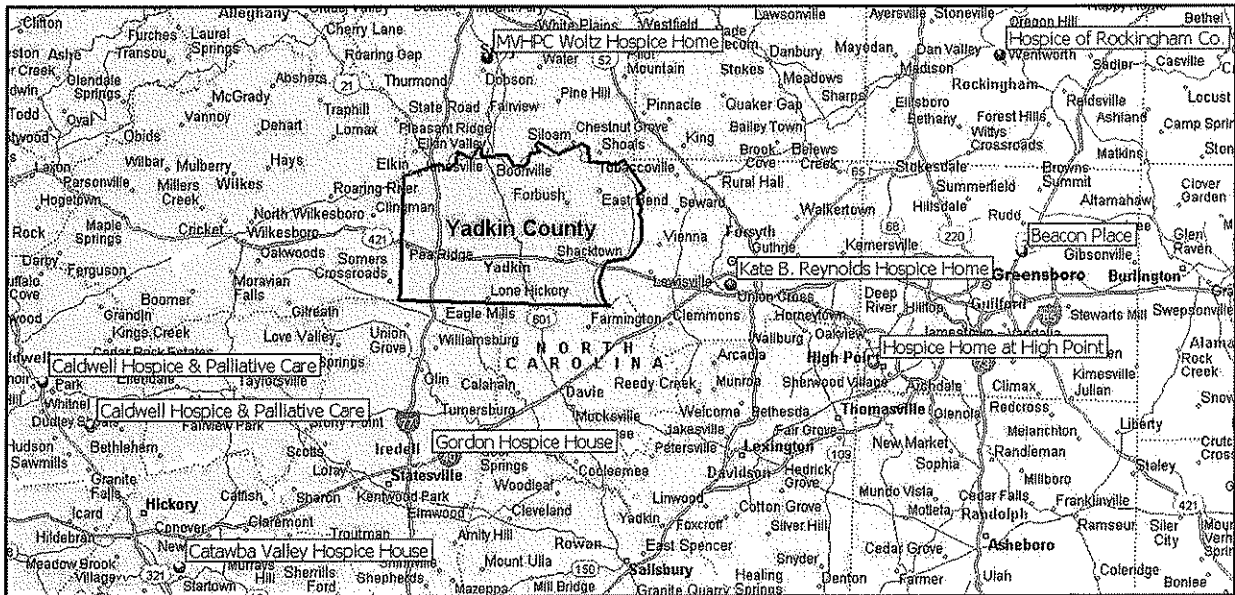
Source: US Census Bureau Quick Facts

In summary of the demographic justification, as the Yadkin County population continues to age, the need for hospice inpatient services will continue to increase. The addition of six hospice inpatient beds in Yadkin County will clearly help meet current and future demand for residents of Yadkin County.

**Geographic Need**

In addition to having a high utilization of hospice services, Yadkin County also demonstrates a geographic need for hospice inpatient services. Currently, Yadkin County does not host a hospice inpatient facility. Hospice patients in need of inpatient services must be referred to out-of-county facilities. Travel time for family members visiting their loved ones in out-of-county hospice facilities can be very long. The following map illustrates the location of Yadkin County, and shows its relative distance from existing hospice inpatient facilities in North Carolina.

**Regional Hospice Inpatient Facilities**



The closest hospice inpatient facility is MVHPC’s Woltz Hospice Home in Dobson (Surry County). However, this facility is currently operating at practical capacity. During FY2011, MVHPC’s average daily census was 12.4 (for 13 inpatient beds). With a completely full Woltz Hospice Home, the next closest hospice inpatient facilities for Yadkin County residents are located in Winston-Salem (Forsyth County) and Statesville (Iredell County). These facilities are also operating at a high capacity and located half an hour away or more from Yadkinville (the county seat). Other regional facilities, located in Rockingham, Caldwell and Catawba counties, are located even further away. Furthermore, based on FY2011 data, most of these facilities are operating above 90 percent occupancy; thus, these alternatives offer extremely limited access for Yadkin County residents. Please refer to the following table.

### Drive Times to Regional Hospice Inpatient Facilities

Facility	Facility County	FY2011 Occupancy	Distance from Yadkinville
Woltz Hospice House (MVHPC)	Surry	95.2%	20 mi; 26 mins
Kate B. Reynolds Hospice Home	Forsyth	90.3%	24 mi; 28 mins
Hospice Home at High Point	Guilford	105.4%	43 mi; 50 mins
Beacon Place	Guilford	60.0%	59 mi; 1 hr 4 mins
Gordon Hospice House	Iredell	95.1%	34 mi; 35 mins
Hospice of Rockingham Co.	Rockingham	93.7%	67 mi; 1 hr 22 mins
Catawba Valley Hospice House	Catawba	93.1%	64 mi; 1 hr 2 mins

Sources: Google Maps, Proposed 2013 SMFP

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 of the inpatients during the final days of their lives. Travel is disruptive, expensive and time consuming for these families and friends who must travel out of county long distances to visit their loved ones. Family stress is already high when dealing with a terminally ill family member, and the long travel distance from home simply increases this stress.

A dedicated inpatient hospice facility is the best option for patients who need more involved symptom control or pain management, and more intensive nursing than can be effectively provided in a home setting. Some advantages of a dedicated facility include:

- A facility designed to be a non-clinical, home-like setting.
- The facility costs reflect only those costs required to support palliative care, and not the high technology and service required for acute care.
- Facility staff members engage family members by teaching caregiver skills so they can participate in the care and support of the patient.

When inpatient hospice services are not available or close by, hospice patients are often admitted to the local hospital or a nursing facility. For example, during FY2011, MVHPC provided hospice services to Yadkin County patients in the following hospitals:

- Yadkin Valley Community Hospital
- Wake Forest Baptist Medical Center
- Hugh Chatham Memorial Hospital
- Forsyth Medical Center

- Northern Hospital of Surry County
- Wilkes Regional Medical Center

Patients may receive inappropriate end-of-life care in these settings, which are designed to provide general acute or post-acute care instead of palliative care. Care provided to hospice patients outside a hospice facility can be fragmented, and the hospice home care staff is challenged to train and educate the clinical staff of the host institution. The non-hospice staff members, who are not specifically trained in hospice care, must care for both hospice and acute or post-acute care patients. As a result, they must transition their care and thinking between these two different treatment philosophies – the aggressive, curative care for the acute or post-acute patient, and the palliative and comfort care of the hospice patient. One treatment is focused on healing and wellness, and the other is focused on dying and death. Inevitably, this can result in a diminishment of the hospice philosophy of care, and result in a less-than-ideal end-of-life experience for the patient and their family members. In addition, the cost of providing such care in a hospital setting is also expensive and not cost effective compared to care administered in an inpatient hospice setting.

For information purposes, MVHPC has submitted a petition for an adjusted need determination for three additional hospice inpatient beds in Surry County; however, the need for these beds is based on the hospice utilization of Surry County residents. In other words, the projected days of care for Surry County hospice admissions are sufficient to justify the development of the three beds in Surry County. Thus, there would continue to be limited access for Yadkin County patients. At any rate, the potential development of three additional hospice inpatient beds in Surry County would not ameliorate the geographic need for hospice inpatient services in Yadkin County.

In summary, six additional hospice inpatient beds located in Yadkin County would greatly improve geographic access to hospice services for local citizens. Residents of Yadkin County will have improved access to much needed end-of-life services.

### **Community Support**

Community support for additional hospice inpatient beds in Yadkin County is extremely positive. MVHPC has received over 300 letters of support from referring physicians, local hospitals, government agencies, community leaders, and local clergy. All express their strong support for the proposed project in Yadkin County. These organizations and individuals understand the great local

demand for end-of-life services, and recognize the need for improved access to hospice inpatient services in Yadkin County.

**Historical SHCC Need Determinations**

The State Health Coordinating Council has a long and consistent history of granting adjusted need determinations for hospice inpatient beds when needed improvements to local access, quality, and costs are apparent. The following table summarizes recently approved SHCC adjusted need determinations.

**Recently Approved Adjusted Hospice Bed Need Determinations**

<i>SMFP</i>	<i>County</i>	<i>Need Determination</i>
2012	Rockingham	2
2012	Duplin	3
2012	Iredell	3
2011	Carteret	6
2011	New Hanover	6
2011	Cleveland	1
2011	Guilford	4
2011	Iredell	3
2010	Alexander	3
2010	Buncombe	5
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, for at least seven consecutive years, the SHCC has established a precedent for approving adjusted need determinations when expanded capacity of hospice inpatient services is necessary and when it offers the benefits of access, quality, and value to local residents.

MVHPC petitions for six hospice inpatient beds to ensure the financial feasibility of a potential hospice inpatient facility. An inpatient facility with six beds operates with greater economies of scale. In today's healthcare environment, which features great emphasis on minimizing the cost of care, this will be a tremendous benefit. All factors discussed in this petition demonstrate that six beds will be well-utilized by Yadkin County residents. Furthermore, the evidence of support for these beds from the provider community, as well as Yadkin County hospice patients and residents, is abundant evidence that six hospice inpatient beds will be well utilized.

The SHCC has recently approved a similar petition requesting six hospice inpatient beds for a county that lacked hospice inpatient services. For example, the SHCC approved an adjusted need determination for six hospice inpatient beds in Carteret County in the 2011 SMFP, recognizing that the relatively high utilization of hospice services in the county supported the recommendation for an adjusted need determination and that a six hospice inpatient beds would better ensure the financial feasibility of a potential facility. Notably, Crystal Coast Hospice House subsequently received CON approval to develop six hospice inpatient beds in Carteret County and has already broken ground on its new facility.

### **Enhanced Scope of Services**

This project in Yadkin County will enhance the scope of services offered by MVHPC, specifically providing inpatient hospice care in order to more effectively medically manage patients in a home-like hospice environment. As described previously, the closest inpatient facility is MVHPC's Woltz Hospice House which is currently operating at practical capacity. During FY2011, MVHPC's average daily census was 12.4 (for 13 inpatient beds). As previously mentioned, area hospitals experience increased inpatient utilization based upon patients that are admitted and later die in the hospital without hospice care. Having access to inpatient hospice beds in Yadkin County will address complex needs of hospice patients while maintaining costs by eliminating the need for hospice patients to be admitted to medical/surgical inpatient beds.

### **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 hospice inpatient services will be available locally to residents of Yadkin County. Patients and family members will no longer have to travel long distances out of the county for hospice inpatient services.

Approval of this petition will also enhance the quality of hospice services available to Yadkin County patients. Patients will have local access to hospice inpatient services structured to provide the quality end-of-life services hospice patients require. According to the NHPCO, hospice is considered to be the model for quality, compassionate care at the end-of-life. The NHPCO estimates about one in five hospice agencies also operate a dedicated inpatient unit or facility. If this petition is successful in determining an adjusted need to develop hospice inpatient beds, local patients will greatly benefit from the highest growing and most viable option for quality end-of-life care. Thus, Yadkin County hospice patients will be much less likely to be admitted to a hospital or have to travel long distances to a regional hospice inpatient facility because hospice inpatient beds will be available locally.

The rising cost of healthcare services continues to cause concern among many constituencies in North Carolina. As described previously, local hospice patients requiring hospice inpatient care are often admitted to a local hospital. This can result in costs far greater than those incurred if admitted to a more appropriate and less expensive hospice facility setting. Findings of a major study demonstrate that hospice services save money for Medicare<sup>2</sup>. Researchers at Duke University found that hospice reduced Medicare costs by an average of \$2,309 per hospice patient. Medicare costs would also be reduced if hospice was used for a longer period of time. To know hospice services will indefinitely provide cost savings to Medicare is an additional benefit as the aging population in Yadkin County faces the hardships of end-of-life situations. Approval of this petition will greatly benefit patients in terms of healthcare costs and value.

### **Adverse Effects of No Adjustment to the Need Determination**

If this petition is not approved, the need for hospice inpatient beds in Yadkin County will continue to be unmet. Local patients will continue to be forced to travel outside the county for inpatient hospice services. In addition, patients will continue to receive hospice inpatient care in either an acute care facility or in a

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<sup>2</sup> Taylor DH Jr, Ostermann J, Van Houtven CH, Tulsy JA, Steinhauser K. What length of hospice use maximizes reduction in medical expenditures near death in the US Medicare program? Soc Sci Med. 2007 Oct;65(7):1466-78.



nursing care facility, neither of which is designed for end-of-life palliative care. Either option is a compromise solution for hospice patients and their families.

The six hospice inpatient beds would enable MVHPC to continue to pursue its mission of providing high quality care to hospice patients in Yadkin County, and in accommodating the rapidly aging population and increasing local demand for hospice services in Yadkin County.

### **Conclusion**

In summary, MVHPC seeks an adjusted need determination to include six hospice inpatient beds in Yadkin County in the 2013 SMFP because:

- Yadkin County's Hospice Days of Care and Admissions are increasing at considerably faster rates compared to the State as a whole.
- Hospice providers serve a high percentage of Yadkin County deaths.
- Yadkin County's average length of stay (ALOS) per hospice admission has consistently remained higher than the statewide median ALOS per hospice admission.
- The population in Yadkin County is continuing to age, with a corresponding growing need for increased access to local hospice inpatient services.
- The availability of regional North Carolina hospice inpatient facilities is limited, and is typically at or near capacity.
- Yadkin County residents have limited financial resources to travel long distances for hospice inpatient services.
- Travel from Yadkin County to existing regional North Carolina hospice inpatient facilities is disruptive, expensive, and time-consuming for local residents. Family members of local patients who are in need of hospice inpatient care benefit from receiving care in a setting that is close to home.
- Community support for additional hospice inpatient beds in Yadkin County is very strong.